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## Council



Clockwise from Left: Cr. John Doull, Cr. Steve Lee, Cr. Val Lawrence, Cr. Chris Player, Cr. Pat Semmens- (Mayor), Cr. John Burgess, Cr. John Bugg

The Council was elected on 17 November, 2004. The next Council elections are due in November 2008.



## Mayor's Report - 2006-2007



*It gives me great pleasure to report to the Borough of Queenscliffe community on some of Council's achievements over the last twelve months.*

*The High School Site Master Planning Process is now underway. After much delay the Victorian State Government finally transferred the high school site to Council's management during the 2006/2007 year.*

*Council has engaged Nola Tudball to work through a careful process with those organisations who wish to move to the site. Nola has previously worked with Council on developing a plan for the future of children's services in the Borough. An architect from the Greg Burgess firm is also working with us in the preparation of the master plan which will involve input from a number of community groups including the Neighbourhood House, the Kindergarten, the Music Festival, the Community Nursery and possibly the Library.*

Council is disappointed that the Coastal Management Plan has still not been signed off by the Department of Sustainability and Environment. Council is eager to get on with the implementation plan. Some progress has been made while we are waiting with some of the proposed continuous path between Point Lonsdale and Queenscliff already constructed by our Engineer, Alex Brunacci with the assistance of a number of work groups.

Council has also committed to supporting a further bid from the Sports Clubs for funding to redevelop the Monahan Centre. The grants program closes later this year and the funding application is currently being developed with the assistance of a Committee chaired by our local member Minister Lisa Neville and also includes representatives from the Department for Victorian Communities and the Department for Sustainability and the Environment. We are hopeful that the grant will be successful in the coming financial year.

In conclusion, I would like to pay tribute to the work of Gary Price. Gary retires later this year after eleven years in the position of Chief Executive Officer of the borough of Queenscliffe. Gary has been the CEO of the Borough through many difficult times. He came to the borough during the campaign to avoid the amalgamation with the City of Greater Geelong and to keep the borough as a separate entity. He expected to be here for a short time only but ended up staying eleven years. He was also the CEO at the time of the campaign to keep an Army presence in the Borough. One of Gary's other contributions has been to ensure that the Council's finances were returned to a firm basis so that we are now a thoroughly viable Borough. He has also been a great support to all the Mayors who have worked with him including myself.

On behalf of the Borough of Queenscliffe community I would like to extend to Gary Price our very best wishes for whatever he chooses to do next with his career. He has been an excellent CEO and our best wishes go with him for the future.

I would also like to thank all of Council's staff for their efforts over the past year and their commitment to deliver excellent services to the residents of the Borough.

Thank you also to my fellow Councillors for their support over the past year.

Cr Pat Semmens  
**MAYOR**





## Chief Executive Officer's Report



*The 2006/2007 year has been largely one of "steady as she goes" without any major projects being undertaken by Council but several being worked on to be brought to fruition in later years.*

*Some of the major points of interest during the year are listed below:*

### **Coastal Path**

Council had plans to do some significant work on a coastal path between Point Lonsdale and Queenscliff. It is acknowledged that there is already fragmented walking and cycling paths between the two towns but work is planned to make a continuous path which will further encourage use of our foreshore areas.

The project will be developed in association with the Department of Sustainability and Environment (DSE) and Council is working with both DSE and the Department for Victorian Communities (DVC) to develop a funding application to support this work. It had been hoped that this path would be completed in 2006/2007 but work

is now expected to take place in 2007/2008 once matching funding is available from the State Government.

### **Council Office Refurbishment**

Council's architects have been working on the final detailed plans for the refurbishment of the Council offices. A revised cost plan has been submitted to Council and will be included in the Council Budget for 2007/2008. Council will be going to tender early in 2007/2008 with a view to appointing a contractor to complete the works within the financial year.

### **Drought**

The community has experienced severe water restrictions with Stage 4 restrictions starting in December. These restrictions have greatly affected Council's foreshore reserves but measures were put in place to try to minimise the impact of the long drought. Thankfully steady rain since May has greatly assisted our vegetated areas.

Council has also been working with the State Government to obtain funding for the sporting organisations within the Borough to ensure that their playing areas can be properly maintained. At the end of the financial year Council was notified that they were successful in obtaining a total of \$60,000 in grants to assist the Queenscliff Bowling Club, Queenscliff Sports Club and the Queenscliff Golf Club.

### **Camp Wyuna**

Council has been working with the Geelong YMCA to finalise a lease for the use of Camp Wyuna. There has been agreement in principle to a twenty year lease with two ten year options and lease documents were being drawn up at the end of the financial year and the lease is expected to be entered into early in 2007/2008.

The YMCA will be building a new camp facility which will be a great attraction to many community groups. Council has been pleased to be able to establish a very strong working relationship with the YMCA.

### **Bellarine Peninsula Railway**

Council has been working closely with the Railway to assist them in obtaining funding for upgrade of its facilities. Council's contribution for this work is only \$20,000 but in total the Railway project will be in excess of \$900,000 and Council congratulates Bellarine Peninsula Railway in gaining both Federal and State Government funding for this project.



### **Community Satisfaction Survey**

Council again was involved in the Annual Community Satisfaction Survey. The Survey this year has highlighted the need for improvement in four areas. These are:

- Economic Development
- Advocacy
- Town Planning
- Traffic and Parking

Council has resolved to firstly tackle Town Planning as it has the lowest satisfaction level of all Council services and will be conducting further work to see what improvements can be made to raise the satisfaction level with the Town Planning system.

### **Contractors**

Council continues to use a range of contractors in many areas of Council's activities. The efforts of Council's contractors are greatly appreciated and from a service delivery point of view, most people would not be aware of whether it was a contractor or Council employee delivering the service. This is a tribute to the professionalism of our contractors.

### **Organisation Restructure**

Office Manager, Robert Warren retired from Council after 37 years of service. Robert was a valued employee of the Council and had obviously a significant amount of local knowledge and corporate knowledge which proved invaluable over his years of service. With Robert's departure there has been an opportunity to streamline the structure of the organisation to some extent. The formal organisation structure is shown later in this document.

Council welcomes Justine Potter who has taken on the new role of Manager Organisational Development.

This will be my last Annual Report to Council and the community. I informed Council in August 2006 that I would not be seeking to renew my contract which terminates in August 2007. I have been the Chief Executive Officer for the Council for over 11 years and I would like to take this opportunity to acknowledge the significant contribution made by the Councillors and staff of the Borough of Queenscliffe.

During my time with Council I have served with 21 Councillors and believe that every Councillor I have dealt with was there for the right purpose and that is to serve the community to the best of their ability. The role of the Councillor is quite often a thankless task and I want to acknowledge my appreciation of the work that Councillors do and the support that they have given me during my time at Council.

Finally I must acknowledge the terrific support I have had from staff during my time here. As I leave the Council there will only be one employee who has longer service with the Council than I have so I have been able to see virtually every employee start with Council and seen the contribution that each individual makes.

I would like to sign off from Council by saying what a privilege it has been to be the Chief Executive Officer at the Borough of Queenscliffe.

Gary Price  
**CHIEF EXECUTIVE OFFICER**



## Councillor Profiles

### Cr. Pat Semmens - Mayor



Cr. Semmens was elected to Council in November 2004. Cr Semmens has lived in the Borough full time for nine years. During that time she has been involved in:

- The committee which secured the greater part High School site for community purposes and also the two committees which have planned the use of the site;
- The Neighbourhood House Committee;
- Council's Community Development Committee;
- The Swan Bay Catchment Management Committee;
- The Bellarine Community Health Centre Board of which she is the current vice-president.

Cr. Semmens was previously a senior manager with the Department of Human Services and still does some consultancy work on a part time basis.

Cr. Semmens' leisure interests are reading, listening to music and good conversation over dinner with friends.

### Cr. Val Lawrence



Cr. Lawrence was elected to Council in March 1998 and was re-elected as Mayor on 18 March, 2003. Cr. Lawrence's personal interests lie in being actively involved with the community, playing golf and Red Cross International Humanitarian Law. Cr Lawrence is a J.P., a Civil Celebrant and a member of the American Institute of Parliamentarians and a Life Member of International Training in Communication.

Cr Lawrence's Council Committee participation has been:

- Chairperson – Audit Advisory Committee
- Chairperson – Queenscliffe Museums Committee
- Chairperson – Community Centre Planning Committee
- Chairperson – Community Development Committee
- Chairperson – Municipal Offices Refurbishment Project Sub-Committee
- Member – Finance Committee
- Member – Engineer Services Committee

Externally, Cr. Lawrence has been actively involved with:

- Member – Red Cross on a local, regional and State wide basis.
- Member – Barwon Heads Golf Club Committee
- Member – Geelong Community Foundation
- Member – Geelong Otway Tourism Board
- Municipal Association of Victoria Human Services Portfolio Committee
- Patron – Queenscliffe Lighthouse Theatre Group
- Member – G21 Leadership Group and Governance Group
- Local Organiser of Geelong Red Cross Calling
- Chairman – St George the Martyr Restoration Appeal Committee





## Cr. John Doull



Cr. John Doull was elected to Council in November, 2004. He is a qualified Commercial Pilot / Flying Instructor. Cr. Doull studied "Building" at RMIT and worked for a number of years for a high profile architect at St. Kilda. He was also involved in hospitality management. Presently he is an owner/builder of a 1920's bungalow in Queenscliff. His interests are:

- Bushwalking, camping and other outdoor activities.
- Flying trips to outback Australia.
- Architecture and Furniture.
- Arthouse films, alternative Australian music.

Cr. Doull is the portfolio holder on Council for 'Infrastructure Services' and serves on the following Committee's of Council including: Finance, Heritage, Music Festival Review, Audit (2006-2007); and recently Foreshore Management

He is also the Council Delegate for Association of Bayside Municipalities (ABM), Councillor Liason for International Council for Local Environmental Initiatives (ICLEI) and Councillor Liason for local Community Planning 'Lighthouse' initiatives.

In the Local Government Sector Cr. Doull is a regular attendee at the Municipal Association of Victoria (MAV) Councillor Development Weekends and Annual Conference, and is Council's MAV contact for 'Sustainable Transport'. He is also an individual member of the Victorian Local Governance Association (VLGA) since early 2005, and became a Board Member of the VLGA in February this year.

At a Community level Cr. Doull attends local community groups on: Reconciliation, Global Warming, Community Planning initiatives and is an occasional attendee at the Queenscliffe Community Association (QCA) and the Point Lonsdale Civic Association (PLCA).

## Cr. Stephen Lee



Cr. Lee was elected to Council in March 1996. Cr Lee's personal interests are spending time with his family and friends, traveling, gardening, reading sailing, and music.

Cr Lee's Council Committee participation has been:

- Chairperson – Environment Advisory Committee
- Chair of the Cypress Avenues Working Party
- Chairperson – Queenscliffe Heritage Committee
- Member – Community Centre Planning Committee
- Member – Municipal Offices Refurbishment Project Sub-Committee

Cr. Lee is currently:

- Chair of the Heritage Committee
- Council's representative on the Geelong Regional Library Board
- Active member of the Queenscliff – Lonsdale Yacht Club

Councillor Lee holds the Planning Portfolio.





## Cr. John Bugg



Cr. Bugg was elected to Council in March 1997 and was a former Mayor from 1998-2001 and re-elected Mayor for the 2004/2005 year. Cr Bugg's personal interests lie in Australian Painting, reading, genealogy, walking in remote places and cogitating. Cr. Bugg is a Fellow of Australian College of Education and a Fellow of Australian Primary Principals Association and was formerly head of Geelong Grammar Junior School.

Cr Bugg's Council Committee participation has been:

- Chairperson – Arts Committee
- Chairperson – Caravan Parks Review Committee
- Member – Community Centre Planning Committee
- Member – Municipal Offices Refurbishment Project Sub-Committee
- Member – Engineering Services Committee (when Co-opted)
- Member – Queenscliffe Arts Council

Externally, Cr. Bugg has been actively involved with:

- Chairperson – Queenscliff Harbour Steering Committee
- Chairperson – Geelong Regional Library Corporation
- Member – Geelong Performing Arts Centre Trust
- Member – G21 Arts Pillar
- Trustee – Geelong Art Gallery Foundation
- Patron – Queenscliffe Arts Tour
- Vice President – Queenscliffe Historical Museum
- Secretary – Carnival of Words
- Director – Barwon Water Authority

## Cr. Chris Player



Cr. Player was elected to Council in November 2004. Having spent over 30 years working in private Industry, he is currently involved with the Leukaemia Foundation and the Bellarine Peninsula Railway. Previously he was involved with Vision Australia. With his experience in Industry, Cr. Player is keen to see the Council involve the community in an on going vision to support future decisions. He is on the Council's Finance and Audit Committees. Chris' other interests include travelling and sailing.

Cr Player holds the Council Coastal & Environment portfolio

Cr. Player's Council Committee participation has been:

- Member – Finance Committee
- Member – MAV- Peak Oil & Gas Task Force

Externally, Cr. Player has been actively involved with:

- Member - Leukaemia Foundation
- Member – Bellarine Peninsula Railway
- Past Member – Vision Australia



## **Cr. John Burgess**



Cr. Burgess was elected to Council in March 2001. Cr Burgess's personal interests lie in spending time with family, traveling and golf. He is a Fellow of Certified Practising Accountants and Fellow of the Australian Institute of Company Directors and brings his professional skills together with a broad business background to the Council.

Cr Burgess's Council Committee participation is:

- Chairperson – Finance Committee
- Member – Audit Advisory Committee

Externally, Cr. Burgess is actively involved with:

- Council Representative and Chairperson of the Barwon Regional Waste Management Group



## Councillor Attendance at Meetings

Ordinary Meetings of Council from July 2005 to February, 2006 were held on the first and third Tuesday of the Month and at the 21 February, 2006 Council Meeting it was resolved to hold Council meetings on the third Tuesday of the month only commencing at 6.15pm in the Council Chamber, 50 Learmonth Street, Queenscliff. All Ordinary and Special Meetings of Council are open to the public.

### Ordinary Meetings of Council \*\*

Councillor	Eligible to Attend	Attended
Cr. John Bugg	12	10
Cr. John Burgess	12	11
Cr. Val Lawrence	12	12
Cr. Steve Lee	12	12
Cr. John Doull.	12	12
Cr. Chris Player.	12	12
Cr. Pat Semmens	12	12

### Special Meetings of Council \*\*

Councillor	Eligible to Attend	Attended
Cr. John Bugg	2	2
Cr. John Burgess	2	2
Cr. Val Lawrence	2	1
Cr. Steve Lee	2	1
Cr. John Doull	2	2
Cr. Chris Player	2	2
Cr. Pat Semmens	2	2



## Audit Committee

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

The Audit Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner

The Borough of Queenscliffe Audit Committee consists of the following members;

Member	Eligible to Attend	Attended
Richard Bull – Independent Chairman	4	4
Cr. John Burgess	4	4
Cr. John Doull – Retired from 11/12/2006	2	1
Cr. John Bugg – Commenced from 19/03/07	2	0
Cr. Pat Semmens	4	1
Fergus Mackee, External Member	4	4

The Council's internal auditor is Mr Bernie Frewin. Mr Frewin is a Chartered Accountant with AFS & Associates Pty Ltd.

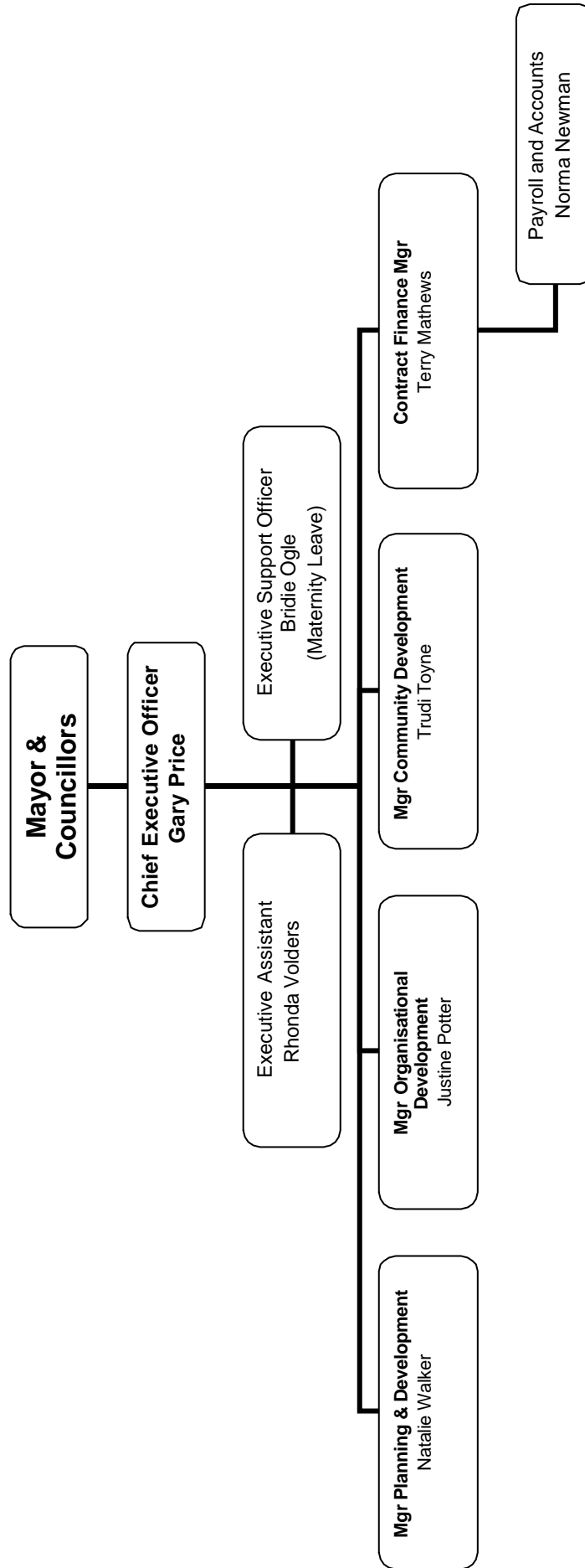
During the year the committee completed tasks such as reviewing Council's Annual Finance Report and reviewed the Council's Risk Register. The committee also considered reports from Mr Frewin on the following matters:

- Review of Corporate Governance Policies
- Payroll and Human Resources
- Local Laws Management





## Organisational Structure





## Administration Structures of Council

The Organisational Structure Chart indicates the relationships which enable Council's operation and service delivery. The Senior Officers of Council are:

### **Chief Executive Officer** - Gary Price

Gary has worked in Local Government since 1983 and has been a Chief Executive Officer since 1993. He commenced with the Borough in January 1996. Prior to work in local Government Gary held administrative/management positions in the mining and construction industries.

Gary holds a Bachelor of Business – Local Government (with Distinction) and a Masters in Business Administration.

### **Community Development Manager** – Trudi Toyne

In this role, Trudi focuses on the development of strong relationships with the community to enable capacity building to effect positive change. Trudi also manages Council's direct delivery of Aged and Disability Services.

Trudi holds a Bachelor of Arts, a Diploma of Education and a Graduate Diploma in Community Development. She has been with Council for five years and brings to Council a strong background in community development work.

### **Manager - Planning and Development** – Natalie Walker

Natalie is responsible for strategic and statutory planning. Council's planning function is to provide information and advice about the planning scheme, and processes and coordinates planning and development proposals for Council's consideration.

Natalie holds a Bachelor of Applied Science in Urban Policy and Planning and is currently studying a Masters Degree in Environmental Planning. She brings with her significant planning experience from work with Fisher Stewart Pty Ltd, Shire of Melton and the City of Greater Geelong. Natalie joined Council in January 2001.

### **Manager Organisational Development** – Justine Potter

Justine has immediate responsibility for Human Resources, Risk Management and corporate support of various administrative functions. The role also oversees staff operating in Customer Services & Rates, Local Laws and Tourism & Economic Development.

Justine holds an Organisational Development degree and has Local Government and private enterprise experience in HR and Risk roles. Justine joined the Borough of Queenscliffe in October 2006.

### **Finance Manager** – Terry Mathews

Terry is a qualified CPA who works on a part time contract basis. Terry's skills are enhanced by the fact that he does project work for other Council's and brings those experiences into the Borough.



# Best Value

## **Best Value Principles**

The principles are designated under the Local Government Act 1989 and are applied to Council's range of services.

The principles are:

- Meet quality and cost standards;
- Be responsive to community needs;
- Be accessible;
- Continuously improve;
- Consult with the community; and
- Report to the community.

## **Best Value Policy and Program Approach**

Council's Best Value Policy and Program was adopted by Council on 5 December 2000. There has been no revision to the policy or program and the program has now been completed in accordance with that timetable.

## **Status Report on the Best Value Policy and Program**

Although Council has completed the program in accordance with its legislative requirements, Council still derives from that program ongoing learning which is applied to all Council's services. Because of its relative lack of resources, the Borough needs to be very careful in the way in which it directs its efforts.

Accordingly, the Council relies heavily on the input from the community to determine the way in which it conducts its business to both reflect the needs of the community and at the same time deliver value for money.



## Employment

The employment statistics as at 30 June, 2006 are as follows:

	MALE	FEMALE	TOTAL
Full Time	4.0	9.0	<b>13.0</b>
Part Time	2.0	30.0	<b>32.0</b>
Part Time EFT*	.45	15.40	<b>15.85</b>
<b>TOTAL EFT</b>	4.45	24.40	<b>28.85</b>

## Equal Employment Opportunity

Council's Policy on Equal Employment Opportunity reflects its desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability.

The Council of the Borough of Queenscliffe is wholly committed to the principles of Equal Employment Opportunity.

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

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

## Local Laws

At June 30, 2007 the only local law current is -

- Local Law No. 1, 2000

This local law became operative on Thursday, 4 January 2001 and is divided into five parts:

- Part 1 Introduction and Administration
- Part 2 The Council
- Part 3 Amenity, Environment and Health
- Part 4 Protection, Regulation and Use of Public Land
- Part 5 Roads and Traffic

Local Law No. 1, 2000 is supported by the "Borough of Queenscliffe Policies and Procedures Manual - *Additional requirements applying to uses and activities under Local Law No 1, 2000.*"

A review of Local Law No. 1 – 2000 will be undertaken in 2007/2008.





## Annual Community Satisfaction Survey 2006

This survey was conducted by the State Government and the Borough of Queenscliffe during March/April 2006. The aim of the survey is to measure community satisfaction and to gain an overall picture of the community perception of Council and its services. The results show the indexed mean for each measure.

Community Satisfaction	Five Year Average	Result 2005	Result 2006	Result 20074
1. Community satisfaction rating for overall performance generally of the council.	65	66	62	64
2. Community satisfaction rating for overall performance in key service areas (individual service group ratings shown below)	65	65	63	65
2 (a) Local Roads and Footpaths	60	62	61	62
2 (b) Health & Human services	76	77	75	77
2 (c) Recreational facilities	68	66	66	68
2 (d) Appearance of Public Areas	71	71	67	71
2 (e) Traffic Management and Parking Facilities	58	56	59	59
2 (f) Waste Management	75	77	74	75
2 (g) Enforcement of By Laws	67	68	67	66
2 (h) Economic Development	60	60	56	56
2 (i) Town Planning Policy and Approvals	52	50	46	50
3. Community satisfaction rating for Council's interaction and responsiveness in dealing with the public.	75	77	74	75
4. Community satisfaction rating for Council's advocacy and community representation on key local issues	61	60	57	60
5. Community satisfaction rating for Council's engagement in decision making on key local issues	63	66	59	62

**NOTE:** These survey results were prepared for the Department for Victorian Communities and the Borough of Queenscliffe by Wallis Consulting Group.

Council uses the feedback from the Annual Satisfaction Survey to address areas of concern raised by respondents in the formulation of its four year Council Plan and Annual Budget for the following year.



## Freedom of Information

Council received four (4) applications under the Freedom of Information Act for the period of 1 July 2006 to 30 June 2007. Access to documents was granted in full.

The Freedom of Information Act establishes a legally enforceable right for the community to access information from certain records held by Council. Documents under sections 7 & 8 of the Freedom of Information Act are available to the public. Requests for access to documents under the Act can be lodged with the Freedom of Information Officer, Borough of Queenscliffe, PO Box 93, Queenscliff 3225. A fee of \$20 is applicable to each application. General enquiries can be made by phoning the Freedom of Information Officer on 03 5258 1377 or via email [foi@queenscliffe.vic.gov.au](mailto:foi@queenscliffe.vic.gov.au)

## Information Available for Public Inspection

The following documents are available for inspection at the Council Offices, 50 Learmonth Street, Queenscliff during office hours. Interested persons are able to have copies of any documents on payment of the relevant fee.

- Details of current allowances fixed for the Mayor and Councillors under section 74 of the Act;
- Details of senior officers' current gross salaries, allowances and other benefits for the current financial year and two previous financial years;
- Details of overseas or interstate travel, undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months;
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- Agendas for and minutes of ordinary and special meetings kept under section 93 of the Act except where such minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- A list of all major committees established by Council and the purpose for which each committee was established;
- A list of all major committees established by the Council which were abolished or ceased to function during the financial year;
- Minutes of meetings of special committees established under section 86 of the Act except where such minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- Register of delegations kept under section 88 of the Act;
- Submissions received under section 223 of the Act during the previous 12 months;
- Agreements to establish regional corporations under section 196 of the Act;
- Register of leases entered into by the Council;
- Register of authorised officers appointed under section 224 of the Act;
- Annual Report including financial statements;



## Donations & Grant Register

Payee	Description	Amount \$
Probus Queenscliff	Comm Dev Grants Program	234.00
Bellarine Masonic Centre	Comm Dev Grants Program	163.64
Queenscliff Sports Club	Comm Dev Grants Program	2760.91
Department of Primary Industries	Comm Dev Grants Program	1818.18
Queenscliff Neighbourhood House	Comm Dev Grants Program	2000.00
Queenscliff Kindergarten	Comm Dev Grants Program	427.37
Swan Bay Environment Assoc – Gordon Institute TAFE	Comm Dev Grants Program	1363.64
Queenscliff Maritime Museum	Comm Dev Grants Program	860.00
Rotary Club of Queenscliff	Comm Dev Grants Program	500.00
Bellarine Secondary School	Education Awards	2000.00
Queenscliff Primary School	Education Awards	100.00
St Aloysius Primary School	Education Awards	100.00
Point Lonsdale Primary School	Education Awards	100.00
Film Society – Robertsons Electronic Tripod	Arts & Cultural Dev Program	1000.00
Quilt Restoration – Queenscliffe Historical Museum	Arts & Cultural Dev Program	1200.00
Arts Council – Virgona T Artist in Residence	Arts & Cultural Dev Program	2000.00
Arts Council – Q'cliff Neighbourhood House – Artist in Residence	Arts & Cultural Dev Program	2000.00
Musique – P O'Reilly	Arts & Cultural Dev Program	22.73
Musique – Blainey Faye – Reimb Costs	Arts & Cultural Dev Program	592.27
Musique – Blainey Faye – Reimb Costs	Arts & Cultural Dev Program	492.59
Musique – Peter N Madge – Sheet Music	Arts & Cultural Dev Program	300.00
Sea of Words - Refreshments	Arts & Cultural Dev Program	55.91
Sea of Words – L. Stein – Reimbursement	Arts & Cultural Dev Program	43.64
Sea of Words – L. Stein – Reimbursement	Arts & Cultural Dev Program	61.82
Sea of Words – Music Workshop Equip Hire	Arts & Cultural Dev Program	250.00
Sea of Words – Queenscliffe Herald	Arts & Cultural Dev Program	100.00
Sea of Words – Athelstane	Arts & Cultural Dev Program	49.09
Sea of Words – Jancey Rynic Reimbursement	Arts & Cultural Dev Program	35.45
Sea of Words – Petty Cash Reimbursement	Arts & Cultural Dev Program	52.73
Sea of Words – Xerox Copies	Arts & Cultural Dev Program	40.00
Sea of Words – Rosies Refreshments	Arts & Cultural Dev Program	26.36
<b>TOTAL AS AT 30/6/07</b>		<b>\$20750.33</b>



## Membership of Organisations Register

Organisation	Amount \$
Local Government Professionals	500.00
LGPro Membership – J. Potter	214.77
Anstat	1820.27
Our Community	300.00
Local Government Managers Australia	450.00
Risk Management Institute of Australia	209.00
VECCI	1482.00
Municipal Group of Valuers	300.00
The Craftsman Press	180.00
Hallmark Editions	300.00
Revenue Management Association	80.00
Association of Bayside Municipalities	2568.75
Municipal Association of Victoria	5405.22
Vic Parks Membership	146.36
Vic Parks Membership	182.73
Vic Parks Membership	134.55
Vic Parks Membership	146.36
Vic Parks Membership	182.73
Vic Parks Membership	134.55
Vic Parks Membership	146.36
Vic Parks Membership	182.73
Vic Parks Membership	134.55
Vic Parks Membership	146.36
Vic Parks Membership	182.73
Vic Parks Membership	134.55
AAA Tourism Advantage	318.18
Geelong Otway Tourism	504.55
Geelong Otway Tourism	12398.00
<b>TOTAL AS AT 30/6/07</b>	<b><u>28885.39</u></b>





# Report of Operations

## Victorian Local Government Performance Indicators

Indicator	<u>2005/2006</u>	<u>2006/2007</u>
<b>Affordability/Cost of Governance</b>		
1. Average Rates and Charges per Assessment	\$1259.52	\$1342.95
2. Average Rates and Charges per Residential Assessment	\$1219.91	\$1291.79
<b>Sustainability</b>		
3. Average Liabilities per Assessment	\$511.48	\$809.59
4. Operating Result per Assessment	\$200.21	\$363.45
<b>Services</b>		
5. Average Operating Expenditure per Assessment	\$1999.57	\$2069.15
6. Community Satisfaction Rating for Overall Performance generally of the Council	62	64
<b>Infrastructure</b>		
7. Average Capital Expenditure per Assessment	\$253.22	\$203.61
8. Renewal Gap	139%	111%
9. Renewal & Maintenance Gap	142%	108%
<b>Governance</b>		
10. Community Satisfaction Rating for Council's Advocacy and Community Representation on key local issues	57	60
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***Borough of Queenscliffe***  
**ANNUAL FINANCIAL REPORT**  
***For the Year Ended 30 June 2007***

**Borough of Queenscliffe  
Financial Report  
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**Income Statement**  
**For the Year Ended 30 June 2007**

	Note	2007 \$'000	2006 \$'000
<b>Revenue</b>			
Rates and charges	2	3,865	3,578
Statutory fees and fines	3	152	135
User fees	4	1,316	1,329
Grants - Recurrent	5	553	675
Grants - Non-recurrent	5	253	170
Contributions - Non-monetary assets	6	653	197
Other revenue	7	175	159
<b>Total revenue</b>		<b>6,967</b>	<b>6,243</b>
<b>Expenses</b>			
Employee benefits	8	(1,708)	(1,639)
Materials and services	9	(3,438)	(3,142)
Depreciation and amortisation	10	(593)	(593)
Other expenses	11	(158)	(240)
Finance costs	12	(58)	(66)
<b>Total expenses</b>		<b>(5,955)</b>	<b>(5,680)</b>
Net gain on disposal of property, plant and equipment, infrastructure		17	1
Share of net profits of associates and joint ventures accounted for by the equity method	13	17	5
<b>Surplus for the period</b>		<b>1,046</b>	<b>569</b>

The accompanying notes form part of this financial report



**Balance Sheet  
As at 30 June 2007**

	Note	2007 \$'000	2006 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	2,808	1,561
Trade and other receivables	15	502	160
Accrued income		12	-
Prepayments		146	119
Inventories	16	8	9
Non-current assets classified as held for sale	17	-	333
<b>Total current assets</b>		<u>3,476</u>	<u>2,182</u>
<b>Non-current assets</b>			
Trade and other receivables	15	33	18
Investments in associates accounted for using the equity method	13	216	199
Property, plant and equipment, infrastructure	18	43,234	42,683
<b>Total non-current assets</b>		<u>43,483</u>	<u>42,900</u>
<b>Total assets</b>		<u>46,959</u>	<u>45,082</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdraft	19	24	-
Trade and other payables	20	260	200
Trust funds and deposits	21	71	117
Provisions	22	368	367
Interest-bearing loans and borrowings	23	199	121
<b>Total current liabilities</b>		<u>922</u>	<u>805</u>
<b>Non-current liabilities</b>			
Provisions	22	18	105
Interest-bearing loans and borrowings	23	1,461	660
<b>Total non-current liabilities</b>		<u>1,479</u>	<u>765</u>
<b>Total liabilities</b>		<u>2,401</u>	<u>1,570</u>
<b>Net Assets</b>		<u>44,558</u>	<u>43,512</u>
<b>Equity</b>			
Accumulated surplus		14,302	14,508
Reserves	24	30,256	29,004
<b>Total Equity</b>		<u>44,558</u>	<u>43,512</u>

The accompanying notes form part of this financial report

**Statement of Changes in Equity  
For the Year Ended 30 June 2007**

	Note	Total 2007 \$'000	Accumulated Surplus 2007 \$'000	Asset Revaluation Reserve 2007 \$'000	Other Reserves 2007 \$'000
<b>2007</b>					
Balance at beginning of the financial year		43,512	14,508	28,281	723
Surplus(deficit) for the year		1,046	1,046	-	-
Transfers to other reserves	24(b)	-	(1,252)	-	1,252
<b>Balance at end of the financial year</b>		<b>44,558</b>	<b>14,302</b>	<b>28,281</b>	<b>1,975</b>

		Total 2006 \$'000	Accumulated Surplus 2006 \$'000	Asset Revaluation Reserve 2006 \$'000	Other Reserves 2,006 \$'000
<b>2006</b>					
Balance at beginning of the financial year		42,943	14,134	28,281	528
Surplus(deficit) for the year		569	569	-	-
Transfers to other reserves	24(b)	-	(195)	-	195
<b>Balance at end of the financial year</b>		<b>43,512</b>	<b>14,508</b>	<b>28,281</b>	<b>723</b>

The accompanying notes form part of this financial report

**Cash Flow Statement**  
**For the Year Ended 30 June 2007**

	2007	2006
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Rates	3,855	3,578
User charges statutory fees and fines (inclusive of GST)	1,692	1,490
Grants (inclusive of GST)	856	910
Interest	105	94
Other receipts (inclusive of GST)	58	401
Net GST refund	245	-
Payments to suppliers (inclusive of GST)	(3,949)	(3,365)
Payments to employees (including redundancies)	(1,717)	(1,628)
Finance costs	(58)	(66)
Other payments	(223)	(560)
<b>Net cash provided by (used in) operating activities</b>	25      864	854
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment, infrastructure	(476)	(742)
Proceeds from sale of property, plant and equipment, infrastructure	-	60
<b>Net cash provided by (used in) investing activities</b>	(476)	(682)
<b>Cash flows from financing activities</b>		
Trust funds and deposits	(45)	36
Proceeds from interest bearing loans and borrowings	1,000	-
Repayment of interest bearing loans and borrowings	(120)	(113)
<b>Net cash provided by (used in) financing activities</b>	835	(77)
Net increase (decrease) in cash and cash equivalents	1,223	95
Cash and cash equivalents at the beginning of the financial year	1,561	1,466
<b>Cash and cash equivalents at the end of the financial year</b>	26      2,784	1,561
Financing arrangements	27	
Restrictions on cash assets	28	
The accompanying notes form part of this financial report		

#### Introduction

- (a) The Borough of Queenscliffe was established on 12 May 1863 and has remained in existence since that time. The Council's main office is located at 50 Learmonth Street Queenscliff.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
  - to promote the social, economic and environmental viability and sustainability of the municipal district;
  - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
  - to improve the overall quality of life of people in the local community;
  - to promote appropriate business and employment opportunities;
  - to ensure that services and facilities provided by the Council are accessible and equitable;
  - to ensure the equitable imposition of rates and charges; and
  - to ensure transparency and accountability in Council decision making.

The following information could also be provided here:

External Auditor - Auditor-General of Victoria

Internal Auditor - AFS & Associates

Solicitors - Hardwood Andrews

Bankers - Bendigo Bank, Heese Street Queenscliff

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

This financial report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2004.

#### Note 1 Significant accounting policies

(a) **Basis of accounting**

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(g), 1(i), and 1(k).

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

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

Note Significant accounting policies (cont.)

(b) Change in Accounting Policy

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

AASB amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2005-10 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	1/1/07	7/1/07
	AASB 101	Presentation of Financial Statements		
	AASB 117	Leases		
	AASB 139	Financial Instruments: Recognition and Measurement		
AASB 7 Financial Instruments: Disclosures	AASB 132	Financial Instruments: Disclosure and Presentation	1/1/07	7/1/07
AASB 2006-3 Amendments to Australian Accounting Standards	AAS 27	Financial Reporting by Local Governments	October 2006	7/1/08
	AASB 1045	Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A		



Note 1 Significant accounting policies (cont.)

(c)

**Revenue recognition**

*Rates, grants and contributions*

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

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

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

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

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

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

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

*User fees and fines*

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

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

*Sale of property, plant and equipment, infrastructure*

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

*Interest and rents*

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Note 1 Significant accounting policies (cont.)

(d)

[Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles](#)

Buildings, land improvements, plant and equipment, infrastructure, heritage assets, 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 infrastructure 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.

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

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

	<b>Period</b>
<a href="#">Property</a>	
Buildings	
buildings	67 years
<a href="#">Plant and Equipment</a>	
<a href="#">Infrastructure</a>	
Roads	
road pavements	70 years
road seals	12-14 years
road unsealed pavement	15 years
footpaths and cycleways	20-50 years
street furniture	30 to 40 years
pipes	50 to 80 years
drainage pits	50 years
drainage pumps	20 years
kerb & channel	60-80 years
footpaths	20-50 years
playground equipment	12.5 years
sea wall	50 years
plant and machinery	5 to 10 years
furniture and equipment	10 years
computer equipment	3 years

(e)

**Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Note 1 Significant accounting policies (cont.)

(f)

[Borrowing costs](#)

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

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

(g)

[Recognition and measurement of assets](#)

[Acquisition](#)

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

The following classes of assets have been recognised in note 18. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	<a href="#">Threshold Limit</a>
	\$'000
<a href="#">Property</a>	
Land	
land improvements	5
Buildings	
buildings	10
building improvements	10
<a href="#">Plant and Equipment</a>	
plant, machinery and equipment	0.5
fixtures, fittings and furniture	0.5
computers and telecommunications	0.5
<a href="#">Infrastructure</a>	
Roads	
road pavements and seals	10
road substructure	10
road formation and earthworks	10
road kerb, channel and minor culverts	10
footpaths and cycleways	10
drainage	5
recreational, leisure and community facilities	10
parks, open space and streetscapes	5

Note 1 Significant accounting policies (cont.)

(g) Recognition and measurement of assets (cont.)

[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 amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. 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.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis every three years. The valuation is performed either by experienced council officers or independent experts.

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

*Land under roads*

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 "Land under Roads", which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2008.

(h) Cash and cash equivalents

For the purposes of the cash flow statement, 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.

(i) Other financial assets

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

(j) Investments

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

(k) Accounting for investments in associates

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

Note 1 Significant accounting policies (cont.)

(l) **Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 21).

(m) **Employee benefits**

*Wages and salaries*

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as work cover charges.

*Annual leave*

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts, expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Long service leave*

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Classification of employee benefits*

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

*Superannuation*

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of <> %.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 29.



Note 1 Significant accounting policies (cont.)

(n) **Leases**

*Operating leases*

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(o) **Allocation between current and non-current**

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

(p) **Agreements equally proportionately unperformed**

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

(q) **Web site costs**

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

(r) **Goods and Services Tax (GST)**

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

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

(s) **Impairment of assets**

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

(t) **Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

(u) **Non-current assets held for sale**

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

2007  
\$'000

2006  
\$'000

**Note 2 Rates and charges**

Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is the market of the property.

The valuation base used to calculate general rates for 2006/2007 was \$1,665 million (2005-2006 \$1,538 million). The 2006/2007 rate in the CIV dollar was .002253 (2005-2006, .002276).

Residential	3,408	3,235
Commercial	446	329
Garbage charge	6	7
Special rates and charges	5	7
	<u>3,865</u>	<u>3,578</u>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2006, and the valuation first applied to the rating period commencing 1 July 2006.

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2008, and the valuation will be first applied in the rating year commencing 1 July 2008.

**Note 3 Statutory fees and fines**

Health registrations	20	18
Local law fines and fees	56	67
Town planning fees	62	46
Land information certificates	14	4
	<u>152</u>	<u>135</u>

**Note 4 User fees**

Caravan park fees	1,040	1,000
Boat ramp	75	79
Tourism	28	17
Hall hire fees	4	1
Aged services fees	113	145
Property lease fees	22	16
Building services fees	7	7
Valuation fees/supplementary charges	3	41
Other fees and charges	24	23
	<u>1,316</u>	<u>1,329</u>

	2007 \$'000	2006 \$'000
<b>Note 5 Grants</b>		
Grants were received in respect of the following :		
<b>Recurrent</b>		
Home help/linkages	208	196
Victoria Grants Commission - unallocated	136	147
Community aged care packages	51	48
Victoria Grants Commission - local roads	42	41
Community services officer	18	18
Royal park amenity block	18	-
Kerbside recycling	17	-
Heritage	12	10
Other	11	-
Commonwealth Government - roads to recovery	10	40
School crossing supervisors	10	10
Beach cleaning	9	9
Senior citizen centres	7	6
Recreation	4	-
National competition policy	-	146
Sporting club feasibility	-	3
Non-mains energy winter concession	-	1
<b>Total recurrent</b>	553	675
<b>Non-recurrent</b>		
Small town development fund	125	-
Drought relief	50	-
Weed management	30	-
Great ocean road web design	20	-
Economic development strategy	13	-
Community centre	10	-
Street life grant	5	-
Commonwealth games	-	70
Coastal risk mitigation	-	42
Coastal management plan	-	15
Infectious diseases	-	13
Public place recycling program	-	10
Tobacco activity program	-	10
Street party	-	6
Traineeship	-	4
<b>Total non-recurrent</b>	253	170
<b>Conditions on Grants</b>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Commonwealth Government - Roads to recovery	30	28
Drought relief	32	-
Small town development fund	125	-
Street party	-	6
Infectious diseases	-	13
Coastal risk mitigation	-	28
	187	75
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Commonwealth Government - Roads to recovery	10	53
Street party	6	-
Infectious diseases	13	-
Coastal risk mitigation	28	-
	57	53
<b>Net increase (decrease) in restricted assets resulting from grant revenues for the year:</b>	130	22

	2007 \$'000	2006 \$'000
<b>Note 6 Contributions</b>		
<b>Non-monetary assets</b>		
Land	417	-
Roads	132	197
Drainage	104	-
	<u>653</u>	<u>197</u>
<b>Note 7 Other revenue</b>		
Interest	117	89
Interest on rates	7	5
Other	51	65
	<u>175</u>	<u>159</u>
<b>Note 8 Employee benefits</b>		
Governance and external relationships	472	452
Community services	541	539
Education, learning & arts	36	38
Business & tourism	328	333
Built environment	178	122
Infrastructure services	153	155
	<u>1,708</u>	<u>1,639</u>
<b>Note 9 Materials and services</b>		
Governance and external relationships	633	562
Community services	172	330
Education, learning & arts	228	265
Business & tourism	489	380
Coastal environment	110	67
Built environment	166	162
Infrastructure services	1,588	1,314
Finance and audit	52	62
	<u>3,438</u>	<u>3,142</u>
<b>Note 10 Depreciation and amortisation</b>		
<u>Property</u>		
Buildings		
Buildings	164	165
<u>Plant and Equipment</u>		
Plant, machinery and equipment	32	40
Fixtures, fittings and furniture	33	34
Recreation equipment	29	22
<u>Infrastructure</u>		
Roads	208	205
Kerb & channel	36	36
Footpaths and cycleways	30	30
Drainage	46	46
Sea wall	15	15
	<u>593</u>	<u>593</u>
<b>Note 11 Other expenses</b>		
Auditors' remuneration	23	31
Councillors' allowances	54	54
Other	81	155
	<u>158</u>	<u>240</u>

	2007 \$'000	2006 \$'000
<b>Note 12 Finance costs</b>		
Interest - Borrowings	58	66
	<u>58</u>	<u>66</u>
<b>Note 13 Investment in associates</b>		
Investments in associates accounted for by the equity method are:		
- Geelong regional library corporation	216	199
	<u>216</u>	<u>199</u>
<b>Note 13 Investment in associates (cont.) Geelong regional library corporation</b>		
<i>Background</i>		
The Borough recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on the Borough's underlying interest in the net assets of the service disclosed in its unaudited financial statements for the year ended 30 June 2007. The Borough's share of the net assets is calculated on the same ratio as it contributes to the operating costs of the service. Annual contributions to the library service are included in the Operating Statement		
<b>Note 14 Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	-	159
Short term investment deposits	2,807	1,401
	<u>2,808</u>	<u>1,561</u>
<b>Note 15 Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	50	40
Parking infringement debtors	15	16
Provision for doubtful debts - parking infringements	(10)	(9)
Loans and advances to community organisations	21	10
Property Sales Debtors	350	-
Other debtors	76	103
	<u>502</u>	<u>160</u>
<b>Non-current</b>		
Loans and advances to community organisations	33	18
	<u>33</u>	<u>18</u>
<b>Total</b>	<u>535</u>	<u>178</u>
<b>Note 16 Inventories</b>		
Inventories held for sale	8	9
	<u>8</u>	<u>9</u>
<b>Note 17 Assets held for sale</b>		
Cost of acquisition	-	333
	<u>-</u>	<u>333</u>



**Note 18** Property, plant and equipment, infrastructure

	2007 \$'000	2006 \$'000
<b>Summary</b>		
at cost	2,810	2,082
Less accumulated depreciation	665	553
	<u>2,145</u>	<u>1,529</u>
at fair value as at 1 July 2004	16,371	15,954
at fair value as at 30 June 2005	37,650	37,650
at fair value as at 30 June 2007	417	-
Less accumulated depreciation	13,349	12,450
	<u>41,089</u>	<u>41,154</u>
Total	<u>43,234</u>	<u>42,683</u>
<b>Property</b>		
<b>Land</b>		
at fair value as at 30 June 2005	22,778	22,778
at fair value as at 30 June 2006	417	-
	<u>23,195</u>	<u>22,778</u>
<b>Total Land</b>	<u>23,195</u>	<u>22,778</u>
<b>Buildings</b>		
at cost	315	315
Less accumulated depreciation	5	2
	<u>310</u>	<u>313</u>
at fair value as at 30 June 2005	14,872	14,872
Less accumulated depreciation	6,005	5,844
	<u>8,867</u>	<u>9,028</u>
<b>Total Buildings</b>	<u>9,177</u>	<u>9,341</u>
<b>Total Property</b>	<u>32,372</u>	<u>32,119</u>
<p>Valuation of land and buildings were undertaken by a qualified independent valuer Mr Paul Newman, Certified Practising Valuer, AAPI. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.</p>		
<b>Plant and Equipment</b>		
<b>Plant, machinery and equipment</b>		
at cost	311	256
Less accumulated depreciation	147	115
	<u>164</u>	<u>141</u>
<b>Fixtures, fittings and furniture</b>		
at cost	392	306
Less accumulated depreciation	284	251
	<u>108</u>	<u>55</u>
<b>Recreation equipment</b>		
at cost	462	430
Less accumulated depreciation	196	167
	<u>266</u>	<u>263</u>
<b>Total Plant and Equipment</b>	<u>538</u>	<u>459</u>

<b>Note 18</b>	<b>Property, plant and equipment, infrastructure (cont.)</b>	<b>2,007</b>	<b>2,006</b>
		<b>\$'000</b>	<b>\$'000</b>
	<u>Infrastructure</u>		
	<b>Roads</b>		
	at cost	464	273
	Less accumulated depreciation	22	12
		<u>442</u>	<u>261</u>
	at fair value as at 1 July 2004	9,372	9,372
	Less accumulated depreciation	3,674	3,476
		<u>5,698</u>	<u>5,896</u>
	<b>Kerb &amp; channel</b>		
	at fair value as at 1 July 2004	2,228	2,228
	Less accumulated depreciation	902	866
		<u>1,326</u>	<u>1,362</u>
	<b>Footpaths and cycleways</b>		
	at cost	76	76
	Less accumulated depreciation	9	5
		<u>67</u>	<u>71</u>
	at fair value as at 1 July 2004	1,090	1,090
	Less accumulated depreciation	449	423
		<u>641</u>	<u>667</u>
	<b>Drainage</b>		
	at cost	268	163
	Less accumulated depreciation	2	1
		<u>266</u>	<u>162</u>
	at fair value as at 1 July 2004	2,513	2,513
	Less accumulated depreciation	1,752	1,706
		<u>761</u>	<u>807</u>
	<b>Sea walls</b>		
	at fair value as at 1 July 2004	751	751
	Less accumulated depreciation	150	135
		<u>601</u>	<u>616</u>
	<b>Total Infrastructure</b>	<u>9,802</u>	<u>9,842</u>
	Valuation of infrastructure assets has been determined by the following independent		
	<b>Drainage pipes, drainage pits, pumping equipment and the sea wall.</b>		
	The valuation of drainage pipes, pits and pumping equipment and the sea wall was determined by Mr Paul Austin, Dip.C E C E, MIE Aust of EarthTech Pty Ltd as at 1 July 2004.		
	The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
	<b>Sealed pavement, unsealed pavement, sealed surfaces, sealed road formation, street furniture, kerb &amp; channel and footpaths</b>		
	The valuation of sealed pavements, unsealed pavements, sealed surfaces, sealed road formation street furniture, kerb & channel and footpath was determined by Mr Peter Moloney, Dip.C.E.C.E, MIE Aust.as at 1 July 2004.		
	The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
	<b>Works in progress</b>		
	Buildings at cost	370	129
	Roads at cost	102	111
	Other	50	23
	<b>Total Works in progress</b>	<u>522</u>	<u>263</u>
	<b>Total Property, Plant and Equipment, Infrastructure</b>	<u>43,234</u>	<u>42,683</u>

Note 18 Property, plant and equipment, infrastructure (cont.)

2007	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 10)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	22,778	417	-	-	-	-	-	23,195
Total land	22,778	417	-	-	-	-	-	23,195
buildings	9,341	-	-	164	-	-	-	9,177
Total buildings	9,341	-	-	164	-	-	-	9,177
Total property	32,119	417	-	164	-	-	-	32,372
<b>Plant and Equipment</b>								
plant, machinery and equipment	141	55	-	32	-	-	-	164
fixtures, fittings and furniture	55	86	-	33	-	-	-	108
parks & gardens equipment	263	32	-	29	-	-	-	266
Total plant and equipment	459	173	-	94	-	-	-	538
<b>Infrastructure</b>								
roads	6,157	132	-	208	-	-	59	6,140
kerb & channel	1,362	-	-	36	-	-	-	1,326
footpaths and cycleways	738	-	-	30	-	-	-	708
drainage	969	104	-	46	-	-	-	1,027
sea wall	616	-	-	15	-	-	-	601
Total infrastructure	9,842	236	-	335	-	-	59	9,802
<b>Works in progress</b>								
buildings	129	241	-	-	-	-	-	370
roads	111	50	-	-	-	-	(59)	102
other	23	27	-	-	-	-	-	50
Total works in progress	263	318	-	-	-	-	(59)	522
<b>Total property, plant and equipment, infrastructure</b>	<b>42,683</b>	<b>1,144</b>	<b>-</b>	<b>593</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,234</b>

(a) Impairment losses

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

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

Note 18 Property, plant and equipment, infrastructure (cont.)

2006	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 10)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
land	23,092	-	-	-	314	-	-	22,778
Total land	23,092	-	-	-	314	-	-	22,778
buildings	9,211	303	-	165	19	-	11	9,341
Total buildings	9,211	303	-	165	19	-	11	9,341
Total property	32,303	303	-	165	333	-	11	32,119
<b>Plant and Equipment</b>								
plant, machinery and equipment	131	109	-	40	59	-	-	141
fixtures, fittings and furniture	76	13	-	34	-	-	-	55
recreation equipment	250	35	-	22	-	-	-	263
Total plant and equipment	457	157	-	96	59	-	-	459
<b>Infrastructure</b>								
roads	6,235	127	-	205	-	-	-	6,157
kerb & channel	1,398	-	-	36	-	-	-	1,362
footpaths and cycleways	768	-	-	30	-	-	-	738
drainage	851	90	-	46	-	-	74	969
sea wall	631	-	-	15	-	-	-	616
Total infrastructure	9,883	217	-	332	-	-	74	9,842
<b>Works in progress</b>								
buildings	50	164	-	-	-	-	(85)	129
roads	111	-	-	-	-	-	-	111
other	19	4	-	-	-	-	-	23
Total works in progress	180	168	-	-	-	-	(85)	263
<b>Total property, plant and equipment, infrastructure</b>	<b>42,823</b>	<b>845</b>	<b>-</b>	<b>593</b>	<b>392</b>	<b>-</b>	<b>-</b>	<b>42,683</b>

(a) Impairment losses

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

	2007 \$'000	2006 \$'000
<b>Note 19 Bank overdraft</b>		
Bank overdraft	24	-
	<u>24</u>	<u>-</u>
<b>Note 20 Trade and other payables</b>		
Trade payables	153	78
Accrued expenses	107	122
	<u>260</u>	<u>200</u>
<b>Note 21 Trust funds and deposits</b>		
Refundable key deposits	4	4
Refundable contract deposits	4	4
Refundable tender deposits	16	64
Refundable civic facilities deposits	41	41
Other refundable deposits	6	4
	<u>71</u>	<u>117</u>
(Disclose the purposes for which trust funds are held and the nature of any restriction imposed on the manner in which these can be applied)		



Note 22 Provisions

	Annual leave	Long service leave	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2007</b>				
Balance at beginning of the financial year	116	226	130	472
Additional provisions	97	18	-	115
Amounts used	(78)	(58)	(65)	(201)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-
Balance at the end of the financial year	135	186	65	386
<b>2006</b>				
Balance at beginning of the financial year	112	172	130	414
Additional provisions	90	62	-	152
Amounts used	(86)	(8)	-	(94)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-
Balance at the end of the financial year	116	226	130	472
			<b>2007</b>	<b>2006</b>
			<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee benefits</b>				
<b>Current (i)</b>				
Annual leave			135	116
Long service leave			168	186
			<u>303</u>	<u>302</u>
<b>Non-current (ii)</b>				
Long service leave			18	40
			<u>18</u>	<u>40</u>
Aggregate carrying amount of employee benefits:				
Current			303	302
Non-current			18	40
			<u>321</u>	<u>342</u>
The following assumptions were adopted in measuring the present value of employee benefits:				
Weighted average increase in employee costs			4.75%	4.50%
Weighted average discount rates			6.34%	5.23%
Weighted average settlement period			15	15
<b>(i) Current</b>				
All annual leave and the long service leave entitlements representing 10 or more years of continuous service				
- Short-term employee benefits, that fall due within 12 months after the end of the period			135	116
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value			168	186
			<u>303</u>	<u>302</u>
<b>(ii) Non-current</b>				
Long service leave representing less than 10 years of continuous service measured at present value			18	40
			<u>18</u>	<u>40</u>
<b>(b) Provisions</b>				
Landfill restoration				
Current			65	65
Non-current			-	65
Total			<u>65</u>	<u>130</u>

	2007 \$'000	2006 \$'000
<b>Note 23 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings - secured	199	121
	<u>199</u>	<u>121</u>
<b>Non-current</b>		
Borrowings - secured	1,330	529
Superannuation - liability	131	131
	<u>1,461</u>	<u>660</u>
<b>Total</b>	<u>1,660</u>	<u>781</u>
The maturity profile for Council's borrowings is:		
Not later than one year	199	121
Later than one year and not later than five years	740	441
Later than five years	721	219
	<u>1,660</u>	<u>781</u>

**Finance leases**

Council had no finance leases at year end.

Note 24 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of <name asset class> by an associate	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserves				
<b>2007</b>				
<b>Property</b>				
Land	21,592	-	-	21,592
Buildings	6,689	-	-	6,689
	28,281	-	-	28,281
<b>Total Asset revaluation reserves</b>	<b>28,281</b>	<b>-</b>	<b>-</b>	<b>28,281</b>
<b>2006</b>				
<b>Property</b>				
Land	21,592	-	-	21,592
Buildings	6,689	-	-	6,689
	28,281	-	-	28,281
<b>Total Asset revaluation reserves</b>	<b>28,281</b>	<b>-</b>	<b>-</b>	<b>28,281</b>

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
<b>2007</b>				
Recreation Reserve	176	124	-	300
Royal Park	149	14	-	163
Victoria Park	248	67	-	315
Boat Ramp	150	47	-	197
Office Refurbishment	-	1,000	-	1,000
<b>Total Other reserves</b>	<b>723</b>	<b>1,252</b>	<b>-</b>	<b>1,975</b>
<b>2006</b>				
Recreation Reserve	117	59	-	176
Royal Park	119	30	-	149
Victoria Park	185	63	-	248
Boat Ramp	107	43	-	150
<b>Total Other reserves</b>	<b>528</b>	<b>195</b>	<b>-</b>	<b>723</b>

**Purpose of Reserves**

Recreation Ground - the reserve represents the balance of funds of the Recreation Reserve Caravan Park.

Royal Park - the reserve represents the balance of funds of the Royal Park Caravan Park.

Victoria Park - the reserve represents the balance of funds of the Victoria Park Caravan Park.

Boat Ramp - represents the balance of funds of the boat ramp facility.

	2007 \$'000	2006 \$'000
<b>Note 25 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Surplus for the period	1,046	569
Depreciation/amortisation	593	593
(Profit)/loss on disposal of property, plant and equipment, infrastructure	(17)	(1)
Contributions - Non-monetary assets	(653)	(197)
<i>Change in assets and liabilities:</i>		
(Increase) in trade and other receivables	(20)	(68)
(Increase) in prepayments	(27)	-
(Decrease) in other assets	-	(26)
Increase in trade and other payables	59	40
(Decrease)/increase in other liabilities	(15)	15
(Decrease) in provisions	(85)	(65)
(Increase)/decrease in regional library equity	(17)	(6)
Net cash provided by/(used in) operating activities	864	854
<b>Note 26 Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 14)	2,808	1,561
Less bank overdraft	(24)	-
	2,784	1,561
<b>Note 27 Financing arrangements</b>		
Bank overdraft	-	50
Used facilities	-	-
Unused facilities	-	50
<b>Note 28 Restricted assets</b>		
Council has cash and cash equivalents (note 19) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).		
Long service leave (note 22)	186	196
Reserve funds (note 24)	1,975	723
	2,161	919

\* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 22 due to a different basis of calculation prescribed by the regulation.

**Note 29 Superannuation**

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 30 June 2006, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to any retrenched employees (same as previous year);

The Fund's liability for accrued benefits was determined in the 30 June 2006 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	<b>30-Jun-06</b>
	<b>\$'000</b>
Net Market Value of Assets	3,443,686
Accrued Benefits (per accounting standards)	3,319,598
Difference between Assets and Accrued Benefits	<u>124,088</u>
Vested Benefits	<u>3,040,443</u>

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

Details of contributions to superannuation funds during the year and contributions payable at 30 June are as follows:

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	140	126
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	131	131

**Note 30 Commitments**

The Council has entered into the following commitments

2007	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not		
	\$'000	later than 2	later than 5	years	\$'000
		years	years	\$'000	
<b>Operating</b>					
Financial & accounting services	154	39	-	-	193
Roads, parks & reserves maintenance	473	-	-	-	473
Garbage collection	433	111	-	-	545
Property maintenance services	13	3	-	-	17
Engineering Services	321	213	-	-	535
Cleaning contracts for council buildings	113	57	15	-	186
<b>Total</b>	<b>1,508</b>	<b>424</b>	<b>15</b>	<b>-</b>	<b>1,947</b>

2006	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not		
	\$'000	later than 2	later than 5	years	\$'000
		years	years	\$'000	
<b>Operating</b>					
Financial & accounting services	134	34	-	-	168
Roads, parks & reserves maintenance	557	430	-	-	987
Garbage collection	382	394	135	-	911
Property maintenance services	12	12	3	-	27
Engineering Services	291	300	206	-	797
Cleaning contracts for council buildings	82	67	17	-	166
<b>Total</b>	<b>1,458</b>	<b>1,237</b>	<b>361</b>	<b>-</b>	<b>3,056</b>

The above amounts include GST



		2007	2006
		\$'000	\$'000
<b>Note 31</b>	<b>Operating leases</b>		
	<b>(a) Operating lease commitments</b>		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
	Not later than one year	35	35
	Later than one year and not later than five years	98	62
	Later than five years	-	-
		133	97
	The above amounts include GST		

**Note 32**      **Contingent liabilities and contingent assets**

**Contingent liabilities**

At balance date, the Borough of Queenscliffe had the following contingent liability;

(i) In March 2007 Council agreed to act as guarantor for a loan to the Queenscliffe Golf Club to a maximum value of \$50,000. The loan advance was provided by the Bendigo Bank and at 30 June 2007 the loan had not been drawn down.

**Note 33 Financial Instruments**  
**(a) Accounting Policy, terms and conditions**

<b>financial instruments</b>	<b>Note</b>	<b>Accounting Policy</b>	<b>Terms and Conditions</b>
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	14	Cash on hand and at bank and money market call account are valued at face value.  Interest revenues are recognised as they accrue.  Managed funds are measured at market value.	On call deposits returned a floating interest rate of 6.34% (5.78% in 2005/2006). The interest rate at balance date was 6.34% (5.78% in 2005/2006).
<b>Trade and other receivables</b>			
<b>Rates debtors</b>	15	Rates are carried at amortised cost using the effective interest method. Rate debts are a charge attached to the rateable land and are recoverable on sale. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Interest rates are reviewed annually.	Rates are payable by four instalments during the year. Arrears, including deferred rates, attract interest. The interest rate was 11% (11% in 2005/2006) at balance date for general rates. Interest rates charged for Special Rate and Private Street Schemes was 11% at balance date (11% in 2005/2006).
<b>Parking infringement debtors</b>	15	PINs/PERIN Court debtors are measured at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectibility of overdue accounts is assessed on an ongoing basis.	Parking infringements are unsecured. The provision for parking infringement doubtful debts is calculated as a percentage of total parking infringement revenue and has been evaluated and recognised based on previous payment and collection history.
<b>Other debtors</b>	15	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and credit terms are based on 30 days.
<b>Financial Liabilities</b>			
<b>Bank overdraft</b>	19	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. Interest rates on utilised overdraft were 9.5% during 2006/2007 (9.5% in 2005/2006). The interest rate as at balance date was 9.5% (9.5 in 2005/2006).
<b>Trade and other payables</b>	20	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
<b>Interest-bearing loans and borrowings</b>	23	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.79% during 2006/2007 (6.48% in 2005/2006).

**Note 33 Financial instruments (cont.)**

**(b) Interest Rate Risk**

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

**2007**

	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>						
Cash and cash equivalents	-	2,807	-	-	1	2,808
Trade and other receivables	-	21	33	-	481	535
Accrued income	-	-	-	-	12	12
<b>Total financial assets</b>	-	<b>2,828</b>	<b>33</b>	-	<b>494</b>	<b>3,355</b>
Weighted average interest rate	5.00%	6.28%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	260	260
Trust funds and deposits	-	-	-	-	71	71
Bank overdraft	24	-	-	-	-	24
Interest-bearing loans and borrowings	131	199	740	590	-	1,660
<b>Total financial liabilities</b>	<b>155</b>	<b>199</b>	<b>740</b>	<b>590</b>	<b>331</b>	<b>2,015</b>
Weighted average interest rate		6.41%	6.50%	7.04%		
Net financial assets (liabilities)	(155)	2,629	(707)	(590)	163	1,340

**2006**

	Floating Interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial assets</b>						
Cash and cash equivalents	160	1,401	-	-	-	1,561
Trade and other receivables	-	50	18	-	110	178
Accrued income	-	-	-	-	-	-
<b>Total financial assets</b>	<b>160</b>	<b>1,451</b>	<b>18</b>	-	<b>110</b>	<b>1,739</b>
Weighted average interest rate	3.50%	5.50%	3			
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	200	200
Trust funds and deposits	-	-	-	-	117	117
Interest-bearing loans and borrowings	131	121	441	89	-	781
<b>Total financial liabilities</b>	<b>131</b>	<b>121</b>	<b>441</b>	<b>89</b>	<b>317</b>	<b>1,098</b>
Weighted average interest rate	8.50%	6.50%	6.50%	6.70%		
Net financial assets (liabilities)	29	1,330	(423)	(89)	(207)	641

**Note 33 Financial instruments (cont.)**

**(c) Net Fair Values**

The net fair value of financial assets and liabilities as disclosed in the Statement of Financial Position are not materially different to the carrying value of the financial assets and liabilities.

**(d) Credit Risk**

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

**Note 34 Auditors' remuneration**

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fee to conduct external audit - Victorian Auditor-General	13	13
Internal audit fees - AFS & Associates	10	18
	<u>23</u>	<u>31</u>

**Note 35 Related party transactions**

**(i) Responsible Persons**

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

**Councillors** Mayor Councillor Pat Semmens  
Councillor Val Lawrence  
Councillor Stephen Lee  
Councillor John Burgess  
Councillor John Doull  
Councillor Chris Player  
Councillor John Bugg

**Chief Executive Officer** Chief Executive Officer Gary Price

**(ii) Remuneration of Responsible Persons**

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2007	2006
	No.	No.
\$1 - \$ 9,999	6	6
\$10,000 - \$19,999	1	1
\$120,000 - \$129,999	1	1
	<u>8</u>	<u>8</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	183	178

**(iii)** No retirement benefits have been made by the Council to a Responsible Person.

**(iv) Other Transactions**

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2005/06, nil).

**(v) Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2007	2006
	No.	No.
Income Range:		
<\$100,000	3	3
\$100,000 - \$109,999	1	-
	<u>4</u>	<u>3</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	265	235

Note 36 Income, expenses and assets by function/activities

	Governance and External Relationships		Community Services		Education Learning & Arts		Business & Tourism		Coastal Environment	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>										
Grants	136	292	289	278	129	70	55	-	-	57
Other	3,891	3,639	142	194	26	24	1,143	1,104	-	-
<b>TOTAL</b>	<b>4,027</b>	<b>3,931</b>	<b>431</b>	<b>472</b>	<b>155</b>	<b>94</b>	<b>1,198</b>	<b>1,104</b>	<b>-</b>	<b>57</b>
<b>EXPENSES</b>	<b>(1,789)</b>	<b>(1,710)</b>	<b>(745)</b>	<b>(896)</b>	<b>(248)</b>	<b>(308)</b>	<b>(818)</b>	<b>(713)</b>	<b>(110)</b>	<b>(67)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>2,238</b>	<b>2,221</b>	<b>(314)</b>	<b>(424)</b>	<b>(93)</b>	<b>(214)</b>	<b>380</b>	<b>391</b>	<b>(110)</b>	<b>(10)</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>7,163</b>	<b>5,809</b>	<b>12,955</b>	<b>12,687</b>	<b>216</b>	<b>199</b>	<b>8,685</b>	<b>8,740</b>	<b>-</b>	<b>-</b>

	Built Enviroment		Infrastructure Services		Finance & Audit		Asset Sales & Share of net profit of associates		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>										
Grants	52	10	145	138	-	-	-	-	806	845
Other	70	54	748	288	124	95	34	6	6,195	5,404
<b>TOTAL</b>	<b>122</b>	<b>64</b>	<b>893</b>	<b>426</b>	<b>124</b>	<b>95</b>	<b>34</b>	<b>6</b>	<b>7,001</b>	<b>6,249</b>
<b>EXPENSES</b>	<b>(346)</b>	<b>(286)</b>	<b>(1,789)</b>	<b>(1,571)</b>	<b>(110)</b>	<b>(129)</b>	<b>-</b>	<b>-</b>	<b>(5,955)</b>	<b>(5,680)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(224)</b>	<b>(222)</b>	<b>(896)</b>	<b>(1,145)</b>	<b>14</b>	<b>(34)</b>	<b>34</b>	<b>6</b>	<b>1,046</b>	<b>569</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>17</b>	<b>21</b>	<b>17,923</b>	<b>17,626</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,959</b>	<b>45,082</b>

\*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

**Note 36 Income, expenses and assets by function/activities continued**  
**FUNCTIONS/ACTIVITIES\***

The activities relating to the municipality's key operational areas reported on in the Income Statement are as follows:-

(a) Governance and External Relationships

Operation and maintenance of the council chambers, committee rooms and costs associated with mayoral & councillor allowances are included under the governance function along with the operation and maintenance of the administration offices, and the corporate costs of managing the municipality. Also includes are administration and management of external relationships including public relations, membership of municipal association etc.

(b) Community Services

Consists of –

- Preschool Centre
- Maternal & Child Health
- Home Care Services
- Youth
- Historical Museum
- Library
- Senior Citizens
- Community Development
- Recreation & Culture

(c) Education, Learning & Arts

Consists of –

- Library
- Recreation & Culture

(d) Business & Tourism

Consists of –

- Caravan Parks
- Tourist Promotion
- Economic Development

(e) Coastal Environment

Foreshore management and environmental protection

(f) Built Environment

Town Planning, historical projects and heritage officer..

(g) Infrastructure & Services

Consists of –

- Beach Cleaning
- Parks and Gardens
- Maintenance of Roads, Street & Bridges
- Garbage Collection
- Street Cleaning
- Street Lighting
- Public Conveniences
- Sporting Complex

(h) Finance & Audit

Principal and interest payments on loans, finance leases and overdraft and audit fees are included under the Finance & Audit function.

Note 37 <b>Financial ratios (Performance indicators)</b>	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
<b>(a) Debt servicing ratio</b> (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	58		66		70	
Total revenue	<u>6,967</u>	= 0.83%	<u>6,243</u>	= 1.06%	<u>5,665</u>	= 1.24%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
<b>(b) Debt commitment ratio</b> (to identify Council's debt redemption strategy)						
<u>Debt servicing &amp; redemption costs</u>	178		179		176	
Rate revenue	<u>3,865</u>	= 4.61%	<u>3,578</u>	= 5.00%	<u>3,375</u>	= 5.21%
The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
<b>(c) Revenue ratio</b> (to identify Council's dependence on non-rate income)						
<u>Rate revenue</u>	3,865		3,578		3,375	
Total revenue	<u>6,967</u>	= 55.48%	<u>6,243</u>	= 57.31%	<u>5,665</u>	= 59.58%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
<b>(d) Debt exposure ratio</b> (to identify Council's exposure to debt)						
<u>Total indebtedness</u>	2,215		1,374		1,755	
<u>Total realisable assets</u>	<u>34,996</u>	= 6.33%	<u>34,321</u>	= 4.00%	<u>34,184</u>	= 5.13%
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
Any liability represented by a restricted asset (note 37) is excluded from total indebtedness.						
The following assets are excluded from total assets when calculating Council's realisable assets:						
land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.						
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.						



**Note 37 Financial ratios (Performance indicators) (cont.)**

2007	2007	2006	2006	2005	2005
\$'000	(%)	\$'000	(%)	\$'000	(%)

**(e) Working capital ratio** (to assess Council's ability to meet current commitments)

<u>Current assets</u>	3,476	=	377.01%	<u>Current liabilities</u>	922	=	271.06%	<u>Current assets</u>	2,182	=	207.18%	<u>Current liabilities</u>	805	=	207.18%	<u>Current assets</u>	1,674	=	207.18%	<u>Current liabilities</u>	808
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The ratio expresses the level of current assets the Council has available to meet its current liabilities.

**(f) Adjusted working capital ratio** (to assess Council's ability to meet current commitments)

<u>Current assets</u>	3,476	=	461.01%	<u>Current liabilities</u>	754	=	352.50%	<u>Current assets</u>	2,182	=	207.18%	<u>Current liabilities</u>	619	=	207.18%	<u>Current assets</u>	1,674	=	207.18%	<u>Current liabilities</u>	808
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The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

	Note	2007 \$'000	2006 \$'000
<b>Note 38 Capital expenditure</b>			
<b>Capital expenditure areas</b>			
Roads		169	186
Drainage		117	89
Parks, open space and streetscapes		32	78
Land		417	-
Buildings		240	341
Plant and equipment		141	121
Other		28	26
Total capital works		<u>1,144</u>	<u>841</u>
Represented by:			
Renewal of infrastructure	(a)	13	329
Upgrade of infrastructure	(b)	270	120
New infrastructure		243	392
Land		417	-
New plant and equipment		173	-
Other		28	-
Total capital works		<u>1,144</u>	<u>841</u>

**Property, plant and equipment, infrastructure movement**

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

Total capital works		1,144	644
Contributions - non-monetary assets	6	653	197
Depreciation/amortisation	10	(593)	(593)
Written down value of assets sold	18	-	(392)
Net movement in property, plant and equipment, infrastructure	18	<u>1,204</u>	<u>(144)</u>

**(a) Renewal**

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

**(b) Upgrade**

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

**(c) Expansion**

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

### Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



Kaylene Conrick  
**Principal Accounting Officer**

Date : 18-September-2007  
Queenscliffe

In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2007 and the financial position of the Council as at that date.

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

We have been authorised by the Council on the 18th September 2007 to certify the financial statements in their final form.



Pat Semmens  
**Councillor**

Date : 18-September-2007  
Queenscliffe



John Burgess  
**Councillor**

Date : 18-September-2007  
Queenscliffe



Kaylene Conrick  
**Chief Executive Officer**

Date : 18-September-2007  
Queenscliffe

# **BOROUGH OF QUEENSCLIFFE**

## **Standard Statements**

For The Year Ended 30 June 2007

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**NOTES TO THE STANDARD STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2007**

**Notes to the Standard Statements**

**1. Basis of preparation of Standard Statements**

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Statement of Financial Performance, Standard Statement of Financial Position, Standard Statement of Cash Flows, and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes from a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

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

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 22 to 27 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 19 June 2006. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 22 to 27. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.

Borough of Queenscliffe  
Standard Income Statement  
Comparison Report  
For the year ended 30 June 2007

	Budget	Variances		Note	Actuals
	2007	\$	%		2007
	\$	\$	%		\$
<b>Revenues from ordinary activities</b>					
- Rates & Charges	3,863	2	0.1%		3,865
- Operating grants and contributions	510	296	58.0%	1	806
- Capital grants and contributions	345	(345)	(100.0%)	2	-
- User Charges	1,542	(74)	(4.8%)		1,468
- Interest on Investments	73	44	60.3%	3	117
- Contributions non monetary assets	-	653	0.0%	4	653
- Other Revenue	64	(6)	(9.4%)		58
<b>Total revenues</b>	<b>6,397</b>	<b>570</b>	<b>8.9%</b>		<b>6,967</b>
<b>Expenses from ordinary activities</b>					
- Employee Benefits	1,774	66	3.7%		1,708
- Materials & Consumables	3,170	(345)	(10.9%)	5	3,515
- Depreciation	522	(71)	(13.6%)	6	593
- Borrowing Costs	87	29	33.3%	7	58
- Other	69	(12)	(17.4%)	8	81
<b>Total expenses</b>	<b>5,622</b>	<b>(333)</b>	<b>(5.9%)</b>		<b>5,955</b>
Net gain on disposal of assets		17			17
Increase in Equity in Regional Library		17			17
<b>Surplus for the period</b>	<b>775</b>	<b>271</b>			<b>1,046</b>

Borough of Queenscliffe  
Standard Statement of Performance  
Comparison Report  
For the year ended 30 June 2007

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	Operating grants and contributions	Actual is higher than budget as a result of the following grants being received that were not anticipated at budget time. Small town development fund \$125,000, drought relief \$50,000, weed management \$30,000, Great Ocean Road web design \$20,000, economic development strategy, \$13,000, community centre \$10,000 and stret life grant \$5,000.
2	Capital grants	Grants for undergrounding of power and works associated with the coastal management plan did not occur in 2007/2008. At this stage Council anticipates reviewing these funds in future years.
3	Interest on Investments	Higher than budget as a result of the delays in the capital works program.
4	Contributions non monetary assets	A landowner contribution of \$653,000 associated with the Beacon. These funds represent the value of works constructed and land contributed by the landowner. These assets were transferred to Council during the year.
5	Materials and consumables	Higher than budget as a result of expenditure on project funded by government grant that were not anticipated at budget time.
6	Depreciation	Higher than budget as a result of the original budget being to low.
7	Borrowing Cost	Lower than budget as a result of the planned building works not eventuating.
8	Other expenses	Higher than budget as a result of the additional costs associated with expenditure other engineering expense brought forward from the previous financial year .

Borough of Queenscliffe  
Standard Balance Sheet  
Comparison Report  
For the year ended 30 June 2007

	Budget 2007 \$	Variances		Note	Actuals 2007 \$'000
		\$'000	%		
<b>Current assets</b>					
Cash assets	774	(2,034)	(262.8)	<b>9</b>	2,808
Receivables	106	396	373.6	<b>10</b>	502
Other	100	66	66.0	<b>11</b>	166
<b>Total current assets</b>	<b>980</b>	<b>(2,496)</b>	254.7		<b>3,476</b>
<b>Non-current assets</b>					
Receivables	6	(27)	(450.0)	<b>12</b>	33
Property, plant and equipment	45,177	1,943	4.3		43,234
Other	192	(24)	(12.5)	<b>13</b>	216
<b>Total non-current assets</b>	<b>45,375</b>	<b>1,892</b>	4.2		<b>43,483</b>
<b>Total assets</b>	<b>46,355</b>	<b>(604)</b>	(1.3)		<b>46,959</b>
<b>Current liabilities</b>					
Payables	260	-	-		260
Interest bearing liabilities	243	(20)	(8.2)		223
Employee benefits	126	177	140.5	<b>14</b>	303
Provisions	65	-	-		65
Other	53	18	34.0	<b>15</b>	71
<b>Total current liabilities</b>	<b>747</b>	<b>175</b>	23.4		<b>922</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	1,482	(21)	(1.4)		1,461
Employee benefits	160	(142)	(88.8)	<b>16</b>	18
<b>Total non-current liabilities</b>	<b>1,642</b>	<b>(163)</b>	(9.9)		<b>1,479</b>
<b>Total liabilities</b>	<b>2,389</b>	<b>12</b>	0.5		<b>2,401</b>
<b>Net assets</b>	<b>43,966</b>	<b>(592)</b>	(1.3)		<b>44,558</b>
<b>Equity</b>					
Accumulated surplus	15,364	(1,062)	(6.9)		14,302
Asset revaluation reserve	28,281	1,252	4.4		29,533
Other reserves	319	404	126.6	<b>17</b>	723
<b>Total equity</b>	<b>43,964</b>	<b>594</b>	1.4		<b>44,558</b>



Borough of Queenscliffe  
Standard Statement of Financial Position  
Comparison Report  
For the year ended 30 June 2007

Variance Explanation Report		
Ref.	Item	Explanation
9	Cash assets (current)	Higher than budget as a result of the delays in the capital works program.
10	Receivables	Higher than budget as a result of the delays in the sale of the Mercer Street property.
11	Other assets - current	Higher than budget as a result of the higher level of prepayments occurring than anticipated.
12	Receivables	Higher than budget as a result of the increase in heritage loans to residents.
13	Other assets - non current	Higher than budget as a result of the increase in equity in the Geelong Regional Library.
14	Employee benefits	Higher than budget as a result the implementation of the new IFRS reporting requirements. The IFRS methodology of apportioning employee provisions between current and non current was not clear at the time the budget was formulated. The IFRS reporting requirements require a larger proportion of employee benefits to be classified as current than was the case previously. This has caused a significant variation from the original budget amount.
15	Other current liabilities	Higher than budget as a result of the level of trust account liabilities being higher than budget for.
16	Employee benefits	Lower than budget as a result the implementation of the new IFRS reporting requirements. The IFRS methodology of apportioning employee provisions between current and non current was not clear at the time the budget was formulated. The IFRS reporting requirements require a smaller proportion of employee benefits to be classified as non current than was the case previously. This has caused a significant variation from the original budget amount.
17	Other reserves	Higher than budget as a result works at the caravan park reserves not eventuating.

Borough of Queenscliffe  
Standard Cash Flow Statement  
Comparison Report  
For the year ended 30 June 2007

	Budget 2007		Variances		Note	Actuals 2007
	\$	\$	%	\$		
<b>Cash flows from operating activities</b>						
Receipts from customers	5,406	386	7.1%			5,792
Payments to suppliers	(5,165)	(782)	15.1%	18		(5,947)
<b>customers/suppliers</b>	<b>241</b>	<b>(396)</b>	<b>(164.3%)</b>			<b>(155)</b>
Government receipts	855	1	0.1%			856
Interest received	73	32	43.8%	19		105
Other receipts	63	(5)	(7.9%)			58
<b>activities</b>	<b>1,232</b>	<b>(368)</b>	<b>(29.9%)</b>			<b>864</b>
<b>Cash flows from investing activities</b>						
equipment	460	(460)	(100.0%)	20		-
Payments for property, plant and equipment	(2,841)	2,365	(83.2%)	21		(476)
<b>activities</b>	<b>(2,381)</b>	<b>1,905</b>	<b>(80.0%)</b>			<b>(476)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	1,000	-	0.0%			1,000
Repayment of borrowings	(121)	1	(0.8%)			(120)
Trust funds movements (net)	-	(45)		22		(45)
<b>activities</b>	<b>879</b>	<b>1</b>	<b>0.1%</b>			<b>835</b>
<b>Net increase (decrease) in cash held</b>	<b>(270)</b>	<b>1,493</b>	<b>(553.0%)</b>			<b>1,223</b>
Cash at the beginning of the year	1,043	518	49.7%			1,561
<b>Cash at the end of the year</b>	<b>773</b>	<b>2,011</b>	<b>260.2%</b>			<b>2,784</b>
<b>Reconciliation of Operating Result and Net Cash Flows from Operating Activities For the year ending 30 June 2007</b>						
<b>Net surplus from operations</b>	<b>775</b>	<b>271</b>	<b>35.0%</b>			<b>1,046</b>
Depreciation and amortisation	522	71	13.6%			593
Contributed assets	-	-	-			(653)
Net movement in assets and liabilities	-	(122)				(122)
<b>Net cash inflow from operating activities</b>	<b>1,297</b>	<b>433</b>	<b>33.4%</b>			<b>864</b>

Borough of Queenscliffe  
Standard Statement of Cash Flows  
Comparison Report  
For the year ended 30 June 2007

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
18	Payments to suppliers	Higher than budget as a result of expenditure on projects funded by government grant that were not anticipated at budget time. Also impacting on this variance is GST. It is included in the actual figures but is not included in the original budget.
19	Interest received	Higher than budget as a result of the delays in the capital works program.
20	Proceeds from sale of property, plant and equipment	Lower than budget as a result of delay in the sale of the a house and land property owned by Council.
21	Payments for property, plant and equipment	Lower than budget as a result of delay in the construction of various capital projects.
22	Trust funds	Levels of subdivider bonds held is higher than anticipated.

Borough of Queenscliffe  
Standard Statement of Capital Works  
Comparison Report  
For the year ended 30 June 2007

Capital Works Areas	Budget 2007 \$	Variances		Note	Actuals 2007 \$
		\$'000	%		
Roads	388	219	56.4	<b>23</b>	169
Drains	130	13	10.0	<b>24</b>	117
Open space	480	448	93.3	<b>25</b>	32
Land				<b>26</b>	417
Buildings	1,573	1,333	84.7	<b>27</b>	240
Plant, equipment and other	270	101	37.4	<b>28</b>	169
<b>Total capital works</b>	<b>2,841</b>	<b>1,697</b>	59.7		<b>1,144</b>
<b>Represented by:</b>					
Renewal	208	195	93.8		13
Upgrade	1,475	1,205	81.7		270
Expansion	-	-	-		-
New assets	1,158	325	28.1		833
Other	-	28			28
<b>Total capital works</b>	<b>2,841</b>	<b>1,697</b>	59.7		<b>1,144</b>

Property, Infrastructure, Plant and Equipment movement Reconciliation Worksheet	Budget 2007 \$'000	Variances			Actuals 2007 \$'000
		\$'000	%		
The movement between the previous year and the current year in property, infrastructure, plant and equipment as shown in the Statement of Financial Position links to the net of the following items:					
Total capital works	2,841	1,697	59.7		1,144
Asset revaluation movement	-	-	-		-
Depreciation and amortisation	(522)	71	13.6		(593)
Written down value of assets sold	(460)	460	100.0		-
<b>infrastructure, plant and equipment</b>	<b>1,859</b>	<b>1,308</b>	70.4		<b>551</b>

Borough of Queenscliffe  
Standard Statement of Capital Works  
Comparison Report  
For the year ended 30 June 2007

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
23	Roads	Lower than budget as a result of delay in the sale of the Mercer Street property. The budget allowed for part of these funds to be used to fund road construction works.
24	Drainage	Lower than budget as a result of delay in the sale of the Mercer Street property. The budget allowed for part of these funds to be used to fund drainage construction works.
25	Open space	A delay in the sign of of the Coastal Management Plan has delayed the start of planned works in this area. This has resulted in actual expenditure being lower than budget.
26	Land	A landowner contribution of \$417,000 associated with the Beacon subdivision. These funds represent the value of the land contributed by the landowner. These assets were transfered to Council during the year.
27	Buildings	Lower than budget as a result of the delay in the commencement of the office refurbishment project.
28	Plant, equipment and other	Lower than budget as a result of a Council decision to increase the change over kilometres of motor vehicles.

Borough of Queenscliffe  
Standard Statements  
FOR THE YEAR ENDED 30 JUNE, 2007

**CERTIFICATION OF STANDARD STATEMENTS**

In my opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2007.



Kaylene Conrick  
Principal Accounting Officer  
Dated: 18th September 2007

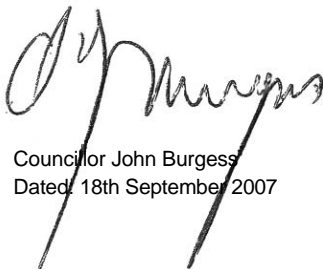
In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government act 1989 and the Local Government (Finance and Reporting) Regulations 2005.

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

We have been authorised by the Council on 18 September 2007, to certify the standard statements in their final form.



Councillor Pat Semmens  
Dated: 18th September 2007



Councilor John Burgess  
Dated: 18th September 2007



Kaylene Conrick  
Chief Executive Officer  
Dated: 18th September 2007

## INDEPENDENT AUDIT REPORT

### Borough of Queenscliffe

#### To the Councillors

##### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2007 of the Borough of Queenscliffe which comprises of the income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2007 of the Council which comprises of the standard income statement comparison report, standard statement of performance comparison report, standard balance sheet comparison report, standard statement of financial position comparison report, standard cash flow statement comparison report, standard statement of capital works comparison report, the related notes and the certification of standard statements have been audited.

##### *The Responsibility of the Councillors for the Financial Report and Standard Statements*

The Councillors of the Borough of Queenscliffe are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

##### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

## Independent Audit Report (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Councillors' preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of the Borough of Queenscliffe as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
25 September 2007

  
D.D.R. Pearson  
Auditor-General



**BOROUGH OF QUEENSLIFFE**

***Performance Statement***

***2006 - 2007***



This statement reviews Council's annual budget's key strategic activities performance targets against Council's actual performance for the year.

**STRATEGIC OBJECTIVE: Governance / External Relations**

- *Institute good governance through strong commitment and adherence to democratic processes, legislative requirements and Council's values.*
- *Advocate strongly on behalf of the community*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Council participation in the Lighthouse initiative.	Greater participation and development of first Community Plan.	Working groups established for several projects.	Yes

**STRATEGIC OBJECTIVE: Community Services**

*Protect and enhance our natural environment, buildings, cultural and heritage and urban character.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Prepare plans and documentation for Community Centre.	Contract let and contractor on site by end of June 2007.	The Department of Victorian Communities funded feasibility/business plan is near completion. Council is indicating in its 2007/08 Budget that completion will occur in 2009/10	No

**STRATEGIC OBJECTIVE: Education, Learning and the Arts**

*Support all Arts/Learning and Cultural Activities.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Support work of Community Arts Council	Arts Grants/Youth Culture Program allocations paid by 30.6.2007.	Allocations made.	Yes

**STRATEGIC OBJECTIVE: Business and Tourism**

*Encourage tourism/business whilst avoiding loss of local identity and amenity.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Install infrastructure at Rec Reserve to allow installation of cabins consistent with the Master Plan for that area.	Infrastructure works complete May 2007	The Recreation Master Plan was placed on exhibition in Aug 2007. Work on this project was held over pending finalisation of the Master Plan. Council will consider submissions on the Master Plan in Sept 2007. Works are now scheduled to be completed in 2007/08.	No

**STRATEGIC OBJECTIVE: Coastal and Environment**

*Conserve and nurture the natural assets and ecology, utilizing partnerships with the community and State authorities.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Implement Coastal improvements in accordance with Coastal Management Plan (CMP).	Budgeted works of \$450,000 completed by 30.6.2007.	Works held over until State Government Grant confirmed. Works scheduled for 2007/2008.	No

**STRATEGIC OBJECTIVE: Built Environment**

*Formulate a Planning Scheme that reflects the needs, values and aspirations of the community, preserves heritage values and prevents inappropriate development.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Review Council's Municipal Strategic Statement (MSS).	Draft presented to Council May 2007.	Insufficient resources available to complete work. Work now scheduled for 2007/08.	No

**STRATEGIC OBJECTIVE: Infrastructure Services**

*Maintain and build assets that fulfill the need of the community.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Rehabilitate drainage system in Hesse Street between Stokes and King Streets.	Works completed by April 2007.	Contract documentation completed in June 2007. Works held over because of inability to sell an asset to fund this project.	No
- Carry out works in accordance with the Point Lonsdale Urban Design Framework.	Works completed within Budget by 30.6.2007.	Unable to gain necessary permit from DSE. Negotiations are continuing with DSE.	No

**STRATEGIC OBJECTIVE: Finance and Audit**

*Provide long term sustainable financial management.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
- Finalise lease with YMCA for Camp Wyuna.	Lease signed off August 2006.	Lease completed in August 2007.	No

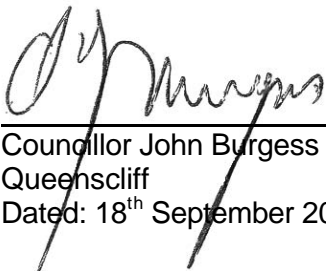
### **COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT**

In our opinion, the accompanying performance statement of the Borough of Queenscliffe in respect of the 2006/2007 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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



Councillor Pat Semmens  
Queenscliff  
Dated: 18<sup>th</sup> September 2007



Councillor John Burgess  
Queenscliff  
Dated: 18<sup>th</sup> September 2007



Kaylene Conrick – Chief Executive Officer and Principal Accounting Officer  
Queenscliff  
Dated: 18<sup>th</sup> September 2007

## INDEPENDENT AUDIT REPORT

### Borough of Queenscliffe

#### To the Councillors

##### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2007 of the Borough of Queenscliffe which comprises the statement, the related notes and the council approval of the performance statement has been audited.

##### *The Responsibility of the Councillors for the Performance Statement*

The Councillors of the Borough of Queenscliffe are responsible for the preparation and the fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Councillors' preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Audit Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the performance statement of the Borough of Queenscliffe in respect of the 30 June 2007 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
25 September 2007

  
D.D.R. Pearson  
Auditor-General