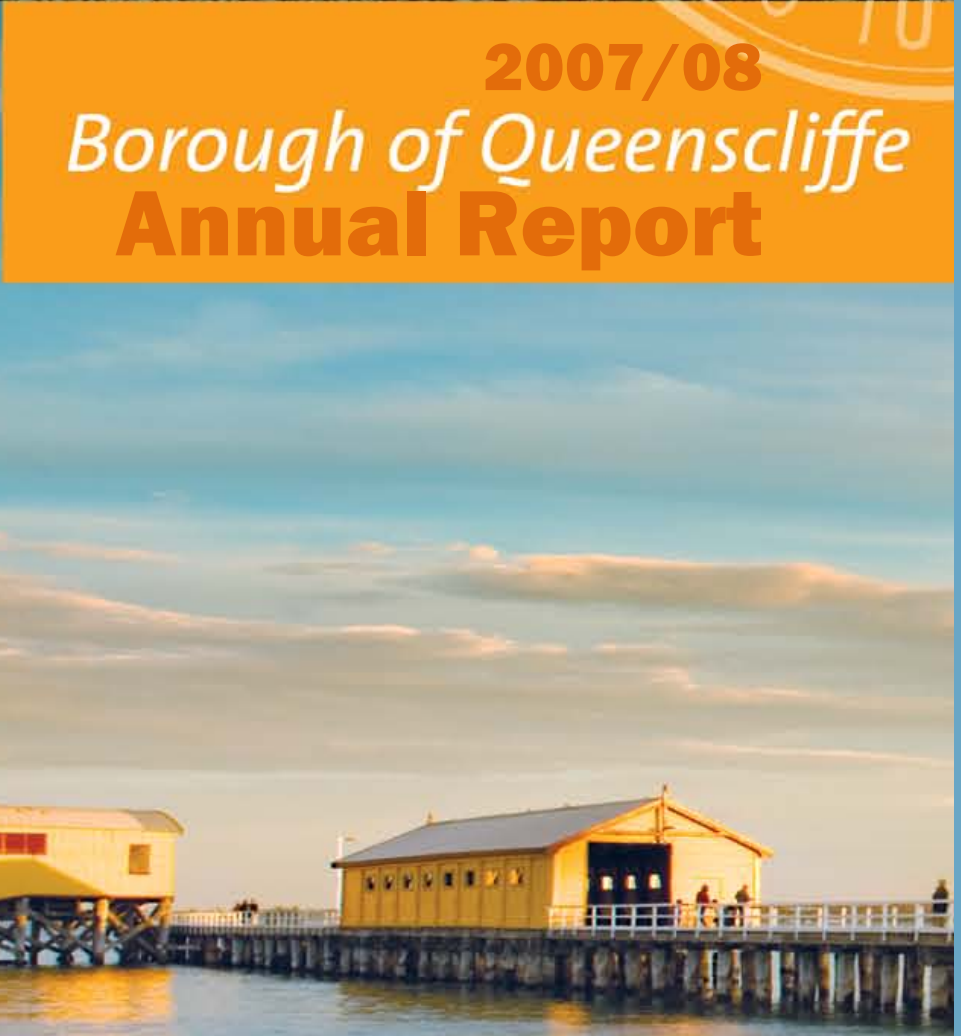


**2007/08**  
*Borough of Queenscliffe*  
**Annual Report**



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# About this Report

The Borough of Queenscliffe Annual Report is presented as part of council's commitment to open, transparent and accountable governance.

This annual report:

- presents information for stakeholders with an interest in the organisation;
- reflects on the achievements and challenges experienced in the financial year;
- provides information about council operations in the 2007/08 financial year;
- establishes an outline of council services;
- details council's commitment to corporate governance;
- measures performance against the objectives set in the community plan;
- shows the audited financial statements for the 2007/08 financial year; and
- contains other information required by the Local Government Act 1989 and other relevant legislation.

## Our Vision

The Borough of Queenscliffe is an independent Local Government which will be:

- Loved by the people who live in it;
- admired by the people who visit;
- renowned for its heritage buildings, culture and coastal environment;



# About the Borough of Queenscliffe

## Location

The Borough of Queenscliffe is located at the eastern tip of the Bellarine Peninsula and forms one side of Port Phillip Heads - opposite Point Nepean in the Mornington Peninsula. It is surrounded by Bass Strait, Port Phillip Bay and Swan Bay on three sides. On its fourth side, it has a land boundary with the City of Greater Geelong.

The Borough is approximately 105 kilometres south-west of Melbourne and 35 kilometres east of the regional city of Geelong.

The small sea-side towns of Queenscliff and Point Lonsdale on the Bellarine Peninsula form the Borough of Queenscliffe, which is the smallest local government area in Victoria, covering 10.83 square kilometres. The predominantly urban Borough was created on 12th May, 1863, and has remained in existence since that time.

## A Brief History

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

The Borough of Queenscliffe has a rich history of Aboriginal and European activity and settlement which contributes to the cultural and historical significance of the Borough.

## Population

The Borough of Queenscliffe had permanent resident population of 3,017 in 2006. These figures do not account for the significant numbers of temporary residents who own property and holiday or live part-time in the Borough. The high percentage (53%) of unoccupied private dwellings during the census collection period in 2006 is indicative of a large temporary population.

One of the Borough's main service deliveries is health and community services with a high percentage per population (32.2%) of residents aged over 65.

## Economy

The area has a strong history of maritime and defence activities. Nowadays, tourism is by far the most significant activity in the Borough, accounting for at least 45% of the local economy. Visitors are attracted by the beaches and coastal landscapes, the heritage buildings of the Queenscliff township, events such as the Queenscliff Music Festival and the local markets, and facilities such as the Marine Discovery Centre, local museums and the Queenscliff to Sorrento ferry, which allows a complete circuit of Port Phillip Bay by road. Visitors are also served by a wide variety of dining and accommodation opportunities, including holiday homes, which make up about half the housing stock in the area.

Other major industries include marine fishing, building construction, cafes and restaurants, accommodation, all of which have strong links to tourism.







# Mayor's Report

I am very happy to be able to present the Borough of Queenscliffe's Annual Report for the 2007/08 financial year.

## Executive Appointment

This year has been busy for the Borough of Queenscliffe. Having accepted the resignation of Chief Executive Office, Gary Price, after more than 11 years in the job, the task of appointing a new Chief Executive Officer began. Council appointed Kaylene Conrick in the role which commenced in August 2007.

## Responsible Budgeting

As we move into the last year of this Council term, an important priority for Council was to develop a budget that was responsible whilst allowing Council to maintain existing service levels, fund a number of new initiatives and continue to allocate additional funds to renew infrastructure – all while being particularly conscious of the legacy that we would be leaving for the new in-coming Council in November 2008.

## Preparing for Elections

The Victorian Electoral Commission undertook an electoral representation review in February 2008 and after a lengthy period of consultation and review the Commission determined that the number of Councillors should be reduced from seven to five and that the municipality remain un-subdivided. The Minister for Local Government accepted the recommendations in full on 13 June 2008.

## Developing a Plan

Development of a Recreation Reserve Masterplan continued during the year with extensive community consultation between current sporting groups, caravan park users and residents. Improvements will respond to current and future sporting and recreational needs in the community, including new facilities for netball and the caravan park.

Other community benefits identified include: significant improvement to the layout and function of the area, better links to the coast, new and improved netball and tennis facilities as well as rationalisation of camping sites to meet new CFA safety requirements.

## Planning for Point Lonsdale

Preparation of a Structure Plan commenced this year to guide future growth of Point Lonsdale in a sustainable manner that reflects the communities values and aspirations. The draft Plan, a joint project between the Borough of Queenscliffe and City of Greater Geelong, will be released for public comment from 20 September for 6 weeks.

## Municipal Office Redevelopment

Renovations on the Council Offices commenced this financial year which will provide much better working conditions for our staff. The project will have a number of key benefits, including improving production and enhancing our ability to serve the community.

## High School Site

The Master Plan for the former Queenscliff High School site was presented to Council in December 2007. A project committee undertook extensive work to establish actions and priorities for an integrated approach for the future use, management and development of the site.

The concepts for the proposed facility, as an integrated community facility, have evolved in response to community needs. However, the cost of building an integrated facility was high (in the order of \$7m- \$10m) and after much consideration the proposal was deemed unaffordable at this time.

Council noted the Master Plan report and its recommendations and is working to address these.

I would like to thank my fellow Councillors for entrusting me with the role of Mayor for another year and for the year which will bring to a close the life of this Council. I hope I have lived up to their expectations and served the community well.



Cr. Pat Semmens  
MAYOR



# Chief Executive Officer's Report

It gives me great pleasure to present to you the 2007/08 Annual Report for the Borough of Queenscliffe. It has been a full and eventful year for the Borough with many planned projects accomplished or coming to completion.

I was appointed to the role of Acting Chief Executive Officer in July and I am pleased to be able to make this report for the 2007/08 year.

It has been a very busy year with the Council offices being temporarily relocated to the former 'Sims Lodge' in Nelson Road, Queenscliff. The organisation also saw a number of changes to the structure, particularly in the executive management team.

## Community Satisfaction Survey

Council again participated in the independent statewide Annual Community Satisfaction Survey. Each of the nine service areas and four governance measures showed progress and improvements in performance.

There was a statistically significant increase in satisfaction for economic development as compared to our 2007 result and there were no statistically significant decreases in satisfaction.

Health and Human Services remains our area with the highest satisfaction, closely followed by Customer Contact. However, Town Planning Policy and Approvals fell below the 'adequate' level in 2008, as it did in 2007. All other areas were adequate to good.

Our key areas for improvement are town planning policy and approvals, traffic management and parking facilities and local roads and footpaths. Although local roads and footpaths is an area requiring further improvement, Queenscliffe in fact did better than other councils in its group on this measure. Interestingly, most of the reasons given for requiring improvement relate to footpaths as opposed to roads.

In response to low satisfaction results in the area of town planning in 2007, an external review of Council's planning policies and processes was undertaken during the year to provide analysis and commentary on current business processes and

protocols of the planning department and to gain a better appreciation of the departments performance.

The review found there was general compliance with legislation and identified areas of improvement which are being implemented.

## Planning for the Future

Council collaborated with the Department of Planning & Community Development, on a survey of our resident and non-resident ratebase on the use of their properties, services and community facilities.

Information gained from this survey will enable Council to better understand service needs and develop an effective 4-year Council Plan. The results will also inform State Government demographic researchers about the ways in which people are living and moving between different locations in Victoria. The findings will be available later in 2008.

## Infrastructure

In terms of infrastructure considerable progress has been made on key projects within the Queenscliff harbour precinct and foreshore areas. The Council has also progressed a range of improvements to the municipal office.

In review, it has been a challenging but extremely rewarding year in many ways for Council. I would like to thank the councillors for their role as the elected representatives of the community and to acknowledge the support and commitment to Council by the executive management team, staff and contractors.



Natalie Walker  
ACTING CHIEF EXECUTIVE OFFICER



# Your Councillors

## Elected Representatives

Elections were held in November 2004. The next General Election for the Borough of Queenscliffe will be held in November 2008, at which all Councillor positions (reduced from seven to five positions in 2008) will be decided for a four year term.



### **Cr. Pat Semmens – Mayor**

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

Cr. Semmens was elected to Council in November 2004 and was elected Mayor in 2006-current. Cr. Semmens was previously a senior manager with the Department of Human Services. Cr. Semmens' leisure interests are reading, listening to music and good conversation over dinner with friends. Cr Semmens has lived in the Borough full time for ten years.

### **PORTFOLIO'S**

Governance/External Relations Portfolio

Community

### **COUNCIL DELEGATES**

Emergency Management Coordination Committee

CFA Local Committee

Municipal Association of Victoria

G21 (Geelong Regional Alliance)

### **COUNCIL COMMITTEE'S**

Chairperson

Community Development Advisory Committee

Member

Community Centre Planning Committee

Ex Officio on all other Council Committee's

### **EXTERNAL COMMITTEE'S/BOARDS**

Chairperson – G21 Affordable Housing Committee



**Cr. John Bugg**

**Email: john.bugg@queenscliffe.vic.gov.au**

Cr. Bugg was elected to Council in March 1997 and was a former Mayor from 1998-2001 & 2004/2005. Cr Bugg's personal interests lie in Australian Painting, reading, 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 Grammer Junior School.

**PORTFOLIO**

The Arts, Education & Learning

**COUNCIL DELEGATES**

Nil

**COUNCIL COMMITTEE'S**

Chairperson

Arts Council

Member

Audit Committee

**EXTERNAL COMMITTEE'S/BOARDS**

Geelong Performing Arts Centre



**Cr. John Burgess**

**Email: john.burgess@queenscliffe.vic.gov.au**

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

**PORTFOLIO**

Finance & Audit

**COUNCIL DELEGATES**

Barwon Regional Waste Management (Chairman)

**COUNCIL COMMITTEE'S**

Chairperson

Nil

Member

Audit Committee

**EXTERNAL COMMITTEE'S/BOARDS**

MAV Finance and Economic Advisory Group

MAV Waste reference Group



**Cr. John Doull**

**Email: john.doull@queenscliffe.vic.gov.au**

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 and arthouse films, alternative Australian music.

**PORTFOLIO**

Infrastructure

**COUNCIL DELEGATES**

Association of Bayside Municipalities

Geelong Regional Library (Alternative)

**COUNCIL COMMITTEE'S**

Chairperson

Nil

Member

Coastal Management Plan Committee

Queenscliff Music Festival Working Party

Queenscliffe Heritage Committee

**EXTERNAL COMMITTEE'S/BOARDS**

Nil



**Cr. Val Lawrence JP**

**Email: val.lawrence@queenscliffe.vic.gov.au**

Cr. Lawrence was elected to Council in March 1998 and was Mayor on from 2001-2004. 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 Civil Celebrant and a member of the American Institute of Parliamentarians.

**PORTFOLIO**

Business & Tourism

**COUNCIL DELEGATES**

Emergency Coordination Committee (Alternative)

CFA Local Committee (Alternative)

Geelong Otway Tourism

**COUNCIL COMMITTEE'S**

Chairperson

Community Centre Planning Committee

Queenscliffe Museums Committee

Member

Nil

**EXTERNAL COMMITTEE'S/BOARDS**

Queenscliff Lonsdale Tourism Inc

Bellarine Peninsula Tourism

Red Cross (local, regional & State)

Geelong Community Foundation

MAV Human Services Portfolio

Barwon Heads Golf Club Committee

Queenscliffe Lighthouse Theatre Group - Patron





**Cr. Stephen Lee**

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

Cr. Lee was elected to Council in March 1996. Cr Lee's personal interests are travelling, sailing, and music. Cr Lee was a lecturer in science/computing at Tafe level.

**PORTFOLIO**

Planning & Built Environment

**COUNCIL DELEGATES**

Geelong Regional Library

**COUNCIL COMMITTEE'S**

Chairperson

Queenscliff Music Festival Review Working Party

Queenscliffe Heritage Committee

Member

Nil

**EXTERNAL COMMITTEE'S/BOARDS**

Nil



**Cr. Chris Player**

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

Cr. Player was elected to Council in November 2004 and was Mayor in 2005/2006. 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.

**PORTFOLIO**

Coastal Environment

**COUNCIL DELEGATES**

Association of Bayside Municipalities (Alternative)

Municipal Association of Victoria (Alternative)

**COUNCIL COMMITTEE'S**

Chairperson

Coastal Management Plan Committee

**EXTERNAL COMMITTEE'S/BOARDS**

Leukaemia Foundation

Bellarine Peninsula Railway

# Your Council

## Councillor Remuneration

In 2004, Council resolved to set the Councillors Allowance at \$6,000 per annum and the Mayoral Allowance at \$18,000 per annum.

The Mayoral annual allowance of \$18,000 has remained unchanged for the entire 4 year term of the current Council.

The Councillors annual allowance of \$6,000 has also remained unchanged for the entire 4 year term of the current Council.

## Interstate and Overseas Travel

During the 2007/08 financial year, no Councillor registered any interstate or overseas travel expenses.

## Attendance at Meetings

The fundamental purpose of an Ordinary Meeting of Council is to consider items requiring a decision of the Council, whether they be:

- Required by legislation;
- Legal requirements;
- Procedural matters;
- Council policy matters.

An Ordinary Meeting of Council is held monthly, where the Council may determine decisions of primary concern for the good governance of the municipality.

The Ordinary Meetings of Council are held monthly at 6.15pm on the third Tuesday of each calendar month at the municipal office or at an alternative venue, which was the case in from October 2007 due to the renovation of the municipal offices. On occasion, additional Special Meetings of Council are called to consider specific matters.

Council also held, separate to the Ordinary Meeting of Council, a monthly Planning and Policy Meeting to assist Council in ensuring sustainable planning processes and allow for interactive discussion between the Councillors, staff, applicants and submitters on planning and policy matters.

### Ordinary Meetings of Council

Councillor	Eligible to Attend	Attended
Cr Pat Semmens	12	12
Cr. John Bugg	12	12
Cr. John Burgess	12	12
Cr. John Doull	12	11
Cr. Val Lawrence	12	12
Cr. Stephen Lee	12	8
Cr. Chris Player	12	12

### Special Meetings of Council

Councillor	Eligible to Attend	Attended
Cr Pat Semmens	6	5
Cr. John Bugg	6	6
Cr. John Burgess	6	5
Cr. John Doull	6	6
Cr. Val Lawrence	6	6
Cr. Stephen Lee	6	2
Cr. Chris Player	6	6

## Donations and Grants

Recipient	Purpose	Amount
Queenscliff Music Festival	Donation	\$10,000
Queenscliff Sea Scouts	Community Development Grants - Sea Kayaks	\$ 1000
Probus Club of Point Lonsdale / Queenscliff	Community Development Grants - Digital Data Projector	\$ 1750
Queenscliffe Reconciliation Group	Community Development Grants - Information Panels for Print Publications	\$ 396
Queenscliffe Neighbourhood House	Community Development Grants - Annual support for Community Development projects	\$ 2000
Global Warming Group Queenscliffe	Community Development Grants - Website Development	\$ 900
Point Lonsdale Surf Lifesaving Club	Community Development Grants - Lifesaving Multi-media Facility	\$ 1503
Bellarine Police Community Support Register	Community Development Grants - Registration Kits and Support Program	\$500
Queenscliffe Maritime Museum	Community Development Grants - Computer Equipment	\$ 1696
Bellarine Secondary College	Education Awards	\$ 2000
Point Lonsdale Primary School	Education Awards	\$ 100
Queenscliff Primary School	Education Awards	\$ 100
St. Aloysius Primary School	Education Awards	\$ 100
Fort Queenscliff Museum	Arts & Cultural Development Grants - Display Cabinet	\$ 2000
Sea of Words	Arts & Cultural Development Grants - Sea of Words Festival	\$ 4400
Youth Cultural Program	Youth Music Event	\$ 2379

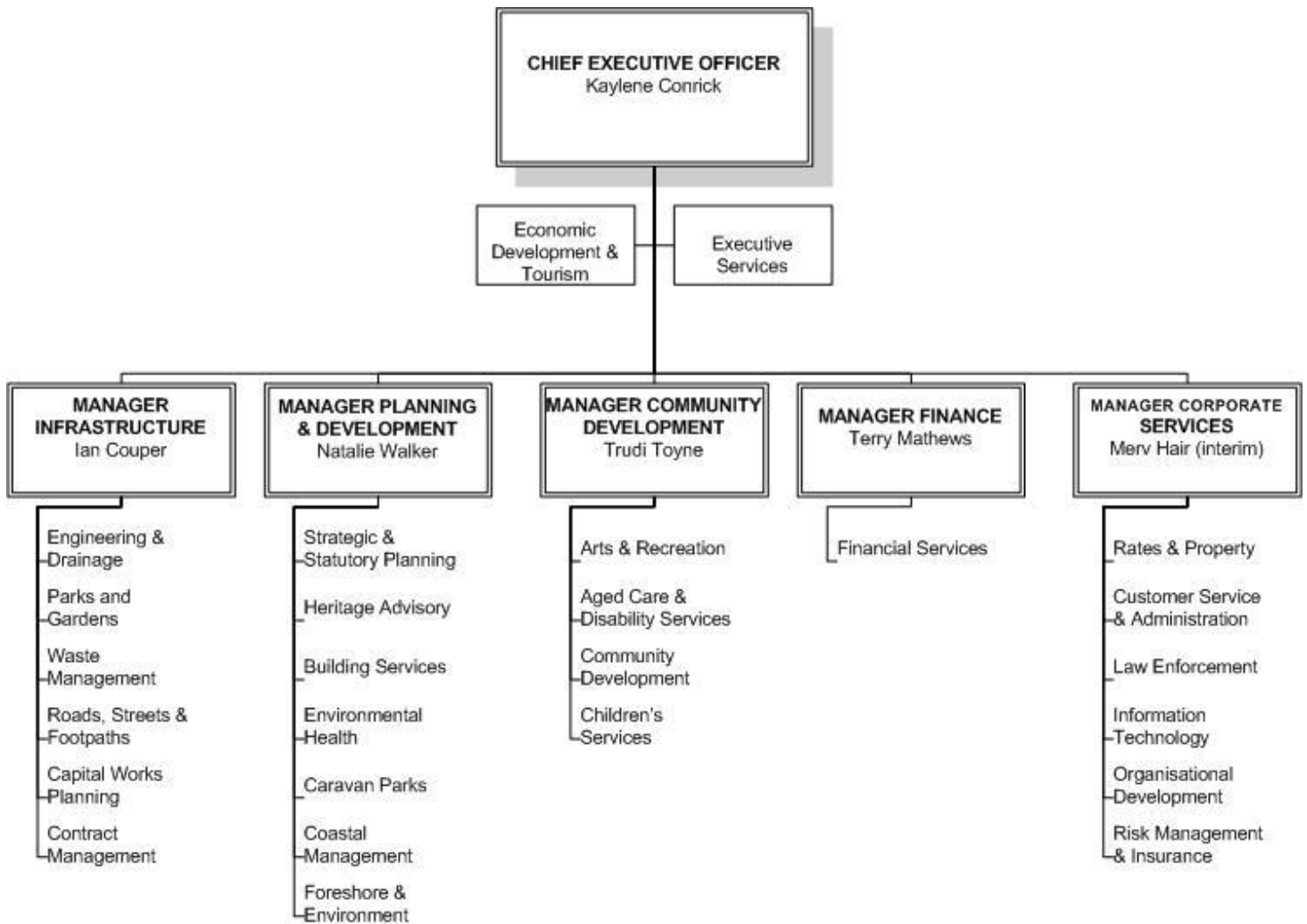
## Membership to Organisations

Organisation	2007/08 Contribution
Association of Bayside Municipalities (ABM)	\$ 3872
Municipal Association of Victoria (MAV)	\$ 5567
Geelong Otway Tourism (GOT)	\$ 12500
G21 Regional Alliance	\$6250
Local Government Professionals (LG Pro)	\$ 786
Risk Management Institute of Australia (RMIA)	\$ 280
Local Government Managers Australia (LGMA)	\$ 450
Revenue Management Association (RMA)	\$ 80
Victorian Employers' Chamber of Commerce and Industry (VECCI)	\$ 1639
Our Community	\$ 300
Craftsman Press	\$ 180
Victorian Caravan Parks Association (Vic Parks)	\$ 1927
AAA Tourism Advantage	\$ 318



# Our Organisation

## Organisation Structure











## Our Organisation

### Executive Management Team

Council's Executive Management Structure is lead by the Chief Executive Officer and consists of five second level managers who are responsible for the delivery of services within their structure.

#### Chief Executive Officer

Kaylene Conrick was appointed in August 2008 as Chief Executive Officer of Council. Prior to working at the Borough of Queenscliffe, Kaylene had spent 16 years working in local government in various positions, including Acting Chief Executive Officer for the Mansfield Shire prior to her appointment with Council. Kaylene has a Postgraduate Certificate in Business, Certificate of Workplace Training and Assessment and Masters of Business Administration

As Chief Executive Officer of the Council, Kaylene is responsible to Council for developing an organisation that is capable of providing sound advice to Council, ensures that Council's business is open and accessible and oversees the entire operations of Council, including the management of staff and resources.

#### Manager Finance

Terry Mathews commenced with Council in October 1997 to provide contractual financial services to the Borough of Queenscliffe on a part-time basis. Terry provides his services to a number of other municipalities across Victoria and is able to bring those experiences with him for the benefit of Council. Terry is a qualified Certified Practicing Accountant.

As Manager Finance, Terry is responsible for Council's financial services, including payroll, debtors and creditors and annual financial reporting.

#### Manager Planning & Development

Natalie Walker took on the role of Council's Manager Planning & Development in January 2001. Prior to his Natalie provided Council with planning services through a private contract planning firm. Natalie has over 13 years experience in strategic and statutory planning services. Natalie has a Bachelor of Applied Science in Urban Policy and Planning.

As Manager Planning & Development, Natalie is responsible for strategic and statutory planning, building services, coastal management, foreshore and environment, Council's caravan parks and environmental health services.

#### Manager Infrastructure

Ian Couper took over the role of Manager Infrastructure from Engineer Alex Brunacci in February 2008. Ian has 40 years experience working in local government engineering services, and has held the position of Chief Executive Officer for a number of Councils in past years. Ian has a Diploma of Civil Engineering, is a member of the Institute of Engineers Australia and is a Certified Practicing Engineer.

As Manager Infrastructure, Ian is responsible for the overall provision and maintenance of infrastructure, including roads, footpaths, parks and gardens and asset management. He is also responsible for the delivery of waste and recycling collection services to the community.





### Manager Community Development

Trudi Toyne commenced with Council in October 1997 and held the position of Manager Community Development. Trudi resigned from Council in June 2008 to pursue other interests. Trudi holds a Bachelor of Arts, a Diploma of Education and a Graduate Diploma in Community Development.

As Manager Community Development, Trudi is responsible for community development and planning, recreation and children’s services, family and aged care services as well as arts and culture. In this role, Trudi focuses on the development of strong relationships with the community to enable capacity building to effect positive change.

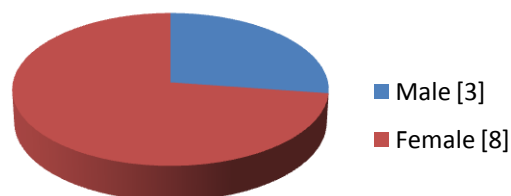
### Manager Corporate Services

Justine Potter commenced with Council in October 2006 as Manager Organisational Development. Justine had a Degree in Organisational Development and resigned in January 2008. Merv Hair took on the revised role of Manager Corporate Services in March 2008 on an interim contractual basis. Merv has 42 years experience in local government providing corporate services, and has also held the position of Chief Executive Officer at a number of Councils in the past.

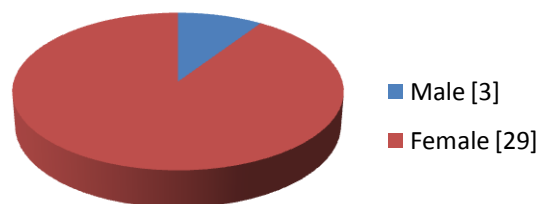
As Manager Corporate Services, Merv is responsible for providing corporate support to the organisation, including overseeing customer service and administration, rates and property, organisation development, risk management and insurance, and local laws.

### Staff Numbers

Full Time Staff



Part Time Staff



# Our Organisation

## Information and Records Management

During the 2007/08 year Council reviewed the way in which it handles its information and records and commenced the project of converting its manual record management systems to electronic systems. This will ensure the wider capture of hardcopy and electronic email information and ensure more efficient retrieval of records. The majority of this project will be undertaken during 2008/09.

The physical storage of records is also included in this project. From 1863 the Borough has been keeping hardcopy records and the preservation of many of these documents will now be archived offsite in storage facilities that will ensure the long term security and preservation that these records require. This action will be undertaken in accordance with the Public Records Act 1973 and the Public Records Office Victoria Standards.

The Local Government Act 1989 requires specific information to be available via public registers to the public and these have been listed within a separate section of this report.

General information pertaining to statistics and services provided by Council can be found on Councils Web site [www.queenscliffe.vic.gov.au](http://www.queenscliffe.vic.gov.au)

## Risk Management

In June 2007, Council adopted a Risk Management Strategy which had key objectives of identifying, assessing and controlling risks throughout Council's operations. The inspection of councils assets are to be carried out regularly and identified risks recorded in the Risk Register.

A key part of the Risk Management Strategy is to continue to participate in annual risk audits conducted by Council's insurers and act on the recommendations for improvement.

Incident reporting forms an important part of Councils risk plan and where potential liability is identified incidents are referred to Council's insurers or to the Department of Sustainability and Environment where these have occurred on Crown Land.

## Procurement Policy

Council has Procurement Procedures that outline the core principles that apply to all purchases made and contracts entered into.

Procurement of goods, services and works in the Borough of Queenscliffe are done in a way that is beyond reproach (and seen to be so). To ensure this, Council employees perform their duties and conduct themselves in a manner which ensures that they maintain a reputation for being fair and unbiased when dealing with suppliers.

## 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.

## Occupational Health and Safety

Council recognises that it is responsible for and committed to ensure, so as far as practicable, a safe and healthy working environment for all its employees, contractors and visitors to its workplaces. In fulfilling this responsibility, Council has a duty to provide and maintain a working environment that is safe and without risks to health.

Council's Occupational Health and Safety manual provides a clear framework with policies and procedures to guide the health, safety and welfare of all staff.

## Staff Changes

A number of staff changes occurred during the year and several new positions created.

Council was notified by Chief Executive, Gary Price, in 2006 that he intended on retiring at the end of his contract term in August 2007. This saw the appointment of Kaylene Conrick to the position in August 2007.

Skills shortages in town planning services provided Council with the challenge of attracting and retaining planning staff this year. This is a problem facing most Councils across Victoria and has lead Council to train staff in-house, and through Tafe, by offering study assistance in the form of financial reimbursement and study leave.

Tourism and economic development also experienced staffing change throughout the year. Beginning the implementation of Council's Economic Development Strategy adopted in November 2006 proved to be a mammoth task and therefore a ½ funded strategic projects officer position was created to assist in delivering outcomes of the Strategy.

The resignation of the Caravan Parks Manager and the transfer of management of Crown Land to Council enabled a review of the position and a newly created role of Public Places and Amenities Coordinator was developed to oversee all of Council's foreshore areas, reserves and caravan parks.

## Enterprise Bargaining Agreement

In January 2007, Council negotiated it's sixth enterprise bargaining agreement with all staff and management. Council has long recognised that by working together to create a better working environment for all staff, that we can improve work/life balances and provide better service to our customers.

The agreement ensures that staff salaries increase 4% per annum until 2009. The agreement is valid until 2010.

## Staff Consultative Committee

The Staff Consultative Committee meets at least 4 times per year with the aim to promote continuous improvement in their working environment. This includes looking at organisation-wide training, general staff ideas and concerns and occupational health and safety issues in the workplace.

## Staff Development

The training needs to staff are identified each year through individual performance reviews. Additionally, Council offers assistance to staff through reimbursement and support to obtain approved qualifications that develop specialist knowledge and skills related to their area work.

A number of staff have been involved in enhancing and learning new skills in the areas of:

- Town Planning;
- Communications;
- First Aide;
- Records Management; and
- Occupational Health & Safety.

## Family Friendly Arrangements

The Borough of Queenscliffe is committed to a positive, flexible work environment that is responsive to the needs of families.

Council recognises that employees have family responsibilities that must be considered and accepts that there is a need to allow a more flexible approach to allow employees to strike a better balance between their family and work commitments. To this end, a number of Council's staff have negotiated flexible working arrangements to suit their individual lifestyles.

## Interstate and Overseas Travel

During the 2007/08 financial year, the Chief Executive Officer registered and attended interstate travel expenses for the Local Government Manager's Association Annual Conference in Queensland at a cost of \$2237.

# Strategic Objective

## Governance/External Relations

### G21 Region Alliance

The Borough of Queenscliffe continues to actively contribute to the G21 Region Alliance which consists of a variety of independent organisations with a shared vision for the Geelong region. The Alliance includes the Borough of Queenscliffe, City of Greater Geelong, Colac Otway Shire, Golden Plains Shire, Surf Coast Shire and more than 150 community and business organisations committed to securing a bright and sustainable future for the region.



Following two years of extensive research and consultation, the release of the G21 Geelong Region Plan – a fifty year sustainable growth strategy – was officially launched by the Premier of Victoria, John Brumby, on 14 September 2007.

The plan presents endorsed regional policies and objectives to address short and long term regional challenges in the areas of environment, land use, community and economy. Issues such as climate change, water resources, population growth, skills shortages, industry transition, disadvantage and access to services are considered from a regional perspective, looking towards 2050.

### Affordable Housing

Council's Mayor was appointed chair of the G21 Affordable Housing Taskforce, a project which will investigate the possibility of setting up an independent not-for-profit housing association within the region.

An affordable housing association operates as an independent body which builds affordable houses which can be rented or sold and the proceeds provide further investment in the development of affordable housing within the region.

### Staying Connected

Council met with a number of state and federal government representatives during the year to continue to advocate on key local, regional and national issues that affect our community such as large development impacts, drought, climate change, roads and transport and the affordable housing crisis.

These challenges will continue through 2008/09 and probably beyond with broad impacts throughout the community. Council remains committed to advocating on behalf of the entire community to ensure better outcomes that consider our local impacts prior to delivering these decisions.

### Improving Communication

In late 2007 Council reviewed the way in which it communicates with the community through its media releases, monthly and quarterly publications. Council made a commitment be more pro-active and deliver timely media releases on issues of Council and community interest, rather than being reactive to issues.

Subsequently a new procedure for delivering media releases was developed and a new design was created for its monthly newsletter, Borough Bytes, and its Quarterly Rates Newsletter. This fresh approach to communication has been well received by the community at large.





## Indicators

	2005/06	2006/07	2007/08
Community satisfaction rating for overall performance generally of the council	62	64	65
Community satisfaction rating for council's advocacy and community representation on key local issues	57	60	63
Community satisfaction rating for council's engagement in decision making on key local issues	59	62	64
Community satisfaction rating for council's interaction and responsiveness in dealing with the public	74	75	77

Source: Local Government Community Satisfaction Survey 2008, Wallis Consulting Group

# Strategic Objective

## Community

### Lighthouse Program

Council engaged consultant Neil Noelker to undertake a community planning process known as the Lighthouse Program.

Through extensive consultation, the community planning group is investigating a number of initiatives such as the Hesse Street revitalisation, indigenous garden, community transport and the review of the Council Plan. These initiatives will continue to be developed into 2008/09.

### Home and Community Care

The Home and Community Care (HACC) National Service Standards were introduced across the country to provide a common reference point for internal quality controls, for all HACC providers, around seven key areas including access to services, information and consultation, management, service delivery, privacy and confidentiality, complaints or disputes and advocacy.

An independent audit of Councils Aged Care & Disability Service late 2007 achieved exceptional results in all areas of service delivery with a score of 20/20 - an excellent result that puts our service among the best in the country.

The audit result is affirmation of the professional processes that Council has in place to provide, manage and deliver HACC services to the community, to meet and in some instances exceed the national performance criteria.

Council currently provides over 13,000 hours of service under the HACC Program to over 250 clients on a regular basis including: assessment, review, personal care, respite care, home care, lawn mowing and home maintenance.

The HACC program is jointly funded by the Victorian and Australian Governments and the Borough of Queenscliffe.

Councils continuing commitment to its older residents sees the Aged Care & Disability Service remain a highly regarded service provided to the community.

### Environmental Health

Environmental Health within Council is in the process of change with the introduction of the Health and Wellbeing Act 2009, to replace the Health Act 1958 and the Food Act Reforms.

Regular food premises inspections and the registration and monitoring of temporary food outlets within the municipality was carried out during the year. Food sampling increased with participation in the regional sampling group calendar and monitoring of temporary food outlets.

A minimal amount of food borne illness investigations have been required to be undertaken during the year. Upon receiving two separate notifications from the Department of Human Services, Council investigated the suspected causes and reported the findings back to the department.

Food Safety and Responsible Serving of Alcohol Training has been a great success this year with all courses being well attended.

Health Act nuisance investigations have been consistent throughout the year. Noise and asbestos inquiries being the highest reported areas of concern.

	2006	2007	2008
<b>Number of Food Act Registrations</b>	80	77	70
<b>Number of Food Safety Assessments</b>	75	60	40
<b>Number of Health Act Registrations</b>	6	6	6
<b>Number of Prescribed Accommodation Registrations</b>	21	19	17
<b>Number of Residential Tenancies Act Registrations</b>	7	6	6

## High School Site

The Master Plan for the former Queenscliff High School site was presented to Council in December 2007. A project committee comprising community representatives, Council staff and State Government departments undertook extensive work to establish actions and priorities for an integrated approach for the future use, management and development of the site.

The former Queenscliff High School site is in a key location and the community and Council have sought to determine the best use for it. The concepts for the proposed facility, as an integrated community facility, have evolved in response to community needs. However, the cost of building an integrated facility is high (in the order of \$7m- \$10m) and after much consideration of a range of funding possibilities the proposal was deemed unaffordable at this time.

Council noted the Master Plan report and its recommendations and is working to address these. It was clearly identified in the recommendations that the Neighbourhood House is in urgent need of appropriate accommodation and Council is working with the Neighbourhood House Committee to investigate alternative accommodation arrangements for the short to medium term.

## Monahan Centre – Sports Club

Council agreed to underwrite the redevelopment of the Monahan Centre Rebuilding project and submit an application for funding to the Department for Planning Community Development Community Facility Funding Program 2008/2009.

Extensive work has been undertaken with the proposal to ensure that it aims to achieve an outcome that meet the current and future needs of the Queenscliffe community sporting clubs.

The facility will provide enhanced sport and recreation opportunities for the local and surrounding communities and fit the guidelines of the Government's Major Works Grants program.

Council has demonstrated support to date by including the \$1M project in its proposed 2008/09 Capital Works Expenditure program. Council will contribute \$250,000 towards the project.

## Community Events

A number of Council run annual community events were held throughout the year, including:

- Quality of Life Event
- Seniors Festival
- Volunteers Celebration
- Australia Day Celebrations
- Reconciliation Week

## Indicators

	2005/06	2006/07	2007/08
Community satisfaction rating for council's health and human services	75	77	79
Community satisfaction rating for council's recreational facilities	66	68	68

Source: Local Government Community Satisfaction Survey 2008, Wallis Consulting Group

# Strategic Objective

## Education, Learning & the Arts

### Cameron Robbins, Artist in Residence

In June 2008, Artist in Residence, Cameron Robbins installed two pieces on the Queenscliff Pier.

The first piece was a mechanical wind drawing device that randomly translated wind energy into a sketch, creating a series of drawings over the time of the residency. The second piece was a Wave Organ installation – sound sculpture inside the Life Boat Shed with a tuned set of organ pipes driven by tidal movements.

The timber Lifeboat Shed has especially good acoustics, and the installation remained in place until in the end of July during which time visitors to the pier were treated to a powerful performance as the organ responded to the extreme seas we were experienced at the time.

The residency was well received by both locals and others from around the Bellarine Peninsula and hundreds of people took up the opportunity to visit the artist in situ in the Lifeboat Shed, many getting a glimpse inside the Lifeboat Shed for the very first time.

The project was a joint initiative between the artist, the Borough, the Maritime Museum and Parks Victoria.

### Sea of Words 2008

A local celebration of words, in all forms, in the Borough of Queenscliff was held during the month of May.

The community was treated to a variety of events and activities focusing on 'words' – spoken, sung, performed, played and written – on the menu were book discussions, poets and writers sharing their craft, afternoon tea with a crime writer, a literary lunch, singing workshop, trivia night, museum talks, films and performances.

In partnership with the Geelong Regional Library local primary school students enjoyed stories on the historic steam train travelling from Queenscliff to Drysdale and back.



Above & Left:  
Artist in Residence, Cameron Robbins

## Cottage by the Sea Bed Spreads

Gifted to the Queenscliffe Historical Museum from the Cottage by the Sea, the existence of some historic bed spreads became known during preparation for our local quilt exhibition in 2006 and attracted much attention during the exhibition with people travelling some distances to view them.

The spreads, some dating back to 1903, are hand stitched and embroidered by generations of women connected to 'Children Leagues' from across the State in support of the Cottage by the Sea.

Preparing the spreads for museum condition required many labour intensive hours soaking, hand washing, rinsing several times over, ironing and boxing.

In March this year, a dedicated dozen volunteers gathered for 2 days intense labour preparing the 36 bedspreads for conservation and relocation to the Queenscliffe Historical Museum. A selection of the spreads will go on exhibit in the Museum at the end of 2008.

## Youth Music Event and Song Writing Workshop

In conjunction with Queenscliff Music Festival's Youth Committee, the Borough of Queenscliffe, ran a very successful music activity in October 2007 for approx 100 local young people 13 to 15 years of age featuring Rob Sawyer, The Periscopes and Tom Milekovic.

Tickets were presold through the Visitor Information Centre and the afternoon of the event saw a rush of young people at Information Centre buying their tickets with 10 and 20 cent pieces.

By agreement, all events aimed at the under 18 age group required the presence of Security, First Aid and a Drug and Alcohol Councilor at event with "no passout", "no smoking", "no alcohol" policy.

The night ran very smoothly and was enjoyed by all. The Drug and Alcohol councilor was quoted as saying *"this group of young people have reconfirmed my faith in young people"*.



# Strategic Objective

## Business & Tourism

### Visitor Information Centre

The total walk-in visitation to the Queenscliff Visitor Information Centre for 2007/08 financial year decreased 28.4% from the same time in the 2006/07 financial year.

The total walk-in visitation to the Geelong Visitor Information Centre's for 2007/08 financial year decreased by 32.2% for the same time in the 2006/07 financial year.

According to Gary Morgan of Roy Morgan Research: "The number of Australians using the Internet for travel is growing, up 7.1% in a year to 3.561 million Australian visitors to travel websites in an average four week period".

There were a number of permanent staff changes at the Visitor Centre and a recruitment drive for new volunteers during the 2007/08 financial year. The recruitment and induction process for all volunteers was reviewed along with the redesign and purchase of new staff uniforms. A half day training session covering Customer Service was held in October. At this training session the volunteers also developed a 'visitor service standards' charter. A closer working relationship with the Maritime Museum has developed with a number of visitor centre volunteers also volunteering at the Maritime Museum.

A new survey was introduced at the centre. Staff and volunteers ask all visitors to the centre to complete. A prize is donated every six months to encourage visitors to complete the survey. The questions research topics such as; why they like to visit, where are they travelling, how long are they staying. Data gathered will be used to assist decision making about future marketing campaigns. All email addresses are added to our Consumer Database. Every month an email is distributed to the Consumer Database to encourage repeat visitation back to the Borough.

Tailored 'Fact Sheets' were introduced at the centre because of the gap in information not provided in a map or visitor guide. Initial fact sheets developed were 'Queenscliff to the Great Ocean Road',

'Queenscliff to Phillip Island' and 'Weddings'. Bellarine Peninsula Tourism is looking into producing similar documents.

To ensure captured of the large volume of tourists visiting Queenscliffe over the summer period the Museums Discovery Pass was reviewed and re-developed. The new pass entitles the bearer to a 10% discount on entry fees to the Fort Queenscliff, Maritime Museum, Marine Discovery Centre, Bellarine Peninsula Railway and Queenscliff Historical Museum. Participating museums agreed to distribute the pass when selling normal entry tickets to their museum to encourage cross-promotion.

Bellarine Tourism purchased a permanent display space inside the centre and covered all costs associated to produce the new display.

	2005/06	2006/07	2007/08
<b>Number of Walk in Visitors</b>	78,250	90,194	64,530
<b>Number of Phone enquiries</b>	12,077	11,497	11,110
<b>Number of Email enquiries</b>	NA	NA	233
<b>Number of Heritage Walk participants</b>	NA	NA	613
<b>Number of Council website hits</b>	40,536	33,826	35,471
<b>VIC homepage hits</b>	19,033	28,278	29,713

### Tourism

On average 892,000 people visit the Melbourne Visitor Information Centre each year. Queenscliff and Point Lonsdale hosted staff and volunteers from the Melbourne VIC to experience everything there is to see and do in the area so they can accurately and positively promote Queenscliffe.

### Developing a New Brand

Queenscliff and Point Lonsdale offer a vast range of tourism experiences which in turn makes it difficult to collectively promote. A 'branding review' was undertaken. Two workshops were coordinated, run

by Roger Grant, Executive Director of Geelong Otway Tourism, to create a new brand that encapsulates the essence of Queenscliff and Point Lonsdale. The word 'Classic' has been well received and will be used in all future marketing and advertising campaigns.

### Successful Funding

Matched funds were received from Regional Development Victoria to undertake a Tourism Infrastructure Study within the Borough. Stage one is a feasibility study for the Fort, Maritime Museum, Historical Museum and Visitor Information Centre. Stage 2 will develop a plan to ensure the ongoing economic viability of each facility.

Bellarine Peninsula Tourism received funds from the State Government to develop the Bellarine Seafood Wine and Farmgate Touring Route. As part of the Melbourne Food and Wine Festival they also organised the Bellarine Seafood and Wine Dinner.

### A Collaborative Approach

During the year, the Borough of Queenscliffe and Queenscliff Lonsdale Tourism collaborated on developing a Memorandum of Understanding. The memorandum promotes a strong cooperation between both parties to achieve objectives in tourism and economic development.

Queenscliff Lonsdale Tourism worked hard to collect accurate contact details for every business within the municipality. We also worked to introduce a monthly newsletter and quarterly Business Breakfasts. Businesses are now regularly updated of relevant projects as well as how they can get involved.

### Economic Development

Matched funds were received from Regional Development Victoria to appoint a Strategic Projects Officer for twelve months. The position will deliver key action items from the Economic Development Strategy.

### Attracting Film

Councils in the region received funds from Film Victoria to expand and upgrade the old Film Geelong website to incorporate all G21 Councils. Collectively we can attract filming and photography projects to the region.

### Queenscliff Music Festival

Workshops were held after Queenscliff Music Festival 2007 to devise an action plan on how traders can best leverage from the festival.

A working group, with representatives from the festival, Borough of Queenscliffe and traders are working on a number of projects to be implemented over the coming years. 'ShopFest' will be introduced in 2008. Any customer to any retail shop within the Borough that spends more than \$20 can enter the chance to win a weekend pass to the festival. All traders involved will also go into a draw to win a festival prize. A networking evening will be organised to draw the prizes and traders offered heavily discounted tickets to attend the festival.

### Indicators

	2005/06	2006/07	2007/08
Community satisfaction rating for council's economic development	56	56	61
Community satisfaction rating for council's traffic management and parking	59	66	67

Source: Local Government Community Satisfaction Survey 2008, Wallis Consulting Group

# Strategic Objective

## Coastal and the Environment

### Cities for Climate Protection

In May Council was awarded for its commitment to reducing the impact of global warming by participating in Cities for Climate Protection Australia, a ground breaking program that helps local governments and their communities cut greenhouse gas emissions. The award was for the achievement of Milestone 1 in the five- milestone program. Milestone 1 involves creating an inventory of the emissions produced both by Council's own activities and by local residents and businesses. Council will use this data to design a program of actions to reduce emissions.

Chief Executive Officer Kaylene Conrick joined local government delegates at the *Tackling climate change across boundaries* recognition breakfast hosted by ICLEI Oceania during the National Congress of Local Government Managers Australia at the Gold Coast Convention & Exhibition Centre. Climate change is fast becoming the defining issue of our time and Council is playing its part in reducing our global impact.

Council will now set a target for the reduction of its corporate greenhouse gas emissions and community. Following the setting of this target the next step for Council is to produce a local action plan, which will include a range of actions and set out how Council will achieve these goals.

### Cliff Safety Works

The protection and safety of the coastline are important components of the Queenscliffe Coastal Management Plan and a cliff slip at Point Lonsdale further cemented this fact. The slip located under the cliff directly adjacent to the Point Lonsdale Bowls Club, at the end of the sea wall, threatens to undermine the walking track and has raised concerns about public safety

Council prepared an application for Coastal Risk Mitigation funding to help to identify long term strategies to address safety risks in the Point Lonsdale area.

The section of coastline around the Point Lonsdale front beach is very popular and has significant infrastructure associated with it. This joint Council and State Government study will enable us to identify issues and make long term decisions on the future management of the area.

### Citizens Park Redevelopment

The Queenscliffe Coastal Management Plan identified a number of actions relating to the development of Citizens park. A proposal based on existing reports prepared in 1985 and 1998 was prepared and partially funded in the 2007/08 budget.

In partnership with Swan Bay Integrated Catchment Management Committee an application for a Greencorp group was successful with Citizens park a major component of the project. Stage one of the project has now been completed utilising a combination of contractors and Greencorp with the clearing of approximately 5000 sq metres of cliff face below Citizens park. The removal of these weeds has significantly improved the views to sea and the subsequent replanting of native species has been planned to maintain these views.

The next stage is to construct a fence along the cliff top and the construction of a shared pathway along the route of Thwaites Walk. Concept plans have been prepared and a Cultural Heritage Management Plan (CHMP) is being prepared to identify and address Aboriginal heritage issues. Citizens Park is also being considered as a possible site for the proposed regional playground the CHMP will also assess the impacts of the playground in the park.

## Strong Environmental Partnerships

The Borough of Queenscliffe enters into a range of innovative and productive partnerships that assist in optimising our environmental effort. The key partnership outcome is the agreement with Swan Bay Integrated Catchment Management Committee (SBICMC) to coordinate many of the community and school related environmental activities on behalf of the council. This agreement also incorporates SBICMC sharing space within council office. The partnership also allows close ties with other environmental resources and provides valuable natural resource management knowledge to council.

Partnerships with Greencorp and Corrections Victoria have also proven to be a highly efficient means of getting on ground environmental works completed. Some examples of works completed are:

- Assistance with planting new roundabout- Greencorp
- Citizens park cliff safety project- Greencorp
- Boat ramp garden beds- Corrections Vic
- Clean up and weeding behind Monahan Centre- Corrections Vic
- Weeding and clearing walking tracks- Point Lonsdale foreshore – Corrections
- Terminal Scour Dune restoration- Greencorp

Other environmental partnerships exist with community nursery, School programs with Marine Discovery Centre.

## Crown Land Management

Council has been working hard to resolve a number of outstanding Crown Land tenure issues in the

Borough of Queenscliffe. The issues ranged from relatively small parcels of land that Council manage, but had never been formally appointed Committee of Management, to more extensive areas such as TOC H and Shortlands Bluff areas of which the Department is seeking to transfer to Council management.

Outstanding Crown Land leases are another area that the Department has identified as a priority to work with Council. To date leases finalised include – Monahan Centre, Ocean View kiosk, Point Lonsdale Bowling Club and the CFA satellite station. These leases have all been negotiated and Grant and Purpose approval from the Department has been received.

Once the Recreation Reserve Masterplan has been adopted by Council, the Queenscliff Bowling Club lease can proceed.

It is also proposed that the Sea Pilots Building below Citizens Park be transferred to Council management in 2008/09.

## Caravan Parks /Camping

Revenue showed a rise of 7.6% with solid bookings throughout the peak season. Developments put in place this year are expected to lead to an exciting and highly productive next 5 years.

The finalisation of the Recreation Reserve Precinct Master Plan, replacement of King street toilets, construction of Camp Kitchen and installation of four accommodation cabins are major capital projects that were developed during this year and expected to be finalised in 2008/2009.

## Indicators

	2005/06	2006/07	2007/08
Community satisfaction rating for council's appearance of public areas	67	71	70

Source: Local Government Community Satisfaction Survey 2008, Wallis Consulting Group



# Strategic Objective

## Built Environment

### Point Lonsdale Structure Plan

Preparation of a Structure Plan has commenced to guide future growth of Point Lonsdale in a sustainable manner that reflects the community's values and aspirations.

The main aims of the project are to provide:

- A clear vision for Point Lonsdale's future.
- A framework for the future use and development of land within and around the township
- A clear direction in relation to preferred locations and types of future development, including a township boundary.
- Ideas for streetscapes and public spaces so they are accessible, inclusive, active, functional, appealing and safe.
- Guidance about building design, siting and vegetation setting.
- Ways to manage traffic, car parking, public transport and pedestrian and cyclist movement.
- Recommended ways to implement the Structure Plan as part of the Councils' Planning Schemes.
- Numerous opportunities for community involvement in the development of the Structure Plan.

The Project aims to involve people who live, visit, shop, recreate or work in the townships, including residents, ratepayers, tourists, holiday makers, employers, developers, local businesses, community groups and organisations, and government agencies. The Plan is being prepared by Planisphere Urban Strategy Planners.

Preparation of the Plan is being undertaken jointly by the City of Greater Geelong and the Borough of Queenscliffe with funding support from Regional Development Victoria and the Department of Planning and Community Development. A Project Control Group with representatives of both Councils and State government is overseeing the project. It is anticipated that the Plan will be finalised in 2008/09

### Heritage Study

Council has commenced the preparation of a new Heritage Study for the Borough of Queenscliffe. Council engaged Melbourne-based heritage consultants, Lovell Chen Pty Ltd, to prepare Study throughout 2008/09.

The project includes a review and update of the earlier Queenscliffe Urban Conservation Study (1984). Additional historical research and survey work will also be undertaken through which it is anticipated that additional places of cultural significance will be identified and recommended for planning scheme protection (via the Heritage Overlay provisions of the Queenscliffe Planning Scheme).

### Planning and Development

	2006/07	2007/08
<b>Number of Applications Lodged</b>	178	176
<b>Number of Applications Withdrawn</b>	2	5
<b>Number of Permits/ Notice of Decisions Issued</b>	112	122
<b>Number of Subdivisions</b>	15	16
<b>Number of VCAT appeals</b>	7	6

### VCAT Appeals

Council had 6 appeals lodged with the Victorian Civil and Administrative Tribunal (VCAT) during the 2007/08 year.

Council was particularly disappointed at the VCAT decision to approve the redevelopment of the nursing home at 20-26 Hesse Street, Queenscliff.

Council felt that VCAT ignored Council's height restrictions in Hesse Street and disregarded the evidence given by Council on the importance of urban design and character.

## Municipal Office Refurbishment

In 2007/08 work began on Council office and Town Hall refurbishment. The redevelopment includes:

- Demolition of the existing building on the front of Town Hall and replacement with a new entry building and foyer. This building has been designed as a contemporary interpretation of Original "Foresters Hall"
- provision of meeting spaces for customers and staff
- complete refurbishment of the existing offices;
- landscaping works
- Disability access thorough out the site, including a fully compliant new customer service counter
- Fire safety systems to the Town Hall and Offices
- A range of environmental initiatives including the provision of an underground water tank for flushing of toilets and garden watering, the use of lights with motion detectors and timing devices to reduce energy needs; and individually airconditioned offices with motion detectors and timing devices; and
- Solar Hotwater Services
- Drainage improvements in Learmonth Street
- Improvement to customer carparking



## Indicators

	2005/06	2006/07	2007/08
Community satisfaction rating for council's town planning policy and approvals	46	50	52

Source: Local Government Community Satisfaction Survey 2008, Wallis Consulting Group

# Strategic Objective

## Infrastructure

### Waste Management

The Council has been a partner in the Barwon Region Waste Management Group of Council's to review the process of collected recyclables and collectables.

The process is expected to result in greater efficiencies and a significant reduction in waste going into landfill.

During the 2007/08 financial year a total of 465 tonnes of recyclables have been collected by the Boroughs household weeks collection program.

The Council has extended the current domestic garbage, recyclables, green waste and land waste collection contract to Jun 2010 to fit in with the commitment of the Regional processing contacts.

### Bellarine Highway / Point Lonsdale Road Roundabout and Pedestrian Signals

This major traffic project was completed during the year. While primarily a VicRoads project to Council has been a partner in the project with the Council contributing financially to the project and carrying out the extensive landscaping works.

The project has made a significant improvement to traffic flows and safety especially during peak holiday periods.

### Asset Management

The Council is an active participant in the MAV's Step Asset Management program.

During the past year the Council has completed asset management plans for the following assets:

- Road Network
- Building of Facilities
- Open Space
- Urban Storm water Drainage

The Council is focused on asset renewal expenditure to ensure that its renewal gap is manageable.

The major refurbishment of the Municipal office and Town Hall Foyer commenced during the 2007/08 financial year and the planned major renewal of the Monahan Recreation Centre will see the Councils two major building assets refurbished.

### Cypress Tree Removal

Council commenced the implementation of it's 'Cypress Avenue Working Party Report' by removing four large, old cypress trees on Point Lonsdale Road, Point Lonsdale, as they were in declining health, and will be replaced by native moonah trees.

The tree's were chipped and the mulch was used at the newly constructed Bellarine Highway/Point Lonsdale Road roundabout, in preparation for planting.

Eventually, all the cypress trees along Point Lonsdale Road will be removed in accordance with the Cypress Avenue Working Party Report.





## Emergency Management

Council is conducting the annual emergency management exercise in October 2008. Exercise 'SAREX' will be conducted on the waters located between Queenscliff and Point Lonsdale on the 18 October 2008.

This is a joint exercise that will be conducted between the following agencies that will be playing an important role in the exercise. The Victoria Police, Rural Ambulance Victoria, DHS, CFA, SLSV, Peninsular Rescue, Red Cross and Coast Guard will all be participating on the day. The exercise is designed to test Council's Municipal Emergency Management Plan, the Municipal Emergency Coordination Centre and the communication and coordination of the emergencies involved in the exercise.

## Fire Prevention

The Community Fire Guard Group have been meeting to discuss wildfire planning and celebrated the completion of the Community Fireguard Plan on 10 February, 2008.

	2005/06	2006/07	2007/08
<b>Number of Fire Prevention Notices Issued</b>	39	32	77
<b>Number of Fire Prevention Infringements Issued.</b>	2	3	1

## Local Laws

	2005/06	2006/07	2007/08
<b>Total Number of Infringements</b>	603	390	359
<b>Number of Court Cases</b>	5	33	32
<b>Number of Court Case Wins</b>	5	33	32
<b>Number of Animals Registered</b>	773	818	867
<b>Number of Permits Issued</b>	854	693	727

Council now requires all events held in the Borough of Queenscliffe to provide a traffic management plan for their event. Road closures are now conducted by an authorised traffic management organisation.

## Indicators

	2005/06	2006/07	2007/08
<b>Community satisfaction rating for council's waste management</b>	74	75	75
<b>Community satisfaction rating for council's enforcement of local laws</b>	67	56	61
<b>Community satisfaction rating for council's local roads and footpaths</b>	61	62	62

Source: Local Government Community Satisfaction Survey 2008, Wallis Consulting Group

# Strategic Objective

## Finance/Audit

### 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 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:

- Cash Collection, Handling and Banking Procedures by areas outside Council Office
- Occupational Health and Safety (OH & S)
- Risk Management
- Purchasing and Payments
- Contract Management

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

Member	Eligible to Attend	Attended
Richard Bull – Independent Chairman	3	3
Cr Pat Semmens	3	3
Cr John Bugg	3	3
Cr John Burgess	3	2
Fergus MacKee, External Member	3	3

### Property Revaluation

In accordance with the Valuation of Land Act, Council undertook its bi-annual revaluation of all properties in the Borough of Queenscliffe.

A snapshot of property valuations as at 1 January 2008 will be used for rating purposes for the 2008/09 rating year. The biennial revaluation of the Borough was conducted by Council's contracted Valuers, Southern Cross Property Services.

This legislative process under the Valuation of Land Act (1960) is scheduled to be completed early in 2008 in time for rate modelling and budget planning. Councils are required to conduct a revaluation biennially, introduced 10 years ago and initiated to keep property values reflective of current property values. All Victorian Council undertake this process at the same time.

# Performance Snapshot

Victorian Local Government Performance Indicators	2005/06	2006/07	2007/08
<b>Affordability/Cost of Governance</b>			
▪ Average Rates and Charges per Assessment	\$12,59.52	\$1,342.95	\$1,419.40
▪ Average Rates and Charges per Residential Assessment	\$1,219.91	\$1,291.79	\$1,354.18
<b>Sustainability</b>			
▪ Average Liabilities per Assessment	\$511.48	\$809.59	\$1,029.37
▪ Operating Result per Assessment	\$200.21	\$363.45	\$15.03
<b>Services</b>			
▪ Average Operating Expenditure per Assessment	\$1,999.57	\$2,069.15	\$2,330.60
▪ Community Satisfaction Rating for Overall Performance generally of the Council	62	64	65
<b>Infrastructure</b>			
▪ Average Capital Expenditure per Assessment	\$253.22	\$203.61	\$476.43
▪ Renewal Gap	139 %	111 %	270 %
▪ Renewal & Maintenance Gap	142 %	108%	216 %
<b>Governance</b>			
▪ Community Satisfaction Rating for Council's Advocacy and Community Representation on key local issues	57	60	63
▪ Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	59	62	64

## Best Value

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

Council delivers best value to the community by:

- Understanding the needs of both customers and the community
- Agreeing on what's required, with the resources available
- Delivering what's required through effective management in an economical manner; and
- Continually evaluating and improving the service.

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 its legislative requirements.

### Status Report

Although Council has completed its program, Council still derives ongoing learning from that program which is applied to all Council's services. Council is guided by 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.



# Statutory Information

## Information Available for 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;

## Local Laws

At June 30, 2008 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 2008/2009.

# Freedom of Information Act

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

Council received 2 requests during the financial year 2007/8, one of which was granted in full.

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 \$22 is applicable to each application.

# Whistleblowers Protection Act

The Whistleblowers Protection Act 2001 was introduced in January 2002 and is designed to encourage and facilitate the disclosure of improper conduct by Council Officers and Councillors.

The Act also provides protection for persons making disclosures who may suffer reprisals as a result of their disclosures.

The Borough of Queenscliffe complies with the requirements of the Act.

During the financial year 2007/08 there were no disclosures made to the Borough of Queenscliffe.

# Information Privacy Act

The Victorian Information Privacy Act 2000 requires that Council follows information privacy principles when collecting, managing and using an individual's personal information.

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

# Annual Financial Report

**Borough of Queenscliffe  
Financial Report  
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**Income Statement**  
**For the Year Ended 30 June 2008**

	Note	2008 \$'000	2007 \$'000
<b>Revenue</b>			
Rates and charges	2	4,156	3,865
Statutory fees and fines	3	142	152
User fees	4	1,440	1,316
Grants - Recurrent	5	646	553
Grants - Non-recurrent	5	252	253
Contributions - Non-monetary assets	6	-	653
Other revenue	7	289	175
<b>Total revenue</b>		<u>6,925</u>	<u>6,967</u>
<b>Expenses</b>			
Employee benefits	8	(1,809)	(1,708)
Materials and services	9	(4,179)	(3,438)
Depreciation and amortisation	10	(596)	(593)
Finance costs	12	(103)	(58)
Other expenses	11	(137)	(158)
<b>Total expenses</b>		<u>(6,824)</u>	<u>(5,955)</u>
Net gain on disposal of property, plant and equipment, infrastructure		-	17
Share of net profits of associates and joint ventures accounted for by the equity method	13	18	17
Net asset revaluation increment(decrement) on infrastructure	18	(75)	-
<b>Surplus for the period</b>		<u>44</u>	<u>1,046</u>

The above statement should be read with the accompanying notes.

**Balance Sheet**  
**As at 30 June 2008**

	Note	2008 \$'000	2007 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	2,976	2,808
Trade and other receivables	15	290	502
Inventories	16	7	8
Other assets	17	114	158
<b>Total current assets</b>		<b>3,387</b>	<b>3,476</b>
<b>Non-current assets</b>			
Trade and other receivables	15	20	33
Investments in associates accounted for using the equity method	13	234	216
Property, plant and equipment, infrastructure	18	39,978	43,234
<b>Total non-current assets</b>		<b>40,232</b>	<b>43,483</b>
<b>Total assets</b>		<b>43,619</b>	<b>46,959</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Bank overdraft	19	-	24
Trade and other payables	20	596	260
Trust funds and deposits	21	65	71
Provisions	22	348	368
Interest-bearing loans and borrowings	23	199	199
<b>Total current liabilities</b>		<b>1,208</b>	<b>922</b>
<b>Non-current liabilities</b>			
Provisions	22	24	18
Interest-bearing loans and borrowings	23	1,847	1,461
<b>Total non-current liabilities</b>		<b>1,871</b>	<b>1,479</b>
<b>Total liabilities</b>		<b>3,079</b>	<b>2,401</b>
<b>Net Assets</b>		<b>40,540</b>	<b>44,558</b>
<b>Equity</b>			
Accumulated surplus		14,636	14,302
Reserves	24	25,904	30,256
<b>Total Equity</b>		<b>40,540</b>	<b>44,558</b>

The above statement should be read with the accompanying notes.

**Statement of Changes in Equity  
For the Year Ended 30 June 2008**

	Note	Total 2008 \$'000	Accumulated Surplus 2008 \$'000	Asset Revaluation Reserve 2008 \$'000	Other Reserves 2008 \$'000
<b>2008</b>					
Balance at beginning of the financial year		44,558	14,302	28,281	1,975
Surplus(deficit) for the year		44	44	-	-
Revaluation decrement on property	24(a)	(4,062)	-	(4,062)	-
Transfers from other reserves	24(b)	-	290	-	(290)
<b>Balance at end of the financial year</b>		<b>40,540</b>	<b>14,636</b>	<b>24,219</b>	<b>1,685</b>
<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>

The above statement should be read with the accompanying notes.

**Cash Flow Statement**  
**For the Year Ended 30 June 2008**

	2008	2007
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Rates	4,140	3,855
User charges statutory fees and fines (inclusive of GST)	1,511	1,692
Grants (inclusive of GST)	959	856
Other receipts (inclusive of GST)	289	163
Net GST refund	399	245
Payments to suppliers (inclusive of GST)	(4,571)	(3,949)
Payments to employees (including redundancies)	(1,765)	(1,717)
Other payments	(202)	(223)
<b>Net cash provided by (used in) operating activities</b>	25 760	922
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment, infrastructure	(1,193)	(476)
Proceeds from sale of property, plant and equipment, infrastructure	350	-
<b>Net cash provided by (used in) investing activities</b>	(843)	(476)
<b>Cash flows from financing activities</b>		
Trust funds and deposits	(7)	(45)
Finance cost	(103)	(58)
Proceeds from interest bearing loans and borrowings	600	1,000
Repayment of interest bearing loans and borrowings	(215)	(120)
<b>Net cash provided by (used in) financing activities</b>	275	777
Net increase (decrease) in cash and cash equivalents	192	1,223
Cash and cash equivalents at the beginning of the financial year	2,784	1,561
<b>Cash and cash equivalents at the end of the financial year</b>	26 2,976	2,784
Financing arrangements	27	
Restrictions on cash assets	28	

The above statement should be read with the accompanying notes.



# Notes to the Financial Report

Borough of Queenscliffe  
2007/2008 Financial Report

Notes to the Financial Report  
For the Year Ended 30 June 2008

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

External Auditor - Auditor-General of Victoria  
Internal Auditor - AFS & Associates  
Solicitors - Hardwood Andrews  
Bankers - Bendigo Bank, Heese Street Queenscliffe  
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 2006-3 Amendments to Australian Accounting Standards	AAS 27 Financial Reporting by Local Governments  AASB 1045 Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A	From the beginning of the reporting period to which this Standard is first applied, until the end of the first reporting period ending on or after 31 December 2007, transitional provisions shall apply. Under those provisions, local governments, while encouraged to apply the full provisions of this Standard, may elect instead not to recognise land under roads as an asset in the balance sheet. Council will recognise land under roads in the 2008/2009 financial year.	October 2006	1-Jul-08
AASB 1004 Contributions	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to contributions contained in AAS 27, there will be no direct impact on the financial report.	1-Jul-08	1-Jul-08
AASB 1051 Land Under Roads	AAS 27 Financial Reporting by Local Governments	In respect to land under roads acquired before 30 June 2008: allows a Council to elect to recognise or not to recognise an asset; requires any adjustment upon recognition to be made against accumulated surplus; requires a Council to disclose its accounting policy; allows a Council to elect to adopt the fair value or a previous revaluation; requires any above elections to be made effective as at 1 July 2008. Requires that land under roads acquired after 30 June 2008 is accounted for in accordance with AASB 116. The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.	1-Jul-08	1-Jul-08
AASB 1052 Disaggregated Disclosures	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to disaggregated disclosures contained in AAS 27, there will be no direct impact on the financial report.	1-Jul-08	1-Jul-08
AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31	AAS 27 Financial Reporting by Local Governments  Amendments to: AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127, AASB 137	As this Standard broadly reproduces the requirements relating to certain relevant requirements contained in AAS 27, there will be no direct impact on the financial report.	1-Jul-08	1-Jul-08

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:

	Period
<u>Property</u>	
Buildings	
buildings	40-200 years
<u>Plant and Equipment</u>	
<u>Infrastructure</u>	
Roads	
road pavements	70 years
road seals	12-14 years
road unsealed pavement	15 years
footpaths and cycleways	20-50 years
street furniture	30-40 years
pipes	50-80 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	5-10 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:

	<u>Threshold Limit</u>
	\$'000
<b><u>Property</u></b>	
Land	
land improvements	5
<b><u>Buildings</u></b>	
buildings	10
building improvements	10
<b><u>Plant and Equipment</u></b>	
plant, machinery and equipment	0.5
fixtures, fittings and furniture	0.5
computers and telecommunications	0.5
<b><u>Infrastructure</u></b>	
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 workers compensation and payroll costs.

*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 17.25 %.

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.
- (v) **Inventories**
- Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.



	2008	2007
	\$'000	\$'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 2007/2008 was \$1,674 million (2006-2007 \$1,665 million). The 2007/2008 rate in the CIV dollar was .002405 (2006-2007, .002253).

Residential	3,677	3,408
Commercial	465	446
Garbage charge	7	6
Special rates and charges	7	5
	<u>4,156</u>	<u>3,865</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	17	20
Local law fines and fees	59	56
Town planning fees	54	62
Land information certificates	12	14
	<u>142</u>	<u>152</u>

**Note 4 User fees**

Caravan park fees	1,119	1,040
Boat ramp	83	75
Tourism	20	28
Hall hire fees	-	4
Aged services fees	94	113
Property lease fees	52	22
Building services fees	14	7
Valuation fees/supplementary charges	41	3
Other fees and charges	17	24
	<u>1,440</u>	<u>1,316</u>

	2008	2007
	\$'000	\$'000
<b>Note 5 Grants</b>		
Grants were received in respect of the following :		
<b>Recurrent</b>		
Home help/linkages	228	208
Victoria Grants Commission - unallocated	125	136
Commonwealth Government - roads to recovery	75	10
Community aged care packages	48	51
Victoria Grants Commission - local roads	45	42
Maternal and child health	44	-
Community services officer	18	18
Heritage	12	12
School crossing supervisors	10	10
Kerbside recycling	9	17
Other	8	11
National competition policy	8	-
Beach cleaning	7	9
Senior citizen centres	7	7
Senior Citizen week	2	-
Royal park amenity block	-	18
Recreation	-	4
<b>Total recurrent</b>	646	553
<b>Non-recurrent</b>		
Bus shelters	48	-
Caravan park camp kitchen	43	-
Climate change	35	-
Drought relief	28	50
Weed management	24	30
Coastal risk mitigation	20	-
Great ocean road web design	19	20
Economic development strategy	13	13
High school site master plan	10	-
Tobacco activity program	7	-
Street life grant	5	5
Small town development fund	-	125
Community centre	-	10
<b>Total non-recurrent</b>	252	253
<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
Drought relief	-	32
Small town development fund	-	125
Caravan park camp kitchen	43	-
Climate change	30	-
	73	187
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	30	10
Drought relief	32	-
Small town development fund	125	-
Economic development strategy	10	-
Street party	-	6
Infectious diseases	-	13
Coastal risk mitigation	-	28
	197	57
<b>Net increase (decrease) in restricted assets resulting from grant revenues for the year:</b>	(124)	130

	2008 \$'000	2007 \$'000
<b>Note 6 Contributions</b>		
<b>Non-monetary assets</b>		
Land	-	417
Roads	-	132
Drainage	-	104
	<u>-</u>	<u>653</u>
<b>Note 7 Other revenue</b>		
Interest	236	117
Interest on rates	7	7
Other	46	51
	<u>289</u>	<u>175</u>
<b>Note 8 Employee benefits</b>		
Governance and external relationships	490	472
Community services	551	541
Education, learning & arts	37	36
Business & tourism	376	328
Built environment	189	178
Infrastructure services	166	153
	<u>1,809</u>	<u>1,708</u>
<b>Note 9 Materials and services</b>		
Governance and external relationships	961	633
Community services	205	172
Education, learning & arts	354	228
Business & tourism	531	489
Coastal environment	83	110
Built environment	289	166
Infrastructure services	1,736	1,588
Finance and audit	20	52
	<u>4,179</u>	<u>3,438</u>
<b>Note 10 Depreciation and amortisation</b>		
<u>Property</u>		
Buildings		
Buildings	162	164
<u>Plant and Equipment</u>		
Plant, machinery and equipment	37	32
Fixtures, fittings and furniture	40	33
Recreation equipment	30	29
<u>Infrastructure</u>		
Roads	201	208
Kerb & channel	34	36
Footpaths and cycleways	26	30
Drainage	49	46
Sea wall	17	15
	<u>596</u>	<u>593</u>
<b>Note 11 Other expenses</b>		
Auditors' remuneration	25	23
Councillors' allowances	54	54
Other	58	81
	<u>137</u>	<u>158</u>

	2008 \$'000	2007 \$'000
<b>Note 12 Finance costs</b>		
Interest - Borrowings	103	58
	<u>103</u>	<u>58</u>
<b>Note 13 Investment in associates</b>		
Investments in associates accounted for by the equity method are:		
- Geelong regional library corporation	234	216
	<u>234</u>	<u>216</u>
<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 2008. 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 Income Statement		
<b>Note 14 Cash and cash equivalents</b>		
Cash on hand	1	1
Cash at bank	371	-
Short term investment deposits	2,604	2,807
	<u>2,976</u>	<u>2,608</u>
<b>Note 15 Trade and other receivables</b>		
<i>Current</i>		
Rates debtors	65	50
Parking infringement debtors	14	15
Provision for doubtful debts - parking infringements	(9)	(10)
Loans and advances to community organisations	13	21
Property Sales Debtors	-	350
Other debtors	207	76
	<u>290</u>	<u>502</u>
<i>Non-current</i>		
Loans and advances to community organisations	20	33
	<u>20</u>	<u>33</u>
<b>Total</b>	<u>310</u>	<u>535</u>
<b>Note 16 Inventories</b>		
Inventories held for sale	7	8
	<u>7</u>	<u>8</u>
<b>Note 17 Other Assets</b>		
Prepayments	101	146
Accrued income	13	12
	<u>114</u>	<u>158</u>



Note 18	Property, plant and equipment, infrastructure	2008	2007
		\$'000	\$'000
	<b>Summary</b>		
	at cost	3,123	2,810
	Less accumulated depreciation	735	665
		<u>2,388</u>	<u>2,145</u>
	at fair value as at 1 July 2004	-	16,371
	at fair value as at 30 June 2005	-	37,650
	at fair value as at 30 June 2007	16,059	417
	at fair value as at 30 June 2008	33,963	-
	Less accumulated depreciation	12,432	13,349
		<u>37,590</u>	<u>41,089</u>
	<b>Total</b>	<u>39,978</u>	<u>43,234</u>
	<b>Property</b>		
	<b>Land</b>		
	at fair value as at 30 June 2005	-	22,778
	at fair value as at 30 June 2006	-	417
	at fair value as at 30 June 2008	18,952	-
		<u>18,952</u>	<u>23,195</u>
	<b>Total Land</b>	<u>18,952</u>	<u>23,195</u>
	<b>Buildings</b>		
	at cost	50	315
	Less accumulated depreciation	-	5
		<u>50</u>	<u>310</u>
	at fair value as at 30 June 2005	-	14,872
	at fair value as at 30 June 2008	15,011	-
	Less accumulated depreciation	5,790	6,005
		<u>9,221</u>	<u>8,867</u>
	<b>Total Buildings</b>	<u>9,271</u>	<u>9,177</u>
	<b>Total Property</b>	<u>28,223</u>	<u>32,372</u>
	Valuation of land and buildings were undertaken by a qualified independent valuer Mr Chris Barrett, 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.		
	<b>Plant and Equipment</b>		
	<b>Plant, machinery and equipment</b>		
	at cost	337	311
	Less accumulated depreciation	184	147
		<u>153</u>	<u>164</u>
	<b>Fixtures, fittings and furniture</b>		
	at cost	448	392
	Less accumulated depreciation	324	284
		<u>124</u>	<u>108</u>
	<b>Recreation equipment</b>		
	at cost	462	462
	Less accumulated depreciation	226	196
		<u>236</u>	<u>266</u>
	<b>Total Plant and Equipment</b>	<u>513</u>	<u>538</u>

Note 18	Property, plant and equipment, infrastructure (cont.)	2008 \$'000	2007 \$'000
	<u>Infrastructure</u>		
	<b>Roads</b>		
	at cost	108	464
	Less accumulated depreciation	1	22
		<u>107</u>	<u>442</u>
	at fair value as at 1 July 2004	-	9,372
	at fair value as at 1 July 2007	9,371	-
	Less accumulated depreciation	3,389	3,674
		<u>5,982</u>	<u>5,698</u>
	<b>Kerb &amp; channel</b>		
	at fair value as at 1 July 2004	-	2,228
	at fair value as at 1 July 2007	2,084	-
	Less accumulated depreciation	805	902
		<u>1,279</u>	<u>1,326</u>
	<b>Footpaths and cycleways</b>		
	at cost	-	76
	Less accumulated depreciation	-	9
		<u>-</u>	<u>67</u>
	at fair value as at 1 July 2004	-	1,090
	at fair value as at 1 July 2007	1,041	-
	Less accumulated depreciation	406	449
		<u>635</u>	<u>641</u>
	<b>Drainage</b>		
	at cost	-	268
	Less accumulated depreciation	-	2
		<u>-</u>	<u>266</u>
	at fair value as at 1 July 2004	-	2,513
	at fair value as at 1 July 2007	2,743	-
	Less accumulated depreciation	1,862	1,752
		<u>881</u>	<u>761</u>
	<b>Sea walls</b>		
	at fair value as at 1 July 2004	-	751
	at fair value as at 1 July 2007	820	-
	Less accumulated depreciation	180	150
		<u>640</u>	<u>601</u>
	<b>Total Infrastructure</b>	<u>9,524</u>	<u>9,802</u>
	Valuation of infrastructure assets has been determined by the following independent valuations.		
	<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 Peter Moloney, Dip C.E.C.E.MIE Aust as at 1 July 2007.		
	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 2007.		
	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	1,545	370
	Roads at cost	108	102
	Other	65	50
	<b>Total Works in progress</b>	<u>1,718</u>	<u>522</u>
	<b>Total Property, Plant and Equipment, Infrastructure</b>	<u>39,978</u>	<u>43,234</u>

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

2008	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 24)	Depreciation and amortisation (note 10)	Written down value of disposals	Revaluation Decrement 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	23,195	-	(4,243)	-	-	-	-	18,952
Total land	23,195	-	(4,243)	-	-	-	-	18,952
buildings	9,177	50	181	162	-	-	25	9,271
Total buildings	9,177	50	181	162	-	-	25	9,271
Total property	32,372	50	(4,062)	162	-	-	25	28,223
<b>Plant and Equipment</b>								
plant, machinery and equipment	164	26	-	37	-	-	-	153
fixtures, fittings and furniture	108	56	-	40	-	-	-	124
parks & gardens equipment	266	-	-	30	-	-	-	236
Total plant and equipment	538	82	-	107	-	-	-	513
<b>Infrastructure</b>								
roads	6,140	108	-	201	-	35	7	6,089
kerb & channel	1,326	-	-	34	-	(13)	-	1,279
footpaths and cycleways	708	-	-	26	-	(47)	-	635
drainage	1,027	-	-	49	-	(106)	9	881
sea wall	601	-	-	17	-	56	-	640
Total infrastructure	9,802	108	-	327	-	(75)	16	9,524
<b>Works in progress</b>								
buildings	370	1,205	-	-	-	-	(30)	1,545
roads	102	13	-	-	-	-	(7)	108
other	50	19	-	-	-	-	(4)	65
Total works in progress	522	1,237	-	-	-	-	(41)	1,718
<b>Total property, plant and equipment, infrastructure</b>	<b>43,234</b>	<b>1,477</b>	<b>(4,062)</b>	<b>596</b>	<b>-</b>	<b>(75)</b>	<b>-</b>	<b>39,978</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.)

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
recreation 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
Total property, plant and equipment, infrastructure	42,683	1,144	-	593	-	-	-	43,234

(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.



	2008 \$'000	2007 \$'000
<b>Note 19 Bank overdraft</b>		
Bank overdraft	-	24
	<u>-</u>	<u>24</u>
 <b>Note 20 Trade and other payables</b>		
Trade payables	511	153
Accrued expenses	85	107
	<u>596</u>	<u>260</u>
 <b>Note 21 Trust funds and deposits</b>		
Refundable key deposits	3	4
Refundable contract deposits	4	4
Refundable tender deposits	12	16
Refundable civic facilities deposits	41	41
Other refundable deposits	5	6
	<u>65</u>	<u>71</u>

**Note 22 Provisions**

	Annual leave	Long service leave	Landfill restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2008</b>				
Balance at beginning of the financial year	135	186	65	386
Additional provisions	132	79	-	211
Amounts used	(118)	(42)	(65)	(225)
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	149	223	-	372
<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>2008</b>	<b>2007</b>
			\$'000	\$'000
<b>(a) Employee benefits</b>				
<b>Current (i)</b>				
Annual leave			149	135
Long service leave			199	168
			<u>348</u>	<u>303</u>
<b>Non-current (ii)</b>				
Long service leave			24	18
			<u>24</u>	<u>18</u>
Aggregate carrying amount of employee benefits:				
Current			348	303
Non-current			24	18
			<u>372</u>	<u>321</u>
The following assumptions were adopted in measuring the present value of employee benefits:				
Weighted average increase in employee costs			4.75%	4.75%
Weighted average discount rates			6.55%	6.34%
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 measured at nominal value			149	135
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value			199	168
			<u>348</u>	<u>303</u>
<b>(ii) Non-current</b>				
Long service leave representing less than 5 years of continuous service measured at present value			24	18
			<u>24</u>	<u>18</u>
<b>(b) Provisions</b>				
Landfill restoration				
Current			-	65
Non-current			-	-
Total			<u>-</u>	<u>65</u>

	2008 \$'000	2007 \$'000
<b>Note 23 Interest-bearing loans and borrowings</b>		
<i>Current</i>		
Borrowings - secured	199	199
	<u>199</u>	<u>199</u>
<i>Non-current</i>		
Borrowings - secured	1,716	1,330
Superannuation - liability	131	131
	<u>1,847</u>	<u>1,461</u>
<b>Total</b>	<u>2,046</u>	<u>1,660</u>
The maturity profile for Council's borrowings is:		
Not later than one year	199	199
Later than one year and not later than five years	880	740
Later than five years	967	721
	<u>2,046</u>	<u>1,660</u>
<i>Finance leases</i>		
Council had no finance leases at year end.		

Note 24 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserves			
<b>2008</b>			
<b>Property</b>			
Land	21,592	(4,243)	17,349
Buildings	6,689	181	6,870
<b>Total Asset revaluation reserves</b>	<b>28,281</b>	<b>(4,062)</b>	<b>24,219</b>
<b>2007</b>			
<b>Property</b>			
Land	21,592	-	21,592
Buildings	6,689	-	6,689
<b>Total Asset revaluation reserves</b>	<b>28,281</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>2008</b>				
Crown Land Reserves	975	388	(196)	1,167
Office Refurbishment	1,000	-	(482)	518
<b>Total Other reserves</b>	<b>1,975</b>	<b>388</b>	<b>(678)</b>	<b>1,685</b>
<b>2007</b>				
Crown Land Reserves	723	252	-	975
Office Refurbishment	-	1,000	-	1,000
<b>Total Other reserves</b>	<b>723</b>	<b>1,252</b>	<b>-</b>	<b>1,975</b>

**Purpose of Reserves**

Crown Land Reserve - the reserve represents the balance of funds of Council Crown Land Reserve. Funds generated by Council's boat ramp and caravan park activities fund this reserve. Expenditures from this reserve fund improvements on crown land.

Office Refurbishment Reserve - the reserve represents the balance of funds set aside in previous years to fund the office refurbishment project.

	2008 \$'000	2007 \$'000
<b>Note 25 Reconciliation of cash flows from operating activities to surplus (deficit)</b>		
Surplus for the period	44	1,046
Depreciation/amortisation	596	593
(Profit)/loss on disposal of property, plant and equipment, infrastructure	-	(17)
Finance costs	103	58
Net asset revaluation (decrement) of infrastructure	75	-
Contributions - Non-monetary assets	-	(653)
<i>Change in assets and liabilities:</i>		
(Increase) in trade and other receivables	(125)	(20)
Decrease/(Increase) in prepayments	46	(27)
Decrease in other assets	2	-
(Decrease)/Increase in trade and other payables	(14)	59
(Decrease) in other liabilities	-	(15)
Increase/(Decrease) in provisions	51	(85)
(Increase) in regional library equity	(18)	(17)
Net cash provided by/(used in) operating activities	<u>760</u>	<u>922</u>
<b>Note 26 Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 14)	2,976	2,808
Less bank overdraft	-	(24)
	<u>2,976</u>	<u>2,784</u>
<b>Note 27 Financing arrangements</b>		
Bank overdraft	50	50
Used facilities	-	-
Unused facilities	<u>50</u>	<u>50</u>
<b>Note 28 Restricted assets</b>		
Council has cash and cash equivalents (note 14) 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 (Crown Land Reserves).		
Long service leave (note 22)	187	186
Reserve funds (note 24)	1,167	975
	<u>1,354</u>	<u>1,161</u>

\* 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). Obligations for contributions are recognised as an expense in profit or loss when they are due. 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. From 1 July 2008 employers are required to pay superannuation guarantee contributions based on Ordinary Time Earnings (OTE) which may put upward pressure on contribution levels.

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 reliably 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 31 December 2005, 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, plus contribution tax (same as previous year);

The Fund's liability for accrued benefits was determined by the Actuary at 30 June 2007 pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	30-Jun-07 \$'000
Net Market Value of Assets	4,102,154
Accrued Benefits (per accounting standards)	3,923,436
Difference between Assets and Accrued Benefits	178,718
Vested Benefits	3,572,689

The Accrued Benefits liability has been determined by the Actuary at 30 June 2007 outside of the full actuarial review which is normally undertaken every three years and most recently performed as at 31 December 2007. This liability is calculated to satisfy the requirements of AAS 25 and is not reflected in the audited financial statements of the Fund at 30 June 2007.

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.

Council also makes employer superannuation contributions in respect of its employees to a variety of employee nominated accumulation

	2008 \$'000	2007 \$'000
<b>Fund</b>		
<b>Defined benefit plans</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	22	8
	22	8
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	131	131
	131	131
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	114	119
Employer contributions to REI, Hostplus, HESTA and MLC	13	13
	127	132

**Note 30 Commitments**

The Council has entered into the following commitments

2008	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	years	
		\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Financial & accounting services	39	-	-	-	39
Roads, parks & reserves maintenance	431	-	-	-	431
Garbage collection	105	-	-	-	105
Property maintenance services	3	-	-	-	3
Engineering Services	195	-	-	-	195
Cleaning contracts for council buildings	53	15	-	-	68
	826	15	-	-	841
<b>Capital</b>					
Buildings	816	-	-	-	816
	816	-	-	-	816
<b>Total</b>	<b>1,642</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>1,657</b>

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	years	
		\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Financial & accounting services	154	39	-	-	193
Roads, parks & reserves maintenance	473	-	-	-	473
Garbage collection	433	112	-	-	545
Property maintenance services	13	4	-	-	17
Engineering Services	321	213	-	-	534
Cleaning contracts for council buildings	113	57	15	-	185
<b>Total</b>	<b>1,507</b>	<b>425</b>	<b>15</b>	<b>-</b>	<b>1,947</b>

		2008	2007
		\$'000	\$'000
Note 31	<b>Operating leases</b>		
	<b>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	21	35
	Later than one year and not later than five years	42	98
	Later than five years	-	-
		63	133
	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 (2006/07 \$50,000). The loan advance was provided by the Bendigo Bank and at 30 June 2008 the loan had not been drawn down.

Note 33 Financial Instruments

(a) Accounting Policy, terms and conditions

financial instruments	Note	Accounting Policy	Terms and Conditions
<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 7.56% (6.34% in 2006/2007). The interest rate at balance date was 7.68% (6.34% in 2006/2007).
<b>Trade and other receivables</b>			
<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 2007/2008(9.5% in 2006/2007) . The interest rate as at balance date was 9.5% (9.5% in 2006/2007).
<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 7.7% during 2007/2008 (6.79% in 2006/2007).

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:

2008

	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	371	2,604	-	-	1	2,976
Trade and other receivables	-	13	20	-	277	310
Accrued income	-	-	-	-	13	13
<b>Total financial assets</b>	<b>371</b>	<b>2,617</b>	<b>20</b>	<b>-</b>	<b>291</b>	<b>3,299</b>
Weighted average interest rate	6.00%	7.56%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	596	596
Trust funds and deposits	-	-	-	-	65	65
Bank overdraft	-	-	-	-	-	-
Interest-bearing loans and borrowings	131	199	880	836	-	2,046
<b>Total financial liabilities</b>	<b>131</b>	<b>199</b>	<b>880</b>	<b>836</b>	<b>661</b>	<b>2,707</b>
Weighted average interest rate		7.25%	7.70%	7.95%		
Net financial assets (liabilities)	240	2,418	(860)	(836)	(370)	592

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>-</b>	<b>2,828</b>	<b>33</b>	<b>-</b>	<b>494</b>	<b>3,355</b>
Weighted average interest rate	5.00%	6.28%	3.00%			
<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	8.50%	6.50%	6.50%	6.70%		
Net financial assets (liabilities)	(155)	2,629	(707)	(590)	163	1,340



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

**(c) Net Fair Values**

The net fair value of financial assets and liabilities as disclosed in the Balance Sheet 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.

**(e) Risks and mitigation**

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

**Market risk**

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

**Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

**Credit risk**

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 32.

Note 33 Financial Instruments (cont.)

(e) Risks and mitigation cont

*Liquidity risk*

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- monitor budget to actual performance on a regular basis; and

The Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Federal Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 7%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	-1% 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
2008	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	2,975	(33)	(33)	65	65
Trade and other receivables	33	(0)	(0)	1	1
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	2,046	23	23	(45)	(45)

**Note 34 Related party transactions**

**(i) Responsible Persons**

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

<b>Councillors</b>	Mayor Councillor Pat Semmens Councillor Val Lawrence Councillor Stephen Lee Councillor John Burgess Councillor John Doull Councillor Chris Player Councillor John Bugg
<b>Chief Executive Officer</b>	Chief Executive Officer Gary Price, Retired 27 August 2007 Chief Executive Officer Kaylene Conrick, Commenced 13 August 2007

**(ii) Remuneration of Responsible Persons**

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

	2008	2007
	No.	No.
\$1 - \$ 9,999	6	6
\$10,000 - \$19,999	1	1
\$70,000 - \$79,999	1	-
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	1	-
	<u>9</u>	<u>8</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	206	183

**(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 (2006/07, 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:

	2008	2007
	No.	No.
Income Range:		
<\$100,000	3	3
\$100,000 - \$109,999	1	1
	<u>4</u>	<u>4</u>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	195	265

Note 35 Income, expenses and assets by function/activities

	Governance and External Relationships		Community Services		Education Learning & Arts		Business & Tourism		Coastal Environment	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>										
Grants	133	136	354	289	-	129	79	55	78	-
Other	4,217	3,891	133	142	55	26	1,221	1,143	-	-
<b>TOTAL</b>	<b>4,350</b>	<b>4,027</b>	<b>487</b>	<b>431</b>	<b>55</b>	<b>155</b>	<b>1,300</b>	<b>1,198</b>	<b>78</b>	<b>-</b>
<b>EXPENSES</b>	<b>(1,602)</b>	<b>(1,789)</b>	<b>(857)</b>	<b>(745)</b>	<b>(374)</b>	<b>(248)</b>	<b>(964)</b>	<b>(818)</b>	<b>(83)</b>	<b>(110)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>2,748</b>	<b>2,238</b>	<b>(370)</b>	<b>(314)</b>	<b>(319)</b>	<b>(93)</b>	<b>336</b>	<b>380</b>	<b>(5)</b>	<b>(110)</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>6,403</b>	<b>7,163</b>	<b>13,681</b>	<b>12,955</b>	<b>234</b>	<b>216</b>	<b>7,754</b>	<b>8,685</b>	<b>-</b>	<b>-</b>

	Built Environment		Infrastructure Services		Finance & Audit		Asset Sales & Share of net profit of associates		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>										
Grants	22	52	232	145	-	-	-	-	898	806
Other	68	70	90	748	243	124	-	34	6,027	6,195
<b>TOTAL</b>	<b>90</b>	<b>122</b>	<b>322</b>	<b>893</b>	<b>243</b>	<b>124</b>	<b>-</b>	<b>34</b>	<b>6,925</b>	<b>7,001</b>
<b>EXPENSES</b>	<b>(489)</b>	<b>(346)</b>	<b>(2,364)</b>	<b>(1,789)</b>	<b>(148)</b>	<b>(110)</b>	<b>-</b>	<b>-</b>	<b>(6,881)</b>	<b>(5,965)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(399)</b>	<b>(224)</b>	<b>(2,042)</b>	<b>(896)</b>	<b>95</b>	<b>14</b>	<b>-</b>	<b>34</b>	<b>44</b>	<b>1,046</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>14</b>	<b>17</b>	<b>15,533</b>	<b>17,923</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>43,619</b>	<b>46,959</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 included 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 36 <b>Financial ratios (Performance indicators)</b>	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)
<b>(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)</b>						
<u>Debt servicing costs</u>	103		58		70	
Total revenue	<u>6,925</u>	= 1.49%	<u>6,967</u>	= 0.83%	<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 (to identify Council's debt redemption strategy)</b>						
<u>Debt servicing &amp; redemption costs</u>	318		178		176	
Rate revenue	<u>4,156</u>	= 7.66%	<u>3,865</u>	= 4.61%	<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 (to identify Council's dependence on non-rate income)</b>						
<u>Rate revenue</u>	4,156		3,865		3,375	
Total revenue	<u>6,925</u>	= 60.01%	<u>6,967</u>	= 55.48%	<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 (to identify Council's exposure to debt)</b>						
<u>Total indebtedness</u>	2,892		2,215		1,755	
Total realisable assets	<u>32,741</u>	= 8.83%	<u>35,996</u>	= 6.15%	<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 28) 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 36 Financial ratios (Performance indicators) (cont.)	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)
(e) Working capital ratio (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	3,387		3,476		1,674	
Current liabilities	1,208	= 280.38%	922	= 377.01%	808	= 207.18%

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>	3,387		3,476		1,674	
Current liabilities	1,009	= 335.68%	754	= 461.01%	808	= 207.18%

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	2008 \$'000	2007 \$'000
<b>Note 37 Capital expenditure</b>			
<b>Capital expenditure areas</b>			
Roads		114	169
Drainage		6	117
Parks, open space and streetscapes		3	32
Land		16	417
Buildings		1,256	240
Plant and equipment		26	141
Other		56	28
<b>Total capital works</b>		<b>1,477</b>	<b>1,144</b>
<b>Represented by:</b>			
Renewal of infrastructure	(a)	1,367	13
Upgrade of infrastructure	(b)	-	270
New infrastructure		12	243
Land		-	417
New plant and equipment		82	173
Other		16	28
<b>Total capital works</b>		<b>1,477</b>	<b>1,144</b>

**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		1,477	1,144
Contributions - non-monetary assets	6	-	653
Asset revaluation movement		(4,137)	-
Depreciation/amortisation	10	(596)	(593)
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>18</b>	<b>(3,256)</b>	<b>1,204</b>

**(a) Renewal**

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

**(b) Upgrade**

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

**(c) Expansion**

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

# Certification of Financial Report

Borough of Queenscliffe  
2007/2008 Financial Report

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## 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.



Natalie Walker  
Principal Accounting Officer

Date : 17-September-2008  
Queenscliffe

In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2008 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 19th August 2008 to certify the financial statements in their final form.




Pat Semmens  
Councillor

Date : 17-September-2008  
Queenscliffe



John Bugg  
Councillor

Date : 17-September-2008  
Queenscliffe



Natalie Walker  
Acting Chief Executive Officer

Date : 17-September-2008  
Queenscliffe

# Standard Statements



**NOTES TO THE STANDARD STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2008**

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**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 including on pages 37 to 77 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 21 August 2007. 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 37 to 77. 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 2008

	Budget 2008 \$'000	\$	Variances %	Note	Actuals 2008 \$'000
<b>Revenues from ordinary activities</b>					
- Rates & Charges	4,144	12	0.3%		4,156
- Operating grants and contributions	621	154	24.8%	1	775
- Capital grants	315	(192)	(61.0%)	2	123
- User Charges	1,614	(32)	(2.0%)		1,582
- Interest on Investments	131	105	80.2%	3	236
- Other Revenue	64	(11)	(17.2%)	4	53
<b>Total revenues</b>	<b>6,889</b>	<b>36</b>	<b>0.5%</b>		<b>6,925</b>
<b>Expenses from ordinary activities</b>					
- Employee Benefits	1,900	91	4.8%		1,809
- Materials & Consumables	4,004	(254)	(6.3%)		4,258
- Depreciation	615	19	3.1%		596
- Borrowing Costs	130	27	20.8%	5	103
- Other	77	19	24.7%	6	58
<b>Total expenses</b>	<b>6,726</b>	<b>(98)</b>	<b>(1.5%)</b>		<b>6,824</b>
Net asset revaluation (decrement)		75			(75)
Increase in Equity in Regional Library		18			18
<b>Surplus for the period</b>	<b>163</b>	<b>119</b>			<b>44</b>

Borough of Queenscliffe  
Standard Statement of Performance  
Comparison Report  
For the year ended 30 June 2008

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
1	Operating grants	Actual is higher than budget as a result of the following grants being received that were not anticipated at budget time: Climate change \$35,000, weed management \$24,000, economic development , \$13,000 and maternal and child health grant \$44,000.
2	Capital grants	Grants for works associated with the coastal management plan did not occur in 2007/2008. At this stage Council anticipates receiving these funds in future years.
3	Interest on Investments	Higher than budget as a result of the delays in the capital works program which provided Council with a higher level of cash for investment.
4	Other revenue	Only \$11,000 less than budget as a result of the level of legal fees recouped being less than budget.
5	Borrowing costs	Lower than budget as a result of loan funds being drawn down later in the year than anticipated.
6	Other expenses	Lower than budget as a result of costs associated with expenditure on other engineering expense being less than anticipated.

Borough of Queenscliffe  
Standard Balance Sheet  
Comparison Report  
For the year ended 30 June 2008

	Budget 2008 \$'000	Variances		Note	Actuals 2008 \$'000
		\$'000	%		
<b>Current assets</b>					
Cash assets	2,351	(625)	(26.6)	7	2,976
Receivables	160	130	81.3	8	290
Other	128	7	5.5		121
<b>Total current assets</b>	<b>2,639</b>	<b>(748)</b>	<b>28.3</b>		<b>3,387</b>
<b>Non-current assets</b>					
Receivables	18	(2)	(11.1)	9	20
Property, plant and equipment	44,049	4,071	9.2		39,978
Other	216	(18)	(8.3)	10	234
<b>Total non-current assets</b>	<b>44,283</b>	<b>4,051</b>	<b>9.1</b>		<b>40,232</b>
<b>Total assets</b>	<b>46,922</b>	<b>3,303</b>	<b>7.0</b>		<b>43,619</b>
<b>Current liabilities</b>					
Payables	200	396	198.0	11	596
Interest bearing liabilities	247	(48)	(19.4)	12	199
Employee benefits	302	46	15.2	13	348
Other	117	(52)	(44.4)	14	65
<b>Total current liabilities</b>	<b>866</b>	<b>342</b>	<b>39.5</b>		<b>1,208</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	1,824	23	1.3		1,847
Employee benefits	40	(16)	(40.0)	15	24
<b>Total non-current liabilities</b>	<b>1,864</b>	<b>7</b>	<b>0.4</b>		<b>1,871</b>
<b>Total liabilities</b>	<b>2,730</b>	<b>349</b>	<b>12.8</b>		<b>3,079</b>
<b>Net assets</b>	<b>44,192</b>	<b>3,652</b>	<b>8.3</b>		<b>40,540</b>
<b>Equity</b>					
Accumulated surplus	15,636	(1,000)	(6.4)		14,636
Asset revaluation reserve	28,281	(4,062)	(14.4)		24,219
Other reserves	275	1,410	512.7	16	1,685
<b>Total equity</b>	<b>44,192</b>	<b>(3,652)</b>	<b>(8.3)</b>		<b>40,540</b>



Borough of Queenscliffe  
Standard Statement of Financial Position  
Comparison Report  
For the year ended 30 June 2008

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
7	Cash assets	Higher than budget as a result of the delays in the capital works program.
8	Receivables	Higher than budget as a result of the delays in receipt of the State Revenue Office government grant of \$37,250 and the amount reimbursable from the Australian Taxation Office was higher than budgeted for as a result of the delay in the office refurbishment project.
9	Receivables -non current	Only \$2,000 higher than budget as a result of heritage debtors being slightly higher than anticipated.
10	Other non current assets	Higher than budget as a result of an increase in Council's equity in the Geelong Regional Library.
11	Payables	Higher than budget as a result of Council holding creditors associated with the office refurbishment project at the end of the year. The budget allowed for this project to be completed prior to the end of the year.
12	Interest Bearing Liabilities	The budget allowed for the tip restoration payment to be treated as loan redemption. The accounts treat this payment as a reduction in provision.
13	Employee benefits	Higher than budget as a result a new staff member joining Council during the year who had a large provision transferred to Council from their previous employer.
14	Other current liabilities	Lower than budget as a result of the level of trust account liabilities being lower than budgeted for.
15	Employee benefits	Less than budget as a result of the majority of employees being entitled to long service leave. The EBA provides for employees to be entitled to long service leave after five years.
16	Other reserves	Higher than budget as a result works at the caravan park reserves not occurring as budget for.



Borough of Queenscliffe  
Standard Cash Flow Statement  
Comparison Report  
For the year ended 30 June 2008

	Budget		Variances		Note	Actuals
	2008					2008
	\$	\$	%			\$
<b>Cash flows from operating activities</b>						
Receipts from customers	5,758	(107)	(1.9%)			5,651
Payments to suppliers	(6,046)	(492)	8.1%			(6,538)
<b>Net cash inflow (outflow) from customers/suppliers</b>	<b>(288)</b>	<b>(599)</b>	<b>208.0%</b>			<b>(887)</b>
Government receipts	936	23	2.5%			959
Interest received	131	158	120.6%	17		289
Other receipts	64	335	523.4%	18		399
<b>Net cash inflow (outflow) from operating activities</b>	<b>843</b>	<b>(83)</b>	<b>(9.8%)</b>			<b>760</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of property, plant and equipment	2,044	(1,694)	(82.9%)	19		350
Payments for property, plant and equipment	(3,497)	2,304	(65.9%)	20		(1,193)
<b>Net cash inflow (outflow) from investing activities</b>	<b>(1,453)</b>	<b>610</b>	<b>(42.0%)</b>			<b>(843)</b>
<b>Cash flows from financing activities</b>						
Proceeds from borrowings	600	-	0.0%			600
Repayment of borrowings	(191)	(24)	12.6%	21		(215)
Finance costs	(130)	27	(20.8%)	22		(103)
Trust funds movements (net)	-	(7)				(7)
<b>Net cash inflow (outflow) from financing activities</b>	<b>279</b>	<b>(24)</b>	<b>(8.6%)</b>			<b>275</b>
<b>Net increase (decrease) in cash held</b>	<b>(331)</b>	<b>523</b>	<b>(158.0%)</b>			<b>192</b>
Cash at the beginning of the year	2,683	101	3.8%			2,784
<b>Cash at the end of the year</b>	<b>2,352</b>	<b>624</b>	<b>26.5%</b>			<b>2,976</b>
<b>Reconciliation of Operating Result and Net Cash</b>						
<b>Flows from Operating Activities</b>						
<b>For the year ending 30 June 2008</b>						
Net surplus from operations	163	119	73.0%			44
Depreciation and amortisation	615	(19)	(3.1%)			596
Net movement in assets and liabilities	65	55				120
<b>Net cash inflow from operating activities</b>	<b>843</b>	<b>83</b>	<b>9.8%</b>			<b>760</b>

Borough of Queenscliffe  
 Standard Statement of Cash Flows  
 Comparison Report  
 For the year ended 30 June 2008

**Variance Explanation Report**

Ref.	<u>Item</u>	Explanation
17	Interest received	Higher than budget as a result of the delays in the capital works program.
18	Other receipts	Higher than budget as a result of GST being included in the actual figures but is not included in the original budget.
19	Proceeds from sale of property, plant and equipment	Lower than budget as a result of delay in the sale of Murray Road land property owned by Council.
20	Payments for property, plant and equipment	Lower than budget as a result of delay in the construction of the office refurbishment project, the Victoria Park amenity block, the caravan park cabins and the coastal management plan works.
21	Repayment of borrowings	Higher than budget as a result of slight increase in principal loan repayments.
22	Finance costs	Lower than budget as a result of delay in the construction of the office refurbishment project. This resulted in the later drawn down of loan funds than anticipated.

Borough of Queenscliffe  
Standard Statement of Capital Works  
Comparison Report  
For the year ended 30 June 2008

Capital Works Areas	Budget 2008 \$'000	Variances		Note	Actuals 2008 \$'000
		\$'000	%		
Roads	165	51	30.9	23	114
Drains	100	94	94.0	24	6
Open space	550	531	96.5	25	19
Buildings	2,578	1,322	51.3	26	1,256
Plant, equipment and other	103	21	20.4	27	82
<b>Total capital works</b>	<b>3,496</b>	<b>2,019</b>	<b>57.8</b>		<b>1,477</b>
<b>Represented by:</b>					
Renewal	2,515	1,148	45.6		1,367
Upgrade	-	-	-		-
Expansion	-	-	-		-
New assets	981	887	90.4		94
Other	-	16			16
<b>Total capital works</b>	<b>3,496</b>	<b>2,019</b>	<b>57.8</b>		<b>1,477</b>

Property, Infrastructure, Plant and Equipment movement Reconciliation Worksheet	Budget 2008 \$'000	Variances			Actuals 2008 \$'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	3,496	2,019	57.8		1,477
Asset revaluation movement	-	-	-		-
Depreciation and amortisation	(615)	19	3.1		(596)
Asset revaluation movement					(4,137)
Written down value of assets sold	(1,694)	1,694	100.0		-
<b>Net movement in property, infrastructure, plant and equipment</b>	<b>1,187</b>	<b>4,443</b>	<b>374.3</b>		<b>(3,256)</b>

Borough of Queenscliffe  
Standard Statement of Capital Works  
Comparison Report  
For the year ended 30 June 2008

**Variance Explanation Report**

<u>Ref.</u>	<u>Item</u>	<u>Explanation</u>
23	Roads	Lower than budget as a result of delay in construction of the Hesse Street Pedestrian island project.
24	Drainage	Lower than budget as a result of delay in construction of the Hesse drainage project.
25	Open space	A delay in the sign off 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	Buildings	Lower than budget as a result of the delay in the finishing the office refurbishment project. This project was \$769,000 under budget. The Victoria Park Amenity Block was \$280,000 under budget and the Caravan Park cabins project was also \$328,000 below budget. These projects were in progress at the end of the year and these funds will now be outlaid in 2008/2009.
27	Plant, equipment and other	Lower than budget as a result of a delays in construction of the camp kitchen at the recreation reserve.

# Certification of Standard Statements

Borough of Queenscliffe  
Standard Statements  
FOR THE YEAR ENDED 30 JUNE, 2008

## 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.



Natalie Walker  
Principal Accounting Officer  
Dated: 17th September 2008

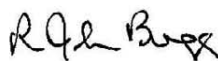
In our opinion the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government act 1989 and the Local Government (Finance and Reporting) Regulations 2007.

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.

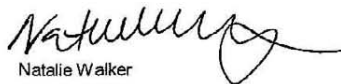
We have been authorised by the Council on 19 August 2008, to certify the standard statements in their final form.



Councillor Pat Semmens  
Dated: 17th September 2008



Councillor John Bugg  
Dated: 17th September 2008



Natalie Walker  
Chief Executive Officer  
Dated: 17th September 2008



# Auditor General's Report of Standard Statements

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors, Borough of Queenscliffe

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

The accompanying financial report for the year ended 30 June 2008 of Borough of Queenscliffe which comprises of an 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 2008 of Borough of Queenscliffe which comprises of a standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

##### *The Councillor's Responsibility for the Financial Report and Standard Statements*

The Councillor's of 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.

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 entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

1

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*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## Independent Auditor's Report (continued)

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.

### *Matters Relating to the Electronic Presentation of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial statements published in both the annual report and on the website of Borough of Queenscliffe for the year ended 30 June 2008. The Councillors of Borough of Queenscliffe are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Borough of Queenscliffe web site.

### *Independence*

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

### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Borough of Queenscliffe as at 30 June 2008 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  
26 September 2008

  
D D R Pearson  
Auditor-General

2

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*Auditing in the Public Interest*

# Performance Statement

**Performance Statement**

**For the year ending 30 June 2008**

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
Improve Council's satisfaction rating in the area of advocacy.	Increase indexed measure in Satisfaction Survey to a rating greater than 62.	65	Yes

**STRATEGIC OBJECTIVE: Community Services**

- *Build a strong and vibrant community that values fairness, equity and diversity.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Continue to provide a high level of Aged and Disabled Care Service without having a waiting list.	No waiting list at 30 June 2008.	No waiting list at 30 June 2008.	Yes

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

*Support all Arts/Learning and Cultural Activities.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Make cosmetic changes to improve utilization of Town Hall.	Budget improvements of \$24,000 utilised.	Building improvements have been deferred until 2008/09 as a result of the delay in the Town Hall refurbishment project.	No



**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 cabins at Queenscliff Recreation Reserve to generate higher off-season visitation.	At least two cabins ready for occupation by June 2008.	These cabins are now anticipated to be installed in the first half of the 2008/2009 financial year.	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
Commence the development of a Climate Change Strategy within the ICLEI framework.	First phase of ICLEI framework completed by June, 2008.	Completed June 2008	Yes

**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
Complete review of Borough of Queenscliffe Heritage Study and develop appropriate controls.	Review completed and new controls ready for insertion into the Planning Scheme by June 2008.	This review will be completed in December 2008 and the new controls will be ready for insertion into the Planning Scheme in June 2009.	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
Work in conjunction with VicRoads to construct a roundabout and associated roadworks.	Council completes installation of signalised pedestrian crossing as part of the project before June 2008.	Completed December 2007	Yes

**STRATEGIC OBJECTIVE: Finance and Audit**

*Provide long term sustainable financial management.*

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Conduct two internal audit visits each year.	Two internal audit reports presented to Council during the year.	Reports presented December 2007 and May 2008	Yes

# Certification of Performance Statement

**BOROUGH OF QUEENSLIFFE**  
**Performance Statement**  
**for the year ended 30th June 2008**

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## Council Approval of the Performance Statement

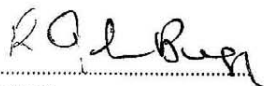
In our opinion, the accompanying performance statement of the Borough of Queenscliffe in respect of the 2007/2008 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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

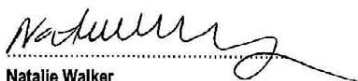
On 19th August 2008 we were authorised by the Council to certify this performance statement in its final form on behalf of Council.



**Pat Semmens**  
Mayor



**John Bugg**  
Councillor



**Natalie Walker**  
Chief Executive Officer

Dated at Queenscliff this 17th day of September 2008

# Auditor General's Report on Performance Statement

## VAGO

Victorian Auditor-General's Office

### INDEPENDENT AUDIT REPORT

#### To the Councillors, Borough of Queenscliffe

##### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2008 of Borough of Queenscliffe which comprises the statement, the related notes and the council approval of the performance statement has been audited.

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

The Councillors of 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 entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

##### *Matters Relating to the Electronic Presentation of the Audited Performance Statement*

This auditor's report relates to the statement of performance published in both the annual report and on the website of Borough of Queenscliffe for the year ended 30 June 2008. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's web site.

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*Auditing in the Public Interest*

# VAGO

Victorian Auditor-General's Office

## 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. In conducting the audit the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the performance statement of Borough of Queenscliffe in respect of the 30 June 2008 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
26 September 2008

  
D D R Pearson  
Auditor-General

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*Auditing in the Public Interest*



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