



2023-2024 Annual Report





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 and protecting ecological values of global significance. We do this through recognising and celebrating the values of our Wadawurrung heritage, acknowledging the legacy of our architectural built scape, and appreciating our military history fundamental to Australia’s defence.

Acknowledgement

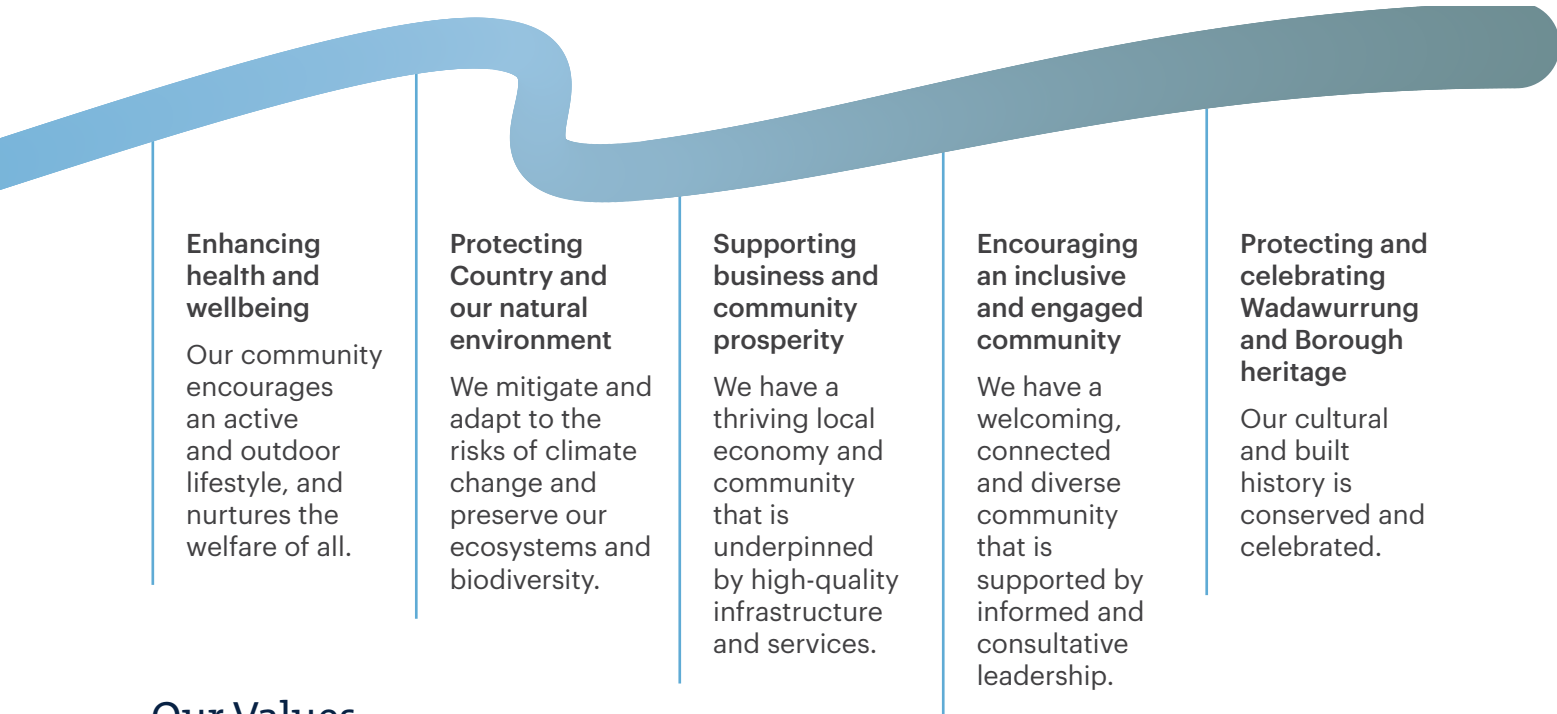
The Borough of Queenscliffe acknowledges the Traditional Owners of these lands, waters and skies, the Wadawurrung People. We acknowledge and respect their continuing connections to their lands, waters, skies, culture and the contribution they make to the life and spirit of our community. We pay respect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

Community Vision

Central Statement:

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

Supporting Pillars



Our Values

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

About this Annual Report

We proudly present the Borough of Queenscliffe Annual Report 2023–24. This document highlights Council's performance over the past financial year.

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

Portfolio 1: Health and wellbeing

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

Portfolio 2: Environment

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

Portfolio 3: Local economy

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

Portfolio 4: Heritage, planning and infrastructure

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

Portfolio 5: Governance and finance

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

This Annual Report includes information about Council's performance, achievements and challenges for each of these strategic directions within the 2023-24 financial year, as well as an outline of Council services and operations. It also provides a comprehensive and externally audited Performance Statement and Financial Report.

As a document, the Annual Report is part of Council's commitment to open, transparent and accountable local governance. It informs Council, ratepayers, community members and other stakeholders of the achievements and challenges of the past financial year, and provides key information required under the Local Government Act 2020, Planning and Reporting Regulations 2020, and other relevant legislation.

Feedback or questions relating to the Annual Report are welcome.

Email: info@queenscliffe.vic.gov.au

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

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

Cover image: Queenscliffe Indigenous Nursery Volunteers

Photographer: Alan Barber

From the Chief Executive Officer

What follows in this Annual Report is a comprehensive response to the range of metrics designed and, in some cases, legislated, to measure Councils performance across the financial year.

It should be read as a kind of story, or an account of the things we do on behalf of you, our community. It tells you how we spend your money, how we meet your service needs, how we meet our statutory obligations, and importantly it assesses if we do those things in a way that is responsible and to the benefit of our community.

It would be fair to say that the Annual Report measures a certain type of success or highlights areas that require us to work harder, but it doesn't always capture how the work Council does contributes to the health and wellbeing of our community. It doesn't present a simple metric that might define whether or not in the broader context we make a positive contribution.

For that we need to look elsewhere.

The State Government recently released the Victorian Population Health Survey data. In the survey people were asked to rank their level of life satisfaction. The broad definition of life satisfaction is the degree to which a person positively evaluates the overall quality of their life as a whole.

The Borough of Queenscliffe ranked number 1 against the metric level of life satisfaction (very high). Overall, 85.6% of our community report a high and very high level of life satisfaction.

Council observes this satisfaction every day; our community is full of vibrant and community-minded people that care for the place they call home.

It has been reassuring to see Council and community continue to work together towards improved outcomes for the Borough during the 2023-2024 financial year. Together, we have delivered essential services, advanced projects, and embraced sustainable initiatives that enhance our environment.

Council is proud of the contribution it makes to our community's quality of life.

Council's work during 2023/24 would not have been possible without the professionalism and agility displayed by our staff. They are dedicated to serving our community and I thank them for their efforts.

As we reflect on our successes, we remain focused on driving continuous improvement and fostering a vibrant, sustainable future for all, and my team looks forward to serving our community alongside our Councillors over the coming years.

Thank you
Nyatne baa Gobata
(thank you and take care)



Martin Gill
Chief Executive Officer
Borough of Queenscliffe



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Image: Queenscliffe Senior Citizens Volunteers

Community and Stakeholder Engagement

Council regularly conducts structured community engagement activities by inviting input and seeking feedback on strategies and projects as they're developed, in line with our Community Engagement Policy. Stakeholder engagement is the foundation for understanding the diverse needs and aspirations of our residents and ratepayers. This engagement informs Council's decision-making and guides the advocacy that Council conducts on behalf of the community. Our stakeholder engagement is underpinned by:

- The Local Government Act 2020, and specifically Council's role pertaining to acting as a representative government for the local community, advocating its interests to other communities and governments, and encouraging active participation in civic life
- Our Community Engagement policy, which outlines how and when we engage and consult with our community and other stakeholders
- Our Customer Service Charter, which sets out the services provided by Council and how our service levels will be measured
- Our Councillor Code of Conduct, and specifically the principles and behaviours relating to Councillors performing their community engagement and advocacy roles
- Guidelines relevant to various engagement activities, such as our monthly Councillor listening posts.

During 2023 – 2024 Council undertook community engagement of the following key strategic initiatives:

- Coastal Marine Management Plan
- Murray Road Shared Use
- Council Budget 2024-2025

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

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

During 2023–24, Council received and responded to 60 public questions raised at the monthly Ordinary Meetings.

Engaging with residents and stakeholders improves our effectiveness in delivering services that matter to our community. In 2024–25, we're looking forward to another year of working alongside our community to implement the objectives our Council Plan.



Image: Point Lonsdale Boardriders Volunteers

Financial Summary

Financial reporting provides essential information that describes and helps us understand the financial position of the Borough of Queenscliffe and our performance over the past year. It also enables our community and our stakeholders to assess the ability of Council to deliver current services and maintain existing facilities and service standards in the longer term.

Council's financial position remains sound. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the Financial Statement and Performance Statement sections of this report.

Surplus/(deficit) for the year

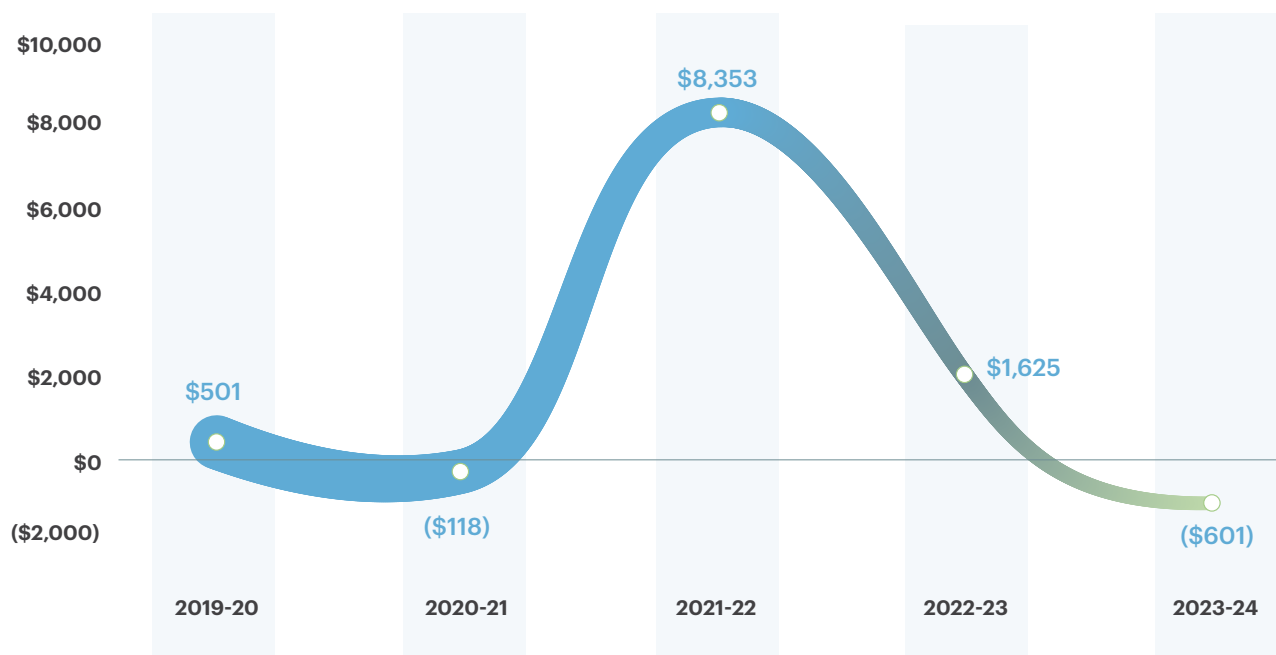
The Council reported a deficit of \$601,000 for the 2023-24 Financial Year (FY). This figure is significantly affected by the inclusion of expenditure totalling \$501,000, spread across multiple years and categorised as operating expenses in 2023-24 FY because these expenses do not meet the capitalization criteria. The timing of the Financial Assistance Grant (FAG) also played a crucial role in shaping the financial results for the 2023-24 FY.

The surpluses reported in previous years were primarily driven by income from capital grants. In the 2021-22 FY, Council received \$7.6 million in capital grants for major projects, followed by \$2.2 million in the 2022-23 FY. This stands in sharp contrast to the significantly lower income of \$0.2 million from capital grants reported in the 2023-24 FY.

After accounting for an asset valuation gain from the revaluation of Council's drainage assets, the total comprehensive result shows a reduced deficit of \$477,000.

The surplus/deficit and comprehensive result presented in the general-purpose income statement may not accurately reflect Council's financial performance, particularly given the relatively small budget of the Borough. These figures include income from capital grants without fully accounting for the corresponding expenses. The underlying result (circa, difference between operating income and operating expenses) is therefore the most meaningful measure for assessing Council's performance.

Surplus (\$'000)



Underlying result

As per the LGPRF (Local Government Performance Reporting Framework) definition, Council's adjusted underlying result, calculated by excluding non-recurrent capital grants, shows a deficit of \$0.83 million, which equates to -6.1% of the adjusted underlying revenue. This outcome has been materially affected by the early receipt of the FAG and the classification of certain capital expenditures as operating expenses in the 2023-24 financial year.

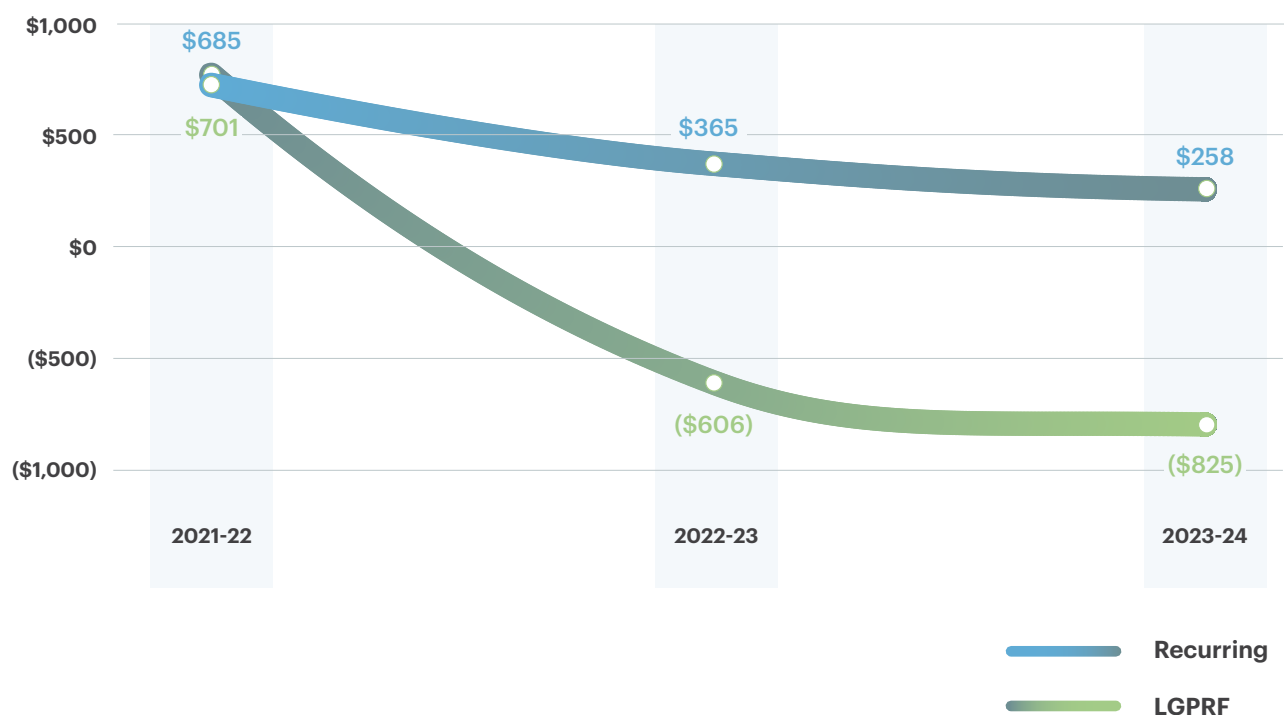
To derive a more meaningful representation of the underlying result, it is advisable to evaluate it by excluding the effects of non-recurring operating income and expenses. Adjustments should be made for the timing of recurring operating grants, where applicable, as defined in the Borough's Council Plan.

The methodology outlined in the paragraph above aims to establish a consistent method for estimating the recurring basis of the underlying result. This consistency is crucial for facilitating accurate and meaningful comparisons across financial years given the size (size of the budget) of the organisation, allowing for a more reliable assessment of the Borough's financial performance.

On a recurring basis, as defined in the Borough's Council Plan, Council's adjusted underlying result for the 2023-24 financial year shows a surplus of \$258,000, which represents 2.2% of the adjusted underlying revenue. This is a decrease from the previous financial year (2022-23), where Council reported an underlying surplus of \$365,000, or 3.3% of the adjusted underlying revenue.

The reduction in the underlying result on a recurring basis is indicative of the inflationary pressures faced by Council during the 2023-24 financial year, impacting overall financial performance.

Underlying operating result \$'000



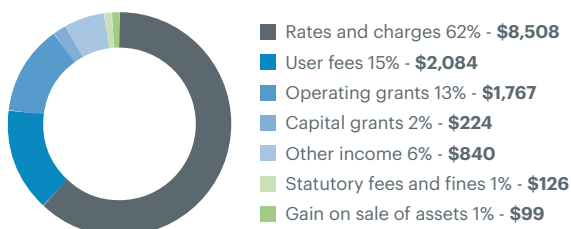
Note: The annualization of the Roads to Recovery (R2R) grant has not been factored in, reflecting a more conservative approach to calculating the underlying result on a recurring basis. Results from previous years have been recalculated to reflect this adjustment.

The 2021-22 FY result shown the graph above reflects a significant reduction in employee costs in the 2021-22 FY compared to the previous FY due to a significant number of staff vacancies during that period. These temporary savings in employee costs had a considerable positive impact on the underlying result for the 2021-22 financial year.

Revenue

Council's total revenue for the 2023–24 FY is \$13.7 million (down from \$14.6 million in 2022–23). The decrease in income is predominately due to the reduction in income recognised from capital grants.

Revenue sources (values are in \$'000)

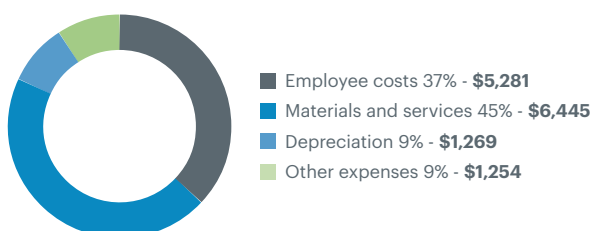


Operating expenses

The Council's total operating expenses for the 2023–24 FY amounted to \$14.3 million, up from \$12.9 million in 2022–23.

This increase is primarily driven by one-off project costs, notably a significant asbestos removal project undertaken during the year. Additionally, employee costs for 2023–24 increased compared to the previous financial year. However, employee costs were \$125,000 below the adopted budget (as reinstated in the quarterly financial report, 30 September 2023, and presented at the November 2023 Council meeting). This favourable variance occurred despite a \$48,000 increase in the WorkCover premium compared to the previous year. Employee costs in 2022–23 were understated due to staff vacancies, particularly during the first half of that FY.

Council's expenses (values are in \$'000)

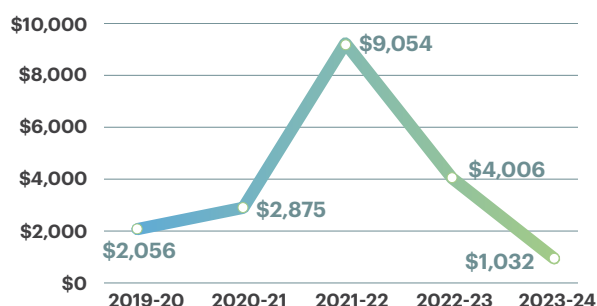


Capital expenditure

In the 2023–24 FY, the Council spent only \$1.03 million of its capital expenditure budget, following two years of substantial investments in Council asset.

All major capital works projects scheduled to begin in the 2023–24 FY have been delayed, primarily due to changes in the initial project scope and delays in securing the necessary approvals. These projects are now expected to commence in the 2024–25 FY or later. The unspent capital expenditure, funded through Council's own income, has been transferred to asset renewal and specific carry-forward capital work reserve accounts for future use.

Capital works (\$'000)



Total assets

Council's total asset base is \$184.6 million as at 30 June 2024. The major components of assets are:

- Property, infrastructure, plant and equipment; and
- Cash and cash investments.

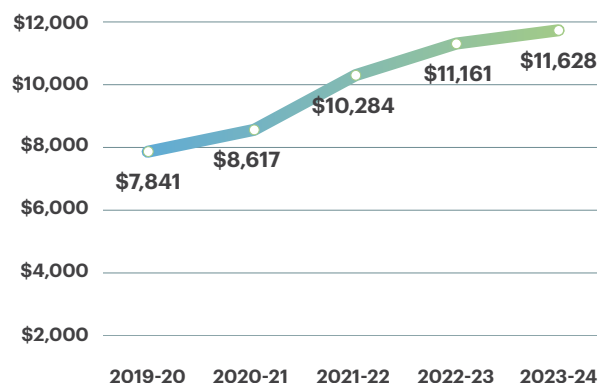
Together, these asset categories account for 99.4% of all assets. Property, infrastructure, plant and equipment are valued at \$172 million, of which \$97.7 million represent the value of Crown land and land under roads managed by Council.

Liquidity

Council's cash and cash equivalents, along with short-term cash investments (with maturity dates ranging from 3 to 12 months) and long-term cash investments (with maturity dates over 12 months), increased to a total of \$11.6 million in the 2023-24 FY.

Out of this amount, \$5.7 million has been allocated for specific purposes, while the remaining \$5.9 million is available as unrestricted cash reserves. These unrestricted cash holdings are considered sufficient to meet all of the Council's financial obligations as of 30 June 30, 2024.

Cash and Cash Investments (\$'000)

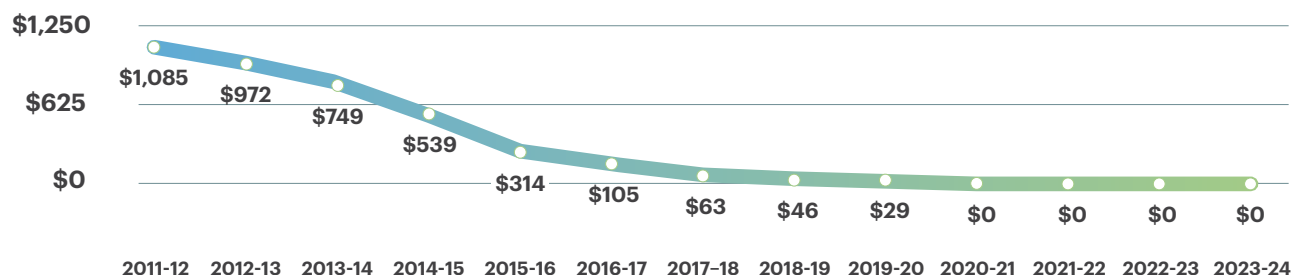


Liabilities

Council's liabilities include amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$3.1 million as at 30 June 2024.

Council has zero debt and is operating well above the Victorian Government's prudential ratio limits.

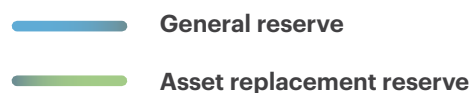
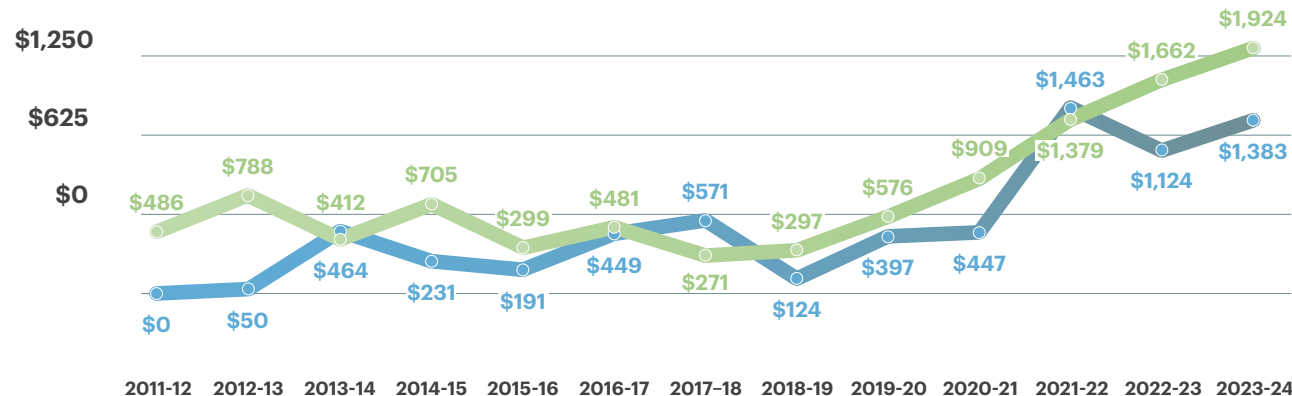
Loan liabilities (\$'000)



Key Reserves

As of June 30th, the Council's other reserve balance which is fully cash-backed is \$8.9 million, out of this amount with \$1.4 million designated for the general reserve and \$1.9 million allocated to the asset replacement reserve.

Loan liabilities (\$'000)



Financial Sustainability Indicators

The Victorian Auditor-General's Office (VAGO) issues an annual report to Parliament, typically in November or December, detailing the outcomes of the Local Government Audits for the most recent financial year. Within this report, VAGO evaluates seven financial sustainability risk indicators across different council groupings. These indicators serve as benchmarks to gauge the financial health of local governments.

Profitability indicators

- Net result – whether enough revenue is generated to cover operating costs including depreciation.
- Adjusted underlying result – whether the entity generates a surplus in the ordinary course of business.

Financing indicators

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

Asset renewal and maintenance indicators

- Capital replacement – whether assets have been replaced at a rate consistent with the rate of consumption.
- Renewal gap – whether existing assets have been maintained at a consistent rate.

The chart below illustrates the Borough's performance in these financial sustainability indicators over the past five years. The figures for the 2023–24 financial year are based on calculations carried out by the Borough itself, as the final VAGO statistics are anticipated to be officially presented to Parliament and subsequently made public during the later part of the 2024 calendar year.

Risk assessment matrix

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

Risk assessment

Financial sustainability indicators	Financial Year						Notes
	2019/20*	2020/21*	2021/22*	2022/23*	2023/24**	5Y average	
Net result	4.40%	-0.90%	41.30%	11.10%	-4.41%	10.30%	1
Adjusted underlying result	-3.70%	-13.70%	5.60%	-4.90%	-6.15%	-4.57%	1
Liquidity	5.1	2.9	3.1	4.6	3.8	3.9	
Internal financing	151.30%	128.10%	122.90%	138.20%	145.15%	137.13%	
Indebtedness	1.20%	1.10%	1.10%	0.90%	1.22%	1.10%	
Capital replacement	1.4	2.1	5.6	4.4	0.9	2.9	2
Renewal gap	1.2	1.9	5.4	1.9	0.7	2.2	2

Source: VAGO

* Based on VAGO reports

** Based on the audited results calculated by BoQ

Notes

1. The 2023–24 result is impacted by the reclassification of expenses and the timing of the FAG.
2. The 2023–24 result is impacted by the delay in commencing planned capital work projects.

Description of Operations

The Borough of Queenscliffe Council Plan 2021–2025 sets Council's work priorities and guides decision-making and budget allocation.

Council delivers services and initiatives under 25 major service categories. Each contributes to the achievement of strategic objectives set out under five portfolios in the Council Plan. These services range from aged care to environmental health, tourist park management to land use planning, and street lighting to community engagement.

Economic factors

Australia's economy remained subdued throughout the 2023–24 year. Persistent inflation, rising mortgage interest rates, and increasing rents created a significant financial strain on Australian households.

In the Borough of Queenscliffe, this "cost of living" crisis appears to have directly contributed to a notable increase in outstanding rates as of 30 June 2024, compared to previous financial years.

Council's core operations were also significantly affected by inflationary pressures during the year. In particular, new multiple year service contracts were due for renewal during the year. Letting new contracts in a high inflationary environment presented complex discussions about value and had significant impact on the underlying recurring costs of operational management.

However, operational efficiencies achieved by Council, in addition to interest generated from elevated investments in term deposits during the financial year, helped to mitigate the impact of inflation. Council was able to manage the negative effects of the economic environment, limiting the damage and to a moderate impact on its operating result on recurring basis.

Major capital works

During 2023–24, major capital works included the following projects:

Commencement Fisherman's Co-op Asbestos removal

This project was undertaken in partnership with the Victorian Asbestos Eradication Agency.

Asbestos containing material has been removed from the Fisherman's Co-op building located at 4 Wharf Street Queenscliff in a project 100% funded by the Victorian Asbestos Eradication Agency. The Fisherman's Co-op is a building currently used primarily for storage by the Queenscliff Maritime Museum. The asbestos removal project will allow the Maritime Museum's to plan and pursue future uses of this building.

Hesse Street – boat ramp connection pathway

A new pathway has been constructed, connecting the north end of the Hesse Street commercial precinct to the newly upgraded Queenscliff Boat Ramp facilities and Bellarine Rail Trail. Works included a 90m long, 2m wide concrete pathway, and a new passive railway crossing that improves pedestrian safety and accessibility. These works were delivered in partnership with Better Boating Victoria and the Department of Transport and Planning, with support from the Bellarine Railway.

Fellows Road reseal renewal

Council, in partnership with the City of Greater Geelong, resealed the length of Fellows Road between the Bellarine Highway and Ocean Road. Over 20,000m² of road was renewed providing a new waterproof barrier which helps prevent failures in the pavement. The new seal also provides improved skid-resistance, making our roads safer.

Point Lonsdale Road footpath construction - Lawrence Road to Bellarine Community Health

This critical footpath connection was completed in July 2023 and connects Lawrence Road with the Bellarine Community Health centre. 130m of new pathway was constructed providing safety and accessibility benefits to the community. The project was funded through the Local Roads and Community Infrastructure Grant program.

Major initiatives

Development of the Borough of Queenscliffe Active Transport Strategy

The Active Transport Strategy has a vision of "A connected Borough, where walking, riding and wheeling are safe and enjoyable ways of moving to, from and around the Borough regardless of age or ability." The strategy sets out the strategies, actions, and initiatives that should be implemented over the next 10-years to achieve this vision. The strategy was adopted by Council in December 2023.

Development of the Queenscliff Traffic Management Strategy

The Queenscliff Traffic Management Strategy was developed to identify existing transport and road safety issues and develop recommendations to improve the safety, amenity, and accessibility, in the township of Queenscliff. Common issues that are addressed through the strategy include 'rat-running', speeding, and road safety at key intersections or lengths of road. The strategy was adopted by Council in June 2024.

Formation of the Queenscliff Coastal Biodiversity Forum

A forum that brings together the Borough's public land managers and active environmental groups to facilitate the protection and enhancement of the biodiversity, cultural values and ecosystems of the marine and coastal areas of the Borough. Sharing ideas, news and supporting and developing ideas to deliver on ground works which may assist in leverage grant funds as well as applying best practice approaches for works and data collect.

Award of a new Roads, Parks and Reserves maintenance service contract

Council's maintenance services contract was awarded to Service Stream in June 2024, and covers a range of services for the community, including:

- Road maintenance
- Path maintenance
- Stormwater drainage maintenance
- Parks, gardens, and reserves maintenance
- Street cleaning services
- Emergency response

Cliff Stability Study completed

Council was awarded funding through the Victoria's Resilient Coast Grant program to undertake a comprehensive study of cliff stability within the Borough. The project investigated the coastline, considered cultural heritage, identified risks and offers mitigation measures in accordance with the Victorian Marine and Coastal Policy to assist Council in understanding coastal risks and assist in public safety.

ICT Transformation Project

Council recently completed and acquitted the CORE project, an initiative involving the implementation of new Information Communications Technology (ICT) systems across three Councils. This project holds significance as it became the first to be successfully completed under the Rural Councils Transformation Program (RCTP) since its inception in 2017–2018.

ICT transformation projects are typically high-risk, prone to time delays, and susceptible to cost overruns. Such projects often stretch the capacity of project managers, and in some cases, can lead to project failure. However, the Borough's transformation program was delivered on budget, experienced minimal delays, and, most importantly, resulted in a smooth operational transition with improved processes.

This success is a testament to the investment and commitment of Borough staff, careful planning, and effective project management. The ICT transformation stands as one of the most significant change initiatives the Borough has undertaken in recent years.



Chapter 3:

Our Council, Our People

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Image: Queenscliffe Visitor Information Centre Volunteers

Borough profile

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

Located at the eastern tip of Victoria's Bellarine Peninsula on Wadawurrung Country, the Borough of Queenscliffe covers a mere 10.83 square kilometres, making it Victoria's smallest local government area. Formed by the seaside villages of Queenscliff and Point Lonsdale, as well as Swan Island, it is the only Borough in Victoria – and Australia.

The Borough of Queenscliffe was created in May 1863, making it over 160 years old and the only local government area that was not subject to amalgamation. The Queenscliff township was built first and foremost for government purposes, providing postal, customs, health and telegraph services, lighthouse and signal services, military and defence establishments and the sea pilot's service.

Cultural heritage

Council acknowledges the Wadawurrung people who have lived in harmony with the land and the waterways of this area for thousands of years. Council has developed a Reflect Reconciliation Action Plan to further build our understanding of this history, this Country, and the Wadawurrung traditional owners who cared for and nurtured the land.

In Wadawurrung language Queenscliff is known as Nherrin-boor-woorak.

Point Lonsdale is known as Gowayn.

What's in a name?

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

Designed in 1864, the original corporate seal incorporated the Latin text 'Statio Tutissima Nautis', which translates as 'the safest anchorage for seafarers'. Almost 160 years later, we are still using the essence of the original seal and continue to be a safe harbour – not just for seafarers, but for all residents and visitors.



Image: Queenscliffe CFA Volunteers

Council offices

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

Councillors

Councillors' role

Section 28 of the *Local Government Act 2020* outlines the role that each of our Councillors must play when in office and is incorporated into the Borough of Queenscliffe's Councillor Code of Conduct, which was last reviewed and adopted in February 2021 (see page 69).

The section reads, in full:

1. The role of every Councillor is—
 - a. to participate in the decision making of the Council; and
 - b. to represent the interests of the municipal community in that decision making; and
 - c. to contribute to the strategic direction of the Council through the development and review of key strategic documents of the Council, including the Council Plan.
2. In performing the role of a Councillor, a Councillor must—
 - a. consider the diversity of interests and needs of the municipal community; and
 - b. support the role of the Council; and
 - c. acknowledge and support the role of the Mayor; and
 - d. act lawfully and in accordance with the oath or affirmation of office; and
 - e. act in accordance with the standards of conduct; and
 - f. comply with Council procedures required for good governance.
3. The role of a Councillor does not include the performance of any responsibilities or functions of the Chief Executive Officer.

Councillors

During the 2023 – 2024 financial year the community was served by five Councillors. Cr Isabelle Tolhurst was Mayor until April 2024 when she resigned the position to take parental leave. Cr Ross Ebbels served out the remaining months of year as Mayor.

On 30 June 2024 the Borough of Queenscliffe Councillors were:

- Cr Ross Ebbels (Mayor)
Portfolio: Heritage, Planning & Infrastructure
- Cr Rob Minty (Deputy Mayor)
Portfolio: Health & Wellbeing
- Cr Donnie Grigau
Portfolio: Governance and Finance
- Cr Michael Grout
Portfolio: Environment
- Cr Isabelle Tolhurst
Portfolio: Local Economy

Organisational structure

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


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

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

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

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

Council's staff work across three teams as outlined in the table on the next page. The small team at the Borough of Queenscliffe comprises 68 people; however, the full-time equivalent is only approximately 42 positions.

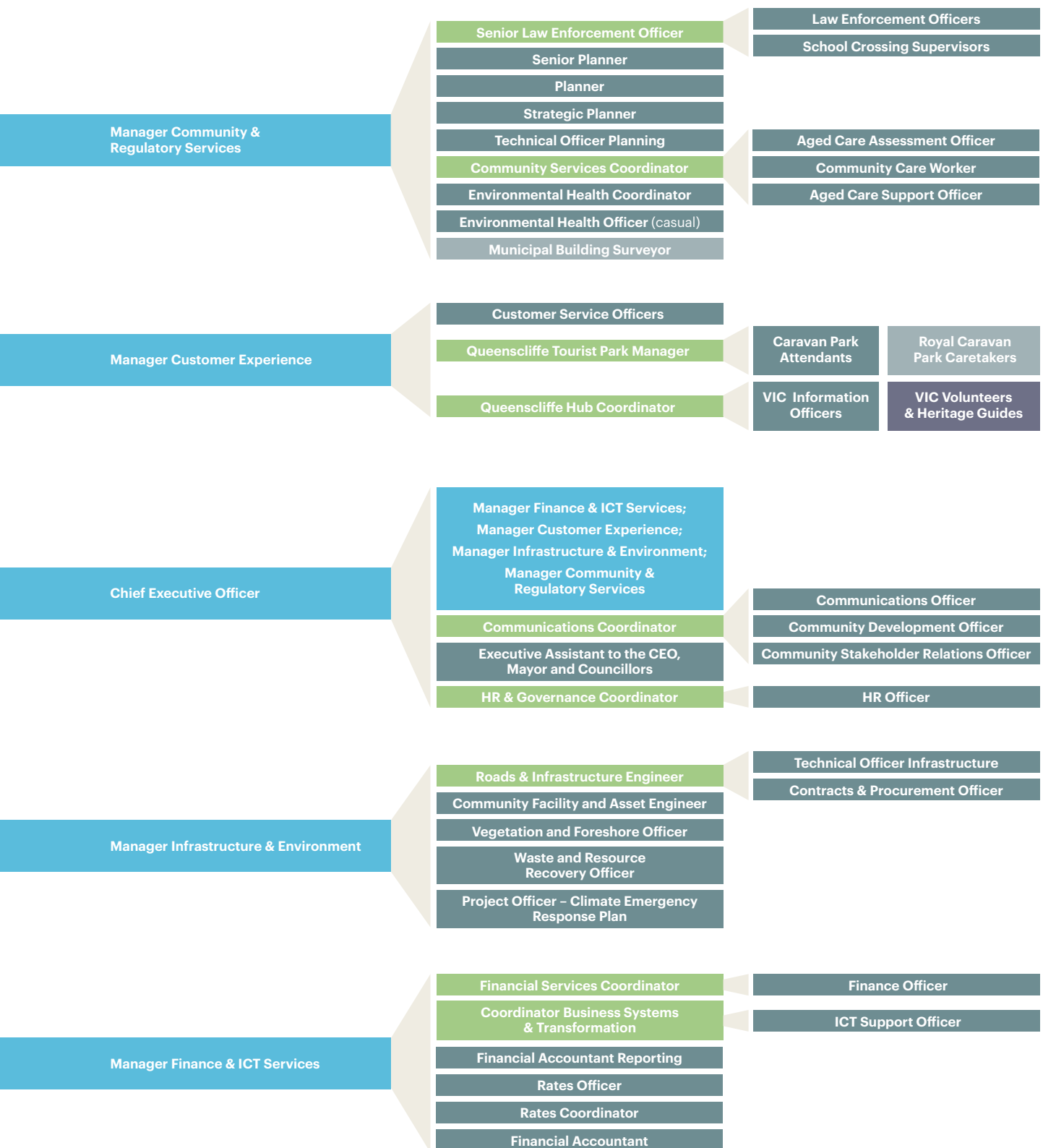
A blue circular graphic with the number '18' in large white font and the word 'volunteers' in smaller white font below it. A blue wavy line extends from the left side of the circle, and a green wavy line extends from the right side.

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

18
volunteers

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

Organisational structure



■ Management Team
 ■ Supervises staff
 ■ Coordinator/Officer
 ■ Contractor
 ■ Volunteer

Areas of responsibility



Office of the Chief Executive Officer

Citizenship and civic events
Communications
Community engagement
Governance
Tourism and economic development
Community development

Arts, recreation and cultural services
Events
Human resources and training
Mayor and Councillor support
Organisational development
Strategic advocacy

Community & Regulatory Services

Animal management
Building control
Emergency management
Environmental health
Heritage advice

Local law enforcement
School crossings
Strategic and statutory planning
Aged Care services
Early Years Services

Infrastructure & Environment

Building maintenance
Climate emergency response
Coastal and Crown land management
Contract management
Engineering
Power line clearance

Public amenities
Road maintenance and works
Street lighting
Sustainability and environment
Waste management

Finance & ICT Services

Finance, risk and audit
Information technology
Rate collection

Customer Experience

Caravan park management
Visitor information
Customer service

Management team

Council's management team is led by the Chief Executive Officer (CEO) and includes managers of four directorates: Infrastructure & Environment, Community & Regulatory Services, Customer Experience, and Finance & ICT Services.

Chief Executive Officer – Martin Gill

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

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

Manager Infrastructure & Environment – Stuart Hansen

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

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

Manager Community & Regulatory Services – Tim Crawford

Tim was appointed Manager Community & Regulatory Services in July 2022 after most recently having worked as a senior manager at Victoria Police. He previously spent more than 25 years at New Zealand Police in various managerial roles. His qualifications include a Bachelor of Arts (Education) and a Diploma of Teaching (Education).

As Manager Community & Regulatory Services, Tim is responsible for overseeing the strategic and statutory planning required throughout the organisation, as well as local law enforcement, emergency management, environmental health services and community care.

Manager Customer Experience – Abbey Tatterson

Abbey was appointed Manager Customer Experience in March 2024. Abbey brings a wealth of experience to the position, having worked in various roles since joining the Borough team in August 2017. Abbey also brings a deep understanding of our local community and a great understanding of the local environment. Abbey has a Bachelor of Applied Science and previously has been a Sport Scientist/Player Development Manager at Geelong Football Club.

The Customer Experience directorate brings together the Customer Service Team, Tourist Parks, the Queenscliffe Hub Coordinator and the Visitor Information services.

Manager Finance & ICT Services – Gihan Kohobange

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

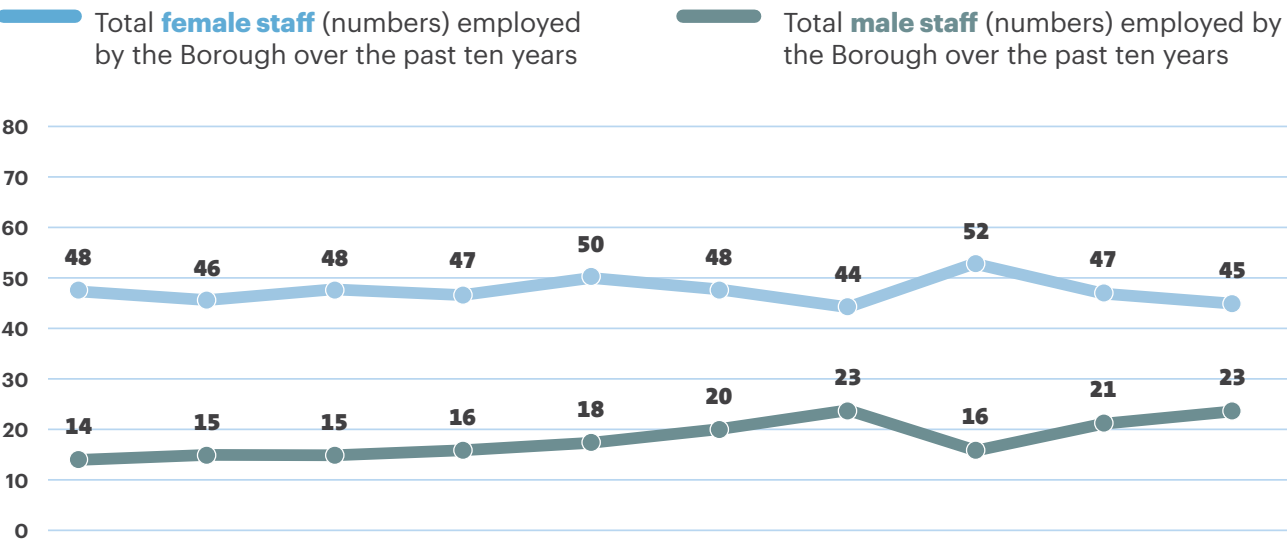
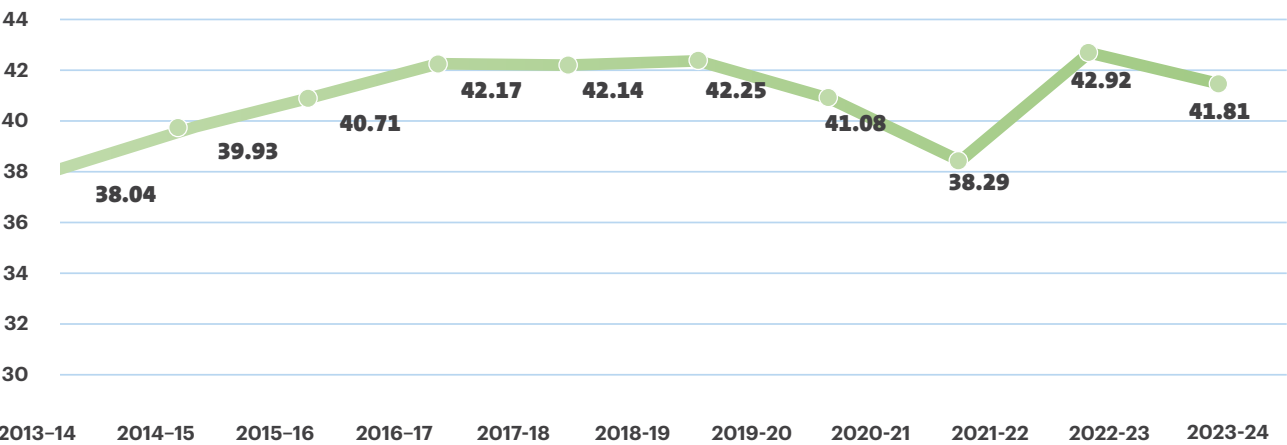
As Manager Finance & ICT Services, Gihan has overall responsibility for the efficient performance of the finance and ICT services of the organisation.

Council staff

The Borough of Queenscliffe staff team currently comprises 68 people (as at 30 June 2024). While this figure has remained consistent over the past four years, the full-time equivalent number has dropped slightly due to several staff being on extended leave, as well as multiple positions not yet being filled.

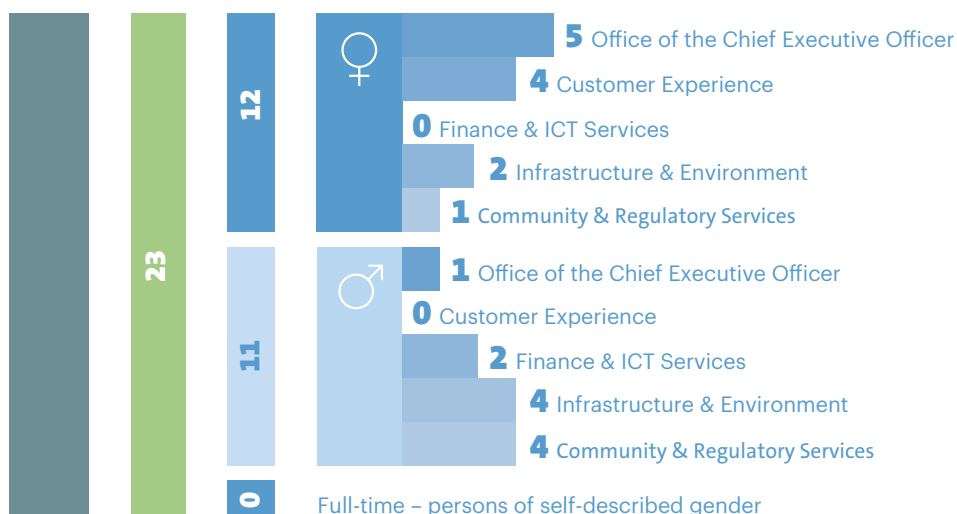
Total staff

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

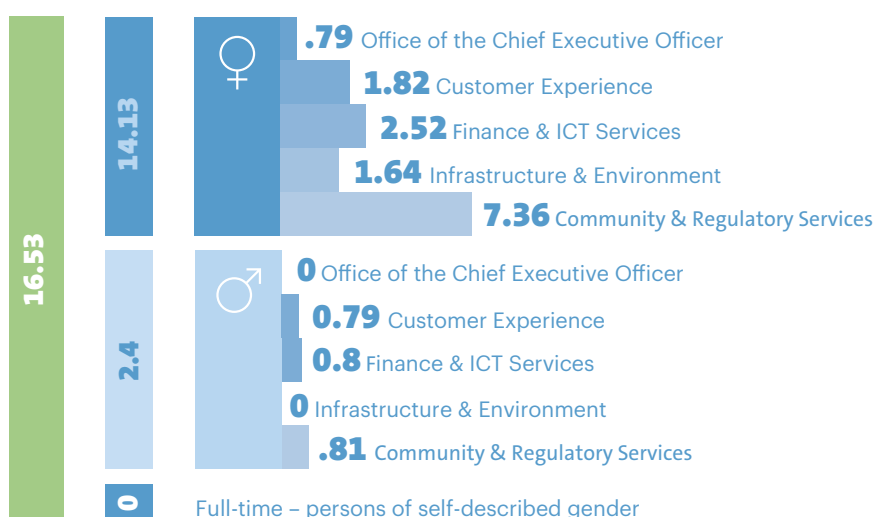


Full-time equivalent employees by employment type, gender and directorate

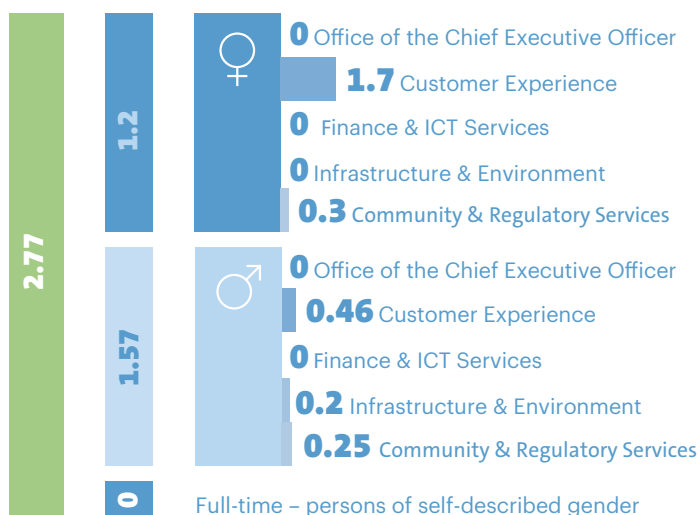
Full-time employees



Part-time employees

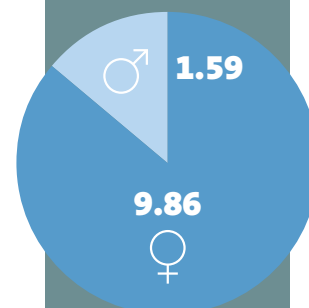


Casual employees

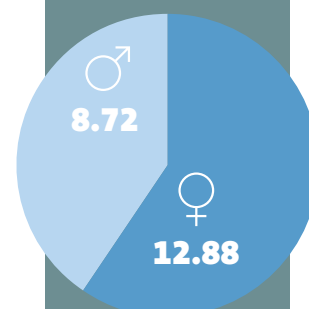


Full-time equivalent employees by pay band and gender*

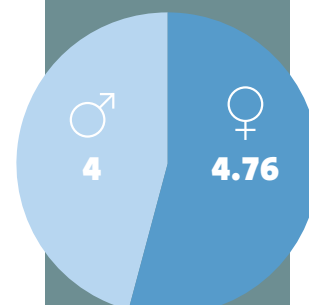
Band 1, Band 2, Band 3 & Band 4



Band 5, Band 6 & Band 7



Band 8 & Chief Executive Officer



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

Volunteering

Community organisations and volunteers make an extraordinary contribution to the Borough. In giving their time, volunteers enrich our community and the lives of many. We are very proud of the high rate of volunteerism within the Borough of Queenscliffe. According to the 2021 Census, 28% of locals aged 15 or older are actively engaged in some form of voluntary work through an organisation or group, which is 15% above the state-wide figure.

Volunteering plays a vital role in developing and maintaining a connected community, which, in turn, adds to our overall sense of wellbeing. Local volunteers care for our landscapes, our buildings, our arts and culture, our sporting clubs, and our people – residents and visitors alike. They are the fabric of our community. Without our volunteers, we acknowledge the Borough would be a very different place to live in and visit.

Volunteering to help visitors

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

During 2023–24, the team of 20 customer service volunteers and one heritage guide responded to 24,815 walk-in or phone inquiries and offered 23 heritage walks for 101 participants.

Volunteer Jan was celebrated when she reached her 10-year anniversary, as were Karmela and Jessica when they reached their 15-year service anniversary. An ongoing program of training opportunities, familiarisation tours, volunteer conferences and social functions ensures all VIC volunteers are actively engaged and fully equipped to perform their vital role.



Images: Queenscliffe Bommerang Bags, Visitor Information Centre and Men's Shed Volunteers

Celebrating local volunteers

Our annual volunteer recognition function was held in May at the Point Lonsdale Bowls Club. The event brought together more than 100 of our tireless volunteers (fondly known as vollies) to celebrate their hard work and acknowledge their generosity and service to the local community.

This year Council announced two Citizen of the Year recipients - Ric Lasslett and Rodney Nicholson. Ric is instrumental in raising money and promoting water safety and the services of the Coast Guard. Over the past 13 years he has personally completed 146 rescue missions. Prior to this he served as a volunteer SES member for 24 years awarded life membership of the Gisborne SES unit.

Joint finalist Rodney Nicholson is an enthusiastic local photographer capturing and promoting the Borough at every opportunity, quite often in a volunteer role. He is a founding member, and instrumental in the reformation of the Point Lonsdale Board Riders in 1975 and remains an active volunteer in the club. He is the longest serving volunteer at the Queenscliff Music Festival and is also involved with the Queenscliff Maritime Museum.

In 2024, the Community Group of the Year was awarded to the Queenscliff Historical Museum (QHM) for their new museum facility, acknowledging their new exhibitions such as Queenscliff Revealed, their extensive research into local history, and overseeing a large volunteer base. The QHM has ensured that the exhibition on Queenscliff's history now reflects a more diverse and inclusive approach. Key innovations have ensured that First Nations stories are told in the exhibitions.

We have highlighted our local volunteers and community groups throughout this year's Annual Report, we hope you enjoy the photos - you might even see someone you know!



Images: Point Lonsdale Surf Lifesaving Club, Sea of Ukes and Red Cross Volunteers

Chapter 4:

Our

Performance

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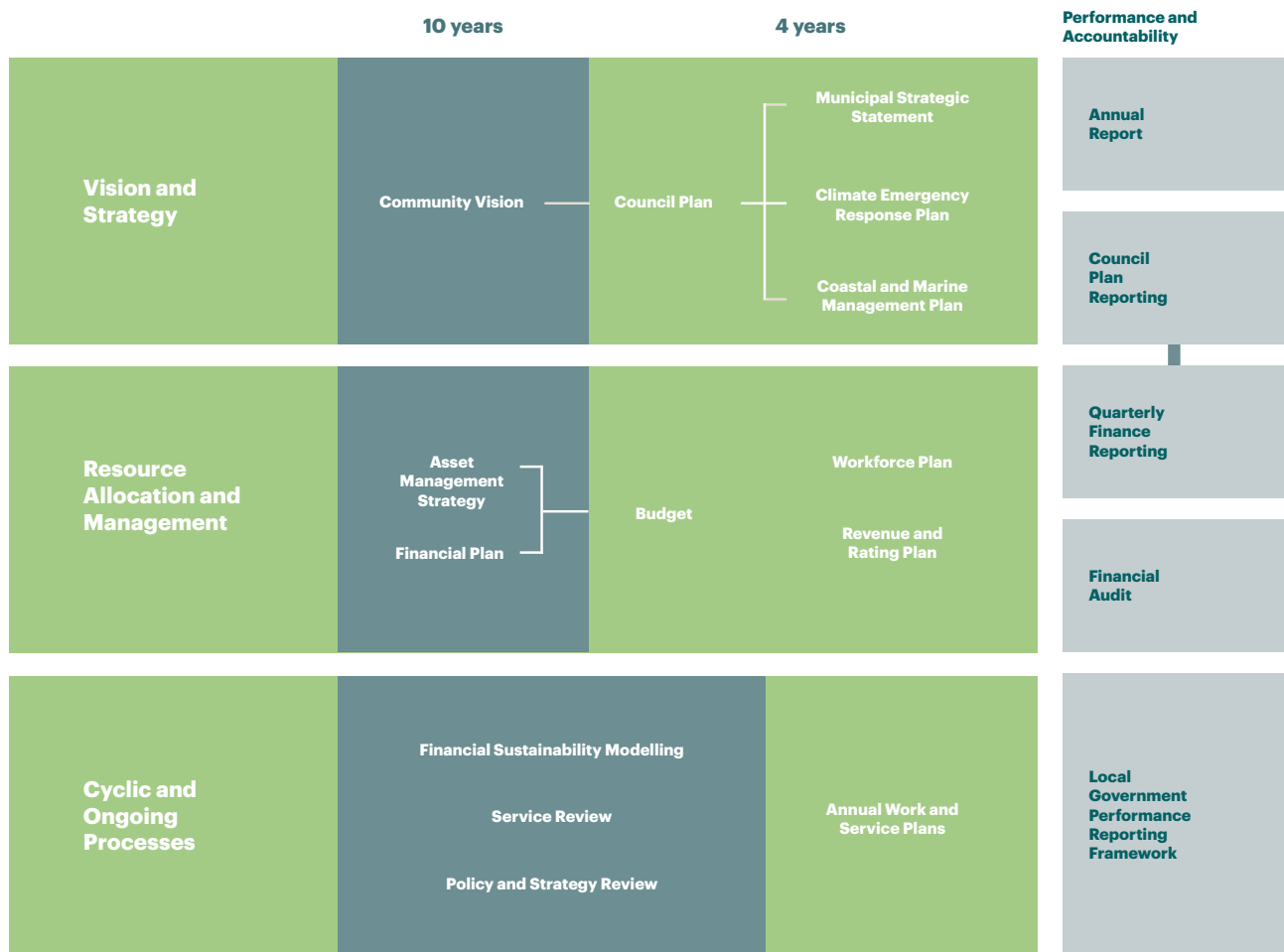
Image: Queenscliffe Men's Shed Volunteers

Strategic planning and reporting framework

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

- strategic planning must address the Community Vision
- strategic planning must consider the resources needed for effective implementation
- strategic planning must identify and address the risks to effective implementation
- strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

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



Council plan

The Borough of Queenscliffe's Council Plan 2021–2025 determines the strategic direction for the Council during its four-year term. It sets out five portfolios and collates under each portfolio, the types of activity, outputs and outcomes against which Council will achieve its strategic objectives and measure its performance.

Each year Council identifies actions in the Council Plan that it will set out to complete during the financial year. These actions are captured in an Annual Plan.

To ensure Council is undertaking an integrated strategic approach Council's performance against the activity in the Annual Plan is measured against the strategic indicators set out in the Council Plan.

During the 2023 – 24 Financial year the Annual Plan included the following Council Plan priorities:



Portfolio 1: Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle.



Portfolio 2: Environment

Strategic objective:

To protect our environment and address climate change issues.



Portfolio 3: Local economy

Strategic objective:

To support a prosperous and diverse local economy.



Portfolio 4: Heritage, planning and infrastructure

Strategic objective:

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



Portfolio 5: Governance and finance

Strategic objective:

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

Community Vision

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

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

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

Our community is caring, and welcoming to visitors.

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



Enhancing health and wellbeing

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



Protecting Country and our natural environment

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



Supporting business and community prosperity

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



Encouraging an inclusive and engaged community

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



Protecting and celebrating Wadawurrung and Borough heritage

Our cultural and built history is conserved and celebrated



Portfolio 1:

Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle

Council Plan priorities

1

Promote healthy and active lifestyles

Indicator

- High levels of quality physical activity and health, including mental wellbeing, are maintained.

Outcomes

In the 2023-2024 financial year, Council adopted its Active Transport Strategy, a strategy focused on encouraging walking, wheeling and cycling in the Borough. It aims to improve pedestrian safety and promote a healthy community. The strategy sets out five objectives that will help achieve this vision.

In addition, Council sponsors a wide array of events and community groups that promote physical and mental health such as the Queenscliffe Neighbourhood House, an organisation that aims to combat social isolation and loneliness by opening an accessible, non-threatening and inclusive space that welcome people from all walks of life. Through the Neighbourhood House, community members can learn, connect and increase their skills, all aspects which promote mental health.

2

Support older residents to live independently

Indicator

- Council achieves strong Community Satisfaction Survey results for elderly support services.

Outcomes

The 2023 – 24 Community Satisfaction Survey indicates that over the past 12 months the Borough of Queenscliffe has held steady with a ranking of 72 for Elderly support Services, with no change on last year's ranking. The Small Rural Council average for 2024 is 65, and the statewide average is 63, demonstrating the Borough of Queenscliffe has continued to outperform in both fields.

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

3

Promote diversity and gender equality

Indicators

- Council has aligned decision making and operational activity with the objectives of the Gender Equality Act 2020 including provisions relating to diversity.
- The number of family violence incidents has decreased

Outcomes

Council continues to implement its Gender Equality Action Plan and has made progress against this plan in its first two years. The number of Gender Impact Assessments performed by officers continues to grow as Council works towards its goal of embedding these Assessments as part of its business as usual.

Council has continued its involvement in the Respect 2040 initiative and is working with regional partners to address the ongoing increase in family and domestic violence incidents. In the Borough there were 18 incidents to 30 June 2024, up from 10 during the previous financial year.



Portfolio 1: *continued..*

Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle

Council Plan priorities

4

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

Indicator

- Increased participation rates in new and existing programs to connect people and communities

Outcomes

Community events across the Borough continue to be well supported by the municipality. Council provides community grants and event sponsorship funds to local groups to assist with financing a range of community, art and cultural projects and activities that enhance the wellbeing and quality of life of residents living in the Borough of Queenscliffe.

The programs aim to assist local community groups and organisations to increase involvement and provide opportunities for Council and the community to work together, as well as help provide support for events, projects or activities that will promote a healthy, involved and creative community. Our CSS data shows Council ranked 71 for Community and Cultural, which is 2 points ahead of Small Rural and 5 points ahead of the state average at 66. This is a reduction from last year's result, which reflects the overall downward trend for the metric across the local government sector in 2023-24.

5

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

Indicator

- Additional programs and infrastructure that cater for young people and young families.

Outcomes

Council has engaged with the Department of Education for the preparation of a project demand report for kindergarten places out to 2023. This is part of the Kindergarten Infrastructure and Services Plan (KISP) program. Updated KISP data received on the 30 July 2024 indicates there is no unmet place demand in the Borough out to 2036.

Council remains invested in improving facilities, infrastructure, and programs to be enjoyed by people of all ages, including providing community grants to primary schools and investing in the playgrounds located throughout Queenscliffe.

6

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

Indicator

- The Borough is prepared for emergency incidents

Outcomes

The Borough has developed a Municipal Emergency Management Planning Committee (MEMPC), a multi-agency collaborative group whose members bring knowledge and expertise to the task of developing a comprehensive emergency management plan for the Borough of Queenscliffe. Members of the MEMPC met on the 10 July 2023, 13 November 2023 and 18 March 2024 to work through scenarios to ensure the emergency management plan is up to date.



Portfolio 1: *continued..*

Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle

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

Service / indicator / measure / material variations	2020-21	2021-22	2022-23	2023-24
Maternal and Child Health (MCH)				
Service standard				
Infant enrolments in the MCH service	100%	100%	100%	100%
Sixteenth birth notifications received and all enrolled in the MCH service.				
Service cost				
Cost of MCH service	\$169	\$198	\$202	\$202
The contracted cost of the service, including service hours, remains at the same level as the previous year.				
Participation				
Participation in the MCH service	68.71%	73.24%	45.37%	65.81%
Only 39 children attended the MCH service at least once, of the 59 infants enrolled in 2023-24. Target 23/24 100.00%				
Participation				
Participation in the MCH service by Aboriginal children	100%	0%	0%	100%
One Aboriginal child was enrolled in the MCH service and attended at least once during the year. Target 23/24 100.00%				
Satisfaction				
Participation in 4-week Key Age and Stage visit	107.41%	105.88%	130%	100%
All enrolled children (100%) attended the 4-week key stage visit. In prior years, attendance was higher due to transfers from other municipalities.				
Food Safety				
Timeliness				
Time taken to action food complaints	1.00	1.00	1.00	1.00
Six food complaints received and all actioned within 1 day.				
Service standard				
Food safety assessments	98.33%	63.24%	59.68%	100%
Staff shortages had affected the full inspection routine in previous years. However, assessment numbers are now back in line with pre-COVID levels.				
Service standard				
Food safety samples	New	New	New	112.50%
The Council collected 27 food safety samples, exceeding the required count of 24.				
Service cost				
Cost of food safety service	\$684	\$355	\$647	\$1,221
The increased staff hours for food safety assessments were necessary to clear a backlog and conduct full inspections as required by new legislation. Additionally, delays caused by system upgrades to the "Food Trader" portal required manual record-keeping, further demanding more staff resources.				
Health and safety				
Critical and major non-compliance notifications	100%	100%	100%	100%
Council received 27 critical non-compliance notifications in 2023-24. Council has achieved a 100.00% compliance rate over the four years. Target 23/24 100.00%				



Portfolio 1: *continued..*

Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle

Service / indicator / measure / material variations	2020-21	2021-22	2022-23	2023-24
Local Law Enforcement – Animal Management				
Timeliness				
Time taken to action animal requests	1.00	1.00	1.00	1.00
Result indicates cumulative gross number of 24-hour days. If a request is responded to in less than 24 hours, time taken is counted as one day.				
Service standard				
Animals reclaimed	100%	33.33%	20.00%	100%
Two animals collected and taken to animal welfare. Both animals were reclaimed by owners.				
Service standard				
Animals rehomed	0.00%	0.00%	0.00%	0.00%
All animals collected were reclaimed by owners.				
Service cost				
Cost of animal management service per population	\$28	\$26	\$29	\$31
The increase in costs is due to the filling of previously vacant positions in the 2023-24 financial year and additional staff hours dedicated to animal management				
Health and safety				
Animal management prosecutions	0.00%	0.00%	0.00%	0.00%
No reported offences warrant prosecution. Council applies a graduated model of animal management enforcement based around education, warnings, and infringements appropriate to the circumstances. Target 23/24 0.00%				
Library – Libraries				
Resource currency				
Recently purchased library collection	68.42%	78.30%	74.25%	72.82%
The acquisition of library collection items has seen a growth over the past years.				
Service cost				
Cost of library service per population	\$75	\$77	\$76	\$75
In recent years, the Council has been spending closer to \$75 per person in providing library services to the municipality.				
Utilisation				
Loans per head of population	New	New	New	15.10
Indicates on average, there are 15 items available per person to borrow at any given time.				
Participation				
Library membership	New	New	New	52.59%
Approximately 53% of the municipal population holds a library membership. Target 23/24 35%				
Library visits per head of population	New	New	New	8.37
Queenscliff Library reported a marked increase in visitors in the 2023-24 financial year following the opening of the library in the new location.				



Portfolio 1: *continued..*

Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle

The following statement provides information in relation to the services funded in the 2023–24 Budget and the persons or sections of the community who provided the service.

Service Area	Surplus/(Deficit) \$'000		
	Actuals	Budget	Variance
Aged services	(87)	(173)	86
Provides care and assistance to older residents and carers requiring respite so that residents can live independently and remain safe in their homes. The program is focused on maximising the wellbeing, safety and health of frail older people and carers requiring respite. Through the Commonwealth Home Support Programme, support and maintenance services are provided to people living at home, whose capacity for independent living is at risk, or who are at risk of premature or inappropriate admission to long term residential care.			
Recreation, arts, culture and community	(332)	(349)	17
Promotes community wellbeing by supporting people and communities to be involved and active in sport, recreation, arts, culture and other community and civic activities. The program area is responsible for building the capacity of local clubs and community organisations and assisting these organisations to develop and implement projects that support social inclusion, access and equity within the Borough.			
Maternal and child health	(5)	(17)	12
Plays a key role in supporting and monitoring the health and wellbeing of local families and children from birth to school age. The program is a primary health service which provides a comprehensive and focused approach for the promotion, prevention, early detection, and intervention of the physical, emotional or social factors affecting young children and their families. Council currently contracts the City of Greater Geelong to provide these services in the Borough.			
Environmental health	(96)	(84)	(12)
Monitors and maintains a safe environment for public health and wellbeing. This program is designed to meet Council's statutory obligations regarding public health, notably under the <i>Food Act 1984</i> and <i>Public Health and Wellbeing Act 2008</i> . Mandatory assessments of food safety, accommodation and beauty treatment premises are completed in accordance with the regulations and risk management frameworks. Tobacco control activities reduce the prevalence of smoking in the community. Nuisance complaint investigations remedy public health and amenity concerns and infectious disease investigations control and reduce the likelihood of notifiable disease. The program also facilitates mosquito control activity.			
Local laws, safety and amenity	(297)	(282)	(15)
Promotes community wellbeing and safety in various settings and through monitoring public behaviour consistent with Council's local laws. This is achieved through management of school crossings, the provision of animal management services including animal registration and a dog and cat collection service, enforcement of local laws, issuing of local law permits, management of the boat ramp and enforcement of parking restrictions. This service is also the first Council respondent to out-of-hours emergencies.			
Library	(243)	(268)	25
Promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting. Libraries can be restorative places and often a safe haven for people outside their own home. The public library service is provided in Queenscliff in a Council-owned building and is operated by the Geelong Regional Library Corporation under a deed of agreement with Council. Council is one of four municipalities that make up the membership of the Corporation.			
Total	(1,060)	(1,173)	113



Portfolio 2: Environment

Strategic objective:

To protect our environment and address climate change issues

Council Plan priorities

1 Align Council policies and plans with the Wadawurrung Healthy Country Plan

Indicator

- Council is working to support the shared future vision of the Wadawurrung people and Country and reduce the identified threats

Outcomes

The focus of this work during the year was the development of the Vegetation Management Strategy. The draft document incorporates the key objectives of the Wadawurrung Healthy Country Plan.

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

Indicators

- Council is supporting community initiatives and groups that are working on the implementation of the Climate Emergency Response Plan
- The level of carbon emissions generated by Council operations has reduced (measured in equivalent tonnes of carbon dioxide)
- Reduction of waste that goes to landfill
- All new developments in flood prone areas are referred to the Corangamite Catchment Management Authority for review

Outcomes

Council continues to work closely with local community groups to implement the CERP, including the development of planting programs with Bellarine Catchment Network and other community groups.

Council replaced two petrol cars with EV vehicles, reducing CO2 emissions by 7.2 tonnes.

Council introduced Food Organic/ Garden Organic services that have diverted more than 1122 tonnes of food and garden waste from landfill.

Council sent one planning application to CCMA for review.

3 Protect our coastal and public areas including their ecosystems and biodiversity

Indicator

- Coastal areas are protected and enhanced in line with the objectives of the *Victorian Coastal Strategy*.

Outcomes

Council completed cliff stability and beach health investigation. Council continues to undertake awareness and education programs and maintain coastal areas.



Portfolio 2: *continued..*

Environment

Strategic objective:

To protect our environment and address climate change issues

4

Protect and manage our wetlands and waterways

Indicator

- The extent of wetlands is maintained, and water quality has improved in 2025 relative to 2009 benchmark data

Outcomes

The Ganes Reserve maintenance program was completed in April 2024 and consisted of removal of invasive Bulrush (also known as Typha or Cumbungi) which can choke waterways and create a monoculture preventing other indigenous plants from growing.

Works were supervised by an independent, qualified ecologist to ensure that any negative impacts to other plants, wildlife and the surrounding environment are minimised.

5

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

Indicators

- The percentage of tree canopy has increased from 2021 canopy coverage
- The proportion of indigenous plants planted by Council has increased from 2021
- There is a clear framework for the removal of trees on Council owned or managed land

Outcomes

Council continued its annual tree planting program planting 88 street trees and 274 trees within the foreshore and reserve managed during the financial year and replaced more trees than it removed (69). Over 94% of the new plantings were indigenous plants, this represents a small increase in the proportion of indigenous plants planted in 2023.

Council has continued the development of its Vegetation Management Strategy, which seeks to guide the increased number of trees, shrubs and groundcovers planted and maintained within the municipality. This strategy will assist in the development of an annual vegetation planting and management plan. This project is approximately 75% complete and will progress further after the appointment of the new Council.



Portfolio 2: *continued..*

Environment

Strategic objective:

To protect our environment and address climate change issues

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

Service / indicator / measure / material variations	2020-21	2021-22	2022-23	2023-24
Waste Management				
Service standard				
Kerbside collection bins missed	4.94	5.61	5.42	4.40
Despite approximately a 5% increase in the number of scheduled kerbside collection bin lifts for the 2023-24 year, the number of missed kerbside collection bins has decreased.				
Service cost				
Cost of kerbside garbage collection service	\$108	\$125	\$102	\$101
Despite the increase in the landfill levy, the cost of landfill disposal has continued to decrease due to improved waste diversion attributed to the rollout of Food and Garden Organics (FOGO) waste bins.				
Service cost				
Cost of kerbside recyclables collection service	\$74	\$80	\$67	\$79
The increase in costs associated with the recyclables collection service is primarily due to the inclusion of direct staff costs involved in managing the service. Unlike in the past, the Council now has a dedicated Waste and Resource Recovery Officer.				
Waste diversion				
Kerbside collection waste diverted from landfill	55.50%	55.57%	68.03%	67.08%
The ongoing improvement in waste diversion from landfill is a result of the rollout of Food Organic and Garden Organic (FOGO) waste bins. Target 23/24 60%				

The following statement provides information in relation to the services funded in the 2023-24 Budget and the persons or sections of the community who provided the service.

Service Area	Surplus/(Deficit) \$'000		
	Actuals	Budget	Variance
Environmental sustainability	(241)	(198)	(43)
Sees the Borough playing its part in protecting the natural environment for future generations. This includes Council measuring, monitoring and reducing its carbon emissions as well as assisting the local community to implement various initiatives designed to reduce greenhouse gases through the Community Environment Alliance. Council plays a key role in responding to the challenges of climate change and sea level rise and where possible working with various federal, state, regional and local organisations to inform and educate the community about practices that support environmental sustainability.			
Coastal protection	(544)	(404)	(140)
Seeks to preserve and enhance the Borough's globally significant, highly valued coast as an iconic environmental asset for current and future generations. Under this program, Council implements State Government coastal management policy, manages environmental projects and works with State, regional and local services to enhance its management of coastal Crown land. The program involves weed reduction initiatives and annual planting of trees, shrubs and grasses.			
Waste management and recycling	(14)	(14)	0
Seeks to involve the local community in protecting the environment for future generations by minimising waste. Council works with local and regional organisations, including Recycling Victoria and neighbouring Councils to increase community awareness and promote behaviours that reduce waste and promote recycling. In addition to regular kerbside waste collection and a hard rubbish collection, the program includes a recycling service, effective e-waste disposal and a green waste bin service for all residential and tourist accommodation properties. A range of public waste services are also provided given the comparatively high level of tourist visitation. It is important to note that full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating Strategy.			
Total	(799)	(616)	(183)



Portfolio 3:

Local economy

Strategic objective:

To support a prosperous and diverse local economy

Council Plan priorities

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

Indicator

- Council achieves strong Community Satisfaction Survey results for business and community development and tourism performance.

Outcomes

The Community Satisfaction Survey results shows that the Borough has a score of 57 in Business/community development/tourism. This is on par with the state-wide average score for this area. This is a reduction from last year's results which reflects the overall downward trend for the metric across the local government sector in 2023-24. Verbatim comments in the survey praised Council's efforts to bring in tourism via events such as the Queenscliffe Music Festival and local attractions.

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

Indicator

- Local businesses are reporting strong results and visitation numbers have increased

Outcomes

Council continues to work with Tourism Greater Geelong and the Bellarine to market the Borough as a tourism point of difference. In the 2023-2024 financial year, the Visitor Information Centre (VIC) report they have responded to 24,815 walk-in or phone inquiries, which is an increase from last year which saw 22,750 inquiries, indicating an increase in visitation to the area. However, local traders are reporting that the current cost of living stress is impacting business during colder months, with three businesses opting to close this winter, up from one in the previous year.

The following statement provides information in relation to the services funded in the 2023-24 Budget and the persons or sections of the community who provided the service.

Service Area	Surplus/(Deficit) \$'000		
	Actuals	Budget	Variance
Tourist parks	871	773	98
Ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy. The program includes management of three tourist parks. It currently provides approximately 350 camping/caravanning sites and associated facilities, including maintenance of seven amenities blocks. While contributing significantly to the local economy, this program generates a net income result, which is used to fund improvements to and maintenance of community facilities, foreshore infrastructure and coastal protection activities on Crown land.			
Visitor Information Centre	(229)	(264)	35
Promotes the Borough as a special place for visitors, and supports local tourism and related businesses through the dissemination of tourism information that plays a key role in supporting a diverse and vibrant local economy. This program manages a year-round state-accredited tourist information service, with paid staff and volunteers offering information and advice about the visitor experiences on offer across the Borough and through other parts of Victoria.			
Tourism and economic development	(146)	(248)	102
Seeks to build on the Borough's unique heritage, rich culture and significant natural environment to strengthen the diversity and vibrancy of the local economy. The program is integrated with the activities of state and regional tourism organisations. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and overnight visitors. The program's focus is informed by the Council's Economic Development Strategy and includes supporting local businesses and working with neighbouring municipalities, Tourism Greater Geelong & the Bellarine, G21 and the State Government to implement regional economic development and related infrastructure priorities.			
Total	496	261	235



Portfolio 4:

Heritage, planning and Infrastructure

Strategic objective:

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

Council Plan priorities

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

Indicator

- Places and precincts with heritage values are better protected

Outcomes

During 2023 – 24 Council progressed Planning Scheme Amendment C40 to enhance heritage protections for the Fisherman's Flat Heritage Precinct.

Council has also supported efforts to preserve Ballara, a house built in 1907 by Alfred Deakin. Council made a contingent contribution of \$300,000 for the preservation of the estate.

2 Identify and protect the Borough's distinctive coastal characteristics

Indicators

- Completion of coast and coastal infrastructure projects
- New actions or infrastructure that protects our dunes, cliffs, beaches, and bay shores are facilitated

Outcomes

Council replaced and upgraded beach access points, with new handrail and step replacements in select locations where upgrades were necessary.

The project to extend the dog beach fence and mitigate coastal erosion, progressed during the financial year.

Council completed the Coastal Signage Assessment in May 2024. This included assessment of the existing signage against current regulatory, compliance and industry best practice obligations. The assessment resulted in a number of recommendations for improving signage to enhance public safety which will be actioned in the 2024/25 financial year.

Cliff stability study was undertaken by consultant geologists assessing the condition and safety of our coastline. Report provides recommendations for protection and risk mitigation work which will be progressed in 2024-2025.

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

Indicator

- Number of historic features improved by civil works or interpretation

Outcomes

The Point Lonsdale Lighthouse Reserve is being restored and revitalised in conjunction with local community members and stakeholders. Stage two of this project are underway, and the Project Control Group (PCG) has undertaken critical planning and preparatory work seeking advice and input from Heritage Victoria, Wadawurrung Traditional Owners Aboriginal Corporation, DECCA; and Powercor in preparation of draft plans.



Portfolio 4: *continued..*

Heritage, planning and Infrastructure

Strategic objective:

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

Council Plan priorities

4

Maintain and improve community infrastructure within the Borough

Indicators

- All infrastructure is maintained or upgraded to be fit-for-purpose
- Council achieves strong Community Satisfaction Survey results for appearance of public areas
- Complete a Traffic Management Study
- Maintain informal car parks, beach access paths and dune tracks

Outcomes

Council achieved a score of 69 for Appearances of Public areas, which is above the state-wide score for 2024. This is a reduction from last year's result, which reflects the overall downward trend for the metric across the local government sector in 2023-24. In addition, Council has completed the Queenscliffe Hub construction, the Boat Ramp upgrade, and the Queenscliffe Recreation Reserve Lighting Upgrade.

The Queenscliff Traffic Management Study was completed and adopted by Council in June 2024.

Car parks and beach access paths are maintained through Council's outdoor services maintenance contract throughout the year. In addition, Council progressed a fencing renewal program at key access points during the year.

Council completed maintenance activity of key community assets including roads, drainage and open spaces through our outdoor services contract. Asset renewal services including our road sealing program, building renewal activities and drainage renewal were completed, in accordance with Council asset management plans.

5

Facilitate walking, cycling and active transport

Indicator

- Existing walking and cycling paths around the Borough have been upgraded, new connections have been made to key facilities and links have been created to neighbouring towns and the region

Outcomes

Two critical footpaths were built during the 2023-2024 financial year. The Hesse St boat ramp connection pathway connects the north end of the Hesse Street commercial precinct connecting the newly upgraded Queenscliff Boat Ramp facilities and Bellarine Rail Trail. Works included a 90m long, 2m wide concrete pathway, and a new passive railway crossing that improves pedestrian safety and accessibility.

Point Lonsdale Road footpath was completed in July 2023 and connects Lawrence Road with the Bellarine Community Health centre. 130m of new pathway was constructed providing safety and accessibility benefits to the community.



Portfolio 4: continued..

Heritage, planning and infrastructure

Strategic objective:

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

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

Service / indicator / measure / material variations	2020-21	2021-22	2022-23	2023-24
Land Use Planning – Statutory Planning				
Timeliness				
Time taken to decide planning applications	63.00	55.00	69.50	36.00
The time taken to decide planning applications is shorter than in previous years due to a higher number of VicSmart permits being finalised in fewer days (fast-track applications determined within 10 business days) and a lower overall number of applications.				
Service standard				
Planning applications decided within required timeframes	75.70%	74.66%	69.23%	76.36%
84 planning applications decided within required time frames out of 110 planning application decisions in 2023-24.				
Target 23/24 75.00%				
Service cost				
Cost of statutory planning service	\$2,232	\$1,693	\$2,781	\$3,790
The annual licensing cost of the new digitised planning system, compared to the previous paper-based manual system, along with increased costs associated with town planning appeals, has led to a rise in the cost of statutory planning services.				
Decision-making				
Council planning decisions upheld at VCAT	0.00%	100%	100%	50%
Two planning decisions were referred to VCAT in 2023-24, and one decision was upheld. Five decisions were referred to VCAT in the previous financial year, and all were upheld				
Asset Management and Appearance of Public Places – Roads				
Satisfaction of use				
Sealed local road requests	335.71	285.71	230.95	171.93
73 requests received in 2023-24 for 42 km of sealed local roads (97 requests in 2022-23).				
Condition				
Sealed local roads maintained to condition standards	100%	100%	100%	100%
All local roads are above the renewal intervention level set by Council. Target 23/24 100.00%				
Service cost				
Cost of sealed local road resealing	\$300	\$0	\$7	\$10
The increased costs compared to last year were due to the implementation of a two-coat seal. In the 2023-24 financial year, 10,133 square meters of roads were resealed, compared to 11,156 square meters in the 2022-23 year.				
Service cost				
Cost of sealed local road reconstruction	\$341	\$0	\$0	\$0
There has been no road reconstruction work during 2023-24 year.				
Satisfaction				
Satisfaction with sealed local roads	66.00	65.00	65.00	63.00
Although there is a slight decrease, the 2023-24 result remains above both the state-wide average and the average for the small rural council category.				



Portfolio 4: *continued..*

Heritage, planning and infrastructure

Strategic objective:

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

The following statement provides information in relation to the services funded in the 2023-24 Budget and the persons or sections of the community who provided the service.

Service Area	Surplus/(Deficit) \$'000		
	Actuals	Budget	Variance
Land use planning	(402)	(560)	158
Ensures that the Borough conserves its unique heritage, that the built environment is enhanced by design excellence, and that local amenity is protected against inappropriate land use and development. The program implements Council's Planning Scheme and prepares major policy documents including the Municipal Strategic Statement. It maintains and processes amendments to the Queenscliffe Planning Scheme and carries out research on demographic, economic and social issues affecting Council. The program administers Council's statutory planning responsibilities, including the various processes associated with the assessment of planning permit applications and defence of Council decisions at the Victorian Civil and Administrative Tribunal.			
Building control	(195)	(9)	(186)
Ensures that building construction and maintenance is such that the community remains safe. It provides statutory building services including processing of siting variation consent, emergency management responsibilities, building inspections, building safety audits, and investigation of complaints and illegal works.			
Asset management and appearance of public places	(2,832)	(2,636)	(196)
Ensures the safety, functionality and aesthetics of public places and infrastructure. This program promotes community wellbeing and encourages people to be active in public settings. The program ensures safe and efficient active transport settings, including the development of a network of connected walking and cycling routes, facilitates safe access to and use of community facilities, parks and gardens, sports ovals and local amenities. Responsibilities extend to include maintenance of local roads, kerb and channel, footpaths, shared use trails, drainage and street cleanliness. Council implements an asset renewal and maintenance program for infrastructure including roads, paths, drainage and all Council-owned and managed community buildings. It is also responsible for the maintenance, cleaning and renewal of 14 public toilets.			
Powerline safety	(62)	(52)	(10)
Assists in the provision of a safe environment and protection of the Borough's significant public and private assets and vegetation from fire by maintaining clear zones around powerlines to standards as set by legislation.			
Total	(3,491)	(3,257)	(234)



Images: Queenscliffe CFA and Indigenous Nursery Volunteers



Portfolio 5:

Governance and finance

Strategic objective:

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

Council Plan priorities

1

Maintain and build the financial sustainability of the Borough

Indicators

- Our adjusted underlying result (excluding one-off operating income and expenses) is greater than \$0
- The value of current assets divided by current liabilities is greater than 1
- The financial investment in asset renewal and upgrade expenses divided by the cost of depreciation (based on a three-year rolling average) remains above 100%
- The percentage of our total borrowings as a proportion of our rate revenue remains below 15%
- The percentage of our current liabilities as a proportion of our unrestricted cash reserves (based on the remaining maturity) is less than 100%
- Council's contribution to asset renewal and upgrade expenses as a % of Own Source Revenue remains above 10%

Outcomes

Council has addressed many of the indicators in this area.

The adjusted underlying result (excluding one-off operating income and expenses) for 2023-2024 was \$258 and therefore greater than \$0. The value of current assets divided by current liabilities is greater than 3.85, again higher than 1.3. The financial investment in asset renewal and upgrade expenses divided by the cost of depreciation (based on a three-year rolling average) remains above 100% at 277.4% and the percentage of our total borrowings as a proportion of our rate revenue remains below 15% at 0%.

2

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

Indicators

- Dual naming of places and locations within the Borough
- Knowledge of Wadawurrung culture, history and significant sites has increased

Outcomes

Signage that includes dual naming of places and locations across the Borough remains a priority for Council, this initiative has progressed with officers seeking input from Wadawurrung and Council investigating funding opportunities for this project. Wadawurrung has advised that consultations concerning any language projects are on hold while they build resources and capacity to deal with these inquiries.

Council regularly engages with the Traditional Owners Corporation to coordinate Cultural Heritage Management Plans of sites before undergoing any works.

Council has developed its Reflect Reconciliation Action Plan that identifies actions to be undertaken within four Pillars: Relationships, Respect, Opportunities and Governance. The RAP furthers the Borough's commitment in the 2021 – 2025 Council Plan to build relationships with First Nations people and create an inclusive community.



Portfolio 5: *continued..*

Governance and finance

Strategic objective:

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

Council Plan priorities

3 Accountable and transparent governance

Indicators

- Council is operating in an open and transparent manner
- Regular reporting to community on Council performance and accountability
- Meet all the legislative requirements of the Local Government Act 2020

Outcomes

Council provides regular updates to the community on its operations via the CEO report, which is distributed monthly in the Ordinary Meeting of Council agenda. Other updates also include quarterly reports on the Council Plan, our Borough Bites flier which is mailed out with each rate instalment, as well as via website and social media updates. Audit and Risk Committee minutes are also made available to the public, ensuring transparency for all interested parties.

For a list of legislative requirements met under the Local Government Act 2020, see the Governance and Management checklist on page 68.

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

Indicator

- Council achieves strong Community Satisfaction Survey results for consultation and engagement

Outcomes

Council achieved a Consultation and Engagement score of 51 in the 2024 Community Satisfaction Survey (CSS). While this is a reduction from last years result, it is in line with the score for small rural councils and the state-wide average. Verbatim comments have praised the community consultation that Council undertakes across a wide variety of issues affecting the community.

Council scored 50 for Community decisions in the 2024 CSS, while this is a drop from the 2023 result, it is in line with the small rural councils, and statewide averages that were also 50.

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

Indicator

- Council achieves strong Community Satisfaction Survey results for customer service and overall Council direction

Outcomes

Council achieved a Community Satisfaction Survey score of 71, which is significantly higher than the small rural average score 66 and the statewide average score 67. This is a reduction from last year's result, which reflects the overall downward trend for the metric across the local government sector in 2023-24. Verbatim comments attribute this score to officers being responsive, friendly, accommodating and friendly. Comments also acknowledge that officers always follow up and respond to queries.



Portfolio 5: *continued..*

Governance and finance

Strategic objective:

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

6

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

Indicator

- Council achieves strong Community Satisfaction Survey results for overall Council direction and lobbying

Outcomes

Council achieved a Community Satisfaction Survey score of 44, while a reduction from last years results, it is inline with small rural councils (44) and the state wide average (45).

During 23/24 Council continued to implement the Council Plan and completed a number of actions as we work toward addressing the strategic indicators set out in the plan.

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

Service / indicator / measure / material variations	2020-21	2021-22	2022-23	2023-24
Council Governance – Governance				
Transparency				
Council decisions made at meetings closed to the public	9.89%	13.87%	9.68%	10.88%
Council considered and deferred numerous reports concerning the CEO performance review and contract. Without these reports the number of matters dealt with in the closed section of the meeting would have been 16 compared to 18 during the 2022-23 financial year.				
Consultation and engagement				
Satisfaction with community consultation and engagement	60.00	65.00	63.00	51.00
Some parts of the community have expressed dissatisfaction, initially with the matters on which Council was consulting, such as the draft proposal to trial a 30km/h speed limit on local streets. This dissatisfaction has contributed to the outcome, particularly when feedback during the consultation did not result in changes to Council's policy position or proposed initiatives. As a result, some have claimed that the consultation process was meaningless leading to a satisfaction rating that fell below both the target and last year's result. Target 23/24 65.00				
Attendance				
Councillor attendance at Council meetings	100%	96.36%	100%	95.38%
All councillors attended or on an approved leave of absence for all council meetings except for that attendance at 3 meetings.				
Service cost				
Cost of elected representation	\$36,081	\$36,946	\$41,071	\$46,114
The increase in costs is attributed to higher allowances and legal expenses incurred while seeking advice to support Council decisions.				
Satisfaction				
Satisfaction with Council decisions	59.00	63.00	60.00	50.00
This outcome appears to relate to a number of contentious matters that Council dealt with during the year, including the aforementioned speed trial and the position Council took on the Voice referendum, among other issues. These matters led to an increase in engagement, but also an increase in dissatisfaction.				



Portfolio 5: continued..

Governance and finance

The following statement provides information in relation to the services funded in the 2023-24 Budget and the persons or sections of the community who provided the service.

Service Area	Surplus/(Deficit) \$'000		
	Actuals	Budget	Variance
Council governance	(471)	(271)	(200)
Supports the Mayor and Councillors to maintain a cohesive Council and a well-governed municipal Council. The program is structured to meet all legislative requirements associated with the <i>Local Government Act 2020</i> and any other applicable Act. It supports Council's compliance with the Councillor Code of Conduct and its key relationships and memberships with organisations such as the MAV and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program.			
Organisational performance and compliance	(989)	(662)	(327)
Supports the Chief Executive Officer and Executive Management Team to maintain a cohesive, well-managed and highly performing organisation. This includes supporting organisation development and statutory compliance, and seeking to ensure that the behaviour of all staff complies with the Staff Code of Conduct. Key outputs of the program are the preparation and/or review of the Council Plan, Strategic Resource Plan and long-term budget, Annual Implementation Plan and Council's Annual Budget.			
Community engagement and customer service	(614)	(779)	165
Aims to facilitate community involvement in decision-making, and to deliver high quality customer service. It includes practical and strategic advice regarding Council's internal and external communications and issues management, and supports first point of contact to customers at the Council office. The program provides records management services in accordance with Council policy and procedures, administers the requirements of the privacy and freedom of information legislation, coordinates Council and Committee meetings, and provides other associated administrative support.			
Financial and risk management	6,667	6,132	535
Seeks to ensure the ongoing independence and financial sustainability of the Borough of Queenscliffe. Council ensures sound financial management, and cohesiveness and performance of the organisation's operations, through the maintenance of appropriate systems. The service provides long-term financial planning, robust internal risk management, adherence to guidelines on prudent management of debt, cash and asset renewal, and reviews its assets to improve the return on Council's investments. The service predominantly includes management of Council's finances, the raising and collection of revenue, payment of salaries and wages to Council employees, procurement and contracting of services, management and maintenance of robust computer systems, fleet management, insurance and risk management systems. The program also includes the revaluation of properties for rating purposes, processing of supplementary rates and the administration of the State Government's Fire Services Property Levy. The depreciation expense for all Council assets is also included as part of this program.			
Total	4,593	4,420	173



Images: Queenscliffe Indigenous Nursery Volunteers

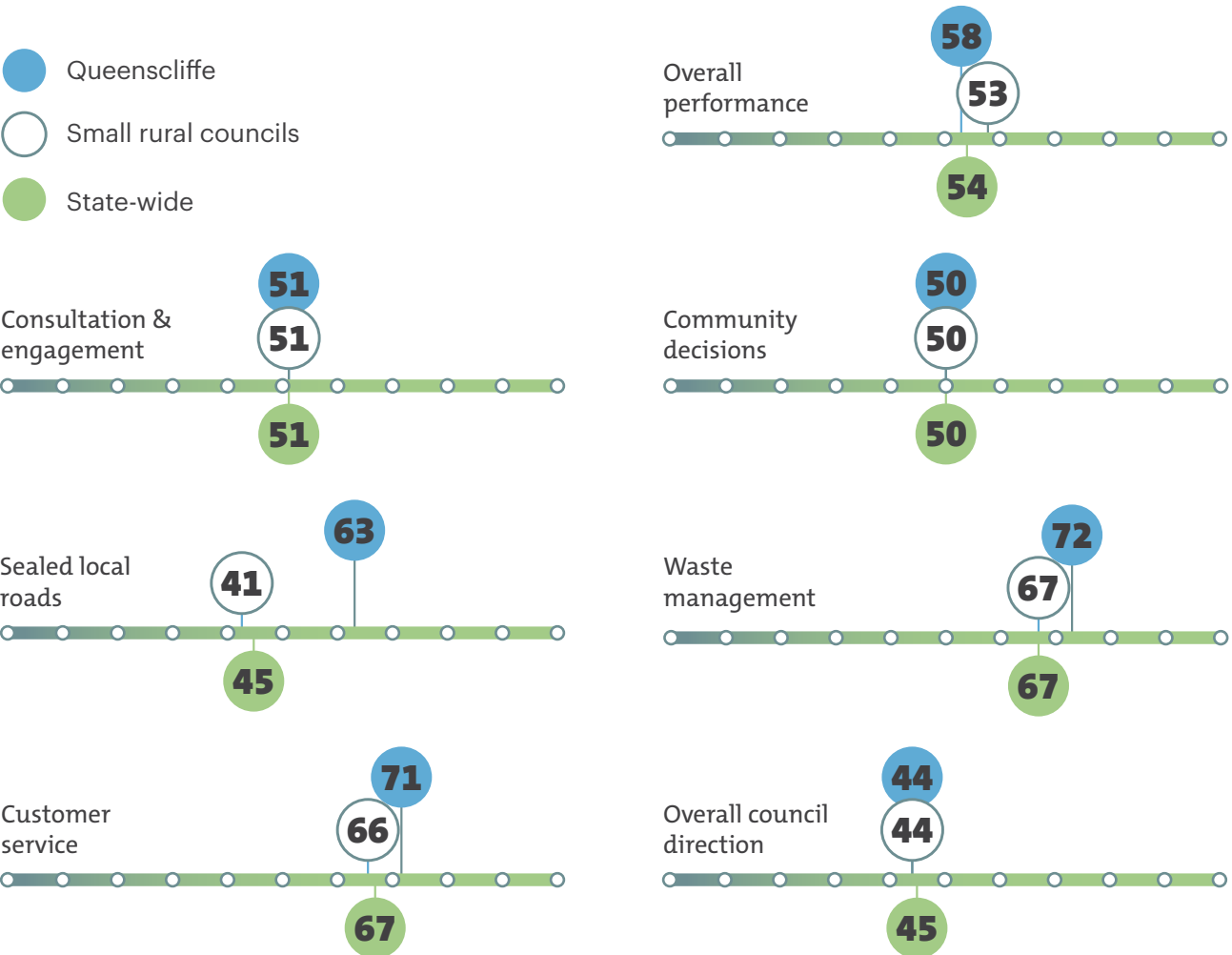
Community satisfaction

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

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

In 2024, perceptions of overall performance in the Borough of Queenscliffe (index score of 58) declined from 2023 after gains made in 2021 for two consecutive years. Despite these declines, Council performs higher than group and State-wide averages on close to half of the individual service areas evaluated.

Core Performance Measures 2024



Chapter 5:

Governance and Management

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Image: Queenscliffe Basketball Association Volunteers

Governance

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

Council does this through our local laws, our decision-making processes, formal delegations of authority, effective risk management systems and processes, frameworks for planning, monitoring operational effectiveness, and performance management. We also provide good governance by setting the strategic direction of the municipality through the development of the Council Plan, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation on our community's behalf.

Council's role

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

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

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

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

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

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

Section 28 outlines the role of a Councillor and is included in full on page 15 of this annual report.


















































































Images: Queenscliff Volunteers - Bellarine Railway, Indigenous Nursery

Council meetings

A key governance function of Council is making decisions. Decisions are made in monthly Council meetings open to the public at the Queenscliff Town Hall. The agenda is available for the public three days before the meeting. All Council meetings are video recorded and can be streamed at any time via YouTube.

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

	26 JUL 23	23 AUG 23	27 SEP 23	25 OCT 23	08 NOV 23	22 NOV 23	13 DEC 23	28 FEB 24	20 MAR 24	27 MAR 24	24 APR 24	22 MAY 24	12 JUN 23	26 JUN 24
	Ordinary	Ordinary	Ordinary	Ordinary	Special	Ordinary	Ordinary	Ordinary	Ordinary	Special	Ordinary	Ordinary	Planning Review	Ordinary
 Cr Ross Ebbels (Mayor April 2024 – present)														
 Cr Robert Minty (Deputy Mayor April 2024 – present)														
 Cr Isabelle Tolhurst (Mayor July 2023 – April 2024)														
 Cr Donnie Grigau														
 Cr Michael Grout														
														
	Attended in-person	Attended virtually		Leave of absence				Did not attend						

In accordance with section 25(1) of the *Local Government Act 2020*, at a meeting of the Council that is open to the public, Councillors must elect a Councillor to be the Mayor of the Council. At the Ordinary Meeting of Council held on 23 November 2023, Cr Isabelle Tolhurst was re-elected as Mayor for a one-year term. Council then chose to continue to establish the role of Deputy Mayor, and re-elected Cr Ross Ebbels to the position for a one-year term. At the April Ordinary Meeting of Council, Cr Tolhurst resigned from her position as Mayor to take parental leave. Cr Ebbels was then elected as Mayor for the remainder of the term, and Cr Rob Minty was elected as Deputy Mayor.

Another important formal public meeting is Council's public information session for the presentation of its draft budget. This year's session took place at Town Hall on the evening of February 7th 2024 to inform the community about Council's draft 2023–24 Budget. Members of the public were invited to attend and ask questions throughout the evening. The presentation was also live streamed and posted to Council's YouTube channel.

The Budget was subsequently approved by Council at the Ordinary Meeting conducted on Wednesday 26th June 2024.

Delegated committees

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

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

Committee groups as of 30 June 2024 included:

- Audit and Risk Committee
- CEO Performance Review Committee

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

Reference groups as of 30 June 2024 included:

- Coastal and Marine Management Plan Steering Committee
- Community Grants Advisory Reference Group
- Community Service Awards Reference Group
- Lived Experience Disability Reference Group
- Point Lonsdale Lighthouse Reserve Project Control Group
- Queenscliff Coastal Biodiversity Forum
- Memorials & Plaques Reference Group.

New committees and reference groups are established as required.

Decision-making

Council decisions are made in one of two ways:

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

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO) and are exercised in accordance with adopted Council policies. This system recognises the CEO's responsibility under the *Local Government Act 2020* in managing the organisation's day-to-day operations.

Code of Conduct

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

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

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

Local Law

Council has one general local law that aims to protect and enhance the community's general way of life and wellbeing. The Council's power to make these local laws is contained in section 71 of the *Local Government Act 2020*. The current local law was adopted on 17 February 2021.

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

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

Conflict of interest

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

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

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

Council meeting date (or date conflict of interest nominated)	Councillor/Officer	Conflict of interest	Reasoning
26 July 2023	Cr Ross Ebbels	Community Grants 2023	Close family ties with one grant applicant
28 February 2024	Cr Isabelle Tolhurst	Event Sponsorship Nominations 2023	Active member of one of the applicants
28 February 2024	Martin Gill, CEO	NOM 2024/589: CEO Performance and Remuneration Review November 2022 to November 2023	CEO performance
28 February 2024	Martin Gill, CEO	NOM 2024/591: CEO Conflict of Interest - Borough of Queenscliffe Ordinary Meeting Agenda 28 February 2024	CEO performance
28 February 2024	Martin Gill, CEO	CEO Annual Performance Review	CEO performance
26 June 2024	Martin Gill, CEO	CEO Employment Contract	CEO Employment Contract

Policies, strategies and plans

Council reviewed, endorsed and/or adopted the following significant policies, strategies and plans during 2023-2024. These documents are available on Council's website, as are all Council policies and key planning documents.

Date adopted: 23 August 2023

Council Policy CP054: Victoria Park (revised)

Council Policy CP023 Information Technology (revoked)

Council Policy CP034 Business Continuity Management (revoked)

Date adopted: 25 October 2023

2023 Climate Emergency Response Plan (two-year review)

Annual Report 2022/23

Date adopted: 13 December 2023

Active Transport Strategy 2023-2033

Date adopted: 28 February 2024

Council Policy CP022 Event Sponsorships (revised)

Council Policy CP004 Community Grants (revised)

Council Policy CP021 Election Caretaker Period (revised)

Council Policy CP053 CEO Employment and Remuneration (revised)

Date adopted: 27 March 2024

Reflect Reconciliation Action Plan

Council Policy CP050 Public Transparency (revised)

Date adopted: 24 April 2024

Council Policy CP009 Gifts, Benefits & Hospitality (revised)

Council Policy CP014 Public Art (revised)

Council Policy CP016 Reimbursement of Expenses for Councillors & Members of Council Committees (revised)

Council Policy CP025 Public Interest Disclosures (revised)

Governance Rules (revised)

Date adopted: 22 May 2024

Council Policy CP036 Fixed Assets: Valuation and Revaluation (revised)

Council Policy CP040 Borrowings (revised)

Date adopted: 26 June 2024

Queenscliff Traffic Management Strategy

Budget 2024/25

Financial Plan 2024/25 to 2033/34

Revised Revenue and Rating Plan

Annual Plan 2024/25

Council Policy CP055 Fair Access (new)

Council Policy CP011 Investment of Available Funds (revised)

Council Policy CP049 Social Media (revised)

Councillor allowances and expenses

Councillor allowances

All councillors are entitled to an allowance while performing their duty. The following table sets out the allowances paid to Councillors for the reporting period.

Councillor	
Cr Ross Ebbels (Mayor April 2024- present)	46,129
Cr Rob Minty (Deputy Mayor April 2024- present)	28,468
Cr Isabelle Tolhurst (Mayor June 2023- April 2024)	71,252
Cr Donnie Grigau	26,022
Cr Michael Grout	26,022
TOTAL	197,895

Councillor expenses

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

The Borough of Queenscliffe's reimbursement of Councillors and Members of Council Committees Policy outlines arrangements for reimbursement of expenses for training, registration fees for conferences and functions, travel and childcare.

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

Interstate and overseas travel

The *Local Government Act 2020* requires Councillors to register their interstate and overseas travel and associated expenses. The table below includes Mayor Ross Ebbels' registered travel and associated expenses for attendance at the G21 Delegation to Canberra from 27-28 June 2024.

Councillor	\$ Travel	\$ Childcare	\$ ICT	\$ Conference and Training	\$ Subscription	\$ Total
 Cr Ross Ebbels (Mayor April 2024 - present)	5,721		350	2,131	331	8,533
 Cr Rob Minty (Deputy Mayor April 2024 - present)			350			350
 Cr Isabelle Tolhurst (Mayor July 2023 - April 2024)	398	1,547	350	1,387	100	3,782
 Cr Donnie Grigau			350			350
 Cr Michael Grout	-	-	-	-	-	-
TOTAL	6,119	1,547	1,750	3,518	431	13,365

Management

Audit and Risk Committee

The Audit and Risk Committee is a formally appointed committee of Council under section 53 of the *Local Government Act 2020*.

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





























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

The Committee does not have executive powers or authority to implement actions in any areas over which Council has responsibility. In addition, the Audit and Risk Committee does not have any management functions and is therefore independent of the Council administration and operations.

The Audit and Risk Committee consists of four independent members, appointed for a three-year term (renewable for a further three-year term without public advertisement), and three Councillors. The chair is elected from among the independent members by the Committee. Independent members are paid a sitting fee for each meeting attended.

The appointment of the four independent members, Roland 'Barney' Orchard, Richard Bull, Helen Butteriss and Graeme Phipps expired on 25 October 2023. Following public advertisement and an Expression of Interest Process, on 25 October 2023 Council appointed Richard Bull, Rebecca Brezzi, Michael Tehan and Richard Davies as the four independent members. The table below provides details of the Audit and Risk Committee's membership during 2023–24.

Meeting attendance

Member	September 2023	December 2023	April 2024	June 2024
Roland 'Barney' Orchard (Chair July–Oct 2023)		NA	NA	NA
Richard Bull				
Helen Butteriss		NA	NA	NA
Graeme Phipps		NA	NA	NA
Rebecca Brezzi	NA			
Richard Davies (Chair Dec 2023–present)	NA			
Michael Tehan	NA			
Cr Isabelle Tolhurst		NA	NA	NA
Cr Ross Ebbels	NA			
Cr Donnie Grigau				
Cr Michael Grout				



Attended in-person



Attended virtually



Leave of absence



Did not attend

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

During the 2023–24 financial year, the Audit and Risk Committee met 4 times on the following dates:

- 12 September 2023
- 4 December 2023
- 15 April 2024
- 11 June 2024

Meetings cover several standing items that evaluate and address Council's audit, governance, and risk functions. Audit reports are provided by Council's internal audit contractor and the external auditor appointed by the Victorian Auditor-General's Office (VAGO). (Note that from April 2024 onwards VAGO has performed the external audit on Council itself rather than appointing an external party.) Council officers provide a management response and follow up on items identified for action. The following key areas were considered by the Audit and Risk Committee during meetings held in 2023–24:

- Annual Financial Report 2022/23
- Performance Statement 2022/23
- Governance and management checklist 2022/23, prior to inclusion in the annual report
- External audit 2022/23 final audit closing report and 2022/23 final management letter
- Quarterly financial reports
- Draft financial budget 2024/25 and the draft financial plan 2024/2034
- Draft three-year internal audit plan
- External Audit Strategy Memorandum 2023/24 and interim management letter
- Revised Council policies with a financial and risk management focus, reviewed before being referred to Council for adoption
- Updated strategic risk register and operational risk registers
- Impact of recommendations mentioned in applicable performance audit reports issued by VAGO
- Report on gifts, benefits and hospitality
- Reports from management's Risk & Governance Committee
- Review of insurance arrangements
- Reports on the Business Continuity Plan and Testing Regime
- Report on the proposed ICT security review and audit
- Reports on any instances of unethical behaviour, fraud, corruption and lack of integrity

Internal and external audits

External audit

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

Internal audit

The internal audit function provides independent and objective assurance to the Audit and Risk Committee and Council that appropriate processes and controls are in place. The internal audit program is revised annually to ensure internal audit resources remain focused on appropriate areas. The internal auditor attends all Audit and Risk Committee meetings to discuss internal audits and answer questions.

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

Internal audit topics reviewed during 2023–24 included:

- Council's Tourist Park operations
- Council's Procurement Practices

Risk management

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

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

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

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

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

Business continuity

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

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

Council's Business Continuity Plan (BCP) and the Disaster Recovery Plan (DRP) were last formally reviewed and updated in October 2019. In September 2021 a review of the Business Continuity Plan was conducted following the real-life business interruption of the COVID-19 pandemic. This review highlighted the plan was too prescriptive and that real life scenarios require a more nuanced approach. As a result, the plan has been substantially re-written.

Following this comprehensive review, the BCP was reviewed against the Australian Standard AS ISO 22301:2020 Security and resilience—Business continuity management systems—Requirements standard (which is an identical adoption of the international standard ISO 22301:2019). A desk top exercise of the BCP will be conducted in August 2024 following which it is anticipated this updated version will then be adopted.

Insuring our risks

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

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

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

Insurance premiums for 2023–24 increased by 14% compared with the 2022–23 year. Overall claim experience of the local government sector has had an impact on the Borough's insurance premium, despite a claims record that sits well below the industry average and is rated as very satisfactory.

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

Procurement

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

Council’s procurement and contract management activities:

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

During 2023–24, the organisation continued its Best Value Program in accordance with legislative requirements. Our annual Budget and business planning processes encompassed best value principles and continuous improvement, enabling us to review, learn and improve.

This approach was also applied to the ongoing review of Council services to ensure they continue to deliver best value for our community. The procurement requirements of the *Local Government Act 2020*, together with Council’s procurement policy, underpinned all procurement decisions made during the year.



Images: Queenscliffe Men's Shed and Indigenous Nursery Volunteers

Legislative compliance

Documents for inspection

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

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

1. The definition of the types or classes of land which are subject to a differential rate, and the objectives of the differential rate
2. A copy of any proposed declaration of a special rate or a special charge
3. A copy of any local law made by Council under section 74 of the *Local Government Act 2020*
4. A copy of any document, code, standard, rule, specification, or method which contains any matter incorporated in a local law of Council
5. A summary of personal interests
6. A copy of an election campaign donation return for the most recent Council election (older returns may also be able to be inspected)
7. Documents such as:
 - Plans and reports adopted by Council
 - Council policies
 - Project and service plans
 - Service agreements, contracts, leases and licences
 - Relevant technical reports and/or research that inform Council's decision-making.
8. Process information such as:
 - Application processes for approvals, permits, grants, access to Council services
 - Decision-making processes
 - Guidelines and manuals
 - Community engagement processes
 - Complaints handling processes.
9. The following Council information:
 - Meeting agendas
 - Minutes of meetings
 - Audit and Risk Committee Charter
 - Terms of Reference for delegated committees
 - Gift registers for Councillors and Council staff
 - Travel registers for Councillors and Council staff
 - Registers of conflicts of interest disclosed by Councillors and Council staff
 - Registers of leases entered into by Council
 - Register of delegations
 - Register of Authorised Officers
 - Any other registers or records required by the *Local Government Act 2020* or any other Act.

Contracts

Council adopted its Procurement Policy on 27 October 2021 and set a figure of \$200,000 (inc. GST) as the tender threshold. As per regulation 10(d) of the Local Government (Planning and Reporting) Regulations 2020, Council must list contracts entered into above this tender threshold. During the period 1 July 2023 to 30 June 2024, Council entered into the following contracts valued at \$200,000 or more:

Date awarded	Contract	Contractor	Value (\$)
26 July 2023	2023/03 – Asbestos Containing Material Replacement Works 4 Wharf Street*	Kennedys Group Services Pty Ltd	\$305,649.89 inc GST
8 November 2023	Variation to 2023/03 – Asbestos Containing Material Replacement Works 4 Wharf Street*	Kennedys Group Services Pty Ltd	Variation amount of \$357,383.04 inc GST bringing total contract amount total to \$663,032.92 inc GST
8 November 2023	Interim agreement for Roads, Parks and Reserves Maintenance Services Contract until 30 June 2024	Service Stream Limited	Daily charges apply; total of charges to be no more than \$800,000 exc GST in contract period
28 February 2024	2023/06 Design of a Bike Park, Point Lonsdale	Velosolutions Australia P/L	\$39,024 ex GST (Separable Portion 1 – design) and \$404,175 ex GST (Separable Portion 2 – construction) NB Separable Portion 2 is contingent on securing adequate grant funding. To date this grant funding has not been secured.
20 March 2024	Variation to 2023/03 – Asbestos Containing Material Replacement Works 4 Wharf Street*	Kennedys Group Services Pty Ltd	Variation amount of \$320,615.14 inc GST bringing total contract amount total to \$1,042,076.78 inc GST (note smaller variations to this contract made under delegation have not been included in this table but have been included in the total contract amount of \$1,042,076.78 above)
26 June 2024	2023-01 Provision of Roads, Parks, and Reserves Maintenance Services (seven- year contract)	Service Stream Limited	\$1,214,163.69 ex GST per annum
26 June 2024	2024/03 Kerbside FOGO Receival and Processing Services (two-year contract)	Corio Waste Management Pty Ltd	\$385,700 ex GST
26 June 2024	2023/10 Receival and Processing of Comingled Recyclables and Glass (three- year contract)	Cleanaway Pty Ltd	\$322,922 ex GST

*Note this contract is fully funded by the Victorian Asbestos Eradication Authority.

Disability action plan

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

Council's Disability Action Plan was lodged with the Human Rights and Equal Opportunity Commission in January 2014 and was adopted by Council in the same month. It has been reviewed since its adoption and a major review was undertaken during 2023–24. This major review was greatly assisted by the newly formed Lived Experience Disability Reference Group. The work of Council's Lived Experience Disability Reference Group has resulted in a draft Access and Inclusion Plan which, at the time of writing, is in a process of community consultation prior to its adoption by Council. It is intended the draft Access and Inclusion Plan will replace the Disability Action Plan.

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

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

A prime example of Council acting to reduce barriers can be seen at Wirrng Wirrng (the Queenscliffe Hub). In every aspect of the building – from signage, the acoustics treatments and movement to and through the facility – accessibility drove the design process.

Domestic Animal Management Plan

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

The Domestic Animal Management Plan 2021–2025 is a reissued edition of the Plan adopted by Council on 24 July 2013. It was prepared in accordance with the requirements and responsibilities under the following legislation and guiding documents:

- Domestic (Feral and Nuisance) Animals Act 1994
- Impounding of Livestock Act 1994
- Borough of Queenscliffe General Local Law 2021, Policies and Procedures Manual, and
- Relevant Council policies.

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

Domestic animal management statistics for the past five years appear in the tables on page 60.

Fire management

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

Council undertakes an annual fire prevention inspection program in line with the 2009 Victorian Bushfire Royal Commission recommendations. We issued 5 properties with a Schedule 15 Fire Prevention Notice (FPN) during 2023–24, with 100% compliance.

Food Act ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a copy or summary of any direction received from the Minister in its annual report. No such ministerial directions were received by Council during 2023–24.

Freedom of Information

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

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

The FOI Act establishes a legally enforceable right for individuals or organisations to access information from certain records held by Council. Access to documents in Council's possession may be obtained through written request to the Freedom of Information Officer as detailed in section 17 of the FOI Act and in summary as follows:

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

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

Council received 12 valid requests for information during 2023–24.

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, Council must prepare and give a report to the Minister on infrastructure and development contributions, including levies and works in kind, and this report must be published in the Annual Report. No such contributions were received during 2023–24.

Public interest disclosure procedures

In accordance with section 69 of the *Public Interest Disclosure Act 2012*, Council must include information in the annual report about how to access the procedures established by Council under Part 9 of the PID Act. Council is also required to provide certain information about the number and types of public interest disclosure complaints investigated during the financial year.

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

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

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

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

Given Council's obligations to protect any disclosers, it is not appropriate to comment on whether any disclosures were made to Council or to the Independent Broad-based Anti-corruption Commission during 2023–24.

Road Management Act ministerial directions

In accordance with section 22 of the *Road Management Act 2004*, Council is, as a road authority, required to publish a copy or summary of any direction received from the Minister in its Annual Report. No such ministerial directions were received by Council during 2023–24.



Images: Queenscliffe Men's Shed Volunteers

Lists and tables

Infringements, registrations and permits issued

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

Infringement notices	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Parking infringements	64	97	57	15	27	109
Animal infringements	2	16	2	2	5	4
Local law infringements	-	1	-	-	2	3
Fire prevention	-	-	-	-	-	-
Planning	-	-	-	-	-	-
Total	66	114	59	17	34	116

Court briefs	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Court briefs	-	-	-	-	-	-
Total	-	-	-	-	-	-

Local law permits	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Consume alcohol	10	10	23	30	15	13
Weddings	6	9	11	14	12	15
Events	33	24	24	19	34	44
Bulk rubbish bins	7	16	14	6	8	3
Disabled parking	68	-	-	183	328	53
Outdoor eating facilities	19	23	18	201	21	23
Goods for sale	15	15	12	9	21	22
A-frames	37	33	41	24	54	60
Residential parking	4	-	-	-	-	-
Boat ramp	49	-	-	-	11	204
Other	14	37	30	28	23	48
Total	262	167	173	514	527	485

Animal management	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Dogs registered	637	735	682	704	648	635
Cats registered	110	137	127	123	121	118
Impounded animals	1	8	8	15	19	19
Pet registration door knocks	42	211	215	197	172	112
Animal renewal notices	768	635	630	527	449	464
Native animal responses	6	70	61	52	39	58
Total	1564	1796	1723	1618	1448	1406

(New fields)

Animal management- Timeliness. Typically action Animal Management enquiries within 2 hours max depending on level of urgency. (1 day maximum)

Service standard – Animals reclaimed. 2 Animals reclaimed from GAWS

Animals rehomed - 2 animals impounded at GAWS

Notices	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
Fire prevention	5	6	8	12	11	15
Non-compliance of notices	-	-	-	-	-	-
Total	5	6	8	12	11	15

Outside hours	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19
After hours calls	96	65	75	68	43	238
After hours call-outs	2	5	15	9	6	75
Total	98	70	90	77	49	313

¹ 20 outdoor eating facility permits were issued, with 8 permits granted an extension due to COVID-19.

² The Queenscliff Boat Ramp is now managed by Better Boating Victoria. As such, permits are no longer issued by Council.

³ Disabled parking is now managed state-wide by VicRoads under the Accessible Parking Permit Scheme. As such, permits are no longer issued by Council.

Grants and donations to local organisations

Community events

Recipient	Purpose	2024 (\$)	2023 (\$)
ANZAC Day	Event support including ANZAC Day events	24,748	21,363
Point Lonsdale Christmas Tree	Point Lonsdale Christmas Tree festivities	5,580	5,011
Community Service Awards and Volunteer week	Community Service awards presentation and Volunteer week celebrations	5,244	6,752
Senior Citizens Week	Rock and Roll Dance Event	2,320	1,662
Refugee Welcome Zone	Safety Postcards	-	340
Subtotal		37,892	35,128

Contribution to operating costs

Recipient	Purpose	2024 (\$)	2023 (\$)
Life Saving Victoria	Lifeguard services	36,391	35,331
Subtotal		36,391	35,331

Community development grants

Recipient	Purpose	2024 (\$)	2023 (\$)
Tides of Welcome Choir	20th Anniversary Celebration	2,026	-
Swan Bay Environmental Association	2024 - Indigenous Nursery Grant - Fridge for seeding program 2023 -Plant Propagation Tables for the Indigenous Plant Nursery	2,000	1,512
Pt Lonsdale Surf Life Saving Club	Silver Salties - Over 55's activation program	2,000	-
Point Lonsdale Basketball Association Inc	Purchase of uniforms and equipment	1,864	-
Queenscliffe and District Neighbourhood House	2024 - Chatty Café 2023 - House Gallery 10 year Celebrations	1,800	2,000
Pt Lonsdale Boardriders Club Inc	Groms off the wall event	1,500	-
Queenscliff Lonsdale Yacht Club	2024 - Safety Ladder / platform 2023 - Sailing Dinghy Equipmen	1,300	2,000
Boomerang Bags	Servicing machines and materials	1,129	-
Combined Probus Club of Queenscliff	2024 - Purchase of wool for beanies 2023 – Craft group	1,000	500
Shedding the Blues	The Bright Side of Life: Optimism Rules workshops	999	-
Point Lonsdale Primary School	Nippers in School	664	1,808
Queenscliff Football Netball Club	Cricket Pitch Cover	-	2,000
Queenscliffe Lighthouse Theatre Group	Theatre Group 21st Celebration	-	2,000
Queenscliffe Climate Action Group Inc	Household Energy Efficiency Audit Program	-	2,000
Queenscliffe Historical Museum Inc.	Touch-screen display unit for new museum facility	-	1,364
Queenscliffe Maritime Museum	Protectors and non-slip mats (trip hazard prevention) Replacement solar film on windows to protect artifacts	-	1,245
Australian Volunteer Coast Guard Association	Handheld Spotlights for Coast Guard Rescue Vessel	-	993
Uniting Church Queenscliffe & Point Lonsdale	Community Meal – One monthly “Men’s Cooking Night” barbeque	-	650
Lisa’s Art	Advertising Brochure	-	45
Subtotal		16,282	18,116



Images: Queenscliffe Neighbourhood Centre and Queenscliffe Basketball Association Volunteers

Sponsorship program

Recipient	Purpose	2024 (\$)	2023 (\$)
Searoad Ferries - Tarra Restaurant Queenscliff	Nightide 2024	20,000	-
Queenscliff Music Festival (QMF)	Queenscliff Music Festival	19,800	17,000
Queenscliffe Literary Festival	Literary Festival	15,000	-
Geelong Street Rodders	Traffic management element of the Rod Run event	11,293	-
Pt Lonsdale Surf Life Saving Club	Rip View Swim Classic	7,500	2,500
Uniting Church Queenscliffe & Point Lonsdale	Sacrededge festival	4,000	-
Bellarine Lighthouse Films Festival Incorporated	Queenscliff Film Festival	3,000	2,500
Theatre3triple	The Fort Murders Project	2,500	2,500
Spirited Away Pty Ltd	The Rip Swim	2,500	-
Queenscliffe Lighthouse Theatre Group Inc	2024 - Sleeping Beauty Pantomime 2023 - Cinderella Pantomime	2,000	1,750
The Anglican Parish of St Georges Queenscliff and St James	St Georges Flower Show	1,500	-
Queenscliffe Maritime Museum	Lifeboat Shed Stories	1,262	2,229
New Swell Choir	End of Year Concert	1,000	-
Swan Bay Environmental Association	Nature Art Workshops	1,000	-
Living Culture	Nightide Fringe Festival	1,000	-
Pt Lonsdale Boardriders Club Inc	Sponsorship of Groms off the Wall event	-	4,500
Queenscliff and District Neighbourhood House	Uke Night Out	-	1,700
The Bellarine School of Art Pty Ltd	The Bellarine School of Art Book Launch Event	-	1,000
White Swan Sound and Yoga	Lift your spirits	-	1,000
Barwon Heads Arts Council INC	Borough of Queenscliff component of the Bellarine arts trail	-	1,000
Subtotal		\$93,355	\$37,679

Education awards

Recipient	Purpose	2024 (\$)	2023 (\$)
Bellarine Secondary College	Award	1,000	1,000
Queenscliff Primary School	Award	311	300
Point Lonsdale Primary School	Award	311	300
St Aloysius Primary School	Award	311	300
Subtotal		\$1,933	\$1,900

	2024 (\$)	2023 (\$)
TOTAL grants and donations paid to local organisations	185,853	128,154

Grants and subsidies received

Federal funding

Purpose	Type		Source	2024 (\$)	2023 (\$)
Aged Care - Domestic assistance	Operating	Recurrent	Department of Health	189,934	166,482
Local Roads and Community Infrastructure program	Capital	Non Recurrent	Department of Infrastructure	77,494	60,970
Aged Care - Personal Care	Operating	Recurrent	Department of Health	63,108	53,847
Aged Care - Respite care	Operating	Recurrent	Department of Health	52,468	44,846
Aged Care - Assessment	Operating	Recurrent	Department of Health	43,784	-
Aged Care - Property maintenance	Operating	Recurrent	Department of Health	42,801	36,264
Victoria Grants Commission - General Purpose Grants	Operating	Recurrent	Department of Environment, Land, Water and Planning (VGC)	25,228	377,445
Aged Care - Social Support Individuals	Operating	Recurrent	Department of Health	10,855	9,514
Victoria Grants Commission - Local Roads	Operating	Recurrent	Department of Environment, Land, Water and Planning (VGC)	3,267	91,357
Aged Care - Home Modifications	Operating	Recurrent	Department of Health	2,590	2,467
Queenscliffe Cultural Hub	Capital	Non Recurrent	Department of Industry	-	145,000
Planting Trees for the Queen's Jubilee	Operating	Non Recurrent	Department of Industry, Innovation and science	-	15,334
Subtotal				511,529	1,003,526

State funding

Purpose	Type		Source	2024 (\$)	2023 (\$)
Wharf Asbestos Removal Works	Operating	Non-recurrent	Victorian Asbestos Eradication Agency	810,784	-
Point Lonsdale Maritime & Defence Precinct	Capital	Non-recurrent	Department of Environment, Land, Water and Planning	600,000	200,000
Better Boating Program - Boat Launching and parking fees abolition	Operating	Recurrent	Department of Transport	122,000	122,000
Maternal and Child Health	Operating	Recurrent	Department of Education & Early Childhood Development	71,423	68,849
Fire Services Levy Implementation	Operating	Recurrent	State Revenue Office - Department of Treasury & Finance	43,346	42,392
Kindergarten Infrastructure and Services Plan KISP	Operating	Non-recurrent	Department of Education	42,000	-

Cliff Stability study - Resilient Coast	Operating	Non Recurrent	Department of Environment Land Water and Planning	40,000	40,000
Hesse Street link to boat ramp	Capital	Non-recurrent	Department of Transport	37,947	28,500
Record digitisation project	Operating	Non Recurrent	Regional Development Victoria	34,293	83,000
School Crossing Supervisors	Operating	Recurrent	Department of Transport Planning and Local Infrastructure	30,436	36,935
Circular Economy Household Education Grant Project	Operating	Non-recurrent	Sustainability Victoria	25,950	-
ANZAC Day	Operating	Non-recurrent	Department of Veteran Affairs	25,881	7,000
New Corporate System	Capital	Non-recurrent	Department of Environment, Land, Water and Planning	21,424	420,000
Draft kerbside transition plan	Operating	Non Recurrent	Department of Environment Land Water and Planning	20,111	26,800
Onsite Domestic Wastewater Management	Operating	Non Recurrent	Department of Environment Land Water and Planning	20,000	20,000
Beach Cleaning	Operating	Recurrent	Department of Sustainability & Environment	12,259	13,476
Aged Care - Assessment & Service Sourcing Resourcing	Operating	Recurrent	Department of Health and Human Services	8,127	60,023
Queenscliffe Neighbourhood House	Operating	Non-recurrent	Sustainability Victoria	5,982	13,959
Beach Marker condition assessment report	Operating	Non-recurrent	Department of Environment Land Water and Planning	5,000	-
Boat ramp upgrade project	Capital	Non Recurrent	Department of Transport	3,970	1,199,612
Senior Citizens Week	Operating	Recurrent	Department of Health	3,200	6,400
COVID-19 Rapid Antigen Test Program	Operating	Non Recurrent	Department of Health and Aged Care	3,167	90,000
Q Sports & Rec Precinct Development Plan	Capital	Non-recurrent	Department of Jobs, Precincts and Regions	-	100,000
Electronic Vehicle Charging Stations	Operating	Non-recurrent	Department of Environment, Land, Water and Planning	-	147,668
Marine Coastal Management Plan	Operating	Non Recurrent	Department of Environment, Land, Water and Planning	-	50,000
Subtotal				1,987,299	2,776,613

Other funding

Purpose	Type		Source	2024 (\$)	2023 (\$)
Tobacco Activity Program	Operating	Non-recurrent	Municipal Association Victoria	5,793	5,793
16 Days of Activism Against Gender-Based Violence	Operating	Non-recurrent	Municipal Association Victoria	1,500	-
Subtotal				7,293	5,793
TOTAL grants and subsidies received by Council				2,506,121	3,785,932

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

Membership of organisations

Organisation	Membership Contribution	
	2024 (\$)	2023 (\$)
Tourism Greater Geelong and the Bellarine	24,462	23,807
Municipal Association of Victoria	15,880	14,972
Bellarine Catchment Network	13,750	11,520
Victorian Local Governance Association	8,464	2,982
Barwon South West Climate Alliance	7,500	15,000
G21 Regional Alliance	6,384	16,258
Small Rural Councils of Victoria	5,000	4,000
Victorian Caravan Parks Association	4,409	5,073
Before You Dig Australia (BYDA)	2,710	-
Local Government Professionals	1,500	1,449
Climate Emergency Australia	1,224	1,000
Victorian Tourism Industry Council	700	560
MAV Australian Standards Sector-Wide Access	680	-
Infrastructure Design Association	500	500
Australian Local Government Women's Association	350	320
Tourism Greater Geelong and the Bellarine - Caravan Parks	318	318
Revenue Management Association Membership	250	-
Association of Bayside Municipalities	-	5,437
Municipal Association of Victorian Technology	-	400
Australian Women in security network	-	66
TOTAL funds contributed to organisation memberships	94,081	103,662

Local Government Performance Reporting Framework

The *Local Government Act 2020* (the Act) states the primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long-term and cumulative effects of decisions.

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

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

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

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

- A governance and management checklist (page 68)
- Other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (page 75)
- 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 28).

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

What is the Performance Statement?

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

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

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

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

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

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 71 for the Certification of the Performance Statement and page 72 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 27 qualitative measures against which Council is assessed each year. This checklist is included within the 'Our Performance' section of the Annual Report (page 68).

Governance and management checklist

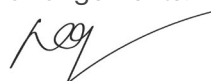
The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

No.	Governance and Management item	Assessment
1	Community engagement policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Adopted in accordance with section 55 of the Act. Date of adoption: 14/12/2022 ✓
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: 14/12/2022, included within the policy. ✓
3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with section 91 of the Act. Date of adoption: 26/06/2024 ✓
4	Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act. Date of adoption: 22/02/2023 ✓
5	Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act. Date of adoption of the updated version: 26/06/2024 ✓
6	Annual budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required)	Budget adopted in accordance with section 94 of the Act. Date of adoption of the 2024-25 Budget: 26/06/2024 ✓
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: 14/12/2022 ✓
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: 27/10/2021 (the policy was reviewed on 24/07/2024) ✓
9	Municipal emergency management planning (council's participation in meetings of the Municipal Emergency Management Planning Committee (MEMPC))	Municipal Emergency Management Planning Committee (MEMPC) meetings attended by one or more representatives of Council (other than the chairperson of the MEMPC) during the financial year. Date of MEMPC meetings attended: 10/07/2023, 13/11/2023 and 18/03/2024 ✓
10	Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act. Date of operation of current policy: 27/10/2021 ✓
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation. Date of operation of current plan: 30/10/2019 (the plan was reviewed in August 2024) ✓
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. Covered in the Business continuity plan ✓
13	Complaint policy (Policy under section 107 of the Act outlining Council's commitment and approach to managing complaints.)	Policy developed in accordance with section 107 of the Act. Date of operation of current policy: 14/12/2022 ✓
14	Workforce plan (Plan outlining Council's commitment and approach to planning the current and future workforce requirements of the organisation.)	Plan developed in accordance with section 46 of the Act. Date of operation of current plan: 01/12/2023 (the plan was reviewed after an organisational restructure) ✓
15	Payment of rates and charges hardship policy (Policy outlining Council's commitment and approach to assisting ratepayers experiencing financial hardship or difficulty paying their rates.)	Current policy in operation. Date of operation of current policy: 23/06/2021 (the policy was reviewed on 24/07/2024) ✓
16	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: 17/04/2023 ✓

17	Audit and Risk Committee (Advisory committee of Council under section 53 and section 54 of the Act whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide oversight on internal and external audit functions)	Established in accordance with section 53 of the Act. Date of establishment: 27/08/2020	✓
18	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged. Date of engagement of current provider, RSD Auditors: 07/10/2022	✓
19	Performance reporting framework (A set of indicators measuring financial and non-financial performance indicators referred to in section 98 of the Act)	Current framework in operation. Date of operation of current framework: 01/07/2015	✓
20	Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report Date of reports: 2022-23 Quarter 4 Implementation update for the Annual Plan 27/09/2023 2023-24 Quarter 1 Implementation update for the Annual Plan 22/11/2023 2023-24 Quarter 2 Implementation update for the Annual Plan 28/02/2024 2023-24 Quarter 3 Implementation update for the Annual Plan 24/04/2024	✓
21	Quarterly budget reports (quarterly reports to Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations)	Quarterly reports presented to Council in accordance with section 97(1) of the Act Dates of reports: 2022-23 Quarter 4 Finance Report 27/09/2023 2023-24 Quarter 1 Finance Report 22/11/2023 2023-24 Quarter 2 Finance Report 28/02/2024 2023-24 Quarter 3 Finance Report 24/04/2024	✓
22	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reports prepared and presented. Updated strategic risk register presented to the Audit and Risk committee on 12/09/2023, 04/12/2023, 15/04/2024 and 11/06/2024.	✓
23	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act)	Performance reports prepared Dates of presentation of reports: 2022-23 Performance Report 27/09/2023 2023-24 First 6 months Report 28/02/2024	✓
24	Annual report (annual report under sections 98,99 and 100 of the Act containing a report of operations and audited financial and performance statements)	Annual report presented at a meeting of Council in accordance with section 100 of the Act. Date considered: 26/10/2023, 2022-23 Annual Report	✓
25	Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Code of conduct reviewed and adopted in accordance with section 139 of the Act. Date of review: 17/02/2021	✓
26	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Delegations reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act. Date of review: 25/07/2023	✓
27	Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act. Date adopted: 24/04/2024	✓

Certification of the governance and management checklist

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



Martin Gill
Chief Executive Officer

Date: 30 September 2024



Councillor Ross Ebbels
Mayor

Date: 30 September 2024

Chapter 6: Performance Statement

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Image: Queenscliffe Neighbourhood Centre Volunteers

Certification of the Performance Statement

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



Gihan Kohobange CPA, CA, FCCA

Principal Accounting Officer

Date: 30 September 2024

Queenscliff



Councillor Ross Ebbels

Mayor

Date: 30 September 2024

Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe for the year ended 30 June 2024 fairly presents the results of Council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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

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

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2020 to certify this performance statements in its final form.



Councillor Rob Minty

Date: 30 September 2024

Queenscliff



Martin Gill

Chief Executive Officer

Date: 30 September 2024

Queenscliff

Victorian Auditor General's Office Audit Report



Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

Opinion	<p>I have audited the accompanying performance statement of the Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2024• service performance indicators for the year ended 30 June 2024• financial performance indicators for the year ended 30 June 2024• sustainable capacity indicators for the year ended 30 June 2024• notes to the accounts• certification of the performance statement. <p>In my opinion, the performance statement of the Borough of Queenscliffe in respect of the year ended 30 June 2024 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and Local Government (Planning and Reporting) Regulations 2020 and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

Victorian Auditor General's Office Audit Report

Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement. As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none">• identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control• evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
11 October 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Description of Municipality

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

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

Population

On the night of the 2021 Census, the Borough's permanent resident population was 3,276 (2016: 2,853), with 1,760 people residing in Point Lonsdale (2016: 1,538) and 1,516 in Queenscliff (2016: 1,315) as well as a significant non-residential population. The Borough's population increases to around 17,000 people over the summer period. It is anticipated that the Borough's permanent population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non-permanent ownership of property.

Ageing population

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

The Borough's median age is 64.9 (2016: 60), which is the oldest median age by local government area in Victoria. For this reason, there is significant emphasis on the need to provide aged services, although it is also acknowledged that age is not the sole determinant of the need for particular health services.

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

Births

New births in the Borough remain relatively low, with 16 babies being born in 2023–24 (2022–23: 10 births).

Housing

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

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

Government grants

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

Service performance indicators

For the Year Ended 30 June 2024

	2021	2022	2023	2024	
Service / indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual
Aquatic Facilities					
Utilisation	0.00	0.00	0.00	N/A	0.00
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]					
Borough of Queenscliffe does not provide this service.					
Animal Management					
Health and safety	0%	0%	0%	0%	0%
Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100					
No reported offences warranted prosecution. Council applies a graduated model of animal management enforcement based around education, warnings and infringements appropriate to the circumstances.					
Food Safety					
Health and safety	100.00%	100.00%	100.00%	100.00%	100.00%
Critical and major non-compliance outcome notifications [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					
Council received 27 critical non-compliance notifications in 2023-24. Council has achieved a 100.00% compliance rate over the four years.					
Governance					
Consultation and engagement	60	65	63	65	51
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]					
Some parts of the community have expressed dissatisfaction, initially with the matters on which Council was consulting, such as the draft proposal to trial a 30km/h speed limit on local streets. This dissatisfaction has contributed to the outcome, particularly when feedback during the consultation did not result in changes to Council's policy position or proposed initiatives. As a result, some have claimed that the consultation process was meaningless leading to a satisfaction rating that fell below both the target and last year's result.					
Libraries					
Participation	#N/A	#N/A	#N/A	35.00%	52.59%
Library membership [Number of registered library members / Population] x100					
Approximately 53% of the municipal population holds a library membership.					

Service performance indicators cont..

For the Year Ended 30 June 2024

	2021	2022	2023	2024	
Service / indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual
Maternal and Child Health (MCH)					
Participation	68.71%	73.24%	45.37%	100.00%	65.81%
<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 Only 39 children attended the MCH service at least once, of the 59 infants enrolled in 2023–24.					
<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 One Aboriginal child was enrolled in the MCH service and attended at least once during the year.	100.00%	0.00%	0.00%	N/A	100.00%
Roads					
Condition	100.00%	100.00%	100.00%	100.00%	100.00%
<i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100 All local roads are above the renewal intervention level set by Council.					
Statutory Planning					
Service standard	75.70%	74.66%	69.23%	75.00%	76.36%
<i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100 84 planning applications decided within required time frames out of 110 planning application decisions in 2023–24.					
Waste Management					
Waste diversion	55.50%	55.57%	68.03%	60.00%	67.08%
<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 The ongoing improvement in waste diversion from landfill is a result of the rollout of Food Organic and Garden Organic (FOGO) waste bins.					

Financial performance indicators

For the Year Ended 30 June 2024

Service / indicator / measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts
Efficiency									
Expenditure level									
Expenses per property assessment	\$4,168.44	\$3,824.21	\$4,165.10	\$3,800.00	\$4,566.99	\$4,194.74	\$4,276.86	\$4,355.96	\$4,404.94
[Total expenses / Number of property assessments]									
<p>Total expenses for 2023-24 include \$1,085,000 in costs related to non-recurring projects, most of which were funded through grants. This represents a significant increase compared to the \$238,000 incurred in the 2022-23 financial year. Additionally, \$552,000 in capital expenditure, incurred over multiple financial years, was classified as operating expenses in 2023-24 due to not meeting capitalisation criteria. This too is included in the total expenses, compared to \$772,000 in similar expenditure for 2022-23.</p> <p>Excluding these non-recurring items, the result for 2023-24 is \$4,039, compared to \$3,827 for 2022-23 on the same basis. The approximately 5.2% increase in expenses per property assessment on a recurring basis reflects the inflationary pressures faced by the Council during 2023-24, resulting in expenses per property assessment exceeding both the target and last year's result on a recurring basis.</p> <p>Furthermore, the majority of Queenscliffe's expenditure is non-discretionary and essential for managing the services expected of a local council. Due to the very small ratepayer base, this results in a higher expenditure per property assessment compared to other local councils.</p>									
Revenue level									
Average rate per property assessment									
[Sum of all general rates and municipal charges / Number of property assessments]	\$2,154.12	\$2,186.49	\$2,229.14	N/A	\$2,324.04	\$2,393.27	\$2,465.38	\$2,530.77	\$2,597.76
Rate revenue represents a high proportion of Queenscliffe's revenue and spread across a very small ratepayer base.									
Liquidity									
Working capital									
Current assets compared to current liabilities	294.05%	310.17%	458.01%	150.00%	385.16%	580.16%	516.17%	505.30%	492.90%
[Current assets / Current liabilities] x100									

At the end of the 2023-24 financial year, there was a reduction in current assets because the Council invested in a term deposit with a maturity of more than 12 months to secure a favourable interest rate in the current environment.

Financial performance indicators cont..

For the Year Ended 30 June 2024

Service / indicator / measure [Formula]	2021	2022	2023	2024		2025	2026	2027	2028
	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts
Unrestricted cash									
Unrestricted cash compared to current liabilities	38.73%	43.90%	69.14%	N/A	-1.27%	341.51%	326.49%	320.66%	317.98%
[Unrestricted cash / Current liabilities] x100									
The Council holds \$9.8 million in term deposits with original maturities exceeding 90 days, classified as restricted cash for LGPRF reporting in 2023-24. This decision was made to secure favourable interest rates in the current economic climate. The Council anticipates converting some of these term deposits into operational cash to fund key projects, while still maintaining a high operational cash balance over the next three years.									
Loans and borrowings									
Loans and borrowings compared to rates	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%
[Interest bearing loans and borrowings / Rate revenue] x100									
Council has a debt-free balance sheet.									
Loans and borrowings repayments									
Loans and borrowings repayments compared to rates									
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.38%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%
Council has a debt-free balance sheet.									
Indebtedness									
Non-current liabilities compared to own source revenue	1.06%	1.09%	0.89%	N/A	1.22%	0.86%	0.88%	0.88%	0.88%
[Non-current liabilities / Own source revenue] x100									

The increase observed in 2023-24 within non-current liabilities is due to the increase in the provision for employee leave (non-current portion) at year end.

Financial performance indicators cont..

For the Year Ended 30 June 2024

**Service / indicator /
measure [Formula]**

2021

2022

2023

2024

2025

2026

2027

2028

Actual

Actual

Actual

**Target
as per
budget**

Actual

Forecasts

Forecasts

Forecasts

Forecasts

Asset renewal and upgrade

Asset renewal and
upgrade compared
to depreciation

194.21%

540.62%

194.79%

125.00%

66.82%

66.70%

104.35%

129.97%

132.84%

[Asset renewal
and asset upgrade
expense / Asset
depreciation] x100

All major capital works projects scheduled to commence in the 2023-24 financial year have been delayed, primarily due to changes in the initial project scope and delays in securing the necessary approvals. As a result, asset renewal and upgrade expenses compared to depreciation have fallen below the target. These projects are now expected to begin in the 2024-25 financial year or later.

Operating position

Adjusted underlying result

Adjusted underlying
surplus (or deficit)

-13.71%

5.58%

-4.90%

N/A

-6.15%

-0.32%

-0.76%

0.10%

0.74%

[Adjusted
underlying surplus
(deficit)/ Adjusted
underlying revenue]
x100

Advance payments of the Financial Assistance Grant have a significant impact on the adjusted underlying result. If the grants were allocated to the financial year it pertains to, the adjusted underlying results for 2020-21, 2021-22, 2022-23, and 2023-24 would have been -9.2%, 2.0%, -4.3%, and -2.4%, respectively.

By aligning operating grants with the financial year to which they relate and considering only recurring income and recurring operating expenses, including depreciation, the adjusted underlying result for the 2023-24 financial year would have been 2.1% (compared to 3.1% for the 2022-23 financial year on the same basis).

Stability

Rates concentration

Rates compared to
adjusted underlying
revenue

67.46%

63.30%

65.92%

65.00%

63.38%

68.79%

69.12%

69.30%

69.12%

[Rate revenue /
Adjusted underlying
revenue] x100

In recent years, the Council has been collecting an average of 65% of its underlying revenue from rates revenue.

Rates effort

Rates compared to
property values

0.25%

0.24%

0.18%

N/A

0.18%

0.18%

0.19%

0.19%

0.20%

[Rate revenue /
Capital improved
value of rateable
properties in the
municipality] x100

The lower proportion of rate revenue compared to property values suggests a reduced rate burden on the community. However, compared to other municipalities, the low number of comparatively highly valued properties in the Borough has a positive impact on this measure.

Sustainable capacity indicators

For the Year Ended 30 June 2024

<i>Indicator / measure [Formula]</i>	2021 Actual	2022 Actual	2023 Actual	2024 Actual
Population	\$4,282.07	\$3,885.57	\$4,009.31	\$4,400.56
<i>Expenses per head of municipal population</i>				
<i>[Total expenses / Municipal population]</i>				
<p>Total expenses for 2023-24 include \$1,085,000 in costs related to non-recurring projects, most of which were funded through grants. This represents a significant increase compared to the \$238,000 incurred in the 2022-23 financial year. Additionally, \$552,000 in capital expenditure, incurred over multiple financial years, was classified as operating expenses in 2023-24 due to not meeting capitalisation criteria. This too is included in the total expenses, compared to \$772,000 in similar expenditure for 2022-23.</p> <p>Excluding these non-recurring items, the result for 2023-24 is \$3,892, compared to \$3,682 for 2022-23 on the same basis. The approximately 5.3% increase in expenses per property assessment on a recurring basis reflects the inflationary pressures faced by the Council during 2023-24.</p>				
<i>Infrastructure per head of municipal population</i>	\$12,601.26	\$15,360.70	\$14,144.10	\$13,958.93
<i>[Value of infrastructure / Municipal population]</i>				
<p>This is primarily due to the delay in key capital works projects planned for the 2023-24 financial year, resulting in a higher depreciation amount compared to the investment in infrastructure assets.</p>				
<i>Population density per length of road</i>	69.95	71.02	77.02	76.26
<i>[Municipal population / Kilometres of local roads]</i>				
<p>42 km of local roads for a population of 3,238. Queenscliffe has a comparatively low population (the smallest in the state) and a comparatively low length of road.</p>				
Own-source revenue	\$3,250.18	\$3,415.74	\$3,398.34	\$3,600.06
<i>Own-source revenue per head of municipal population</i>				
<i>[Own-source revenue / Municipal population]</i>				
<p>The Borough's own source revenue includes municipal rates, and a comparatively high level of user fees and charges income, particularly with respect to fees from tourist parks.</p>				
Recurrent grants	\$278.62	\$505.87	\$353.97	\$233.94
<i>Recurrent grants per head of municipal population</i>				
<i>[Recurrent grants / Municipal population]</i>				
<p>The timing of the Financial Assistance Grant has impacted this result. After adjusting for timing differences, recurrent grants per head of the municipal population amount to \$360.</p>				
Disadvantage	10.00	10.00	10.00	10.00
<i>Relative Socio-Economic Disadvantage</i>				
<i>[Index of Relative Socio-Economic Disadvantage by decile]</i>				
<p>The Council's result improved, increasing from a score of 9 in the 2011 Census to 10 in both the 2016 and 2021 Censuses.</p>				
Workforce turnover	14.8%	16.4%	15.1%	20.5%
<i>Percentage of staff turnover</i>				
<i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>				
<p>There were 12 staff resignations and terminations in 2023-24, compared to an average of 8-10 per year in previous years, with an average permanent staff count of 60. These resignations included three staff members who had each worked with the Council for over ten years, two of whom retired. It also included two staff who left within three months of employment, one due to illness that other for a job that provided higher remuneration.</p>				

Notes to the accounts

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, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's Financial Plan.

The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.



Images: Queenscliffe Basketball Association and Point Lonsdale Boardriders Volunteers

Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
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
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
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, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Chapter 7:

Financial Report

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Image: Point Lonsdale Boardriders Volunteers

Understanding the financial report

Understanding the Financial Report

Introduction

The Financial Statements show how Council performed financially during the 2023–24 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 ten notes. These are prepared by Council staff, examined by the Audit and Risk Committee, Council and audited by the Victorian Auditor-General's Office.

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

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

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

Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year.

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

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

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

Balance Sheet

The balance sheet shows the assets that Council own and what Council owe (liabilities) as of 30 June 2024.

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

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

Statement of Changes in Equity

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

- The 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year
- The use of monies from Council's reserves and transfers to Council's reserves
- The change in the value of non-current assets, resulting from a revaluation of these assets, and
- Any adjustment to opening balance, where applicable.

Statement of Cash Flows

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

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

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

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

Statement of Capital Works

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

Notes to the Financial Statements

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

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

Certification by Principal Accounting Officer and Councillors

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

Auditor-General's Report

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

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



Image: Indigenous Nursery Volunteer

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Certification of the Financial Statements

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



Gihan Kohobange CA, CPA, FCCA

Principal Accounting Officer

Date: 30 September 2024
Queenscliff

In our opinion, the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2024 and the financial position of the Council as at that date.

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


We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the financial statements in their final form.



Councillor Ross Ebbels

Mayor

Date: 30 September 2024
Queenscliff



Councillor Rob Minty

Councillor

Date: 30 September 2024
Queenscliff



Martin Gill

Chief Executive Officer

Date: 30 September 2024
Queenscliff

VAGO report on the Financial Report



Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

Opinion

I have audited the financial report of the Borough of Queenscliffe (the council) which comprises the:

- balance sheet as at 30 June 2024
- 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 material accounting policy information
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the Local Government (Planning and Reporting) Regulations 2020 and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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 Victoria. 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

The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020, 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.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

VAGO report on the Financial Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
11 October 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income/Revenue			
Rates and charges	3.1	8,508	8,109
Statutory fees and fines		126	173
User fees	3.2	2,084	2,070
Grants - operating	3.3	1,767	1,370
Grants - capital	3.3	224	2,232
Net gain on disposal of property, infrastructure, plant and equipment		99	109
Share of net profits of associates and joint ventures		21	-
Other income	3.4	819	492
Total income / revenue		13,648	14,555
Expenses			
Employee costs	4.1	(5,281)	(5,037)
Materials and services	4.2	(6,445)	(5,240)
Depreciation	4.3	(1,269)	(1,244)
Allowance for impairment losses		(6)	-
Other expenses	4.4	(1,248)	(1,409)
Total expenses		(14,249)	(12,930)
Surplus/(deficit) for the year		(601)	1,625
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain / (loss)	6.1	124	(2,397)
Total other comprehensive income		124	(2,397)
Total comprehensive result		(477)	(772)

The above comprehensive income statement should be read in conjunction with the accompanying notes.
Please note that some transactions from last year have been reclassified for improved clarity in presentation.

Balance Sheet

For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	1,790	3,568
Trade and other receivables	5.1	443	230
Other financial assets	5.1	8,780	7,593
Inventories		6	4
Prepayments		198	233
Other assets		203	410
Total current assets		11,420	12,038
Non-current assets			
Other financial assets	5.1	1,058	-
Investments in associates, joint arrangements and subsidiaries		181	160
Property, infrastructure, plant and equipment	6.1	172,005	172,562
Total non-current assets		173,244	172,722
Total assets		184,664	184,760
Liabilities			
Current liabilities			
Trade and other payables	5.2	582	829
Trust funds and deposits		25	20
Contract and other liabilities	5.2	1,356	844
Provisions	5.3	1,002	935
Total current liabilities		2,965	2,628
Non-current liabilities			
Provisions	5.3	142	98
Total non-current liabilities		142	98
Total liabilities		3,107	2,726
Net assets		181,557	182,034
Equity			
Accumulated surplus		98,253	99,424
Reserves	9.1	83,304	82,610
Total Equity		181,557	182,034

The above balance sheet should be read in conjunction with the accompanying notes.
Please note that some transactions from last year have been reclassified for improved clarity in presentation.

Statement of Changes in Equity

For the Year Ended 30 June 2024

2024	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		182,034	99,424	74,278	8,332
Surplus/(deficit) for the year		(601)	(601)	-	-
Net asset revaluation gain / (loss)	6.1	124	-	124	-
Transfers to other reserves	9.1	-	(953)	-	953
Transfers from other reserves	9.1	-	382	-	(382)
		<u>181,557</u>	<u>98,253</u>	<u>74,402</u>	<u>8,902</u>
Balance at end of the financial year		181,557	98,253	74,402	8,902

2023	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		182,806	101,380	76,675	4,751
Surplus/(deficit) for the year		1,625	1,625	-	-
Net asset revaluation gain / (loss)	6.1	(2,397)	-	(2,397)	-
Transfers to other reserves	9.1	-	(4,520)	-	4,520
Transfers from other reserves	9.1	-	939	-	(939)
		<u>182,034</u>	<u>99,424</u>	<u>74,278</u>	<u>8,332</u>
Balance at end of the financial year		182,034	99,424	74,278	8,332

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

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		8,419	8,203
Statutory fees and fines		128	201
User fees		2,016	2,035
Grants - operating		1,596	1,457
Grants - capital		716	1,686
Interest received		420	132
Trust funds and deposits taken		40	12
Other receipts		661	263
Net GST refund/ (payment)		78	109
Employee costs		(5,176)	(4,883)
Materials and services		(6,572)	(5,786)
Short-term, low value and variable lease payments		(1)	(13)
Trust funds and deposits repaid		(34)	(43)
Other payments		(808)	(473)
Net cash provided by/(used in) operating activities		1,483	2,900
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(1,110)	(5,527)
Proceeds from sale of property, infrastructure, plant and equipment		100	3,504
Payments for investments		(11,392)	(12,240)
Proceeds from sale of investments		9,141	11,152
Net cash provided by/(used in) investing activities		(3,261)	(3,110)
Cash flows from financing activities			
Net cash provided by/(used in) financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(1,778)	(210)
Cash and cash equivalents at the beginning of the financial year		3,568	3,778
Cash and cash equivalents at the end of the financial year		1,790	3,568

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

Statement of Capital Works

For the Year Ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Property			
Buildings		137	1,117
Heritage buildings		6	-
Total buildings		143	1,117
Total property		143	1,117
Plant and equipment			
Plant, machinery and equipment		246	50
Fixtures, fittings and furniture		41	1
Computers and telecommunications		13	312
Total plant and equipment		299	363
Infrastructure			
Roads		139	190
Footpaths and cycleways		228	49
Drainage		22	107
Recreational, leisure and community facilities		34	495
Parks, open space and streetscapes		104	679
Off street car parks		-	122
Other infrastructure		49	884
Other Assets		14	-
Total infrastructure		589	2,525
Total capital works expenditure		1,032	4,006
Represented by:			
New asset expenditure		184	1,583
Asset renewal expenditure		657	1,059
Asset upgrade expenditure		191	1,364
Total capital works expenditure		1,032	4,006

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 1 Overview

Introduction

The Borough of Queenscliffe was established by an Order of the Governor in Council on 12th May 1863 and is a body corporate. The Council's main office is located at 50 Learmonth Street, Queenscliff, VIC, 3225.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the Local Government (Planning and Reporting) Regulations 2020.

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

Accounting policy information

1.1 Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.3)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- other areas requiring judgements

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

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results

2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or a dollar variance +/- \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

2.1.1 Income / Revenue and expenditure

	Budget 2024	Actual 2024	Variance	Variance	
	\$'000	\$'000	\$'000	%	Ref
Income / Revenue					
Rates and charges	8,483	8,508	25	0%	
Statutory fees and fines	113	127	14	13%	
User fees	2,166	2,084	(82)	-4%	1
Grants - operating	1,692	1,767	75	4%	2
Grants - capital	1,417	224	(1,193)	-84%	3
Net gain on disposal of property, infrastructure, plant and equipment	35	99	64	100%	4
Share of net profits/(losses) of associates and joint ventures	-	21	21	100%	
Other income	534	819	285	53%	5
Total income / revenue	14,440	13,648	(792)	-5%	
Expenses					
Employee costs	(5,407)	(5,281)	(125)	2%	6
Materials and services	(5,903)	(6,445)	542	-9%	7
Depreciation	(1,373)	(1,269)	(104)	8%	8
Allowance for impairment losses	(3)	(6)	3	-113%	
Other expenses	(669)	(1,247)	579	-87%	9
Total expenses	(13,355)	(14,249)	895	-7%	
Surplus/(deficit) for the year	1,085	(601)	1,686	155%	

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (*Continued*)

(i) Explanation of material variations

1. User fees: The net decrease of \$82,000 is primarily due to a reduction in income from Council-managed caravan parks (\$78,000) and client contributions (\$44,000) from community care services. This decrease is partially offset by an increase in income from facility hire and electrical vehicle charging stations.
2. Grants - Operating: The increase of \$75,000 is mainly due to:
 - \$378,000 additional non-recurring operating grant for asbestos removal work;
 - \$42,000 new grant to develop a Kindergarten Infrastructure and Services Plan (KISP);
 - \$40,000 new grant for a cliff stability study;
 - \$34,000 additional funding for the Record Digitisation project;
 - \$26,000 new funding for circular economy household education; and
 - Partially offset by the early receipt of the 2023-24 Financial Assistance Grant (\$413,000) in the 2022-23 financial year.
3. Grants - capital: The decrease is mainly due to the delay in commencing underlying capital work projects (\$912,000 grant income of the development work of Point Lonsdale Maritime & Defence Precinct, \$160,000 grant income of Queenscliffe recreation reserve lighting upgrade, \$110,000 grant income of establishing a safety fence at Dog beach.
4. Net Gain on Disposal of Property, Infrastructure, Plant, and Equipment: The increase is due to the timing of delivering replacement vehicles and the higher resale value of some vehicles.
5. Other income: The increase is mainly due to the increase in income from interest by \$215,000 and the increase in notional income of contribution from volunteers by \$59,000.
6. Employee Costs: The net reduction of \$125,000 is due to temporary staff vacancies during the financial year and a reduction in Full Time Equivalent (FTE) staff resources resulting from an internal restructuring of some roles, managed through natural attrition. Savings in wages and salaries have been partly offset by a \$34,000 increase in the Workcover premium compared to the budget Workcover premium.
7. Materials and services: The net increase of \$542,000 is mainly due to:
 - \$359,000 in additional expenses for asbestos removal work (100% grant funded);
 - \$153,000 increase in vegetation and tree management expenses. This is due to more than a 100% increase in community requests for vegetation management and significant tree damage caused by bad weather during the year;
 - \$91,000 increase in building maintenance expenses, primarily due to the costs associated with relocating air conditioning units in the Qhub building (\$38,000). Additionally, there has been an increased demand for maintenance of public convenience buildings, tourist park buildings, and other associated assets (e.g., water mains) due to the aging of these assets;
 - \$76,000 net increase in costs associated with non-recurring operating projects (both grant funded and rates funded), excluding the asbestos removal project. This increase is mainly due to the costs related to new grant-funded projects secured during the year; and
 - Above increases have been partially off-set by savings in other expenses items.
8. Depreciation: The reduction in the depreciation expenses is mainly due to the shift in the timing of the capitalisation of new assets during the financial year.
9. Other expenses: Due to expense of costs associated with the ICT transformation project, which involved implementing a suite of new cloud-based systems (Software as a Service (SaaS)), a total of \$501,000 was expensed during the year. This amount includes \$395,000 incurred in previous financial years and \$106,000 incurred during the 2023-24 financial year. In total, \$350,000 has been recognised as income (Grants - capital) for this project, with the majority of the income recognised in previous years.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (Continued)

2.1.2 Capital works

	Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	573	137	(436)	-76%	1
Heritage buildings	-	6	6	100%	
Total buildings	573	143	(430)	-75%	
Total property	573	143	(430)	-75%	
Plant and equipment					
Plant, machinery and equipment	210	246	36	17%	2
Fixtures, fittings and furniture	5	41	36	726%	3
Computers and telecommunications	193	13	(181)	-94%	4
Total plant and equipment	408	299	(109)	-27%	
Infrastructure					
Roads	113	139	26	23%	5
Footpaths and cycleways	71	228	157	222%	6
Drainage	103	22	(81)	-79%	7
Recreational, leisure and community facilities	1,423	34	(1,389)	-98%	8
Parks, open space and streetscapes	95	104	9	10%	
Other infrastructure	10	49	39	385%	
Other Assets	-	14	14	100%	
Total infrastructure	1,815	589	(1,226)	-68%	
Total capital works expenditure	2,797	1,032	(1,764)	-64%	
Represented by:					
New asset expenditure	1,664	184	(1,480)	-89%	
Asset renewal expenditure	304	657	353	116%	
Asset upgrade expenditure	829	191	(638)	-77%	
Total capital works expenditure	2,797	1,032	(1,765)	-63%	

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (Continued)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	<p>The renewal of the Toch H toilet project, budgeted at \$130,000, has been delayed due to setbacks in receiving the necessary approvals.</p> <p>The upgrade project (\$180,000) for the Town Hall's heating and cooling system did not commence in the 2023-24 Financial Year (FY) and is now scheduled for completion in the 2024-25 FY.</p> <p>\$62,000 of staff costs budgeted to be capitalised. However, since staff efforts on individual projects were minimal in the 2023-24 financial year, all staff costs have been expensed for this period.</p> <p>The variance in the balance is primarily attributed to the timing of annual asset renewal allocations, with unspent funds transferred to asset renewal reserves for future use.</p>
2	Plant, machinery and equipment	The delivery timing of replacement vehicles caused delays, with two vehicles originally scheduled for delivery in the previous financial year instead arriving at the start of the 2023-24 financial year.
3	Fixtures, fittings and furniture	The replacement of the air-conditioning unit at Neighbourhood House, not budgeted for, incurred a cost of \$18,000.
4	Computers and telecommunications	A total of \$106,000 was spent during the year on the ICT transformation project and expensed as the expenditure was incurred on SaaS platforms. Further, unspent funds of annual asset renewal allocations have been transferred to asset renewal reserves for future use have been transferred to asset renewal reserves for future use.
5	Roads	Expenditure related to the annual road resealing program slightly exceeded the budgeted amount.
6	Footpaths and cycleways	This is mainly due to footpath capital works carried over from the 2022-23 financial year. Additionally, the tendered costs for constructing the footpath linking Hesse Street to the boat ramp were 35% higher than the estimated costs.
7	Drainage	Annual asset renewal allocations and unspent funds have been transferred to asset renewal reserves for future use.
8	Recreational, leisure and community facilities	<p>The Point Lonsdale Maritime & Defence Precinct project, which is entirely grant-funded, has been delayed due to changes in the initial project scope and delays in securing the necessary approvals. Completion is now expected in the 2025-26 FY (\$811,000 unspent budget allocation).</p> <p>The lighting upgrade (\$160,000) at Queenscliffe Rec Reserve began at the end of the 2023/24 financial year and is expected to be completed in the 2024-25 FY.</p> <p>Safety improvement work (\$150,000) by DEECA at Narrows Beach is scheduled for completion in the 2024-25 FY.</p> <p>\$62,000 of staff costs budgeted to be capitalised. However, since staff efforts on individual projects were minimal in the 2023-24 financial year, all staff costs have been expensed for this period.</p>

2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

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

Aged Services

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (continued)

Recreation, Arts, Culture and Community

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

Community Events

The Community Events program promotes community wellbeing, celebrates the significance of the Borough and stimulates the local economy through conducting events directly or facilitating, supporting and administering a range of recreation, arts and cultural events planned and implemented by community organisations or commercial businesses. Council also plays a key role in promoting and acknowledging the significant roles played by volunteers in local organisations.

Maternal and Child Health

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

Kindergarten

The Kindergarten program is an important part of the Borough's early years services. Kindergarten assists in supporting the wellbeing of pre-school children and providing a safe learning environment to enable children to gain early life skills and knowledge and assist their smooth transition to primary school. Whilst the Queenscliff Kindergarten is operated as a not for profit organisation, Council manages the Kindergarten building, facilitates access to external grants and supports the Kindergarten Committee of Management as needs arise.

Environmental Health

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

Local Laws, Safety and Amenity

The Local Laws, Safety and Amenity program promotes community wellbeing and safety in various settings and through monitoring public behaviour consistent with Council's Local Laws. This is achieved through management of school crossings, the provision of animal management services including animal registration and a dog and cat collection service, enforcement of local laws, issuing of local law permits, management of the boat ramp and enforcement of parking restrictions. This service is also the first Council respondent to out-of-hours emergencies.

Library

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (continued)

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

Environmental Sustainability

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

Coastal Protection

The Coastal Protection program seeks to preserve and enhance the Borough's globally significant, highly-valued coast as an iconic environmental asset for current and future generations. Under this program, Council implements State Government coastal management policy, manages environmental projects and works with State, regional and local services to enhance its management of coastal Crown Land. The program involves weed reduction initiatives and annual planting of trees, shrubs and grasses.

Waste Management and Recycling

The Waste Management and Recycling program seeks to involve the local community in protecting the environment for future generations by minimising waste. Council works with local and regional organisations, including neighbouring councils and Sustainability Victoria to increase community awareness and promote behaviours that reduce waste and promote recycling. The program includes a recycling service, Food Organic and Garden Organic (FOGO) service, household rubbish service and hard rubbish collection service for all residential and tourist accommodation properties. A range of public waste services are also provided given the comparatively high level of tourist visitation. It is important to note that full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating and Revenue Plan.

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

Tourist Parks

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

Visitor Information Centre

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

Tourism & Economic Development

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (continued)

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

Design and Project Management

The Design and Project Management program seeks to achieve excellence of design and delivery of projects which enhance the Borough as a special place. Specifically, the program manages project design, tendering and contract management activities as well as the implementation and supervision of Council's annual capital works program. It also manages issues associated with private development activities such as building over easements, legal point of discharge, vehicle point of access and unit development infrastructure.

Land Use Planning

The Land Use Planning program ensures that the Borough conserves its unique heritage, that the built environment is enhanced by design excellence, and that local amenity is protected against inappropriate land use and development. The program implements Council's Planning Scheme and prepares major policy documents including the Municipal Strategic Statement. It maintains and processes amendments to the Queenscliffe Planning Scheme and carries out research on demographic, economic and social issues affecting Council. The program administers Council's statutory planning responsibilities, including the various processes associated with the assessment of planning permit applications and defence of Council decisions at the Victorian Civil and Administrative Tribunal.

Heritage Conservation Advice

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

Building Control

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

Asset Management and Appearance of Public Places

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

Street Lighting

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

Powerline Safety

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (continued)

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

Council Governance

The Council's Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed municipal Council. The program is structured to meet all legislative requirements associated with the *Local Government Act 2020* and any other applicable Act. It supports Council's compliance with the Councillor Code of Conduct and its key relationships and memberships with organisations such as the MAV and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program.

Organisational Performance and Compliance

The Organisational Performance and Compliance program supports the Chief Executive Officer and Executive Management Team to maintain a cohesive, well-managed and highly performing organisation. This includes supporting organisation development and statutory compliance, and seeking to ensure that the behaviour of all staff complies with the Staff Code of Conduct. Key outputs of the program are the preparation and/or review of the Council Plan, Strategic Resource Plan and long term budget, Annual Implementation Plan and Council's Annual Budget.

Community Engagement and Customer Service

The Community Engagement and Customer Service program aims to facilitate community involvement in decision-making, and to deliver high quality customer service. It includes practical and strategic advice regarding Council's internal and external communications and issues management, and supports first point of contact to customers at the Council office. The program provides records management services in accordance with Council policy and procedures, administers the requirements of the privacy and freedom of information legislation, coordinates Council and Committee meetings, and provides other associated administrative support.

Financial and Risk Management

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (continued)

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Health and wellbeing					
Aged Services	598	686	(87)	459	-
Recreation, Arts, Culture and Community	31	363	(332)	29	32,213
Maternal and Child Health	71	77	(5)	71	-
Environmental Health	68	164	(96)	26	-
Local Laws, Safety and Amenity	88	385	(297)	30	16
Library	-	243	(243)	-	1
Sub total	857	1,918	(1,061)	616	32,230
Environment					
Environmental Sustainability	16	256	(241)	6	-
Coastal Protection	336	880	(544)	167	286
Waste management and Recycling	1,303	1,317	(14)	58	56
Sub total	1,655	2,454	(799)	231	342
Local Economy					
Tourist Parks	1,798	927	871	-	19,780
Visitor Information Centre	17	246	(229)	-	2
Tourism & Economic Development	-	146	(146)	-	2,013
Sub total	1,815	1,320	495	-	21,795
Heritage, Planning and Infrastructure					
Land Use Planning	95	497	(402)	1	-
Building Control	33	228	(195)	-	-
Asset Management and Appearance of Public Places	831	3,663	(2,832)	814	73,738
Powerline Safety	-	62	(62)	-	-
Sub total	959	4,451	(3,491)	815	73,738
Governance and Finance					
Council Governance	-	471	(471)	-	660
Organisational Performance and Compliance	61	1,050	(989)	61	244
Community Engagement and Customer Service	1	615	(614)	-	-
Financial and Risk Management	8,076	1,409	6,667	43	-
Sub total	8,138	3,544	4,593	104	904
Total - Strategic Objectives	13,424	13,687	(263)	1,767	129,009
Other Non-attributable					
Expenditure not meeting capitalisation criteria / threshold	-	-	(562)	-	-
Capital Grants and Contributions	224	-	224	224	-
Land Under Roads	-	-	-	-	23,060
Other Property & Buildings	-	-	-	-	32,595
	13,648	13,687	(601)	1,990	184,664

Please note that certain programs have been consolidated, and transactions from the previous year have been reclassified to enhance the clarity of the presentation.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 2 Analysis of our results (continued)

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

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Health and wellbeing					
Aged Services	547	769	(222)	403	-
Recreation, Arts, Culture and Community	14	402	(389)	13	32,232
Maternal and Child Health	69	80	(11)	69	-
Environmental Health	38	104	(66)	6	-
Local Laws, Safety and Amenity	99	305	(206)	37	16
Library	-	245	(245)	-	1
Sub total	767	1,904	(1,138)	528	32,250
Environment					
Environmental Sustainability	14	210	(196)	14	-
Coastal Protection	356	389	(33)	193	286
Waste management and Recycling	1,220	1,307	(86)	27	56
Sub total	1,591	1,906	(316)	234	342
Local Economy					
Tourist Parks	1,807	745	1,062	-	19,792
Visitor Information Centre	121	348	(227)	-	2
Tourism & Economic Development	48	233	(185)	48	2,014
Sub total	1,975	1,325	650	48	21,808
Heritage, Planning and Infrastructure					
Land Use Planning	133	592	(459)	-	-
Building Control	29	35	(6)	-	-
Asset Management and Appearance of Public Places	104	1,780	(1,676)	91	73,782
Powerline Safety	-	107	(107)	-	-
Sub total	266	2,515	(2,249)	91	73,782
Governance and Finance					
Council Governance	-	263	(263)	-	660
Organisational Performance and Compliance	385	1,162	(777)	377	244
Community Engagement and Customer Service	49	519	(470)	49	-
Financial and Risk Management	7,332	2,602	4,730	42	-
Sub total	7,766	4,546	3,220	469	904
Total - Strategic Objectives	12,364	12,197	167	1,370	129,086
Other Non-attributable					
Expenditure not meeting capitalisation criteria / threshold	-	773	(773)	-	-
Capital Grants and Contributions	2,232	-	2,232	2,232	-
Land Under Roads	-	-	-	-	23,060
Other Property & Buildings	-	-	-	-	32,614
	14,596	12,970	1,625	3,602	184,760

Please note that certain programs have been consolidated, and transactions have been reclassified to enhance the clarity of the presentation.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 3. Funding for the delivery of our services

3.1 Rates and charges	2024 \$'000	2023 \$'000
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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 2023-24 was \$4,815 million (2022-23 \$4,545 million).

General rates		
Residential	5,961	5,778
Residential vacant land	163	142
Tourist accommodation	807	743
Commercial	298	259
Total general rates	7,229	6,921
Waste management charges		
Standard kerbside waste	910	852
Public waste	346	324
Additional bins	27	17
Total waste management charges	1,283	1,193
Other rates and charges		
Interest on rates and charges	12	12
Cultural and recreational charges - in lieu of rates	3	3
Supplementary rates and charges	24	25
Less: additional pensioner concession offered by Council	(41)	(41)
Less: rebate for properties of environmental interest	(4)	(4)
Total other rates and charges	(5)	(5)
Total rates and charges	8,508	8,109

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2024, and the valuation will be first applied in the rating year commencing 01/07/2024.

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

3.2 User fees

Tourist park fees	1,798	1,807
Aged Services	140	143
Registration and other permits	71	60
Building services	33	29
Tourism	17	13
Other fees and charges (<\$10,000 each)	26	18
Total user fees	2,084	2,070
User fees by timing of revenue recognition		
User fees recognised over time	2,014	2,010
User fees recognised at a point in time	71	60
Total user fees	2,084	2,070

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

Notes to the Financial Report

For the Year Ended 30 June 2024

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

3.3 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

	2024 \$'000	2023 \$'000
Commonwealth funded grants	468	962
State funded grants	1,512	2,635
Other grants	11	6
Total grants received	1,990	3,602

(a) Operating Grants

Recurrent - Commonwealth Government

Aged Services	362	313
Financial Assistance Grants	29	469

Recurrent - State Government

Maternal and child health	71	69
Service System Resourcing	52	60
Fire Services Property Levy administration	43	42
School crossing supervision	30	37
Beach cleaning	12	13
Better Boating Program	122	122
Other (<\$10,000 each)	29	13

Recurrent - Other

Tobacco Activity Program	7	6
Total recurrent operating grants	758	1,145

Non-recurrent - Commonwealth Government

Victoria Park - Tree Management	-	15
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Non-recurrent - State Government

Tourism and economic development	-	48
Waste management and recycling	46	13
Coastal protection	40	56
Environmental Health	20	-
Record Digitisation	34	49
Asbestos Removal Works	811	-
Kindergarten Infrastructure and Services	42	-
Beach Marker condition assessment report	5	-

Non-recurrent - Other

Other (<\$10,000 each)	11	44
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Total non-recurrent operating grants	1,009	225
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Total operating grants	1,767	1,370
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(b) Capital Grants

Non-recurrent - Commonwealth Government

Roads	78	19
Queenscliffe Cultural Hub	-	145

Non-recurrent - State Government

Parks, open space and streetscapes	83	679
Footpaths & Cycleways	38	8
Computers & Telecommunications	21	285
Boat Ramp upgrade	4	1,019
Other Infrastructure	-	77

Total non-recurrent capital grants	224	2,232
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Total capital grants	224	2,232
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Notes to the Financial Report

For the Year Ended 30 June 2024

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

(c) Recognition of grant income

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

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

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

	2024 \$'000	2023 \$'000
Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	147	499
Specific purpose grants to acquire non-financial assets	230	2,246
Other specific purpose grants	235	280
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	1,378	577
	1,990	3,602
(d) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	204	104
Received during the financial year and remained unspent at balance date	275	204
Received in prior years and spent during the financial year	(204)	(104)
Balance at year end	275	204
Capital		
Balance at start of year	397	638
Received during the financial year and remained unspent at balance date	909	397
Received in prior years and spent during the financial year	(397)	(638)
Balance at year end	909	397

Unspent grants are determined and disclosed on a cash basis

3.4 Other income

Interest	512	218
Other rent - lease of Crown Land properties	169	126
Other rent - lease of Council properties	-	37
Reimbursements	3	1
Contribution from volunteers	132	108
Other	2	2
Total other income	819	492

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 4. The cost of delivering services

4.1 (a) Employee costs	2024 \$'000	2023 \$'000
Wages and salaries	4,493	4,322
Superannuation	472	435
Overtime	38	77
WorkCover	110	63
Fringe benefits tax	47	19
Other	121	121
Total employee costs	5,281	5,037

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	8	5
Employer contributions - other funds	-	-
	8	5
Employer contributions payable at reporting date.	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	239	227
Employer contributions - other funds	224	205
	463	432
Employer contributions payable at reporting date.	-	-

Contributions made exclude amounts accrued at balance date. Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contract Payments*	1,515	1,463
Waste Management*	1,255	1,266
Building Maintenance	1,016	173
Consultants	649	474
General Maintenance	550	535
Utilities	338	305
Office Administration	236	240
Information Technology	337	210
Insurance	331	293
Fleet Operations	53	63
Other Materials and Services	166	216
Total materials and services	6,445	5,240

* Contract payments totaling \$789,000 (compared to \$844,000 for 2022-23) related to waste management operations are included under Waste Management.

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 4. The cost of delivering services (continued)

4.3 Depreciation	2024 \$'000	2023 \$'000
Property	302	289
Plant and equipment	160	136
Infrastructure	807	819
Total depreciation	1,269	1,244

Refer to note 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Other expenses

Councillors' allowances	212	181
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	58	44
Auditors' remuneration - Internal	20	8
Audit and risk committee sitting fees	7	6
Peppercorn or concessional lease rentals	1	1
Contributions and donations	183	212
Collection and bank fees	50	46
Expenditure not meeting capitalisation criteria / threshold	562	773
Cost of volunteers	132	108
Others	22	30
Total other expenses	1,248	1,409

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 5. Investing in and financing our operations

5.1 Financial assets	2024 \$'000	2023 \$'000
(a) Cash and cash equivalents		
Cash on hand	1	2
Cash at bank	463	2,530
Term deposits	1,326	1,036
Total cash and cash equivalents	1,790	3,568
(b) Other financial assets		
Current		
Term deposits	8,780	7,593
Total current other financial assets	8,780	7,593
Non-current		
Term deposits	1,058	-
Total non-current other financial assets	1,058	-
Total other financial assets	9,838	7,593
Total cash and cash equivalents and other financial assets	11,628	11,161

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

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

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

(c) Trade and other receivables

Current		
<i>Statutory receivables</i>		
Rates debtors	156	64
Pensioner rebate	-	20
Infringement debtors	3	5
Allowance for expected credit losses - infringements	(1)	(2)
Net GST receivable	-	78
<i>Non statutory receivables</i>		
Other debtors	285	64
Total current trade and other receivables	443	230
Non-current		
Total non-current trade and other receivables	-	-
Total trade and other receivables	443	230

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables (Non statutory receivables - Current)

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	275	35
Past due by up to 30 days	2	8
Past due between 31 and 180 days	4	14
Past due between 181 and 365 days	4	7
Total trade and other receivables	285	64

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

5.2 Payables, trust funds and deposits and contract and other liabilities	2024 \$'000	2023 \$'000
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	17	-
Accrued wages	187	144
Accrued expenses	359	612
<i>Statutory payables</i>		
Net GST payable	-	73
Government Paid Parental Leave	19	-
Total current trade and other payables	582	829
(b) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating	275	204
Other	173	242
Total contract liabilities	448	447
Other liabilities		
Current		
Deferred capital grants	909	397
Total other liabilities	909	397
Total contract and other liabilities	1,356	844

Contract liabilities

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

Other liabilities

Grant consideration was received from other levels of government to support the construction of specific assets. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the relevant asset. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

5.3 Provisions	2024 \$'000	2023 \$'000
(a) Employee provisions		
Balance at beginning of the financial year	1,033	1,047
Additional provisions	303	120
Amounts used	(185)	(126)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(6)	(8)
Balance at the end of the financial year	1,145	1,033
<i>Provisions - current</i>	1,003	935
<i>Provisions - non-current</i>	142	98
(b) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	88	63
Long service leave	26	65
Accrued days off	20	17
	135	145
Current provisions expected to be wholly settled after 12 months		
Annual leave	328	263
Long service leave	541	527
	868	790
Total current employee provisions	1,003	935
Non-current		
Long service leave	142	98
Total non-current employee provisions	142	98
Aggregate carrying amount of employee provisions:		
Current	1,003	935
Non-current	142	98
Total aggregate carrying amount of employee provisions	1,145	1,033
The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.		
<i>Annual leave</i>		
A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:		
<ul style="list-style-type: none"> • nominal value if the Council expects to wholly settle the liability within 12 months • present value if the Council does not expect to wholly settle within 12 months. 		
Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.		
<i>Long service leave</i>		
Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.		
Key assumptions:	2024	2023
- discount rate	4.348% - 4.496%	4.368% - 4.080%
- wage inflation rate	4.450%	4.350%

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

5.4 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Operating					
Roads, Parks & Reserves Maintenance Services	1,336	1,376	4,380	3,143	10,234
Kerbside Collection Services	675	695	2,214	196	3,781
Provision of Amenities & BBQ Cleaning Services	126	26	-	-	152
Software as a Service (annual license and support)	93	92	-	-	186
Provision of Building Cleaning Services	75	15	-	-	90
Internal Audit Services	33	-	-	-	33
Total	2,338	2,205	6,594	3,339	14,476
Capital					
Queenscliff Rec Reserve Oval Lighting-LED Upgrade	181	-	-	-	181
Landscape Architectural Services - Lighthouse Reserve	47	-	-	-	47
Project Mgt Services - Lighthouse Reserve	27	-	-	-	27
Cultural Services - Lighthouse Reserve	25	-	-	-	25
Total	281	-	-	-	281
Total commitments for expenditure	2,619	2,205	6,594	3,339	14,757
2023					
Operating					
Internal Audit Services	53	33	-	-	86
Project Manager - Coastal and Marine Management Plan development	57	-	-	-	57
Provision of Building Cleaning Services	122	121	24	-	267
Provision of Amenities & BBQ Cleaning Services	74	72	14	-	160
Software as a Service (annual license and support)	118	120	123	-	361
Total	423	347	161	-	931
Capital					
Project Mgt Services - Upgrade work Point Lonsdale lighthouse reserve	76	-	-	-	76
Queenscliff Hub - Architectural Services	11	-	-	-	11
Software as a Service Implementation	80	-	-	-	80
Total	166	-	-	-	168
Total commitments for expenditure	590	347	161	-	1,099

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 5. Investing in and financing our operations (continued)

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial and community property leases, which include surplus freehold and managed (committee of management) properties. These properties, held under operating leases, have remaining non-cancellable lease terms ranging from 1 to 17 years. All leases are subject to annual rental charge adjustments based on the Consumer Price Index (CPI).

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

	2024 \$'000	2023 \$'000
Not later than one year	199	176
Later than one year and not later than five years	701	693
Later than five years	624	765
	1,524	1,634

5.5 Leases

Except for the below listed leases, Council does not have any other material lease liability. Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

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

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 6. Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	Carrying amount 30 June 2023	Additions	Revaluation	Depreciation	Disposal	Write-off	Transfers	Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	147,587	164	-	(302)	-	-	8	147,458
Plant and equipment	434	263	-	(160)	(1)	-	-	535
Infrastructure	23,866	371	124	(807)	-	-	257	23,810
Work in progress	675	257	-	-	-	(442)	(288)	202
Total	172,561	1,055	124	(1,269)	(1)	(442)	(23)	172,005

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1	38	(1)	(8)	30
Plant and equipment	402	-	(402)	-	-
Infrastructure	272	219	(39)	(280)	172
Total	675	257	(442)	(288)	202

(a) Property

	Land - specialised	Land - non specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	97,698	29,108	126,806	359	28,797	2,792	31,949	1	158,756
Accumulated depreciation at 1 July 2023	-	-	-	(198)	(10,200)	(769)	(11,167)	-	(11,167)
	97,698	29,108	126,806	161	18,597	2,024	20,782	1	147,588
Movements in fair value									
Additions	-	-	-	-	127	37	164	38	202
Write-off	-	-	-	-	-	-	-	(1)	(1)
Transfers	-	-	-	-	8	-	8	(8)	-
	-	-	-	-	136	37	172	29	202
Movements in accumulated depreciation									
Depreciation and amortisation	-	-	-	(6)	(265)	(31)	(302)	-	(302)
	-	-	-	(6)	(265)	(31)	(302)	-	(302)
At fair value 30 June 2024	97,698	29,108	126,806	359	28,933	2,829	32,121	30	158,956
Accumulated depreciation at 30 June 2024	-	-	-	(204)	(10,465)	(799)	(11,469)	-	(11,469)
Carrying amount	97,698	29,108	126,806	155	18,468	2,030	20,652	30	147,488



Images: Queenscliffe Neighbourhood Centre, Queenscliffe Men's Shed and Queenscliffe Lighthouse Theatre Group Volunteers

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 6. Assets we manage (continued)

(b) Plant and Equipment

Summary of property, infrastructure, plant and equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2023	453	468	790	402	2,114
Accumulated depreciation at 1 July 2023	(387)	(334)	(558)	-	(1,278)
	67	135	232	402	835
Movements in fair value					
Additions	246	5	13	-	263
Disposal	(151)	(3)	-	-	(154)
Write-off	-	-	-	(402)	(402)
	95	1	13	(402)	(293)
Movements in accumulated depreciation					
Depreciation and amortisation	(48)	(25)	(87)	-	(160)
Accumulated depreciation of disposals	150	3	-	-	153
	101	(21)	(87)	-	(7)
At fair value 30 June 2024	548	470	802	-	1,820
Accumulated depreciation at 30 June 2024	(285)	(355)	(645)	-	(1,285)
Carrying amount	263	115	157	-	535

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 6. Assets we manage (continued)

(c) Infrastructure

	Roads	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste Management	Parks open space and streetscapes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At fair value 1 July 2023	19,107	2,468	5,898	4,431	221	2,166	1,094	3,581	272	39,237
Accumulated depreciation at 1 July 2023	(7,657)	(1,223)	(2,556)	(1,992)	(183)	(970)	(207)	(311)	-	(15,100)
	11,450	1,244	3,342	2,439	38	1,196	887	3,270	272	24,137
Movements in fair value										
Additions	139	172	22	35	-	-	-	4	219	590
Revaluation	-	-	879	-	-	-	-	-	-	879
Write-off	-	-	-	-	-	-	-	-	(39)	(39)
Transfers	-	65	-	-	-	-	-	192	(280)	(23)
	139	237	901	35	-	-	-	196	(100)	1,407
Movements in accumulated depreciation										
Depreciation and amortisation	(252)	(43)	(61)	(163)	(18)	(145)	(17)	(106)	-	(807)
Revaluation	-	-	(755)	-	-	-	-	-	-	(755)
	(252)	(43)	(816)	(163)	(18)	(145)	(17)	(106)	-	(1,563)
At fair value 30 June 2024	19,246	2,705	6,799	4,465	221	2,166	1,094	3,777	172	40,644
Accumulated depreciation at 30 June 2024	(7,910)	(1,266)	(3,373)	(2,155)	(201)	(1,115)	(224)	(418)	-	(16,662)
Carrying amount	11,336	1,438	3,427	2,310	20	1,050	870	3,359	172	23,982

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 6. Assets we manage (continued)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

	Depreciation Period	Threshold Limit \$'000
Asset recognition thresholds and depreciation periods		
Land & land improvements		
Land	-	10
Land under roads	-	10
Land improvements	-	10
Buildings		
Buildings	25 - 200 years	10
Plant and Equipment		
Plant, machinery and equipment	2 - 10 years	2
Fixtures, fittings and furniture	3 - 10 years	2
Computers and telecommunications	3 - 10 years	2
Infrastructure		
Roads	12 - 80 years	10
Footpaths and cycleways	20 - 50 years	10
Drainage	15 - 100 years	10
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	10
Other infrastructure	5 - 100 years	5

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 6. Assets we manage (continued)

Valuation of land and buildings

A full valuation of land and buildings were undertaken in 2021-22 financial year by a qualified independent valuer Opteon Property Group (Victoria) ("Opteon") valuer registration number 63379, who completed a desktop inspection on all assets except newly constructed assets since the last revaluation. Revaluation of newly constructed assets were based on a physical inspection. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date and type of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year, this valuation was based on Valuer General Victoria (VGV), land indexation and building cost indexation factors, however, no adjustments were required based on this exercise.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation	Next Full Valuation
Freehold Land	-	29,108	-	Jun-22	Full	Jun-26
Crown Land (specialised land)	-	-	74,638	Jun-22	Full	Jun-26
Land under roads (specialised land)	-	-	23,060	Jun-22	Full	Jun-26
Buildings	-	-	2,036	Jun-22	Full	Jun-25
Buildings Specialised	-	-	11,690	Jun-22	Full	Jun-25
Total	-	29,108	111,424			

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, using the condition assessment work of Mr Peter Moloney, Dip C.E.C.E.MIE Aust, in 2022-23 financial year.

An indexation exercise of the unit cost was conducted as of the balance sheet date based on the Rawlinsons' construction cost index to evaluate any significant changes in carrying amounts on the balance sheet due to shifts in market conditions. However, no adjustments were required based on this exercise.

The valuation of drainage assets was conducted by Council's engineer, Mr. Stuart Hanse in the 2023-24 financial year.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation	Type of Valuation	Next Full Valuation
Roads	-	-	11,336	Jun-23	Full	Jun-26
Footpaths and cycleways	-	-	1,438	Jun-23	Full	Jun-26
Drainage	-	-	3,427	Jun-24	Full	Jun-28
Off street car parks	-	-	870	Jun-23	Full	Jun-26
Total	-	-	17,071			

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 6. Assets we manage (continued)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$208 and \$9,545 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$493 to \$5,086 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 104 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2024	2023
Reconciliation of specialised land	\$'000	\$'000
Crown Land	74,638	74,638
Land under roads	23,060	23,060
Total specialised land	97,698	97,698

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Borough of Queenscliffe is the parent entity.

Subsidiaries and Associates

Geelong Regional Library Corporation (Council's share of the net assets , 1.51%)

(b) Key Management Personnel

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

Details of KMP at any time during the year are:		2024 No.	2023 No.
Councillors	Councillor Isabelle Tolhurst	1	1
	Councillor Fleur Hewitt - up to 18 May 2023	-	1
	Councillor Ross Ebbels	1	1
	Councillor Donnie Grigau	1	1
	Councillor Michael Grout	1	1
	Councillor Rob Minty	1	1
	Chief Executive Officer, Martin Gill	1	1
	Acting Chief Executive Officer, Kelvin Spiller - from 15 Feb 2023 to to 26 Apr 2023	-	1
	Manager Community & Regulatory Services, Tim Crawford	1	1
	Manager, Community, Shannon Maloney - up to 12 May 2023	-	1
	Manager, Finance and ICT Services, Gihan Kohobange	1	1
	Manager, Infrastructure and Environment, Stuart Hansen	1	1
	Manager, Customer Experience, Abbey Tatterson - from 11 March 2024	1	
	Total Number of Councillors	5	6
Total of Chief Executive Officer and other Key Management Personnel		5	6
Total Number of Key Management Personnel		10	12

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 7. People and relationships (continued)

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

	2024 \$'000	2023 \$'000
Total remuneration of key management personnel was as follows:		
Short-term employee benefits	1,087	1,062
Other long-term employee benefits	45	11
Post-employment benefits	88	84
Total	1,220	1,158

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

	2024 No.	2023 No.
\$0 - \$9,999	-	1
\$20,000 - \$29,999	3	3
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	1	1
\$70,000 - \$79,999	1	1
\$110,000 - \$119,999	-	1
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	1	-
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,000	1	1
\$190,000 - \$199,999	1	-
\$310,000 - \$319,000	1	1
	10	12

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 7. People and relationships (continued)

7.2 Related party disclosure

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

	2024 \$'000	2033 \$'000
Geelong Regional Library Corporation - contribution to cover ongoing expenses	230	226
Tourism Greater Geelong and Bellarine - annual municipal partnership fee and cost of promotional publications	25	26
Trak constructions - building construction services	16	-
Planting Ideas - cost of horticultural consultancy services	7	8
G21 - Geelong Region Alliance Ltd - annual membership fees	6	-
Swan Bay Environment Association - community grant provided during the year and purchase of plant	6	-
Point Lonsdale Bowls Club - - community grant provided during the year	1	-
Queenscliff Lonsdale Yacht Club (QLYC) - community grant provided during the year	1	2

(b) Outstanding balances with related parties

No balances are outstanding at the end of the reporting period in relation to transactions with related parties (2022-23: nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured during the reporting period by Council to a related party (2022-23: nil).

(d) Commitments to/from related parties

No commitments are in existence at balance date that have been made, guaranteed or secured during the reporting period by Council to a related party (2022-23: nil).

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value.

(a) Contingent assets

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

At reporting date, a developer had commenced construction of assets that will eventually be transferred to Council upon issuing a Statement of Compliance. Council cannot reliably measure the value of assets involved prior to completion.

(b) Contingent liabilities

Contingent liabilities are:

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

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

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Insurance claims

There are Nil insurance claims as at 30 June 2024 that could have a material impact on future operations.

Legal matters

As at balance date, there are no legal matters pending.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 8. Managing uncertainties (continued)

(c) Guarantees for loans to other entities

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

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

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

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

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

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 8. Managing uncertainties (continued)

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables). Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(c).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 8. Managing uncertainties (continued)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 0.25% and -1.00% in market interest rates (AUD) from year-end rates of 4.45%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

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

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

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

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

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

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

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 8. Managing uncertainties (continued)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. (For plant and equipment carrying amount is considered to approximate fair value given short useful lives). At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 4 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Asset class	Revaluation frequency
Land	4 years
Buildings	3 years
Roads	3 years
Footpaths and cycleways	3 years
Drainage	4 years
Recreational, leisure and community facilities	N/A
Parks, open space and streetscapes	N/A
Other infrastructure	N/A

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 9. Other matters

9.1 Reserves

	Balance at beginning of reporting period \$'000	Increase / (decrease) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2024			
Property			
Land			
- Freehold land	30,019	-	30,019
- Crown land	20,237	-	20,237
- Land under roads	9,952	-	9,952
Buildings	9,967	-	9,967
	70,174	-	70,174
Infrastructure			
Roads	3,620	-	3,620
Footpaths and cycleways	2	-	2
Drainage	482	124	606
	4,104	124	4,228
Total asset revaluation reserves	74,279	124	74,402
2023			
Property			
Land			
- Freehold land	30,019	-	30,019
- Crown land	20,237	-	20,237
- Land under roads	9,952	-	9,952
Buildings	10,168	(201)	9,967
	70,375	(201)	70,174
Infrastructure			
Roads	5,485	(1,865)	3,620
Footpaths and cycleways	333	(331)	2
Drainage	482	-	482
	6,300	(2,196)	4,104
Total asset revaluation reserves	76,675	(2,397)	74,279

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 2024

Note 9. Other matters (continued)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2024				
Asset replacement reserve	1,664	297	(37)	1,924
General reserve - Unallocated cash	1,124	259	-	1,383
Future calls on defined benefits superannuation	40	-	-	40
Funds carried forward to future years				
Proceeds from land sale	3,500	-	-	3,500
Incomplete works - Operating	332	83	(92)	323
Incomplete works - Capital	1,731	252	(180)	1,803
Total funds carried forward to future years	5,563	334	(271)	5,626
Waste management reserves				
Standard kerbside waste*	(82)	61	-	(21)
Public waste*	24	-	(74)	(50)
Total waste management reserves	(58)	61	(74)	(71)
Total Other reserves	8,332	953	(382)	8,902
2023				
Asset replacement reserve	1,379	283	-	1,664
General reserve - Unallocated cash	1,463	-	(339)	1,124
Future calls on defined benefits superannuation	40	-	-	40
Funds carried forward to future years				-
Proceeds from land sale	-	3,500	-	3,500
Incomplete works - Operating	337	61	(66)	332
Incomplete works - Capital	1,502	676	(447)	1,731
Total funds carried forward to future years	1,839	4,237	(514)	5,563
Waste management reserves				
Standard kerbside waste*	(10)	-	(73)	(82)
Public waste	38	-	(14)	24
Total waste management reserves	28	-	(86)	(58)
Total Other reserves	4,749	4,520	(939)	8,332

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

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

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

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

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

*The negative balance represents cost that Council needs to recover in future years. Council has decided to phase the recovery of some waste related expenses to manage the impact on service users. Council has temporarily funded these expenses.

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 9. Other matters (continued)

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

	2024	2023
	\$'000	\$'000
Surplus/(deficit) for the year	(601)	1,625
Non-cash adjustments:		
Depreciation	1,269	1,244
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(99)	(109)
Assets written off	442	690
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(212)	155
(Increase)/decrease in inventories	(2)	-
(Increase)/decrease in prepayments	35	(131)
Increase/(decrease) in contract assets	208	(404)
(Increase)/decrease in regional library equity	(21)	-
Increase/(decrease) in trade and other payables	(35)	(33)
Increase/(decrease) in accrued expenses	(175)	12
Increase/(decrease) in accrued wages	43	47
Increase/(decrease) in trust funds and deposits	5	(31)
Increase/(decrease) in income received in advance	(69)	(10)
Increase/(decrease) in provisions	112	(14)
(Decrease)/increase in contract and other liabilities	582	(140)
Net cash provided by/(used in) operating activities	1,483	2,900

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

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

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 9. Other matters (continued)

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns 5.7% pa
Salary information 3.5% pa
Price inflation (CPI) 2.8% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial 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 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

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

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 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 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

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

	2023 (Interim) \$m	2022 (Interim) \$m
- A VBI Surplus	84.7	44.6
- A total service liability surplus	123.6	105.8

Notes to the Financial Report

For the Year Ended 30 June 2024

Note 9. Other matters (continued)

- A discounted accrued benefits surplus 141.9 111.9

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 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024. The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns 5.6% pa
Salary information 3.5% pa
Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020	2023
	Triennial investigation	Triennial investigation
Net investment return	5.6% pa	5.7% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.50% pa
Price inflation	2.0% pa	2.8% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of Scheme	Rate	2024 \$'000	2023 \$'000
Vision super	Defined benefits	11.0% (2023:10.5%)	8	6
Vision super	Accumulation	11.0% (2023:10.5%)	239	234

Council has paid \$Nil unfunded liability payments to Vision Super during the 2023-24 year (2022-23 \$Nil).

There were \$Nil contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$7,660.

Note 10. Change in accounting policy

There have been no changes to accounting policies in the 2023-24 year.

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

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Image: Queenscliffe CFA Volunteers

Glossary

Accrual accounting	A system of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Assets	Future economic benefits controlled by Council because of past transactions or other past events.
Allowance for impairment losses	Bad debts written off and the movement in the bad debt provision for infringement debtors, caravan park debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial position as of 30 June, including assets, liabilities and net equity.
Borrowing costs	Interest incurred on loan borrowings.
Cash and cash equivalents assets	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Comprehensive income statement	A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether Council has sufficient revenue (including capital grants) to meet expenses (other than capital expenditure) in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity from the prior year.
Contributions income	Contributions received by Council for the purpose of providing and improving public open space, provision / improvement of the drainage system and in relation to specific projects.
Current assets	Assets for which Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities for which Council expects to fulfil its obligation within the next twelve months unless Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation and amortisation expenditure	An expense which recognises the value of a fixed asset as it is used up over time.
Employee costs	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax and WorkCover.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Equity method	A method of assessing profits earned by joint venture investments. The reported income value is based on Council's share of joint venture assets.

Expense	An outgoing payment made by Council.
Financial Performance Indicator	A prescribed indicator measuring the effectiveness of financial management in Council covering operating position, liquidity, obligations, stability and efficiency.
Fixed assets	See Property, infrastructure, plant and equipment.
G21 Geelong Region Alliance	A formal alliance of government, business and community organisations working together to improve the lives of people within the Geelong region across five member municipalities – Colac Otway Shire, Golden Plains Shire, City of Greater Geelong, Borough of Queenscliffe and Surf Coast Shire.
Governance and Management Checklist	An outline of Council's performance against a set of policies, plans and strategies (e.g. Annual Budget, Community Engagement Policy, Disaster Recovery Plan).
Grants – recurrent income	Grant income received on a regular basis (e.g. quarterly, annually, etc.) and granted to Council by another entity for specific or general purposes.
Indicator	A measure to demonstrate Council's performance across a variety of areas.
Interest bearing loans and borrowings	Council's borrowings.
Interest income	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Inventories	A complete listing of merchandise or stock on hand, work in progress, finished goods on hand, etc.
Land – non-specialised	Includes freehold land, where Council is the owner of the land.
Land – specialised	Includes Crown land assets, where Council is the Committee of Management, and land under roads, where Council has operational control of the land.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and services expenditure	Expenditure incurred in relation to contract payments and trade services, building maintenance, general maintenance, plant and equipment maintenance, utilities, consultants, office and administration, insurance, financial and legal costs and information technology costs.
Measure	A unit or set of units against which to determine whether Council has achieved set targets.

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 gain / (loss)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next twelve months.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, cost of volunteers' contribution, impairment losses and asset write-offs.
Other income	Income received from investment property rental, other rental income, interest income, value of volunteers' contribution and reimbursements.
Infringement Court	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the <i>Magistrates Court Act 1989 (Vic)</i> to deal with unpaid fines.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment assets	Often referred to as fixed assets, this is the largest component of Council's asset base or worth. It represents the value of all land, buildings, roads, footpaths, drains, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long service leave, annual leave, time in lieu and rostered days off owing to employees at reporting date.
Ramsar Convention	Also known as the Convention on Wetlands of International Importance. It is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.

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 2022-2023 was 1.75%
Rates and charges	Income received from ratepayers in relation to general rates, waste management charges and special rate schemes.
Reserves	Includes the asset revaluation reserve and discretionary reserves. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets. Discretionary reserves, which are funds Council wishes to separately identify as being set aside to meet a specific purpose in the future and for which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council and separately disclosed.
Revenue	The amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Service performance indicator	A prescribed indicator measuring the effectiveness and efficiency of Council services covering appropriateness, quality, cost and service outcomes.
Statutory fees and fines income	Includes parking infringements and costs, Infringement Court recoveries, town planning fees, land information certificates, etc.
Surplus (deficit)	Represents the difference between total revenues (including grants – capital), expenses (other than capital expenditure), net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainable capacity indicator	A prescribed indicator measuring whether Council has the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Trade and other payables	Monies owed by Council to other entities / individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged).
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, debt collection recovery charges and caravan and camping fees.

Abbreviations

Term	Explanation
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AM	Member of the Order of Australia
APES	Accounting Professional and Ethical Standards
AUD	Australian dollars
BoQ	Borough of Queenscliffe
CA	Chartered Accountant
CALD	Culturally and Linguistically Diverse
CEO	Chief Executive Officer
CERP	Climate Emergency Response Plan
CHSP	Commonwealth Home Support Programme
CIV	Capital Improved Value
CMMP	Coastal & Marine Management Plan
CPA	Certified Practising Accountant
CPI	Consumer price index
CPR	Cardiopulmonary resuscitation
Cr	Councillor
EBA	Enterprise Bargaining Agreement
ERP	Estimated resident population
FCCA	Fellow of Chartered Certified Accountants
FTE	Full-time equivalent
G21	Geelong Region Alliance
GRLC	Geelong Regional Library Corporation
GST	Goods and Services Tax
HACC	Home and Community Care

Term	Explanation
HR	Human Relations
IT	Information Technology
JMAPP	JLT Municipal Asset Protection Plan Discretionary Trust
JP	Justice of the Peace
LGPro	Local Government Professionals
LMI	Liability Mutual Insurance
LSL	Long service leave
MAV	Municipal Association of Victoria
MCH	Maternal and Child Health
MEMP	Municipal Emergency Management Plan
MT	Management Team
NA	Not applicable
NDIS	National Disability Insurance Scheme
OAM	Medal of the Order of Australia
OHS	Occupational Health and Safety
PC	Personal computer
PS	Primary school
SEIFA	Socio-Economic Indexes for Areas
TGGB	Tourism Greater Geelong and the Bellarine
WDV	Written down value
WIP	Work in progress
VAGO	Victorian Auditor-General's Office
VBI	Vested benefit index
VCAT	Victorian Civil and Administrative Tribunal
VGC	Victoria Grants Commission
VIC	Visitor Information Centre



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50 Learmonth Street
PO Box 93, Queenscliff VIC 3225

info@queenscliffe.vic.gov.au

The Annual Report can also be viewed
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www.queenscliffe.vic.gov.au

