



2012-2013 Annual Report





Celebrating

150 YEARS

1863-2013

About this annual report

The Borough of Queenscliffe Annual Report 2012–2013 highlights Council’s performance against the final year of the Council Plan 2010–2013 and the 2012–13 Budget.

The Council Plan 2010–2013 sets out five strategic directions that Council’s performance is measured against:

1. Governance, Finance and External Relations
2. Sustainability and Local Environment
3. Business and Tourism
4. Community Development
5. Planning, Heritage and Community Assets.

This annual report includes information about Council’s achievements and challenges for each of these strategic directions within the 2012–13 year, as well as an outline of Council services and operations. It also provides comprehensive and externally audited Financial Statements.

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

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

Feedback or questions relating to the annual report are welcome.

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

The annual report can also be viewed electronically on Council’s website www.queenscliffe.vic.gov.au

Pictured: Bonnie Chew and her daughter, Wathaurung Aboriginal Corporation (trading as Wadawurrung). Smoking Ceremony at the Borough of Queenscliffe’s 150th anniversary celebrations.

Cover image: Watching a ‘pirate’ ship enter Port Phillip Bay, Will and Erica, Point Lonsdale Village Playground.

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Theatre vignettes by the Queenscliffe Lighthouse Theatre Group during the 150th anniversary celebrations, Queenscliff Historic Railway Station.

Celebrating our 150th anniversary

In 2013 the Borough of Queenscliffe has been celebrating 150 years since its proclamation as a municipality in 1863.

This anniversary is not just about recognising the historical milestones and civic highlights. It's also about celebrating the Borough's strong sense of identity and the role that all residents and visitors have played in shaping its rich heritage.

The anniversary is an opportunity to reflect on and rejoice in the people, the values and the culture of this community, which have stood the test of time.

The Borough of Queenscliffe municipality was established after a group of proud and passionate residents led a petition calling for the Queenscliff locality to become a municipal district. That petition was signed by 185 householders and is a true demonstration of people working together for their community.

That sense of community hasn't changed in 150 years. Over and over again, the Borough community has shown its respect for each other, our visitors, our environment and our heritage.

The year-long program of 150th anniversary celebrations has included events and activities facilitated not only by Council and the 150th anniversary organising committee but also by a number of community organisations. The Borough has seen pop-up theatre vignettes; an Ecumenical Service of Thanksgiving and Blessing by the Borough's churches; sporting events; community group luncheons and special guest speakers; and the 100 Steps Fun Run organised by St. Aloysius Catholic Primary School.

The official 150th anniversary celebrations were held on Saturday, 4 May 2013. Highlights of the weekend included:

- a civic reception with special guest the Honourable Alex Chernov AC QC, Governor of Victoria
- unveiling of a Community Time Capsule
- a community concert in the Queenscliff Town Hall
- the 150th Anniversary Art Awards and Exhibition.

The 150th anniversary Community Time Capsule was buried in the forecourt of the Queenscliff Town Hall. It was unveiled by the Honourable Alex Chernov AC QC, Governor of Victoria, on Saturday, 4 May 2013.

The Community Time Capsule contains treasures to be discovered by the next generation. It will give insight into the Borough of Queenscliffe as it was in 2013 and will provide stimulus to again reflect on our past and the wonderful people who have shaped this community.

A full record of the time capsule contents is available from Borough of Queenscliffe Council offices and website, Queenscliffe Historical Museum and the Queenscliff Library.

It is anticipated that the time capsule will be reopened in 50 years time at celebrations for the Borough of Queenscliffe's 200th anniversary.

Happy 150th anniversary, Borough of Queenscliffe.



The Bellarine Railway, operated by volunteers of the Geelong Steam Preservation Society, which was formed in 1970.



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Year in review

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8,262

hours of Aged Care & Disability Services provided

82% of Council Plan actions completed

87,647

visits to Council's website

1,412

trees planted

Highlights

- Community celebrations for the 150th anniversary of the Borough of Queenscliffe
- Smooth transition to the new Council following the local government elections in October 2012
- 150th Anniversary Art Awards and Exhibition, attracting over 200 entries from across Australia
- Online, searchable Heritage Database
- Queenscliffe Visitor Information Centre winning the new specialist Human Resources Award at the Geelong Business Excellence Awards
- Winning the Coastcare Community Award in the 2013 Corangamite Landcare Awards, in partnership with Bellarine Catchment Network and Swan Bay Environment Association
- One of the lowest rate increases (as a percentage) in the region and the state, at 4.0%
- Grant funding of \$2,562,927 received – a 4% increase on the previous year
- One of seven councils assessed as 'low risk' on all six indicators of financial sustainability within the 'small shire councils' grouping of 21 councils
- Zero waiting list maintained for access to Aged Care & Disability Services
- Development of a Master Plan for the Point Lonsdale Foreshore Revitalisation
- Community satisfaction rates higher than the state-wide and 'small rural councils' group average on all core performance measures
- Community support for recycling programs.

Disappointments

- Limited support from Point Lonsdale residents in the City of Greater Geelong on municipal boundary relocation that would see them living within the Borough of Queenscliffe
- Queenscliffe Planning Scheme Review not completed
- Lower percentage of planning applications decided within the 60-day time frame compared with 2011-12.

Fast Facts

- 3,091 permanent residents
- 17,120 peak population over summer
- 31,479 visits to the Queenscliff Library
- 8,262 hours of Aged Care & Disability Services provided
- 42 kilometres of local road network maintained
- 159 planning applications received
- 101 food safety audits conducted (since October 2012)
- 4,606 items of incoming correspondence processed
- 48,448 people assisted at the Queenscliffe Visitor Information Centre
- 87,647 visits to Council's website
- 3,021 rateable properties
- 1,412 new trees planted compared
- 90.56 tonnes of environmental weeds removed
- \$210,816 in grants and donations provided to the local community
- 52 media releases issued
- 82% of Council Plan actions completed
- 13% of Council Plan actions still in progress
- 5% of Council Plan actions not commenced.



3,091

permanent residents

17,120

peak population over summer

48,448

people assisted at the Queenscliffe
Visitor Information Centre



Overview of 2012-13

Strategic direction	Achievements	Disappointments	Challenges	Looking ahead
<p>Governance, Finance and External Relations</p> <p>(refer to page 42 for further information)</p>	<ul style="list-style-type: none"> • One of the lowest rate rises (as a percentage) in the region and the state at only 4% • Rating Strategy review • Total grant funding received of \$2.563 million – an increase of \$98,500 (4%) • 281 completed surveys returned in the Council Plan Community Survey • Significant improvements to Council’s website and total site visits at 87,647 – an increase of 23,697 from the previous year • Introduction of e-tendering • A substantial 27% improvement in Council’s property risk management audit, with a result of 79% achieved • Joint second most increased regional score (4%) resulting from MAV Liability Mutual Insurance Audit • Introduction of an Information Technology Policy • 20% budgeted saving in financing costs following review of Council bank loan arrangements. 	<ul style="list-style-type: none"> • Only 50% support obtained in a survey on a change to the municipal boundary that would incorporate all of Point Lonsdale in the Borough of Queenscliffe. 	<ul style="list-style-type: none"> • Managing pre-election caretaker period during the local government elections in October 2012 • Working with relevant members of parliament and senior government officers from the Department of Defence, the state government and Geelong Otway Tourism to maximise community use of Fort Queenscliff • Ensuring readiness for the implementation of the Fire Services Property Levy. 	<ul style="list-style-type: none"> • Coordinate a tourism development plan for Fort Queenscliff • Collection of the Fire Services Property Levy on behalf of state government • Implement a Professional Development Plan to maintain staff qualifications and enhance skills and knowledge.
<p>Sustainability and Local Environment</p> <p>(refer to page 46 for further information)</p>	<ul style="list-style-type: none"> • Winner of the Coastcare Community Award in the Corangamite Landcare Awards, in conjunction with Bellarine Catchment Network and Swan Bay Environment Association • Weed management program in foreshore areas • E-waste collection event that recycled 9,923 kilograms of televisions, computers and other household electronic items • Launch of a household battery recycling program • Joined the ‘Blinky Bulb’ fluorescent bulb recycling program • Progress on the Working Towards Carbon Neutrality in the Borough of Queenscliffe project, funded through the Victorian Government Local Sustainability Accord • Removal of 90.56 tonnes of environmental weeds. 	<ul style="list-style-type: none"> • Unsuccessful in gaining funding through the Community Energy Efficiency Program (CEEP) to upgrade to energy-efficient street lighting in residential streets. 	<ul style="list-style-type: none"> • Continuing to explore funding opportunities to upgrade residential street lighting • Sourcing options to facilitate an increase in the kerbside green waste collection • Managing the foreshore reserve site adjacent to Swan Bay following a grass fire. 	<ul style="list-style-type: none"> • Implement a Community Carbon Neutral Action Plan.

Strategic direction	Achievements	Disappointments	Challenges	Looking ahead
Business and Tourism (refer to page 50 for further information)	<ul style="list-style-type: none"> Filming and media visits Participation in the Regional Victoria Living Expo Local business support of the Small Business Festival and Social Media Training Funding secured to develop plans for the future use of the Queenscliff and Point Lonsdale Lighthouse Reserves Funding secured to upgrade the Queenscliff Historic Railway Station precinct. 	<ul style="list-style-type: none"> Minimal progress made on a shared path between Point Lonsdale and Ocean Grove. 		<ul style="list-style-type: none"> Develop a plan for the future use of the Queenscliff Lighthouse Reserves and Point Lonsdale Lighthouse Reserve Upgrade the Queenscliff Historic Railway Station precinct, including upgrade to community infrastructure that will bring together the Borough's Senior Citizens and Sea Scouts in a shared building.
Community Development (refer to page 54 for further information)	<ul style="list-style-type: none"> Continued maintenance of the zero waiting list status for access to Aged Care & Disability Services Extension of the Arts Trail to include 10 photographer boards Nine Community Grants awarded, totalling \$18,252 Support of local community organisations, civic events and arts, cultural and sporting activities Community involvement in the 150th anniversary celebrations 150th Anniversary Art Awards and Exhibition Funding secured for stages 1 and 2 of the Point Lonsdale Foreshore Revitalisation Project. 	<ul style="list-style-type: none"> Footpath and Road Treatment Strategy was not completed. 	<ul style="list-style-type: none"> Slow progress in relation to the proposed Botanic Gardens on the old Queenscliff High School site Continuing work required in relation to a future home for the Point Lonsdale Board Riders and Surf Life Saving Clubs. 	<ul style="list-style-type: none"> Complete a Pathways Strategy Complete the Master Plan for the Botanic Gardens Finalise the Precinct Plan for the Queenscliff Recreation Reserve Progress Hesse Street Revitalisation Project Complete the new Health and Wellbeing Plan Complete a Master Plan and stage 1 Development Plan for Queenscliff Kindergarten.
Planning, Heritage and Community Assets (refer to page 60 for further information)	<ul style="list-style-type: none"> Implementation of the Asset Management Plan Launch of an online Heritage Database. 	<ul style="list-style-type: none"> Review of the Queenscliffe Planning Scheme Review of the Road Management Plan Lower percentage of planning applications decided within the 60-day time frame compared to 2011-12. 	<ul style="list-style-type: none"> Further advice from Department of Environment and Primary Industries required before priority recommendations from the Geotechnical Cliff Safety Assessment at Point Lonsdale can be implemented Installation of additional groynes at Point Lonsdale beach Queenscliff Sports Club Building Enhancement Project (Monahan Centre). 	<ul style="list-style-type: none"> Complete the Ferry to Pier foreshore development project.

Major projects

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

Queenscliff Sports Club Building Enhancement Project (Monahan Centre)

Significant progress was made on stage 1 of the Queenscliff Sports Club Building Enhancement Project. The \$1.5 million project has been funded by the state government, Queenscliff Sports Club (and associated clubs) and Council.

The project is being delivered under a community partnership model contract with labour and materials supplied by local tradespeople and club members on an at-cost or no-profit basis. This approach is unique and highlights the level of cooperation between Council and the community.

Work in 2012–13 saw the project move into the final phase of stage 1. Finishing touches to internal surfaces, fixtures and fittings within the building have been undertaken and only the carpet laying, completion of the function room bar and connection of the fire services remain to be completed in 2013–14. It is anticipated that the building will achieve a certificate of occupancy in September 2013.

The completion of stage 1 will provide:

- home and away team change room facilities, including male and female umpire change rooms
- all-abilities access to both levels of the building
- community meeting room facilities
- a function room serviced by a commercial kitchen that will be available for community hire.

Stage 1 works have also provided much of the servicing (electrical, plumbing, etc.) to areas within the building that will be finished in later stages. This includes the gym area and spa and sauna room.

The community partnership model used to complete this project has resulted in an extended build time. However, the hard work of many of the community and sports club members has enabled the project to be undertaken on an extremely restricted budget. Significant savings have been made when compared with a commercially tendered value of construction.

Point Lonsdale Foreshore Revitalisation Project

The concept design for Point Lonsdale foreshore improvements was completed early in the financial year and a draft Point Lonsdale Foreshore Concept Master Plan was produced.

Community feedback on the draft master plan was sought in September 2012. The extensive consultation processes included three public information sessions. Feedback was considered and the final master plan was developed and endorsed by Council in December 2012.

The master plan sets out three stages to the project, which are as follows.

Stage 1 – Lookout platform

Stage 1 will involve works in the area opposite the IGA supermarket. It will include the construction of a lookout platform, an all-abilities access ramp to the promenade and other associated ancillary works. This stage of the project is funded by a \$200,000 grant

from the state government's Department of Planning and Community Development Community Works Program.

Stage 2 – Grass embankment improvements and powerline undergrounding

Stage 2 will involve foreshore works between Albert and Loch Streets. It will include the construction of a second all-abilities access ramp to the promenade; a second BBQ area with shelter and tables; picnic tables; shelters; and landscaping and other associated ancillary works. Also, the powerlines between Admans Street and Kirk Road will be undergrounded. This stage is being funded by a \$500,000 grant from the federal government's Regional Development Australia Fund, Round 3, Small Towns program.

Stage 3 – Village Park upgrade

Stage 3 will involve works in the Village Park playground area. The main element of work will be the upgrade or relocation of the existing amenities block. This stage of the project is yet to be funded.

Indicative project timeline

The Point Lonsdale Foreshore Revitalisation Project stage 1 and 2 works are anticipated to commence in October 2013 and it is expected that they will be completed by the end of December 2013.



Hesse Street Revitalisation Project: Stage 1

Stage 1 of the Hesse Street Revitalisation Project involves the implementation of the four highest priority actions as determined by the community. Community consultation on the Hesse Street Revitalisation Project was undertaken extensively throughout 2009 and 2010 and resulted in Council adopting the Hesse Street Revitalisation Plan in mid-2010.

The four priority actions were determined to be:

- planting of street trees
- renewal of street furniture such as seats, bicycle stands and bin surrounds, including the introduction of recycle bins
- renewal and improvement of the existing pedestrian crossing located between Stokes Street and Hobson Street
- construction of a new pedestrian crossing located between Hobson Street and Symonds Street.

Stage 1 works have commenced with the planting of ornamental pear trees at eight locations along Hesse Street. New seating is also being installed, with the first seat being installed in front of what was the Apostle restaurant. Installations of the seats will be completed early in the 2013–14 financial year.

Garden beds will be installed early in 2013–14 beneath the trees that have been planted in Hesse Street at the Stokes Street and the Hobson Street intersections. These garden beds will contain low-level plantings with a similar theme to the plantings surrounding the roundabouts.

The final designs for the two pedestrian crossings will be completed in 2013. Consultation will then be undertaken with the appropriate stakeholders to determine the best time to undertake works.

Queenscliff Historic Railway Station precinct upgrade

Concept planning has been completed and funding secured for the \$886,000 upgrade of the Queenscliff Historic Railway Station precinct; partnership project between Council, Bellarine Railway, Queenscliff Senior Citizens and the Sea Scouts.

The project will restore a core piece of Queenscliff heritage and contribute to the local economy by improving a key tourist feature.

The Bellarine Railway is already a major tourism attraction and makes a vital contribution to the local economy both directly and through flow-on business that is generated in the Borough. The



redevelopment of the station precinct will improve community connections by supporting the railway volunteers and other user groups that access the railway precinct's facilities.

The project elements include:

- installation of a locomotive turntable
- relocation of maintenance activities to an area outside of the town
- refurbishment and integration of the senior citizens' and Sea Scouts' buildings
- refurbishment of the existing community meeting and events space
- construction of a lamp room and foot warmer room on the platform

- platform extension and fencing
- a new community BBQ and picnic facilities.

The integration of the senior citizens' building and Sea Scouts facility will bring together citizens from each end of the community's age spectrum and create the opportunity for them to be mutually supportive. It will also be available for significant public events.

Detailed planning and design will be undertaken in 2013–14 in partnership with the Geelong Steam Preservation Society and other key stakeholders.

Civic reception for the 150th anniversary celebrations, Queenscliff Town Hall



Event highlights

July 2012

Bellarine Lighthouse Film Festival

August 2012

Small Business Festival

September 2012

–

October 2012

Victorian Seniors Festival

Around the Bay in a Day

FREEZA Youth Music Gig

November 2012

Queenscliff Music Festival

December 2012

Point Lonsdale Lighting of the Christmas Tree

Annual Harley Riders Toy Run

Rip View Swim Classic

January 2013

Rip to River Run

Sand Sculpture Contest

Australia Day Awards and Citizenship Ceremony

Blue Water Swim Classic

February 2013

Queenscliff Rod Run

March 2013

Maritime Weekend

Kids Busking for the Kids

April 2013

Skate, Scoot and BMX event

Anzac Day commemorative services

May 2013

Borough of Queenscliffe 150th anniversary celebrations, including:

- a civic reception with special guest the Honourable Alex Chernov AC QC, Governor of Victoria
- unveiling of a Community Time Capsule
- community concert in the Queenscliff Town Hall
- 150th Anniversary Art Awards and Exhibition
- launch of the Arts Trail extension.

Volunteer Celebration

Sea of Words

June 2013

St Kilda Film Festival Regional Tour

Vision

The making of a place in which people live, work and visit with a mutual respect for the environment and for others with whom we share the Borough.

Council strives to achieve this vision through actions in the key areas of importance to our community, as summarised in the five strategic directions in the Council Plan 2010–2013:

- 1. Governance, Finance and External Relations**
Providing accountable governance and long term sustainable financial management
- 2. Sustainability and Local Environment**
Living sustainably and protecting and restoring our diverse environment
- 3. Business and Tourism**
Supporting local businesses and tourism by providing an environment in which they can both flourish

- 4. Community Development**
Working in partnership with the community to build a strong, safe, inclusive and connected community
- 5. Planning, Heritage and Community Assets**
Striving to ensure that development sustains and enhances the character of the natural and built environment.

This annual report outlines the progress that Council has made towards achieving our vision.

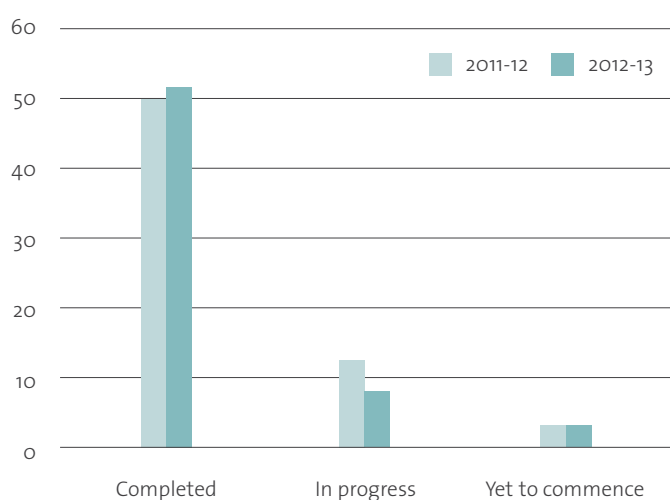
Progress on actions

To realise the vision and support the strategic directions in the Council Plan, specific Business Plan Priority Actions were set for 2012–13.

Below is a summary of the number of actions achieved for each strategic direction.

Strategic direction	Number of actions	Completed	In progress	Yet to commence
Governance, Finance and External Relations Providing accountable governance and long-term sustainable financial management	22	22	0	0
Sustainability and Local Environment Living sustainably and protecting and restoring our diverse environment	10	10	0	0
Business and Tourism Supporting local businesses and tourism by providing an environment in which they can both flourish	8	8	0	0
Community Development Working in partnership with the community to build a strong, safe, inclusive and connected community	22	15	5	2
Planning, Heritage and Community Assets Striving to ensure that development sustains and enhances the character of the natural and built environment	11	7	3	1
2012–2013 overall result	63	52	8	3
2011–2012 overall result	66	50	13	3

Progress on strategic directions: 2012–13 compared with 2011–12



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

1. Completed

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

2. In progress

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

3. Yet to commence

These Business Plan priority actions were not commenced within 2012–13. The major obstacles relate to competing priorities given the funding opportunities and the limited capacity to implement all priorities. Again, any action assessed as a priority for the future has been included in the Council Plan 2013–2017.

Financial overview

A key focus for this Council term and for the 2012–13 year has been to maximise grant funding opportunities for capital works investment and major operating projects to improve community facilities whilst at the same time minimising rate increases and maintaining Council's focus on capital renewal of infrastructure assets.

Parts of the Capital Works and Major Projects Program that were delivered for the 2012–13 year include:

- Hesse Street Revitalisation Project stage 1
- Gellibrand Street roads and drainage reconstruction
- Learmonth Street roads and drainage reconstruction.

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

In brief

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

- an underlying surplus of \$165,000 which is more than budgeted, largely due to interest received and increased revenue from Council's caravan parks and camping facilities
- \$10.774 million in revenue with 76% coming from rates and charges
- \$2.002 million Capital Works and Major Projects Program delivered, including \$1.795 million in renewal/upgrade of existing assets
- \$9.079 million expenditure with 34% attributable to employee costs and 52% due to materials and services
- \$66.989 million in fixed assets, comprising community facilities and infrastructure

- \$3.936 million in holdings of cash – \$221,000 more than last year
- \$972,000 in loans and borrowings – \$113,000 less than last year.
- An accumulated cash surplus of \$217,000, which will be transferred to Council's asset replacement reserve to cater for future asset renewal needs

Within the 'small shire councils' grouping of 21 councils across the state, the Borough of Queenscliffe is one of seven councils that were assessed as 'low risk' on all six indicators of financial sustainability.

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

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

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

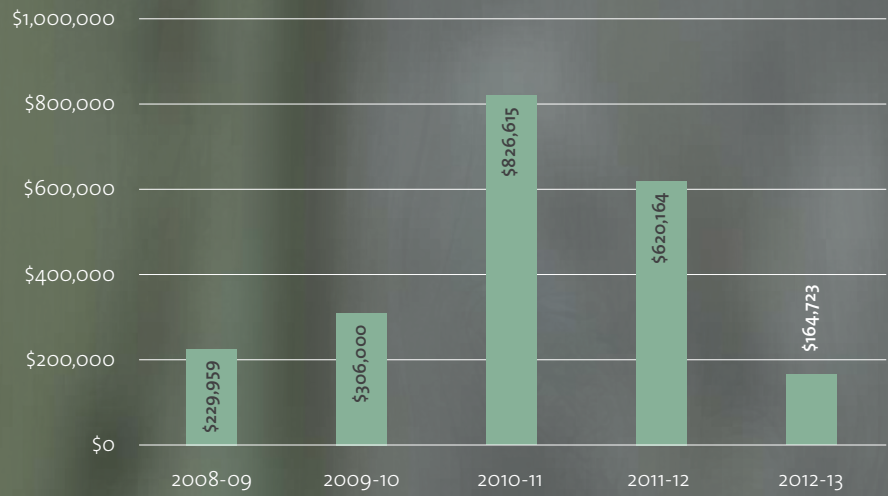
Underlying operating result

Council's underlying surplus for 2012–13 was \$165,000. This is a \$204,000 improvement on the budgeted underlying deficit of \$39,000. This is due largely to increased interest received on cash holdings and higher than anticipated revenue from Council's caravan parks and camping facilities during the peak season.

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

In each of the last five years, Council has maintained an underlying surplus greater than Budget. Council has been successful in attracting significant external grant funding for investment in the Borough that often spans more than one financial year. This has resulted in large cash holdings that have attracted higher than anticipated interest revenue of approximately \$100,000 per annum. Other impacts include Council's investment in cabins at the Queenscliff Recreation Reserve and the carry-forward of the Council's co-contribution towards various major projects.

Underlying operating surplus / (deficit), 2008–09 to 2012–13

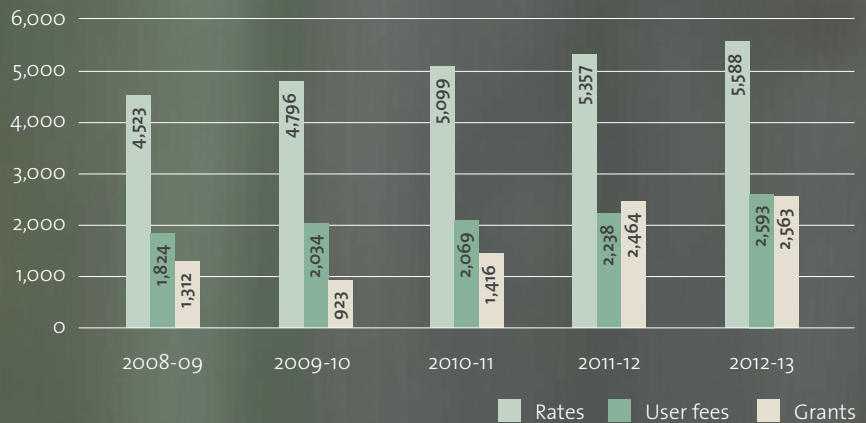


Revenue streams

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

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

Rates, user fees and grant income, 2008–09 to 2012–13 (\$'000)



Sustainable capital expenditure

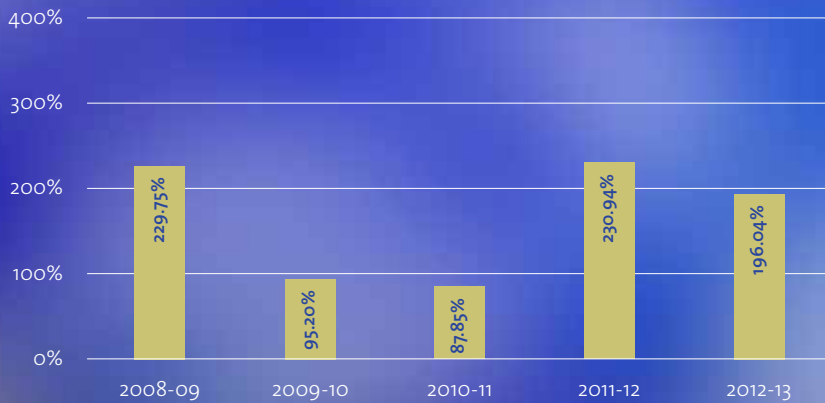
Council aims to ensure that our assets can be maintained at the expected levels while continuing to deliver services needed by our community. During 2012–13 a total of \$2.002 million was spent on capital works across the Borough. This included a total of \$1.795 million on renewals/upgrades and \$207,000 on new assets.

Council recognises the importance of asset renewal, so it actively programs this expenditure into its annual Budget. Council's rate of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets has been recognised by the Victorian Auditor-General's Office (VAGO) as the best in the 'small shire councils' grouping and second best across all councils in Victoria.

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

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

Renewal gap (expenditure on asset renewal and upgrade as a percentage of depreciation), 2008–09 to 2012–13

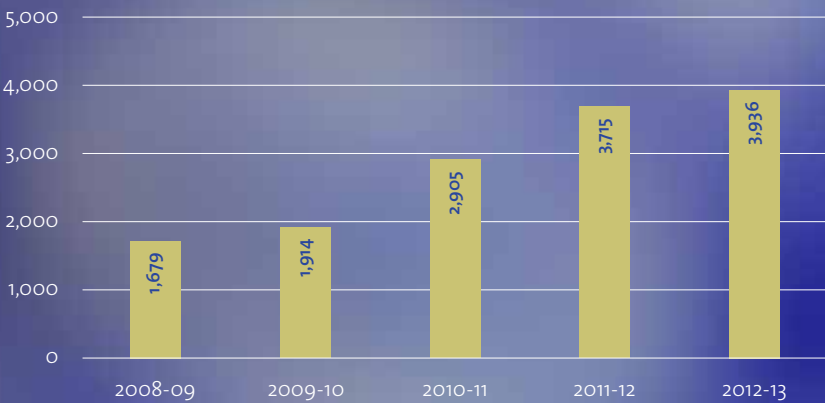


Cash holdings

In total, holdings of cash and cash equivalents and financial assets have increased to \$3.936 million during 2012–13. Included in this amount is \$3.033 million in funds, \$2.566 million of

which is carried forward from previous years and earmarked for specific projects and \$467,000 of which is set aside for Council to respond to future capital works opportunities.

Cash holdings (\$'000), 2008–09 to 2012–13

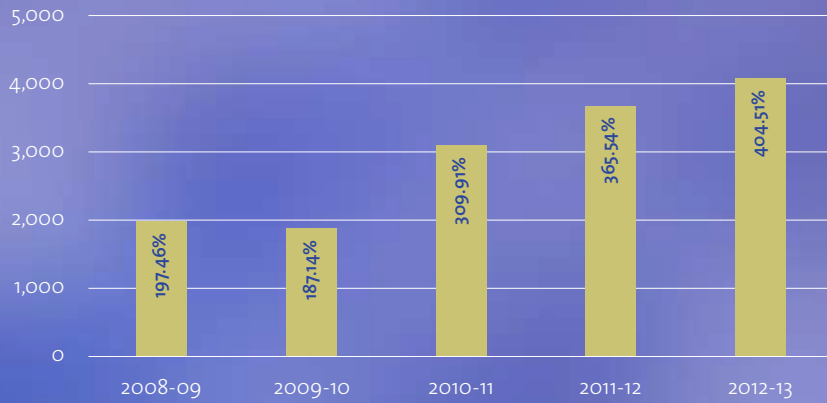


Council currently holds an appropriate level of cash to ensure that liquidity remains strong and is above forecast levels.

Council has been assessed by VAGO as being medium risk in future years. This is based on the

assumption that all planned capital projects will be fully completed each year, which is not the case. Thus, the actual resulting liquidity position will always be better than forecast.

Working capital (%), 2008–09 to 2012–13



Future planning

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

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

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

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

**Kerrie Weippert-Rowe, CPA
General Manager, Corporate and
Community Services**

**Allison Chaloner, CPA
Senior Accountant**

Mayor's and CEO's report

It has been an interesting, productive and enjoyable year, highlighted by the transition to a new Council and the Borough of Queenscliffe's 150th anniversary celebrations.

A new Council

The new Council was elected in October 2012, bringing a new, diverse skill set and a heightened sense of energy to the team.

Following a comprehensive induction program, the Councillors took no time at all to delve into their governance and planning responsibilities, including preparations for the development of the Council Plan 2013–2017.

The changeover to the new Council has been smooth. It has also been exciting as new ideas and different opinions have come forth. The result is sure to create some outstanding achievements and opportunities for the Borough throughout this Council's four-year term.

Community engagement

Community engagement has been a primary focus for Council. A number of improvements have been made to the way that Council engages and informs the community – for example, through the new Council Plan Community Survey. These improvements have been reflected in the outstanding results achieved in the annual Local Government Community Satisfaction Survey. Highlights for the year included the following:

- The Borough of Queenscliffe was rated higher than the state-wide and 'small rural councils' group averages on all core performance measures.
- The score for 'overall performance' was two points higher than 2012 and eight points higher than the state-wide average.
- The score for 'community consultation' was three points higher than 2012 and six points higher than the state-wide average.
- The score for 'informing the community' was three points higher than 2012 and seven points higher than the state-wide average.
- The score for 'overall Council direction' was eight points higher than 2012 and the state-wide average.

Encouraging volunteers

Volunteerism and community participation continues to bind the Borough community together. This has been demonstrated in the delivery of local events, including the 150th anniversary celebrations, the success of our sporting clubs and the provision of services to the community by not-for-profit organisations.

The diverse volunteering opportunities within the Borough is encouraging and reflective of the central role that volunteers play in the health and wellbeing of residents and the community as a whole.

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

Council continues to support local organisations through donations and the Community Grants program, which helps to facilitate new initiatives and projects that strengthen the governance, services and facilities of local organisations. A total of \$210,816 in grants and donations was paid to local organisations throughout the year.

Improving vital community services

The 2011 Census highlights the Borough's unique demographic trends, such as having the oldest age profile in Australia. This underlines the challenges associated with meeting the increasing demand for services and confirms the importance of Council's aged and disability services in supporting people to live independently in their own homes.

Council's commitment to and achievement of a zero waiting list for access to home and community care services provides a level of comfort to residents.

At the other end of the age spectrum, Council has been working with the Queenscliff Kindergarten Committee, local schools and other local organisations to plan and support services that provide the 'Best Start in Life'.

Towards the end of the year Council was taking quick action to arrange a new provider for Maternal and Child Health Services following the cessation of services by Bellarine Community Health.

Developing a sustainable financial position

A review of the Strategic Financial Plan has been undertaken to set the foundation for developing a sustainable financial position over the next 10 years.

Great progress has already been made through continual attention to maintaining service, infrastructure standards and prudent financial management. Achievements include:

- keeping rate rises to a minimum
- positive feedback from the review of Council's Rating Strategy
- the Victorian Auditor-General's Office assessment of the Council's financial position and the 'low risk' rating achieved on all six indicators of financial sustainability
- a 27% improvement in the property risk management audit
- an estimated 20% savings against budget through a review of bank loan arrangements.

Council ended the year in a healthy financial position, with an underlying operating surplus of \$165,000. This is a \$204,000 improvement on the budgeted underlying deficit of \$39,000. Council's cash surplus of \$217,000 will be transferred to the Asset Replacement Reserve to hold funds over for future years when asset renewal requirements will peak.

Success in attracting grants for community facilities and local infrastructure

Council has had significant success in attracting funds for community facilities and infrastructure from state and federal governments, thereby reducing the financial pressures on local ratepayers. A total of \$2,562,927 in grant funding has been received – a 4% increase on the previous year.

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



Reducing our carbon footprint

Council continues to reduce its carbon footprint by implementing actions from its Sustainable Living Action Plan and Corporate Carbon Neutral Action Plan. Here are some of the highlights of the last financial year:

- thermal assessments were completed on five Council buildings
- energy-efficient lights were installed in Council buildings and caravan and camping parks
- 9,923 kilograms of e-waste was collected for recycling
- 105 kilograms of batteries were collected for recycling
- a 'Think Recycle' campaign was implemented to increase recycling rates in kerbside bins
- the amount of waste sent to landfill was reduced (1,529 tonnes compared with 1,726 tonnes in 2011–12).

Work on a Community (Carbon Neutral) Action Plan also commenced, with community consultation to determine priority actions.

In summary

2012–13 has been an extremely fruitful year, with 83% of Business Plan Priority Actions completed and a further 13% in progress. A number of outstanding results have been achieved, our direction has been set for the next four years and the foundations have been laid for several exciting projects to progress in 2013–14.

Councillors and Council officers continue to give their all for the ongoing improvement of the Borough of Queenscliff. Their level of commitment, cooperation and enthusiasm is nothing short of brilliant and, for that, we sincerely thank them.

Cr Helene Cameron
Mayor

Lenny Jenner
Chief Executive Officer

Central to the success in attracting grant funding has been:

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

Harnessing tourism opportunities

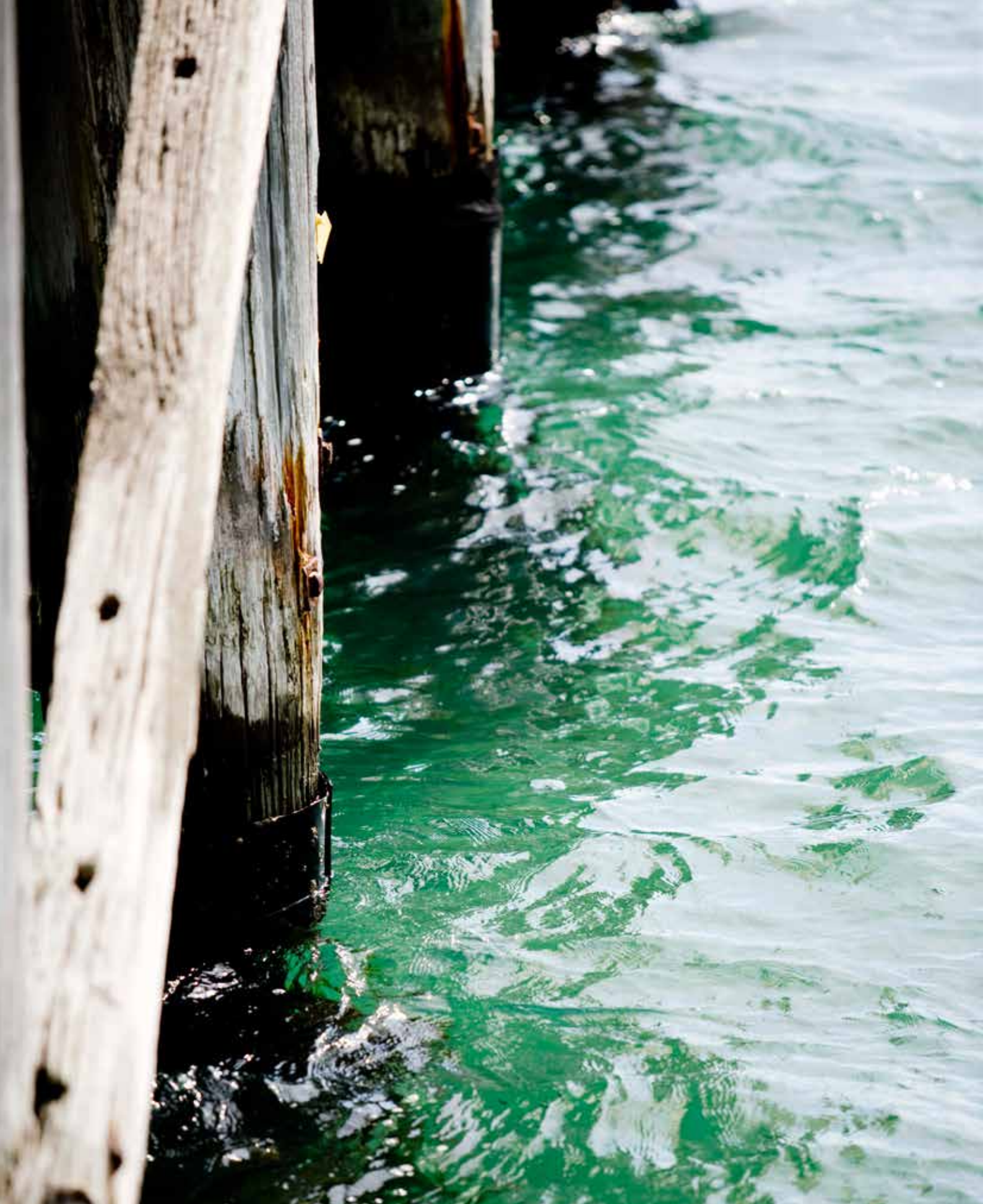
Tourism is a key component of the local economy, contributing \$41 million per annum.

Council has pursued and been successful in obtaining significant funding opportunities from other levels of government to plan

for the future of several important areas in the Borough: Fort Queenscliff, Queenscliff Lighthouse Reserve and the Point Lonsdale Lighthouse Reserve. The realisation of these planning projects in future years will have long-lasting benefit to Borough's economy.

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

The Queenscliff Visitor Information Centre continues to provide excellent service to visitors and the local community. It has maintained its Level 2 Accreditation status and won the Human Resources Award at the Geelong Business Excellence Awards. Again, volunteers have contributed greatly to success of this important service.



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The Borough was created in

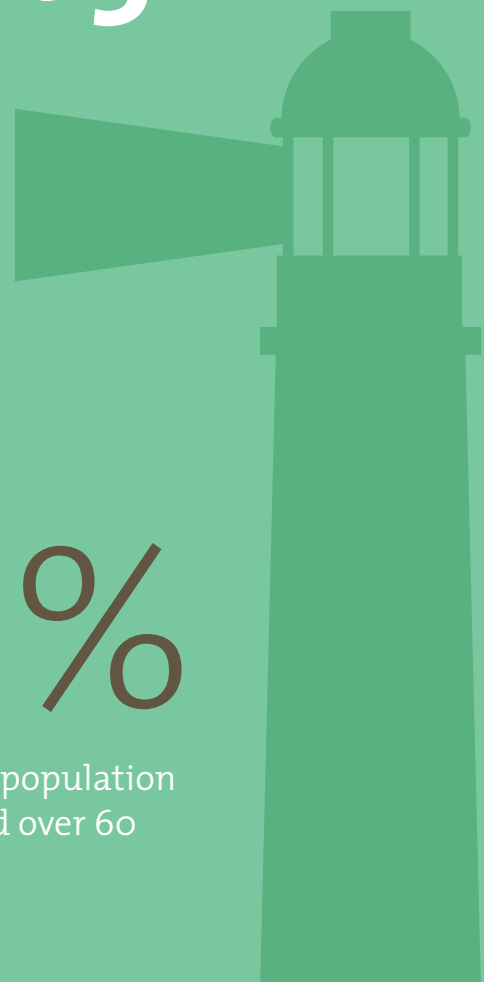
May, 1863

Average household size

2.09

43.1%

of the population
is aged over 60

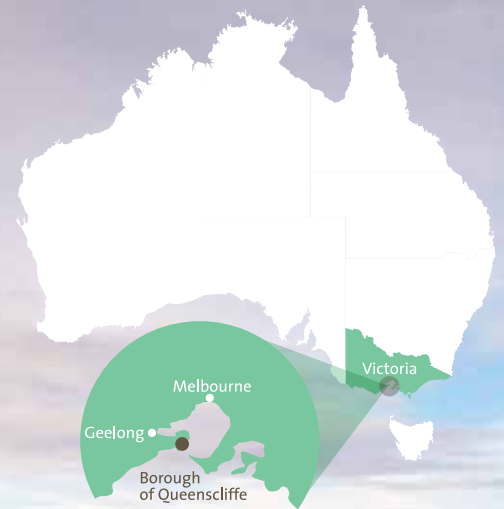


Borough of Queenscliffe profile

Fast facts

- 150 years strong
- 3,091 permanent residents
- 10.83 square kilometres in size
- 8% of the municipal area is foreshore reserves
- 42 kilometres of local road network
- 43.1% of the population is aged over 60
- 3,021 rateable properties.

Borough of Queenscliffe, Victoria, Australia



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

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

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

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

Perched above the point where Port Phillip Bay meets Bass Strait, Point Lonsdale boasts both sheltered bay beaches and a dramatic and breathtaking strip of rugged ocean frontage where the Western Victorian surf coast begins.

As well as being of high ecological value, the foreshore and marine environments contribute to urban and landscape character, which attracts many people to the area.

The Borough of Queenscliffe community is close-knit. It enjoys a highly active community life through volunteering and participation in sport, recreation, arts, cultural and civic events.



Location

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

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

The Borough of Queenscliffe name

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

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

In 1863 the Honourable TH Fellows forwarded to the Governor a hand-written memorial signed by 185 householders seeking declaration of a municipal area.

The memorial called for proclamation of the locality by the name of 'The Municipal District of Queenscliffe'.

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

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

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

Community

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

- There are 3,091 permanent residents living in 2,767 dwellings, with an average household size of 2.09.
- The 53% of private dwellings unoccupied during the 2011 Census is indicative of the large temporary population: many property owners only holiday or live part-time in the Borough.
- 53.2% of the permanent resident population lives in Point Lonsdale.
- 43.1% of the population is aged over 60.
- The three largest ancestries are Australian, English and Irish.
- 1,051 people (35%) have a tertiary qualification.
- 1,153 people are employed. There is a high proportion of retirees and semi-retirees.
- 64% of homes in the Borough of Queenscliffe have a broadband internet connection.

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

Age structure

Age structure is an important indicator of an area's residential role and function and how it is likely to change in the future. It provides key insights into the level of demand for services and facilities, as most services and facilities are age specific.

The following table shows the breakdown in age structure for the Borough of Queenscliffe compared with the Victorian average in 2011.

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

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

Percentage of population by age group, comparison of Borough of Queenscliffe and Victorian average in 2011



Our wellbeing

According to the VicHealth Indicators Survey 2011:

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

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

- location, including a beautiful area and natural surroundings: 21%
- the beach and foreshore areas: 16%
- the community feeling/neighbourhood: 12%
- overall a good place to live: 10%.

(Source: 2013 Local Government Community Satisfaction Survey, JWS Research.)



Environment

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

The Port Phillip Bay and Bass Strait coastlines of the Borough are characterised by primary dunes covered in remnant coastal vegetation, formal parkland and beaches. Exposed limestone cliffs along the coast at both Point Lonsdale and Shortlands Bluff are significant landscape features. The marine and terrestrial environments of Swan Bay, its foreshore and islands are environmental assets of international significance under the Ramsar Convention.

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

The need to protect and enhance the Borough's natural environment continues to be a high priority for Council as demonstrated through its Corporate Carbon Neutral Action Plan and the in-progress Community Carbon Neutral Action Plan.

Economy

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

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

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

The major industry contributors to local jobs are:

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

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

Your councillors

The current Council was elected to office in October 2012.

Cr Helene Cameron, Mayor

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

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

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

Portfolio: Community Wellbeing and Amenity*

Delegation to Council committees and reference groups:

- Australia Day Awards Reference Group (Chair)
- Community Grants Reference Group (Chair)
- 150th Anniversary Organising Reference Group (Chair)

Delegations to external organisations:

- G21 Health and Wellbeing Pillar
- Geelong Region Library Corporation Board
- Municipal Association of Victoria (deputy)

T 0448 887 728

E helene.cameron@queenscliffe.vic.gov.au



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

Cr Bob Merriman, Deputy Mayor

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

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

Portfolio: Governance and Finance*

Delegation to Council committees and reference groups:

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

Delegations to external organisations:

- G21 Region Alliance Board
- G21 Education and Training Pillar
- Municipal Association of Victoria

T 0400 062 967

E bob.merriman@queenscliffe.vic.gov.au

Cr Graham J Christie JP

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

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

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

Portfolio: Local Economy*

Delegation to Council committees and reference groups:

- 150th Anniversary Organising Reference Group
- Hesse Street Revitalisation Reference Group

Delegations to external organisations:

- G21 Economic Development Pillar
- G21 Sport and Recreation Pillar
- G21 Transport Pillar
- Association of Bayside Municipalities
- Geelong Otway Tourism Board

T 0428 437 994

E graham.christie@queenscliffe.vic.gov.au

Cr Sue Wasterval

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

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

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

Portfolio: Sustainability and Local Environment*

Delegation to Council committees and reference groups:

- Audit Committee
- Australia Day Awards Selection Reference Group
- Botanic Gardens Project Reference Group (Chair)
- Point Lonsdale Main Street and Foreshore Reference Group

Delegations to external organisations:

- G21 Environment Pillar
- Barwon Region Waste Management Group Board

T 0428 395 784

E sue.wasterval@queenscliff.vic.gov.au

Cr Susan Salter

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

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

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

Portfolio: Planning, Heritage, Arts and Culture*

Delegation to Council committees and reference groups:

- Audit Committee
- Community Grants Reference Group
- Reconciliation Reference Group
- Botanic Gardens Project Reference Group
- Hesse Street Revitalisation Reference Group

Delegations to external organisations:

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

T 0428 398 966

E susan.salter@queenscliff.vic.gov.au

Previous Council

Prior to the 2012 elections, the following councillors had been in office for the previous four-year term:

- Cr Bob Merriman (Mayor)
- Cr John Burgess
- Cr Helene Butler (now known as Cr Helene Cameron)
- Cr Lloyd Davies
- Cr David Mitchell.

* Portfolio holder in previous Council	Names of portfolios in the Council Plan 2010–2013 and held by previous councillors	Names of portfolios in the Council Plan 2013–2017 and assigned to new councillors	Portfolio holder in current Council
Cr Bob Merriman	Governance, Finance and External Relations	Governance and Finance	Cr Bob Merriman
Cr Lloyd Davies	Sustainability and Local Environment	Sustainability and Local Environment	Cr Sue Wasterval
Cr John Burgess	Business and Tourism	Local Economy	Cr Graham J Christie JP
Cr Helene Butler	Community Development	Community Wellbeing and Amenity	Cr Helene Cameron
Cr David Mitchell	Planning, Heritage and Community Assets	Planning, Heritage, Arts and Culture	Cr Susan Salter

Volunteers from the Queenscliffe Community Indigenous Plant Nursery providing native plants to families at Australia Day celebrations



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Our people

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Council consists of

18 full-time
34 part-time
13 casual
staff

Residents are more likely to volunteer
at least once a month

62.1%

than the state average (34.3%)

Organisation summary

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

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

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

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

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

Council's staff work across three teams as outlined at right.

Directorate	Primary areas of responsibility
Executive Services (7 staff)	<ul style="list-style-type: none"> • Mayor and councillor support • Governance • Communication • Citizenship and civic events.
Planning and Infrastructure (21 staff)	<ul style="list-style-type: none"> • Animal management • Boat ramp and parking • Building control • Building maintenance • Caravan park management • Coastal and crown land management • Contract management • Emergency management • Engineering • Environmental health • Heritage advice • Local law enforcement • Planning and development control • Powerline clearance • Public conveniences • Road maintenance and works • School crossings • Strategic and statutory planning • Street lighting • Sustainability and environment • Waste management.
Corporate and Community Services (27 staff)	<ul style="list-style-type: none"> • Aged and disability services • Arts, recreation and cultural services • Community development • Customer service • Event support • Finance, risk and audit • Governance • Information technology • Kindergarten • Library services • Maternal and child health services • Rate collection • Tourism promotion • Visitor information • Youth services.

Staff team

The small team at the Borough of Queenscliffe comprises 55 people; however, the full-time equivalent is only 34.34 positions.

This includes:

- 18 full-time, 34 part-time and 13 casual staff
- 13 male and 42 female staff
- 10 community care workers
- six school crossing supervisors
- three local laws officers
- five tourism, economic development and visitor information services staff.

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

Executive Management Team

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

Chief Executive Officer – Lenny Jenner

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

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

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



General Manager Planning and Infrastructure – Phil Josipovic

Phil Josipovic was appointed to the position in November 2011.

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

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

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

General Manager Corporate and Community Services – Kerrie Weippert-Rowe

Kerrie Weippert-Rowe was appointed to the position in March 2013.



Kerrie's formal qualifications are diverse – she is a Certified Practising Accountant (CPA) and has a Graduate Certificate in Commerce and Bachelor of Commerce as well as a Diploma in Applied Science (Mathematics & Computing).

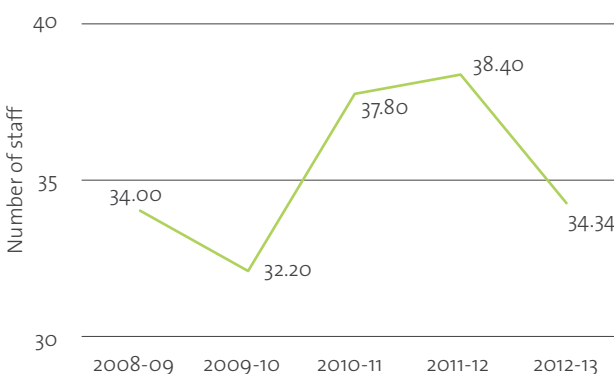
As General Manager Corporate and Community Services, Kerrie is responsible for several diverse portfolios including Corporate Services, Finance, Governance, Aged Care & Disability Services, Community Development & Tourism, Arts & Culture and Customer Service and Records.

Prior to Kerrie's appointment these services were managed by Ev Wuchatsch under the title of General Manager Governance and Community. Ev was appointed to the position in January 2009. Ev has a Degree in Business and postgraduate training in industrial relations and is a Fellow of the Australian Society of Certified Practising Accountants (FCPA).

Pictured above: (L-R) Lenny Jenner, Phil Josipovic, Kerrie Weippert-Rowe.

Staff profile

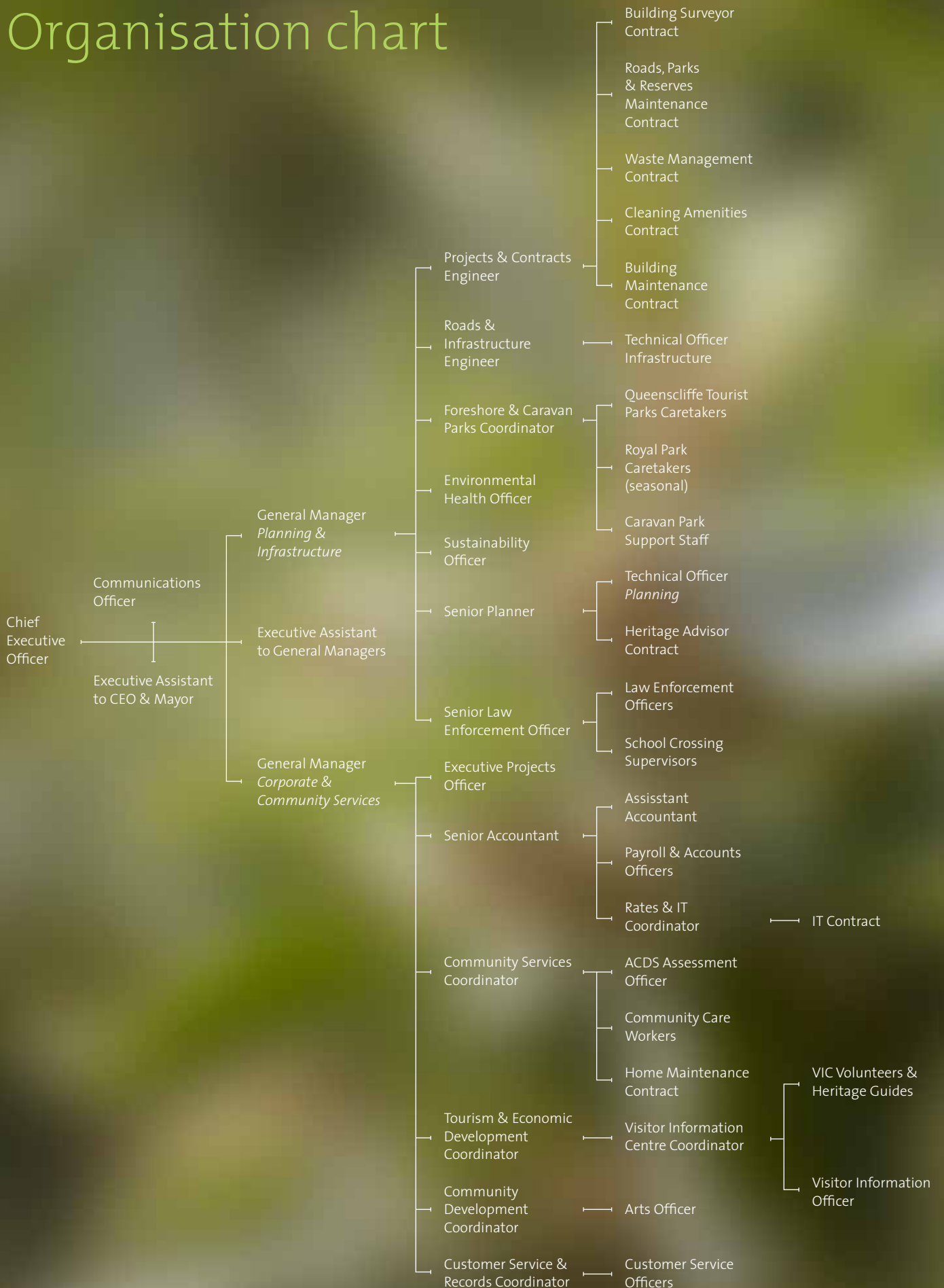
Total staff (full-time equivalent) employed by the Borough, 2008–09 to 2012–13



Staffing at the Borough of Queenscliffe, 2012–13

Type of employment	Female	Male
Full time	10	8
Part time	22	2
Casual	10	3
Total	42	13
Full-time equivalent	24.64	9.70

Organisation chart



Staff management and culture

Enterprise Bargaining Agreement

In 2012–13 the staff Enterprise Bargaining Agreement was renegotiated. The new Enterprise Bargaining Agreement No 8, 2013, will be valid until 15 January 2016.

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

Staff changes and recruitment

For a small Council, the turnover in staff in 2012–13 was relatively significant. The following positions were recruited in the 2012–13 financial year:

- General Manager Corporate & Community Services (replacement due to retirement)
- Environmental Health Officer (replacement due to resignation)
- part-time Tourism Information Officer (replacement due to resignation)
- two casual Tourism Information Officers (one replacement due to resignation and one new recruitment for maintenance of accredited operational standards)
- Communications Officer (conversion from contract to permanent part-time)
- Senior Planner (replacement due to resignation – new employee did not commence until July 2013)
- part-time Customer Service Officer (replacement due to resignation – new employee did not commence until July 2013).

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

Equal employment opportunity

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

In all policies and practices of the Council



Staff enjoying a walk along Swan Bay after work

there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation.

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

Employee performance

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

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

Training and development

In 2012–13 a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their roles at the Borough of Queenscliffe. An indication of the types of training undertaken is as follows:

- fraud awareness (all staff)
- managing volunteers
- facilitation of grants programs

- Council report writing
- induction to local government
- incident reporting
- bullying in the workplace
- manual handling
- National Local Government Infrastructure and Asset Management Conference
- National Tourism and Events Excellence Conference.

One staff member also benefited from tertiary study assistance.

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

Occupational health and safety

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

Council's internal Risk Management Committee meets bi-monthly and discusses matters relating to OH&S. Ongoing OH&S training is a key element in our continuous improvement approach to health and safety performance. In 2012–13 staff participated in various training and information sessions in an effort to maintain awareness and reinforce the importance of OH&S. Topics covered included incident reporting and awareness, bullying in the workplace and manual handling.

Staff Consultative Committee

Under the requirements of the Enterprise Bargaining Agreement, the Borough of Queenscliffe has a Staff Consultative Committee which meets at least four times per year. The role of this committee is to:

- provide a forum for management and staff to discuss any issues relating to the organisation, including business decisions affecting Council and its employees
- facilitate consultation between management and employees on workplace relations, organisational human resource issues and other matters
- review significant human resource policy initiatives and provide feedback on development and implementation of such initiatives
- promote and encourage staff participation in productivity improvement program initiatives (e.g. suggestion schemes; structured programs to eliminate waste / add value)
- make recommendations to appropriate managers on matters requiring action that the committee cannot resolve directly
- promote a participative approach to employee relations
- provide a mechanism by which all employees may participate in the implementation of the Enterprise Bargaining Agreement and in changes to work practices brought about by the agreement
- consult on organisational matters affecting employees and their conditions of employment
- consult on organisational OH&S matters.

In 2012–13 the Staff Consultative Committee met on five occasions.

Appreciating our staff

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

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

This year three employees were recognised for key service milestones:

30 years: Michelle Bedggood

5 years: Sharen Doull and Maree Greenwood.

Commitment to the Corporate Carbon Neutral Action Plan

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

Initiatives have included:

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

Staff wellbeing

Council is committed to providing a workplace that upholds the health and wellbeing of the staff team. A number of programs were conducted in 2012–13 that contributed to a positive and healthy work environment, including the following.

Global Corporate Challenge

In May 2013 three teams, each consisting of seven employees of the Borough of Queenscliffe, entered the Global Corporate Challenge®, the world's largest and most exciting workplace health and wellness program.

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

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

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

Staff flu vaccinations

Flu vaccinations were accepted by 28 persons under the staff flu vaccination program. This was a slight increase from 25 in the previous year; however, given Council has 55 staff there is still scope for the vaccination rate to be increased.

Contribution to charity

During 2012-13 staff participated in several fundraising activities to raise money for local and national charities. This included: Alfred Transplant Unit, Australia's Biggest Morning Tea, Daffodil Day, Geelong Animal Welfare, Give Where You Live, Movember, and Sids and Kids Red Nose Day.

Volunteers

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

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

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

Visitor Information Centre Information officers

Volunteers at the Queenscliffe Visitor Information Centre facilitate customer service and share local knowledge of the community and tourism experiences with visitors. The Queenscliffe Visitor Information Centre offers volunteers a calendar of familiarisation tours, social functions, training opportunities and volunteer

conferences. Currently there is a team of 35 volunteers who attend to over 48,000 visitor enquiries, 364 days of the year.

“I volunteer at the Queenscliffe Visitor Information Centre because I live in small community and I want to give something back. I also enjoy meeting visitors from the wider area, interstate and overseas.” *Jackie Taylor*

Kids Busking for the Kids Festival

Kids Busking for the Kids is a street busking event at which buskers perform to raise money for the Royal Children's Hospital Good Friday Appeal. Volunteers assist in a range of activities, including donation tin distribution and collection, Business Information Pack distribution, set-up and pack-down on the day of the event, raffle ticket selling, jumping castle supervision, acting as ambassadors on the Searoad Ferry, silent auction supervision

and cash counting. This year the event had the support of 45 volunteers.

Australia Day Awards and Community Celebration

The annual Australia Day Awards and Community Celebration was held at the Queenscliff Town Hall. Volunteer tasks included helping to set up and pack down, serving refreshments and assisting with children's activities. Over 20 local volunteers assisted in the running of the event in January 2013.

Volunteer celebration

In conjunction with National Volunteers Week in May 2013, Council hosted a civic function to applaud volunteers from across the community. Over 120 community volunteer representatives attended the function, where they Mayor formally said 'thank you' for the valuable contribution the volunteers make to the Borough of Queenscliffe community.



Staff member and volunteer at the Queenscliffe Visitor Information Centre



Awards and recognition

In 2012–13 Borough of Queenscliffe received two regional awards: the Corangamite Landcare Coastcare Community Award and the Geelong Business Excellence Human Resources Award (Queenscliffe Visitor Information Centre).

Corangamite Landcare Awards

Borough of Queenscliffe, Bellarine Catchment Network and Swan Bay Environment Association, winner, Coastcare Category

The Borough of Queenscliffe, in association with Bellarine Catchment Network and Swan Bay Environment Association, won a Coastcare Community Award in the 2013 Corangamite Landcare Awards.

These awards celebrate the contributions that individuals and organisations make to the environment in the Corangamite region.

Over five years a strong, energetic partnership project has flourished between the Bellarine Catchment Network, Swan Bay Environment Association and the Borough of Queenscliffe, inspiring many to become involved in the protection of the Narrows dunes Coastal Moonah Woodland.

The eroding terminal scour in the Narrows dunes, Queenscliff, was a risk to public safety. The scour was also a threat to Coastal Moonah Woodland, located behind it, as wind-blown sand was smothering vast areas of the woodland. Invasive weeds such as bridal creeper are a major threat to the woodland's biodiversity values.

The group has done on-ground works and facilitated community awareness, involvement and research including:

- stabilising and rehabilitating major sections of the terminal scour, protecting the Coastal Moonah Woodland from being smothered by wind-blown sand and reducing public risk
- fencing scour slopes at top and bottom for public safety and erecting staggered wind barriers to reduce wind funnelling along the ridge in the Lovers Walk area
- developing a Vegetation Rehabilitation Plan for the terminal scour and ridge to guide plantings at the site using appropriate local provenance plant species (Bellarine Catchment Network)
- propagating more than 15,000 indigenous plants from local seed (provided by volunteers from Swan Bay Environment Association's Queenscliff Community Nursery)
- assisting with planting days (community and individuals from the local and wider Bellarine community)
- assisting with the revegetation and helping the Bellarine Community Network to maintain sites by removing weeds (people from various cultural backgrounds in Conservation Volunteers Australia and National Green Jobs Corps, Gordon TAFE and Bellarine Secondary College). There is evidence of natural regeneration of indigenous species from the seed bank in stabilised areas.

Congratulations to all involved in this award-winning community partnership.

Geelong Business Excellence Awards

Queenscliffe Visitor Information Centre, winner, Human Resources Award

At the 2013 Geelong Business Excellence Awards the Queenscliffe Visitor Information Centre won the new specialist category for Human Resources. It was also nominated as a finalist in two other categories: Government and Social Enterprise, and Large Business or Division/Department of a business. The Queenscliffe Visitor Information Centre is already in the Hall of Fame given that it has received three previous awards.

The Geelong Business Excellence Awards showcase and recognise business excellence across the region, from micro and small businesses through to the larger organisations.

The award reflects the cohesive team environment our volunteers and staff, their level of commitment and the excellent volunteer program that is available to them. The Queenscliffe Visitor Information Centre believes in strong leadership and communication and this ethos is articulated to staff and volunteers through:

- daily communication diaries
- staff noticeboards
- weekly newsletters
- monthly familiarisation tours
- annual training days.

The whole team is encouraged to:

- be involved in the decision-making process
- provide suggestions
- collaborate in problem solving
- be well informed.

The Queenscliffe Visitor Information Centre is a valuable resource for visitors to the region and also provides a valuable community service by promoting local events and selling tickets to not-for-profit events, and is often the face of these events. The Queenscliffe Visitor Information Centre is open from 9am to 5pm every day except Christmas Day.



Year in Review	5	Corporate governance	65
Your Council	23	Financials	83
Our people	31	References	169
Our performance	41		

82%

of Council Plan actions completed

\$2.563 million

in total grant funding received

90.56

tonnes of environmental weeds removed

Our performance

Governance, Finance and External Relations	42
Sustainability and Local Environment	46
Business and Tourism	50
Community Development	54
Planning, Heritage and Community Assets	60

Governance, Finance & External Relations

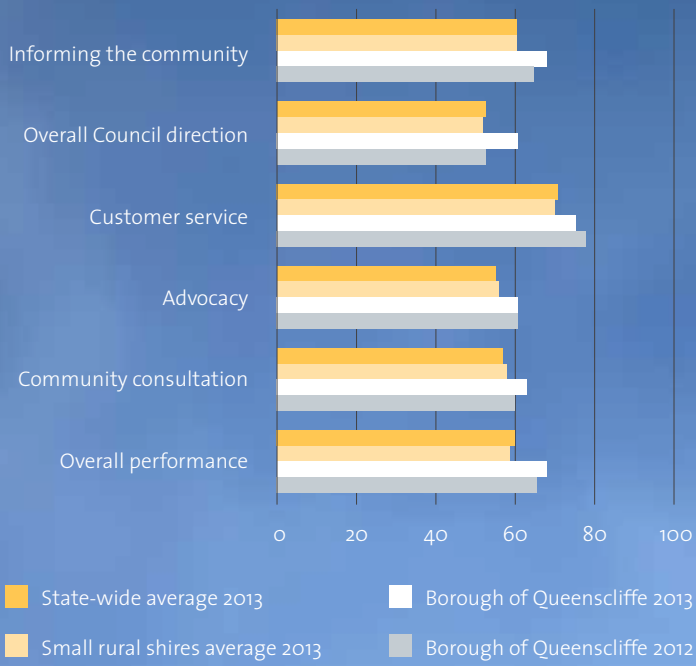
Providing accountable governance and long-term sustainable financial management.

At a glance

Primary focus areas	2012–13 successes
<ul style="list-style-type: none"> Maximise external funding opportunities. Responsible management of financial, human and physical resources. Risk management. Promote strong community engagement and active community participation. Foster partnerships with community organisations, business, municipal neighbours and all levels of government. Ensure the integrity of planning on and around the municipal boundary. Work towards consolidating the remainder of Point Lonsdale into the Borough of Queenscliffe. Operate four Council-managed caravan and camping parks. Mayor and councillor support, including Council meetings. Citizenship ceremonies. Legislative compliance. Corporate systems and governance including records and information technology. Communications. Customer service. Rating and property services. 	<ul style="list-style-type: none"> The rate increase of 4.0% was 0.5% less than 2011–12 and remained one of the lowest rate increases (as a percentage) in the region and the state. \$2.563 million in total grant funding was received – an increase of \$98,500 (4%) over 2011–12. \$197,000 in revenue was generated from cabin accommodation – a 9% increase over 2011–12. Overall Community Satisfaction Index Score of 68, which is an increase of two points from 2012 and is significantly higher than the state-wide average of 60. 87,647 visits to Council’s website, which is an increase of 23,697 from 2011–12. 52 media releases issued and 28 Mayor’s Columns published in local newspapers. The joint second most increased regional score (4%) after Council’s progress review of MAV Liability Mutual Insurance 2010–12 audit season was announced at this year’s MAV Insurance Best Practice Forum. A significant 27% improvement on Councils property risk management (JMAPP) audit, with a final audit result of 79% achieved. 20% budgeted saving in financing costs following review of Council bank loan arrangements from fixed to variable. Rated as equal to, or more favourable than, the ‘small councils group’ of 21 LGAs for VAGO’s financial sustainability measures. One of seven councils within the ‘small councils group’ assessed as low risk on all six indicators of financial sustainability as defined by VAGO.

2012–13 Business Plan priority actions	Council’s performance
Undertake an annual review of the Strategic Financial Plan	Completed
Minimise rate increases	Completed
Maximise state and federal grant revenue for community and Council Plan priorities	Completed
Maximise the return in Council assets within social and environmental constraints	Completed
Increase revenue by developing cabins and caravan parks	Completed
Seek to resolve key issues surrounding Queenscliff’s marine precinct	Completed
Investigate resource sharing with neighbouring municipalities and other organisations	Completed
Improve community input into Council’s Business Plan priorities	Completed
Continue process for municipal boundary relocation	Completed
Continue to improve the standard of customer service	Completed
Increase residents’ access to information and services through upgrading the Council’s website	Completed
Work with Department of Defence to maximise community use and access as part of the proposed changes to the future use of Fort Queenscliff	Completed

Level of community satisfaction



(Source: Local Government Community Satisfaction Survey 2013, prepared by JWS Research.)

Achievements

Rate increase minimised

The rate increase of 4.0% was 0.5% lower than 2011–12; and was one of the lowest rate increases (as a percentage) in the region and the state. Council also finalised its new Rating Strategy, which was adopted at the ordinary meeting of Council on 26 June 2013.

State and federal grant revenue maximised

Total grant funding received by Council in 2012–13 was \$2.563 million – an increase of \$985,000 or 4% over the 2011–12 financial year. Note that \$1.378 million is held in reserve and carried over for expenditure in the 2013–14 year.

Four successful funding programs are particularly noteworthy:

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

Refer to page 76 for an overview of the grants and subsidies received.

Maximising return on Council assets

Three key opportunities for improving the return on Council assets have been undertaken in 2012–13.

The first initiative involves successfully attracting state government funding to prepare a plan for the future of Queenscliff Lighthouse Reserve and Point Lonsdale Lighthouse Reserve. A project brief has been completed and a tender advertised for this project. Tender selection will take place in July 2013.

Council also advertised a tender for the future use of the former Harry's Café site in Princess Park, Queenscliff, and is in the process of negotiating a suitable lease arrangement for this site.

Finally, Council has reviewed opportunities to maximise return on Council assets and has determined to include funds in the 2013–14 budget to undertake the necessary planning to enable the sale of its residential zoned land in Murray Road, Queenscliff.

Improved community input into Business Plan priorities

Council has further extended its commitment to community input and participation in determining Council's Business Plan priorities. This is clearly demonstrated in the community feedback received in response to the Council Plan Community Survey that resulted in 281 surveys completed and 1,807 comments recorded.

Council has continued its commitment to establishing and seeking community involvement in reference groups for significant community infrastructure and community planning projects.

Increasing information to residents

A number of significant improvements were made to Council's website. The revamped website was launched on Saturday, 4 May to coincide with the Borough's 150th anniversary. New features include a searchable list of upcoming events and activities, progress pages for current major projects and answers to frequently asked questions. Also provided are searchable directories for all businesses and community groups within Queenscliff and Point Lonsdale. The website has also been refreshed with a new design and a more welcoming homepage.

The total number of visits to Council's website during 2012–13 was 87,647. This is an increase of 23,697 visits compared with the previous financial year.

In addition to the Council website, other web-based systems were introduced in 2012–13 to improve the level of information provided to the community, including:

- a designated website for the Kids Busking for the Kids community event, which launched in March 2013
- an online Heritage Database with information on the many places in the Borough protected by heritage overlays. This is a joint initiative with Heritage Victoria and the Heritage Council of Victoria
- the introduction of an electronic tendering system (refer to page 72 for more information).

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

- *Borough Bites* – four editions of the *Borough Bites* quarterly newsletter were published and sent to ratepayers in 2012–13.
- Media releases – 52 media releases were issued in 2012–13 compared with 17 in 2011–12; however, this included 10 in relation to the 150th anniversary celebrations.
- Mayor's Columns in local newspapers – 28 Mayor's Columns were published in local newspapers.

Long-term financial sustainability

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

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

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

Within this 'small councils group', the Borough is one of seven councils that have been assessed as low risk on all six indicators of financial sustainability. This is a very positive result.

Disappointments

Unsuccessful grant applications

Council submitted several funding applications that were unsuccessful, including:

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

Support for proposed municipal boundary relocation

Council commissioned an independent telephone survey of residents living in the City of Greater Geelong area of Point Lonsdale to determine their level of support for a proposed municipal boundary change that would include all of Point Lonsdale in the Borough of Queenscliffe.

Only 50% of residents surveyed indicated support for the proposed boundary change. The results of the survey were reported to the September 2012 ordinary meeting of Council, where Council resolved to refer this matter to the new Council for consideration.

In implementing this survey, there were some key challenges related to sourcing accurate, up-to-date information regarding the contact details of people owning property or living in the City of Greater Geelong portion of Point Lonsdale.

Challenges

Future use of Fort Queenscliff

Over the 2012–13 financial year Council continued to work with relevant members of parliament and senior government officers from the Department of Defence, the Victorian Government and Geelong Otway Tourism to maximise community use of Fort Queenscliff. The Mayor and CEO met with Senator Feeney, Parliamentary Secretary for Defence Support, at Fort Queenscliff on 25 March 2013 and discussed opportunities to undertake a development plan for Fort Queenscliff. Senator Feeney encouraged Council to make a funding application to the federal government's relevant tourism development funding programs. Council completed funding submissions in June 2013 and it has since been announced that Council has been successful in securing funding to develop a tourism development plan for Fort Queenscliff.

Council has also formally requested that the federal government transfer responsibility for the committee of management for the Department of Defence 'Colonel's Cottage' in King Street, Queenscliff, to the Council.

Fire Services Property Levy

This year councils across Victoria were told of the pending imposition of the state government imposed Fire Services Property Levy, which comes into effect on 1 July 2013. Under new state legislation, Council has no choice but to collect this state government levy via its municipal rates. Collection of this state government levy heralds a significant change to the role of local government and places an additional burden on Council in terms of administration and collection.

Year ahead

- Implement the Rating Strategy.
- Implement the Fire Services Property Levy collection.
- Plan for the sale of the Council-owned residential zoned land in Murray Road, Queenscliff.
- Develop a Protected Disclosures Policy to reflect new legislation (refer to page 71).
- Staff training in business continuity management.
- Review of the Code of Conduct.
- Implement the Council Plan 2013 – 2017.



*Australian Army departed Fort Queenscliff,
17 November 2012*

Sustainability and Local Environment

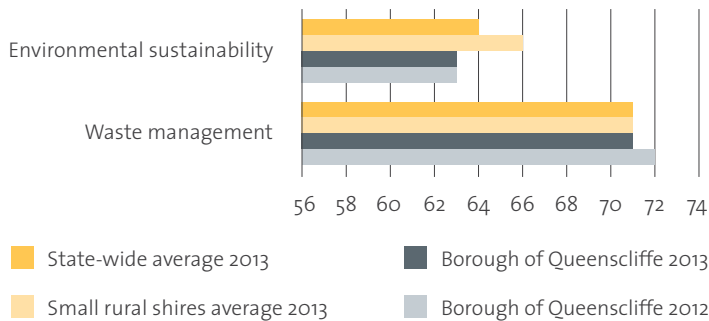
Living sustainably and protecting and restoring our diverse environment.

At a glance

Primary focus areas	2012–13 successes
<ul style="list-style-type: none"> • Work towards being a carbon neutral Council and community. • Promote sustainable energy, waste and water management practices. • Manage and maintain significant areas of open space and crown land. • Work in partnership with the community and other organisations to protect and restore the local environment and promote sustainable practices. • Protect and restore landscapes and heritage plantings in the Borough. • Manage paths and trails. • Deliver waste collection, including general, recyclable, green and hard waste. • Implement recycling programs. 	<ul style="list-style-type: none"> • 9,923 kilograms of televisions, computers and other household electronic items collected at the e-waste collection event and diverted from landfill, compared with 4,500 kilograms in 2011–12. • Launch of a new household battery recycling program, with 105 kilograms of batteries collected. • Joined the 'Blinky Bulb' fluorescent recycling program, with 52 tubes collected. • 1,529 tonnes of waste sent to landfill compared with 1,726 tonnes in 2011–12, which is indicative of the success of recycling campaigns. • 90.56 tonnes of environmental weeds removed compared with 30.46 tonnes in 2011–12.

2012–13 Business Plan priority actions	Council's performance
Implement Council's Environmental Sustainability Plan	Completed
Implement a strategy to move the Council by 2013 and community by 2020 towards carbon neutrality	Completed
Advocate at all opportunities for a move to carbon neutrality	Completed
Seek funding opportunities to progressively implement the upgrade of the Queenscliff to Point Lonsdale shared pathway link	Completed
Implement the Council's Tree Management Strategy	Completed
Implement the Weed Management Plan for the Borough of Queenscliffe in consultation with Bellarine Catchment Network and other key stakeholders	Completed
Work with local environment groups and the community to reduce and prevent spread of noxious and environmental weeds in the Borough	Completed
Identify funding opportunities that would enable Council to progress a Wetlands & Environment Management Strategy	Completed
Continue to advocate to State and Federal Governments for an extension of Port Phillip Bay (Western Shoreline) and Bellarine Peninsula Ramsar site to include the Core Wetlands and surrounding land of the Lonsdale Lakes Wetland Complex and Sand Island	Completed
Advocate for Lakers Cutting to be included in the Port Phillips Heads Marine National Park	Completed

Level of community satisfaction



(Source: Local Government Community Satisfaction Survey 2013, prepared by JWS Research.)

Achievements

Corangamite Landcare Award winner

The Borough of Queenscliffe, in association with Bellarine Catchment Network (BCN) and Swan Bay Environment Association, won a Coastcare Community Award in the 2013 Corangamite Landcare Awards.

These awards celebrate the contributions that individuals and organisations make to the environment in the Corangamite region.

Over five years a strong, energetic partnership project has flourished between the Bellarine Catchment Network, Swan Bay Environment Association and the Borough of Queenscliffe, inspiring many people to be involved in the protection of the Narrows dunes and Coastal Moonah Woodland.

The eroding terminal scour in the Narrows dunes, Queenscliff, was a risk to public safety. The scour was also a threat to Coastal Moonah Woodland, located behind it, as wind-blown sand was smothering vast areas of the woodland. Invasive weeds such as bridal creeper are a major threat to the woodland's biodiversity values.

The group has conducted on-ground works and facilitated community awareness, involvement and research activities including:

- stabilising and rehabilitating major sections of the terminal scour, protecting the Coastal Moonah Woodland from smothering by wind-blown sand and reducing public risk
- fencing scour slopes at top and bottom for public safety
- erecting staggered wind barriers to reduce wind funnelling along the ridge in the Lovers Walk area
- implementing a Vegetation Rehabilitation Plan for the terminal scour and ridge to guide plantings at the site using appropriate local provenance plant species
- propagating more than 15,000 indigenous plants from local seed (volunteers from Swan Bay Environment Association's Queenscliff Community Nursery)
- assisting with planting days (individuals from the local and wider Bellarine community)
- assisting with the revegetation and helping BCN maintain sites by removing weeds (Conservation Volunteers Australia and National Green Jobs Corps, Gordon TAFE and Bellarine Secondary College)

It has been encouraging to see evidence of natural regeneration of indigenous species from the seed bank in stabilised areas.

Environmental weed management

During 2012–13 Council has implemented a range of strategies designed to reduce weed infestation in a number of locations where there are high vegetation conservation values.

A key action included extending the project partnership between the Borough of Queenscliffe Council and the BCN. This collaboration focuses on a range of environment improvement projects, including weed reduction at The Narrows in Queenscliff and the annual bridal creeper weed control program. In previous years, bridal creeper weed control has been done by aerial spraying; however, the evidence of success in using this method is inconclusive, so hand spraying will be trialled and evaluated in 2013–14.

In 2012–13 Council continued its good working relationship with the Conservation Volunteers Australia (CVA), with significant weed removal works completed at the Point Lonsdale foreshore (opposite the cemetery). The work of the volunteer Better Earth crews is to be extended to other locations in the Borough.

Extensive site remediation works, including weed reduction, waste removal and cliff face stabilisation, were also initiated in the aftermath of the grass fire adjacent to Swan Bay in Queenscliff. Ongoing intervention is planned at this site to improve vegetation values and minimise weed infestation.

Additional planting programs and weed removal works were undertaken at multiple sites, including areas adjacent to the Monahan Centre, Golightly Caravan Park and Dog Beach, utilising Correctional Services resources.

Council received funding in 2011–12 from the Corangamite Catchment Management Authority (CCMA) for weed management and revegetation activities to occur on foreshore and dune sites identified through a CCMA Coastal Tender funding program. This funding program is for a period of five years. Contractors have been appointed to carry out a range of weed management and revegetation activities on foreshore and dune sites identified through the management plans developed for the Narrows and Point Lonsdale Foreshore. On-ground works to date include localised fencing to secure sites, weeding, revegetation and general maintenance.



Environmental sustainability plan

During 2012–13 Council continued to implement priority actions from its Sustainable Living Action Plan including:

- implementing the following five actions from the Corporate Carbon Neutral Action Plan:
 1. establish a project page on Council's website profiling emissions and actions taken to reduce greenhouse gas emissions
 2. implement prioritised energy efficiency opportunities identified during energy audits on Council facilities
 3. continue to monitor and investigate the most efficient public lighting technologies available
 4. investigate renewable energy generation options for Council facilities. This resulted in energy-efficient hot water systems being installed at a number of Council facilities (funded by federal grant) and a feasibility report on solar panel installation at the Council offices
 5. identify funding opportunities to progress renewable energy generation options
- completing the Working Towards Carbon Neutrality in the Borough of Queenscliffe project, funded through the Local Sustainability Accord, and submitting the final report to the Department of Environment and Primary Industries (DEPI). Project actions included:
 - thermal assessments on five Council buildings
 - installation of energy-efficient lighting in Council buildings and caravan parks
 - completion of draught-proofing works in two Council buildings
- organising and hosting a successful e-waste collection event in Queenscliff that recycled 9,923 kilograms of televisions, computers and other household electronic items, compared with 4,500 kilograms collected in 2011–12. It was attended by 241 residents compared with only 153 the year before
- working with nine partner Councils to progress the Climate Resilient Communities of the Barwon South West project, funded through the Sustainability Accord
- working with Barwon Regional Waste Management Group (BRWVG) and four partner Councils to design and implement the Think Recycle campaign to increase recycling rates in kerbside bins
- developing and launching a household battery recycling program, with nine collection containers located across Borough businesses and schools – 105 kilograms of batteries were collected in 2012–13
- joining the Blinky Bulb fluorescent recycling program and establishing a collection point at Council offices, resulting in 52 tubes being collected
- installing 32 recycling bins in Citizens Park and Princess Park under the 'Don't waste it. RECYCLE IT' program funded by the Alcoa Foundation
- hosting a collection event in the Town Hall foyer for National Recycling Week accepting items not acceptable through the kerbside service, including polystyrene, CDs and DVDs, batteries, fluorescent tubes and mobile phones
- completing a community consultation process seeking comments and feedback on proposed initiatives to reduce carbon emissions as part of a Community (Carbon Neutral) Action Plan.

Listening post to seek community feedback on proposed initiatives to reduce carbon emissions as part of a Community (Carbon Neutral) Action Plan



Disappointments

Unsuccessful funding applications

Council was unsuccessful in its application for funding from the Community Energy Efficiency Program (CEEP) to upgrade to energy efficient street lighting in residential streets. This is despite a successful trial of energy-efficient lamps in two streets in Queenscliff and Point Lonsdale.

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

Challenges

Regional waste challenges

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

Currently the green waste bundles collected are delivered to the Point Henry transfer station. Here any contaminated material (such as wood, food, plastics and metals) is manually removed and the green organics are mulched. This is then used both for composting at a small facility in Camperdown and for rehabilitation of the Barrow Quarry in Point Wilson.

Unfortunately, the amount of green waste being accepted at the quarry cannot be increased. Given that green bins in the Borough will generate more waste than the current bundled green waste collection, the lack of available long-term options for green waste disposal in the region limits the Borough's ability to introduce green waste bins.

Council continues to work with Barwon Regional Waste Management Group and City of Greater Geelong on a long-term solution to address this challenge.

Year ahead

- Facilitate community participation in the implementation of the Community Carbon Neutral Action Plan.
- Work towards a solution on increasing the green waste disposal capacity of the region.
- Secure funding to upgrade residential street lighting to energy-efficient alternatives.

Business and Tourism

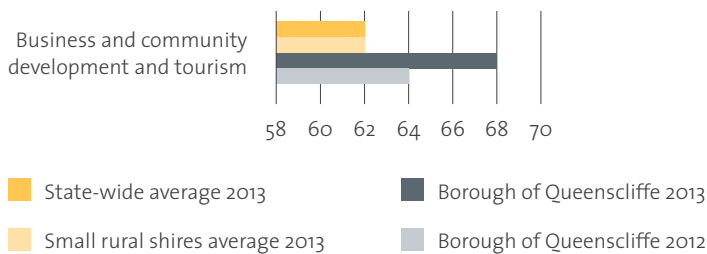
Supporting local businesses and tourism by providing an environment in which they can flourish.

At a glance

Primary focus areas	2012–13 successes
<ul style="list-style-type: none"> Foster partnerships with business, industry and government to enhance the local economy. Promote and support business and tourism opportunities. Promote the unique natural and heritage attributes of the Borough. Provide an accredited Visitor Information Centre. Strengthen capacity of local businesses. 	<ul style="list-style-type: none"> Filming in the Borough by six television production companies. Assisted 48,448 walk-in visitors at the Queenscliffe Visitor Information Centre. Conducted 51 Heritage Walks involving 579 participants.

2012–13 Business Plan priority actions	Council's performance
Implement opportunities arising from the Tourism Infrastructure Opportunities Study	Completed
Work with local traders, Queenscliff Lonsdale Business & Tourism Association and Bellarine Tourism to maximise tourism opportunities in the Borough of Queenscliffe	Completed
Improve and promote the calendar of events in the Borough	Completed
Encourage the development of improved community transport during peak tourism periods	Completed
Advocate for the development of the Point Lonsdale to Ocean Grove shared path	Completed
Access funding from the Victorian Government to develop a master plan for tourism accommodation development at the Queenscliff Lighthouse Reserve (Shortlands Bluff) and the Point Lonsdale Lighthouse Reserve (ToCH)	Completed
Support Geelong Steam Preservation Society to progress improvements to the Bellarine Railway Station facilities	Completed
Work with the Department of Transport and event organisers to ensure the provision of free public transport to key events in the Borough	Completed

Level of community satisfaction



(Source: Local Government Community Satisfaction Survey 2013, prepared by JWS Research.)

Achievements

Maximising tourism opportunities

During 2012–13 Council officers were involved in four key initiatives relating to working with local traders, the Queenscliff Lonsdale Business and Tourism Association (QLBTA) and Bellarine Tourism and maximising tourism-related opportunities. These included:

1. Film and media production support

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

2. Industry development and support

Council facilitated business development seminars as part of the Geelong Small Business Festival, including a full-day seminar and Women in Business Networking dinner in partnership with the QLBTA Council.

Council also assisted with a series of workshops held as part of Bellarine Tourism professional development program, coordinated the Small Business Mentoring Service and mobile unit visit to Queenscliff, provided assistance for the celebration of the Searoad Ferry 25th anniversary and coordinated social media training for business.

3. Visitor Information Centre

The Queenscliff Visitor Information Centre (VIC) assisted local groups in promoting and coordinating ticket sales for local events and festivals. Staff and volunteers undertook familiarisation visits to local tourism operators to gain first-hand experience of business products and services. The VIC coordinated regular Heritage Walks (tours) which included afternoon tea at various local historic cafés and restaurants.

4. Economic development

Council participated in the Victorian Government project Regional Victoria Living Expo in April 2013, in partnership with City of Greater Geelong and Surf Coast Shire. The expo attracted 9,500 visitors, up 15% on the previous year.

A follow-up open day was held on 1 June 2013, which was promoted at the expo, to encourage people to visit the region and consider relocating from Melbourne. The open day, supported by the QLBTA, attracted approximately 30 families, with 10 of these families choosing Queenscliff as a destination to experience and learn more about.

In addition, the Mayor, Cr Helene Cameron, has provided briefings on Council activities at a number of the monthly QLBTA meetings in 2013.

Local events calendar

During 2012–13 Council improved and promoted the calendar of events via:

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

Funding for master plans for the lighthouse reserves

In 2012–13 the Borough of Queenscliffe Council secured funding from the Victorian Government to undertake a master plan that sets out the future use of the Queenscliff Lighthouse Reserve and Point Lonsdale Lighthouse Reserve.

Following feedback from a range of community groups and residents, the project brief was finalised and the tender was advertised for suitably qualified consultants to prepare the plans. A number of high-quality submissions were received by the closing date and evaluation of submissions undertaken. The preferred consultant is expected to be appointed by late July / early August 2013.

Expressions of interest for membership of the two community reference groups (one for each lighthouse reserve) to inform this project were advertised, with a closing date of 2 August 2013.

Funding for Queenscliff Historic Railway Station precinct upgrade

During 2012–13 Council, in partnership with the Geelong Steam Preservation Society, was successful in securing a \$500,000 Victorian Government grant under the Putting Local First funding program to upgrade the Queenscliff historical railway precinct. Works will include an upgrade of railway infrastructure, relocation of train maintenance activities as well as improvements to the Queenscliff Senior Citizens building to accommodate the needs of the Queenscliff Sea Scouts. A shared use and management agreement will form part of this development.

Queenscliffe Visitor Information Centre

The Level 2 Accreditation status of the Queenscliffe Visitor Information Centre has been maintained. Key activities at the Visitor Information Centre in 2012–13 included the following:

- 48,448 walk-in visitors were assisted
- a part-time Tourism Information Officer was appointed
- a base of 35 volunteers was maintained
- 51 Heritage Walks, totalling 579 participants, were conducted
- iPad technology was introduced as a tool to access tourism information
- staff and volunteers undertook three half-day, three full-day and one overnight local and regional familiarisation tours
- staff and volunteers undertook a full-day professional development seminar
- staff and volunteers were recognised for their level of service and excellent volunteer program and awarded the Human Resources Award at the Geelong Business Excellence Awards.

Disappointments

Shared pathway from Point Lonsdale to Ocean Grove

During 2012–13 Council continued to advocate for a shared pathway extending from Point Lonsdale to Ocean Grove. However, further advocacy and lobbying will be required to bring this priority to fruition. Related activities were as follows:

- The Victorian Government Department of Transport released the Victorian Cycling Strategy and Action Plan, which recognises the need for state government assistance in delivering shared pathway infrastructure projects that cross local government boundaries. The action plan also commits the state government to preparing a feasibility study and plan for an integrated regional bike trail network that includes the Borough of Queenscliffe and City of Greater Geelong.
- Colac Otway Shire, on behalf of G21 regional councils and Great South Coast councils, produced a Barwon South West Regional Trails Plan. This includes reference to the need for a feasibility study to examine an Ocean Grove to Point Lonsdale shared pathway.
- Council held positive discussions regarding the need for a feasibility study to examine an Ocean Grove to Point Lonsdale shared pathway with the Mayor and CEO of the City of Greater Geelong.

Challenges

Regional tourism structure

The restructure of regional tourism groups is still not complete. Council will need to consider its options and actively contribute to the redevelopment of Geelong Otway Tourism.

Year ahead

- Complete a master plan outlining the future use of the Queenscliff Lighthouse Reserve (Shortlands Bluff) and the Point Lonsdale Lighthouse Reserve.
- Commence Queenscliff Historic Railway Station precinct upgrade works and development of a shared use and management agreement between the Senior Citizens Club and Queenscliff Sea Scouts.
- Complete a Tourism Development Plan for Fort Queenscliff in consultation with the Department of Defence and community.



*Volunteer guide conducting a
Heritage Walk in Queenscliff*

Community Development

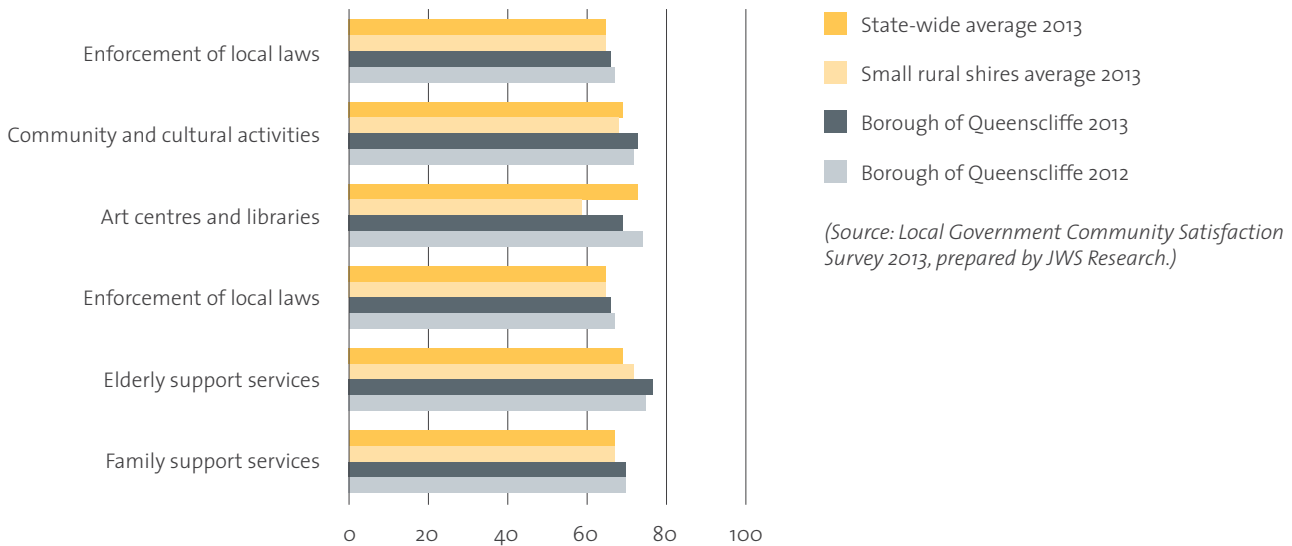
Work in partnership with the community to build a strong, safe, inclusive and connected community.

At a glance

Primary focus areas	2012–13 successes
<ul style="list-style-type: none"> • Promote the health and wellbeing of the community. • Provide high-quality aged care and disability services. • Facilitate opportunities in sport, recreation, arts, cultural and civic activities. • Support organisations in the delivery of local events. • Promote safe walking and cycling activity. • Support and encourage community projects. • Manage the annual Community Grants program. • Provide an environmental health service that promotes health gains throughout the Borough of Queenscliffe by ensuring legislative requirements are adhered to and education programs for relevant businesses and organisations are organised. • Maternal and child health services. • Youth programs. • Ensure compliance with relevant Council Local Laws and educate community on key Local Law requirements. • Ensure that Council meets its obligations with respect to emergency management in cooperation with other state agencies. • Work with the Geelong Regional Library Corporation to deliver library services through the Queenscliff Library. • Promote reconciliation. • Support and recognise volunteerism. 	<ul style="list-style-type: none"> • 72% of residents are members of the Queenscliff Library. This is the highest membership per capita of all libraries within the region. • Support was provided to over 27 local events. • Nine Community Grants were awarded, totalling \$18,252, compared with 14 grants in 2011–12 totalling \$19,850. • The 150th Anniversary Art Awards and Exhibition involved three galleries, 227 entries and three independent judges; \$6,000 in prize money was awarded. • 10 photographer boards were added to the Arts Trail. • The Community Time Capsule, celebrating 150 years of the Borough of Queenscliffe, was buried. • 8,262 hours of Aged Care & Disability Services were provided. • The zero waiting list for access to Aged Care & Disability Services was maintained. • 165 statutory public health audits were conducted from October 2012 to 30 June 2013.

2012–13 Business Plan priority actions	Council's performance
Support local community organisations, civic events and arts, cultural and sporting activities in the Borough	Completed
Support local community initiatives through the Council's Community Grants program	Completed
Promote volunteerism through Council's Recognition Awards and ceremonies	Completed
Continue to plan the celebration of the 150-year anniversary of the Borough of Queenscliffe	Completed
Work with Queenscliff Lonsdale Community Enterprise to increase support to local committees of management	In progress
Maintain a zero waiting list for access to Council's Aged Care & Disability Services	Completed
Develop a Footpath and Road Treatment Strategy for the Borough to increase pedestrian and road safety	Yet to commence
Advocate for improved public transport services and timetabling with regional organisations and state and federal government	Completed
Improve pedestrian safety, including advocating for reduced speed limits in residential streets without footpaths	Completed
Facilitate use of and access to public transport	Completed
Continue with the review of Council leases	In progress
Work with local groups interested in establishing a community garden on the high school site	In progress
Finalise the Precinct Plan for Queenscliff Recreation Reserve	In progress
Prepare a concept plan, quantity survey and costing for the development of netball courts at Queenscliff Recreation Reserve	Yet to commence
Source funding opportunities to implement priority works identified in the Hesse Street Revitalisation Project	Completed
Source funding opportunities to implement priority works in the Point Lonsdale shopping precinct	Completed
Improve Municipal Emergency Management Planning	Completed
Work with the Country Fire Authority and State Emergency Service to improve community awareness and participation in responses to emergencies	Completed
Maintain regular dialogue with the Victoria Police	Completed
Review the Council's Health & Wellbeing Plan	In progress
Work with the Point Lonsdale Boardriders Club and the Point Lonsdale Surf Life Saving Club to progress their future accommodation needs	Completed
Work with and support the Queenscliff Kindergarten Committee of Management to progress strategic planning and improve infrastructure and services to children and families in the Borough	Completed

Level of community satisfaction



Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2013. Award recipients in 2013 were as follows.

Citizen of the Year – Wayne Pecar

Wayne is an active volunteer with a number of clubs and organisations, including Rotary Club of Queenscliffe, Point Lonsdale Christmas Tree Committee, Point Lonsdale Surf Lifesaving Club and Point Lonsdale Primary School.

Young Citizen of the Year – Brendan Fahey

12-year-old Brendan Fahey, a student of Queenscliff Primary School, produced a book about Swan Bay titled *The Land is Alive*, which he presented to the Borough of Queenscliffe councillors and Executive Management Team in September 2012. Brendan has been actively involved in the community through Shave for a Cure, 40 Hour Famine, performing at Kids Busking for the Kids, participating in the Geelong and Bellarine Network Young Leaders Conference 2011 and other activities.

Community Event of the Year – Queenscliffe Bricks, Rotary Club of Queenscliffe

Queenscliffe Bricks was a display of models built by the Melbourne LEGO User Group for LEGO enthusiasts. It was held at the Point Lonsdale Primary School hall in June 2012.

Community Service of the Year – Breast Cancer Awareness Community Forum, Cosmopolitan Masonic Lodge No. 96

In conjunction with Bellarine Community Health, the Cosmopolitan Lodge No. 96 organised a Breast Cancer Awareness Community Forum in October 2012. This event was attended by 40 men and women.

Community Environment Project of the Year – Queenscliffe Community Garden

The Queenscliffe Community Garden at the Queenscliff Primary School provides an opportunity for members of the community to come together and learn new skills in the area of food production and sustainability.



Annual Australia Day celebrations, Queenscliff Town Hall

Achievements

150th anniversary celebrations

During 2012–13 Council coordinated a range of planning meetings and activities associated with the Borough of Queenscliffe's 150th anniversary celebrations, including:

- 11 meetings of the 150th Anniversary Organising Reference Group throughout 2012–13
- a civic reception with the Governor of Victoria on Saturday, 4 May 2013, with guests from 60 community groups and associations
- preparation of the artefacts and submissions for inclusion in the Community Time Capsule
- a special 150th anniversary community concert at the Queenscliff Town Hall
- the 150th Anniversary Art Awards and Exhibition, involving three Borough galleries, 227 entries and three judges
- an arts projection exhibition on Saturday, 4 May, and Old Time Films screening on Sunday, 5 May
- installation of 10 historic photographer boards as part of the Arts Trail and production of an Arts Trail information brochure
- a special 150th anniversary program booklet of all celebratory events and activities
- a commemorative 'wrap' around the May edition of the Queenscliffe Herald newspaper
- a range of 150th anniversary merchandise, including magnets, spoon and lapel pins
- a school arts activity program with paste-ups and family trees
- design and production of a suite of 150th anniversary banners and flags
- a 'thank you' afternoon tea for the 150th Anniversary Organising Reference Group.

Supporting local events

During 2012–13 Council supported a range of community, sporting and cultural events. The key events included the following:

• Civic events

150th anniversary civic reception | Australia Day Awards and Community Celebration | Community Grants Reception | Volunteer Celebration | Anzac Day services

• Arts and cultural events

Seniors Week celebrations | 150th Anniversary Art Awards and Exhibition | 150th anniversary artist projection project | 150th anniversary community concert | 150th anniversary theatre vignettes | 150th anniversary school paste-up activity | seniors' musical mornings | Sea of Words Festival | Lighthouse Film Festival | St Kilda Film Festival | Music in the Rotunda | Kids Busking for the Kids | Queenscliff Music Festival | Queenscliff Rod Run | Sand Sculpture Contest

• Sporting activities

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

• Community organisation events

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

The Kids Busking for the Kids event once again raised over \$20,000 for the Royal Children's Hospital Good Friday Appeal. Highlights of the day included:

- the Channel 7 live cross and local kids performing Gangnam Style with Channel 7 presenter Amy Parks
- over 70 buskers performing throughout the day
- a designated event website – www.kidsbuskingforthekids.com.au.

Community Grants

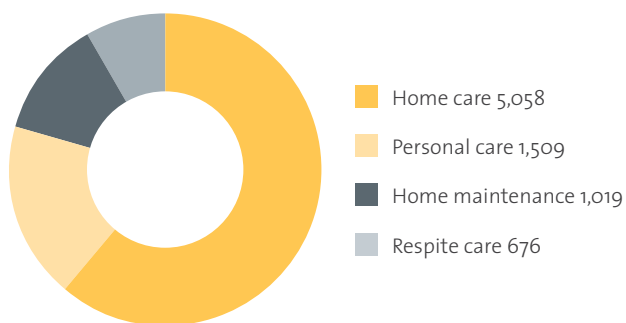
Nine Community Grants were awarded at a Community Grants Ceremony on 9 August 2012, attended by 22 people. The total value was \$18,252, compared with 14 grants in 2011–12 totalling \$19,850.

Administration of the 2013–14 round of Community Grants commenced in February 2013. The round opened on 6 May 2013 and closed on 14 June 2013, with 14 applications received. The 2013–14 Community Grants will be considered by Council at its July 2013 ordinary meeting.

A zero waiting list for Aged Care & Disability Services

Council has continued to maintain the zero waiting list status for access to Aged Care & Disability Services – a very significant achievement given the demographic profile of the Borough of Queenscliffe (refer to page 26) and demand for services.

Council provided 8,262 hours of Aged Care & Disability Services, consisting of:



Funding secured for Point Lonsdale Village

Council was successful in securing several state and federal government grants that will result in improved infrastructure at the Point Lonsdale Village (shopping precinct):

- Country Roads & Bridges funding was allocated to the construction of a new roundabout at the corner of Point Lonsdale Road and Admans Street, Point Lonsdale. This will include placing the powerlines underground.
- State Government – Local Government Infrastructure Funds and Community Works funding was allocated to stage 1 of the Point Lonsdale Foreshore Revitalisation Project, which will result in a viewing platform overlooking the Rip.
- State Government – Local Government Infrastructure Funds and Federal Government Regional Development Australia funding was allocated to stage 2 of the Point Lonsdale Foreshore Revitalisation Project, which will result in significant foreshore improvements and the undergrounding of powerlines in the central shopping precinct from Admans Street to Kirk Road.

Use of Queenscliff Library

Use of the Queenscliff Library is extremely high, with membership held by 72% of Borough of Queenscliffe residents. This is the highest membership rate of any Local Government Area within the region, with the next highest being City of Greater Geelong, with 38%.

Environmental health activities

Since October 2012 Council has directly employed an Environmental Health Officer. This service was previously provided under contract to the City of Greater Geelong.

Key activities undertaken in 2012–13 as part of Council's environmental health service included the following:

- 35 food recalls were actioned.
- The annual mosquito control program, which involves monitoring and treating of public sites as required, as well as trapping and identifying mosquito species, was implemented from August 2012 to March 2013.
- Since the inception of the electronic environmental health data base system in October 2012, Council conducted:
 - 101 food safety assessments (including mandatory and non-compliance inspections)
 - 24 assessments of accommodation and beauty treatment services, and
 - 40 tobacco inspections.
- The food sampling compliance rate for the sampling period (March 2012 to February 2013) was determined to be 80%.
- The Department of Health and MAV cigarette sales to minors program resulted in 'no sales' of cigarettes, which demonstrates a high level of compliance by tobacco retailers in the Borough.
- Caravan parks were audited by the Country Fire Authority in relation to health, emergency management plan and fire fighting requirement.
- A 'smoke free beaches' policy was implemented with the introduction of new legislation banning smoking at all patrolled beaches in Victoria from 1 December 2012.

Disappointments

Footpath and Road Treatment Strategy

The development of a Footpath and Road Treatment Strategy has been delayed as a result of substantial demands on Council staff to complete significant capital projects during the 2012–13 financial year. The development of the strategy has been rescheduled to be completed in 2013–14.

Challenges

Maternal and child health services

Towards the end of the financial year Council was advised by Bellarine Community Health that they would no longer deliver Maternal and Child Health services on behalf of the Borough of Queenscliffe beyond the 30 June, 2013. To ensure the continuity of this important service with minimal disruption to the parents and children of the Borough, Council has been working closely with the City of Greater Geelong to finalise arrangements to provide this from the Queenscliffe Neighbourhood House, from the commencement of the 2013–14 year.

Proposed Botanic Gardens

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

Council officers are currently reviewing a working brief developed by the consultant that includes key tasks and a proposed timeline. Work on the concept design is expected to commence in August 2013.

Hesse Street Revitalisation Project

In 2012–13 Council allocated Local Government Infrastructure Funds to the implementation of priority works identified in the Hesse Street Revitalisation Project. Priorities identified by the Hesse Street Revitalisation Reference Group include the introduction of street trees, installation of an additional pedestrian crossing, renewal of the existing pedestrian crossing and renewal of street furniture.

A concept design, including selection of ornamental pear trees for the street trees, was completed and endorsed by the reference group and then submitted to VicRoads for formal approval. Planting of the ornamental pear trees was scheduled to be completed by the end of July 2013, with the new street furniture to be installed by the end of August 2013.

Tender documents will be developed for the pedestrian construction works and will be awarded before the end of December 2013. Pedestrian crossing works will commence after stakeholder consultation to ensure the least amount of disruption to trade during summer peak holiday period.

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

During 2012–13 a number of discussions were held with the Point Lonsdale Surf Life Saving Club with the aim of assisting the club to find a suitable location for a new club headquarters. The club has identified a preferred long-term site to meet their requirements and Council will consider this early in 2013–14.

In terms of immediate needs, discussions were also held with the Point Lonsdale Boardriders Club, with in-principle agreement reached to use the engine shed at the Point Lonsdale Lighthouse Reserve site on a short-term basis (up to five years), subject to agreement from the Victorian Department of Environment and Primary Industries.

The Boardriders Club will undertake the required work to make the building fit for purpose with assistance provided by Council through the Community Grants program. Point Lonsdale Boardriders Club provided a scope of works to bring the engine shed to a standard suitable for their use. Given the lighthouse reserve is subject to a precinct heritage overlay of state significance and requires approval from Heritage Victoria for any works, Council is currently awaiting confirmation from Heritage Victoria that the proposed works do not require a Heritage Victoria permit.

Concept plan for netball courts at Queenscliff Recreation Reserve

A review of caravan park operations was undertaken during 2012–13 that will inform the proposed Queenscliffe Recreation Reserve Master Plan. When completed, the master plan will identify the preferred location of netball courts and concept design and quantity survey work will commence.

Year ahead

- Complete the Queenscliff Recreation Reserve Master Plan.
- Complete Council's Health and Wellbeing Plan 2013 – 2017.
- Finalise the review of the Domestic Animal Management Plan.
- Work with the Point Lonsdale Boardriders Club and the Point Lonsdale Surf Life Saving Club to progress their future accommodation needs.
- Work with and support the Queenscliff Kindergarten Committee of Management to progress strategic planning and improve infrastructure and services to children and families in the Borough.
- Progress the Footpath and Road Treatment Strategy.



The Hesse Street Revitalisation works commenced in July 2013, launched by Cr Helene Cameron, Mayor, and Stuart Hansen, Projects and Contracts Engineer

Planning, Heritage & Community Assets

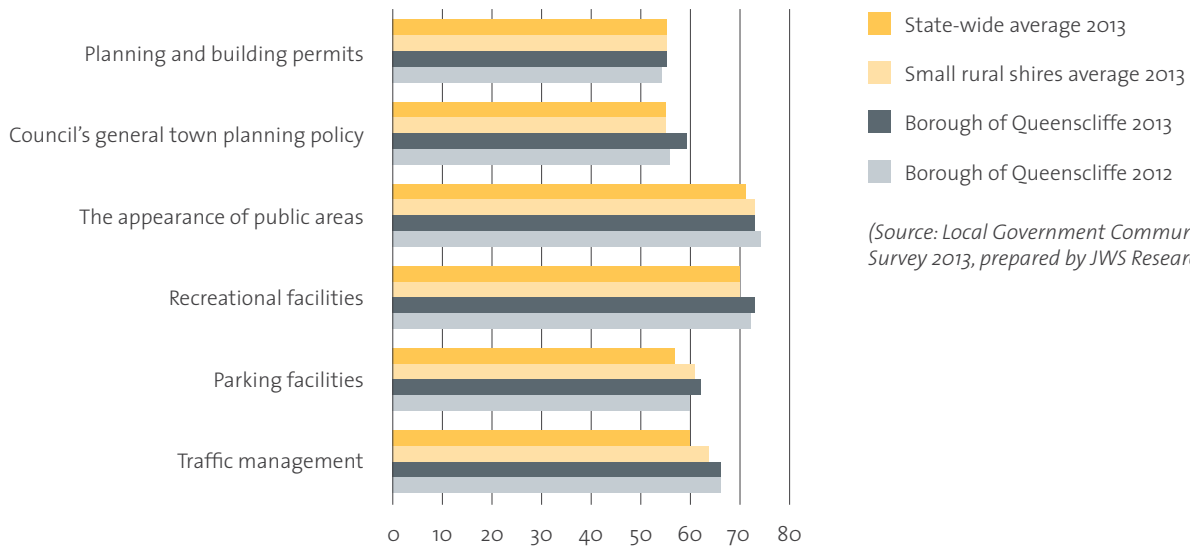
Striving to ensure development sustains and enhances the character of the natural and built environment.

At a glance

Primary focus areas	2012–13 successes
<ul style="list-style-type: none"> • Ensure development is in accordance with the Queenscliffe Planning Scheme. • Ensure responsive, high-quality planning outcomes. • Statutory planning. • Strategic land use planning. • Provide a heritage advisory service. • Effectively manage community assets including community facilities, roads, paths, kerbing, parks, open space, drainage and street trees. • Improve the development of community infrastructure. • Enhance traffic management. • Tender and contract management. 	<ul style="list-style-type: none"> • Online Heritage Database introduced. • A road pavement report was completed and road reseals were carried out on 11 roads. • Thermal energy assessments were conducted on four Council buildings. • Condition assessments were completed on all roads, kerbs and channels and footpaths. • The Point Lonsdale Foreshore Revitalisation Master Plan was endorsed and funding secured for stages 1 and 2.

2012–13 Business Plan priority actions	Council's performance
Progress the review of the Borough of Queenscliffe Planning Scheme	In progress
Implement Council's Asset Management Plan	Completed
Implement priority recommendations from the Geotechnical Cliff Safety Assessment at Point Lonsdale	In progress
Continue to advocate for Victorian Government funding for additional groynes at Point Lonsdale beach and management of sand and drainage on the promenade	Completed
Implement priority recommendations from the Climate Change Risk Assessment report	Completed
Review Council's Road Management Plan	Yet to commence
Finalise and confirm priority actions for the Point Lonsdale Shopping Centre precinct	Completed
Undertake investigation and design works, and construction as required, for pedestrian safety measures at Flinders and Henry Streets in Queenscliff in consultation with VicRoads	In progress
Improve road edges in Point Lonsdale for pedestrian safety and amenity	Completed
Advocate to VicRoads for improved pedestrian safety measures and roundabouts in priority locations	Completed
Work with Powercor and relevant landowners to progress implementation of undergrounding of powerlines in Point Lonsdale and at Queenscliff Recreation Reserve and Victoria Park	Completed

Level of community satisfaction



(Source: Local Government Community Satisfaction Survey 2013, prepared by JWS Research.)



Achievements

Heritage Database

In May 2013 an online Heritage Database was launched as part of the 150th anniversary celebrations.

The Borough of Queenscliffe has many significant buildings, structures, precincts and trees that are protected by heritage overlays. These heritage places reflect the rich and diverse history of the Borough and the character of the properties here.

The new database enables users to search for specific properties based on key words or the street address. It provides images of the site or building, the heritage overlay details, and a description of the significance and history of the place.

The Heritage Database is a joint initiative of the Borough of Queenscliffe and Heritage Victoria, and has been made possible with funding assistance from the Heritage Council of Victoria. The Heritage Database is located on Council's website at www.queenscliffe.vic.gov.au.

Asset Management Plan implementation

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

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

In addition to the Council-funded program outlined above, two large-scale road renewal projects were undertaken through the Victorian Government funded Country Roads & Bridges program. Learmonth Street, between Stokes and Hobson Streets, and Gellibrand Street, between King and Wharf Streets, were subject to major under-road drainage renewal and road reconstruction projects. The state government's funding has enabled Council to undertake these two important major projects within the 2012–13 year. It would otherwise have been difficult for Council to fund these independently.

Disappointments

Queenscliffe Planning Scheme Review

The review of the Queenscliffe Planning Scheme is a legislative requirement and commenced in 2011–12. The review was delayed for some time due to a staff changeover in the General Manager Planning & Infrastructure role.

During 2012–13 Council arranged for a peer review on the draft consultant's report reviewing the Queenscliffe Planning Scheme.

Subsequent changes have been made. A final draft report was completed in December 2012 and is currently being reviewed by Council.

Council has resolved to conduct a community consultation process on the final draft report that details proposed changes to the Queenscliffe Planning Scheme. This consultation will include two community forums – one in Queenscliff and one in Point Lonsdale – to seek public comment on the proposed changes. The community consultation is expected to commence before the end of 2013.

Road Management Plan Review

The review of Council's Road Management Plan was not undertaken in 2012–13 due to the significant workload associated with implementing the road reconstruction projects as part of the Victorian Government Country Roads & Bridges program and the federal government Roads to Recovery program.

However, during 2012–13 Council did undertake a condition assessment of all roads, kerbs and channels and footpaths in the Borough. The results of this report will be presented to Council in the first quarter of 2013–14 and will inform the review of the Road Management Plan, which has been rescheduled to 2014–15.

Planning application processing rate

In 2012–13 only 55% of planning permits were decided within the 60-day statutory time frame compared with 73% in 2011–12 and 80% in 2010–11. This is 15% less than Council's target of 70%.

The reduced throughput of planning applications and the time taken to complete assessments within the prescribed statutory time frames was primarily due to:

- the workload on Council's limited planning resources resulting from strategic planning works, namely the Ferry Terminal Planning Scheme Amendment and the Queenscliffe Planning Scheme Review
- the significant challenge in recruiting a new Senior Planner given the industry-wide shortages of qualified and experienced statutory and strategic land use planners. In this period Council relied on external consultants for approximately four months until a new Senior Planner was employed
- the caretaker period for the local governments, which delayed consideration of several planning applications in October and November.

Challenges

Point Lonsdale cliff safety

Following a Victorian Government review of the Geotechnical Cliff Safety Assessment for Point Lonsdale, a decision was taken by the state government to consider alternative risk management strategies to those suggested in the assessment. These alternative strategies were developed with the Department of Environment and Primary Industries to include issues such as the increasing erosion at Dog Beach.

DEPI has advised that, as part of the general risk mitigation issue for this area, experts have been engaged to carry out new assessments of the Point Lonsdale foreshore. Project delivery of the recommendations of the Geotechnical Cliff Safety Assessment is dependent on these new assessments. The final assessment is scheduled to be completed late in 2013.



Year ahead

- Continue to progress the Queenscliff Sports Club Building (Monahan Centre) Enhancement Project.
- Continue renewal works at the Queenscliff Maritime Museum.
- Renew one of the two Nelson Street pumps.
- Develop a Heritage Strategy.



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Corporate governance

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\$210,816

grants and donations provided
to local organisations

708

animals
registered

2

Councillors were
re-elected in the local
government elections
on 27 October 2012

Council governance

The value of good governance

Good governance is vital to ensure accountability, fairness and transparency for all of our stakeholders: management, employees, state and federal governments and their authorised bodies, and our community.

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

Council's role

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

Under section 3D of the Act:

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

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

Decision making

Council decisions are made in one of two ways:

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

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

Conflict of interest

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

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

Copies of the document 'Conflict of Interest: A Guide for Councillors, June 2011', published by the Department of Planning and Community Development, has been provided to councillors for their reference.

Elected representatives

Councillor elections

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

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

A statutory meeting was held on 14 November 2012 at which the Mayor, Cr Helene Cameron, and Deputy Mayor, Cr Bob Merriman, were elected for a one-year term and the new Council took the Oath of Office.

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

Code of Conduct

Council has a Code of Conduct, which was last revised on 18 October 2011. The code aims to embrace the principles of good governance and guide behaviour, accountability and dispute resolution amongst councillors. The existing code is available on Council's website.

Council meetings

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

Ordinary meetings of Council were held on:

- 18 July 2012
- 15 August 2012
- 19 September 2012
- 17 October 2012
- 21 November 2012
- 19 December 2012
- 30 January 2013
- 27 February 2013
- 18 March 2013
- 24 April 2013
- 22 May 2013
- 26 June 2013.

During the 2012–13 year, additional public meetings were held for the purpose of providing information to the community on the draft Council Plan, Budget and Rating Strategy. These meetings were held on:

- 6 May 2013 in Queenscliff
- 7 May 2013 in Camberwell.

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

On occasions, Special Meetings of Council are called to consider specific matters. In 2012–13 Special Meetings were held on 21 January 2013 and 30 April 2013.

Meeting attendance

Councillor	Number of Council and statutory meetings		Number of special meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Helene Cameron (Mayor)	12	12	2	2
*Cr Bob Merriman (Deputy Mayor)	12	11	2	2
Cr Susan Salter	8	8	2	2
Cr Graham Christie	8	7	2	2
Cr Sue Wasterval	8	8	2	2
*Cr John Burgess	4	4	0	0
*Cr David Mitchell	4	4	0	0
*Cr Lloyd Davies	4	4	0	0

* Councillors before the October 2012 election.

Meeting conduct

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

Meetings are conducted in accordance with the meetings procedure and reports are prepared independently by staff for both the decision and information of the Council.

Councillors are required to disclose any conflict of interest in any item to be discussed at Council meetings. Councillors who disclose any conflict of interest are subsequently precluded from any discussion and voting on an item.

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

Councillor allowances and expenses

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

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

Councillor	Allowance	Expenses	Total	Notes
Cr Helene Cameron	\$39,167.20	\$688.14	\$39,855.34	1
Cr Bob Merriman	\$26,611.29	\$27.92	\$26,639.21	2
Cr Sue Wasterval	\$13,284.89	\$58.15	\$13,343.04	3
Cr Susan Salter	\$13,284.89	–	\$13,284.89	3
Cr Graham Christie	\$13,284.89	–	\$13,284.89	3
Cr John Burgess	\$5,711.31	–	\$5,711.31	4
Cr David Mitchell	\$5,711.31	\$1,019.15	\$6,730.46	4
Cr Lloyd Davies	\$5,711.31	–	\$5,711.31	4
Total	\$122,767.09	\$1,793.36	\$124,560.45	

Notes:

1. Incoming Mayor during the financial year.
2. Outgoing Mayor during the financial year.
3. Incoming councillors during the financial year.
4. Outgoing councillors during the financial year.

Interstate and overseas travel

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

In the 2012–13 financial year the Mayor, Cr Helene Cameron, registered travel expenses of \$2,519.54 to attend the 2013 National General Assembly of Local Government in Canberra in June.

The Deputy Mayor, Cr Bob Merriman, registered travel expenses of \$1,079.28 for the G21 Delegation to Canberra in March 2013.

Committees of Council

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

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

Council also has a number of reference groups to provide advice and direction on specific projects. These reference groups consist of community members, councillors and Council staff. Current reference groups include:

- Australia Day Awards Selection Reference Group
- Community Grants Advisory Reference Group
- Reconciliation Reference Group
- 150th Anniversary Organising Reference Group
- Hesse Street Revitalisation Reference Group
- Hesse Street Hub Project Reference Group
- Botanic Gardens Project Reference Group
- Point Lonsdale Main Street and Foreshore Reference Group
- Queenscliffe Planning Scheme Project Steering Committee
- Governance and Finance Portfolio Reference Group.

Refer to page 28 for Councillor representation on these reference groups.

New committees and reference groups are established as required and community members are sought through an advertised 'expressions of interest' process.

Audit Committee

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

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

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

- Mr Roland 'Barney' Orchard and Mr David Shaw for a further 12-month period to 21 November 2013
- Mr Richard Bull and Mr Graeme Phipps for a further two-year period to 21 November 2014.

Cr Susan Salter replaced former Councillor John Burgess on the committee following nomination at the 21 November 2012 ordinary meeting of Council.

As at 30 June 2012, the members of the Committee are:

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

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

During the 2012–13 financial year the committee met four times:

- 3 July 2012
- 3 September 2012
- 10 December 2012
- 24 June 2013.

The meetings covered a number of standing items that address Council's audit and risk evaluations and functions. Audit reports presented to the Audit Committee were provided by Council's external insurers as well as the internal audit contractor and the external auditor appointed by the Victorian Auditor-General's Office (VAGO). Council officers provide a management response and follow up on items identified for action.

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

- the quarterly Financial Reports
- the draft annual Budget
- the inaugural Rating Strategy
- the year end Financial Statements

prior to adoption by Council.

Other significant items received by the committee included:

- VAGO reports on emerging issues, with Council officers providing comment on the Borough's position. The topics reviewed included fraud prevention strategies in local government, performance reporting, better practice results for financial report preparation and results of the Local Government Audit
- biannual reports from Council officers on the Risk Management Committee's activities, including incident reporting, progress regarding outstanding audit recommendations, an update of Council's Risk Register and Business Continuity Management Plan
- revised Council policies, including the risk management, fraud prevention and procurement policies
- review of the annual Local Government Community Satisfaction Survey, which compares performance across all Victorian councils.

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

Member	Eligible to attend	Meetings attended	Sitting fees paid/accrued (\$)	Notes
Mr Roland 'Barney' Orchard	4	4	1,600	
Mr Richard Bull	4	4	1,200	
Mr David Shaw	4	3	900	
Mr Graeme Phipps	4	4	1,200	
Cr Bob Merriman	4	4	0	1
Cr Susan Salter	2	2	0	1
Cr John Burgess	2	2	0	2
Total			4,900	

Notes:

1. Incoming councillors to Council's Audit Committee during the financial year.
2. Outgoing councillor from Council's Audit Committee during the financial year.

Risk management

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

An important component of risk management is the annual risk audit conducted by Council's insurers, which prompts a review of systems for continuous improvement.

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

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

During the year, a number of internal risk management related staff development activities were undertaken, including event risk management, tree risk management, fraud awareness, manual handling, bullying at work and incident reporting.

The Risk Management Policy was reviewed in January 2013 and is available on Council's website.

Insuring our risks

JLT Municipal Asset Protection Plan Discretionary Trust (JMAPP) provides Council's asset insurance and conducts audits every second year, alternating with the Liability Mutual Insurance (LMI) audit. A progress review was conducted by the insurers in December 2012. The insurers advised that Council's result had continued to improve and had increased from 58% to 62%.

Officers have also recently been advised by Council's insurers that the Borough has

achieved the joint second most increased regional score following the audit progress review. This achievement was highlighted at the recent Municipal Association of Victoria (MAV) Insurance Best Practice Forum.

The next LMI audit, for the period 2012–2014, is expected to be conducted in November 2013.

Council was subject to a property insurance audit, conducted by its broker Jardine Lloyd Thompson (JLT), in April 2013. This audit is for the period 2012–2014 and has changed significantly from previous years, with a much greater emphasis now placed on site inspections and Council's proactive risk-based inspection regimes.

Specific topics included in this insurance audit review were as follows:

- accountability and continuous improvement
- proactive risk management
- reactive risk management
- business continuity management
- JMAPP site inspections.

The audit report has been received, indicating a substantial increase in our result from 62% to 79%. Officers have developed a program for rolling risk-based inspections of Council buildings and this has been the main factor contributing to the improved audit result. This is a particularly challenging role, given the limited resources available, so this is a significant achievement for the Borough. The continued development of policies and procedures for high-risk works and eliminating risk at the design stage of projects, incident reporting (with respect to Council property risks) and follow-up of outstanding actions from previous audit recommendations has also contributed to the improved result.

Business continuity

Further work is required in the area of Business Continuity Management (BCM) to ensure documentation is up to date and in line with current good practice guidelines and standards. This will also maximise the resilience and capability of Council to respond to a business interruption event in a controlled and methodical manner and significantly reduce prolonged periods of interruption in service provision to the community.

Council notes that the insurance audit process has recently changed from annual reviews, which were previously conducted to track progress, to workshops that will assist in training staff and refining business processes with respect to insurance. Officers have nominated BCM as the area requiring assistance from JLT and this work is expected to be conducted in the second half of 2013.

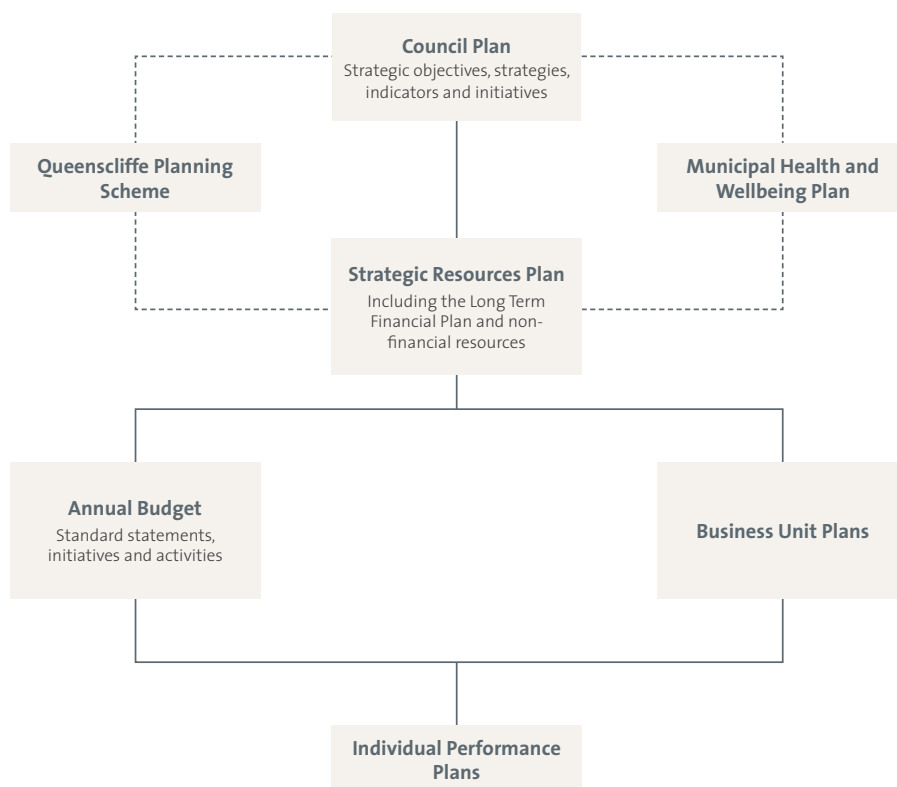
Business planning framework

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

The Borough of Queenscliffe's Council Plan 2010–2013 was produced after a comprehensive process that included extensive strategic research on the key drivers and trends affecting the current and future growth and welfare of our community, inputs from councillors and Council staff, community consultation and consideration of statutory and contractual requirements.

The diagram below depicts Council's strategic planning framework.

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



Policies, strategies and plans

The following policies, strategies and key planning documents were reviewed and/or adopted by Council during 2012–13.

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

Title	Date adopted
Council Policy 006 Customer Service Charter	18 July 2012
G21 Regional Growth Plan	15 August 2012
Council Policy 021 Pre-election Caretaker Period	19 September 2012
Borough of Queenscliffe 2011–12 Annual Report	17 October 2012
Council Policy 023 Information Technology	21 November 2012
Borough of Queenscliffe Municipal Fire Management Plan 2012–2015	19 December 2012
Council Policy 017 Risk Management	30 January 2013
Council Policy 008 Fraud Prevention	18 March 2013
Council Policy 020 Vegetation Vandalism	24 April 2013
Council Policy 013 Procurement	22 May 2013
Borough of Queenscliffe Council Plan 2013–2017	26 June 2013
Borough of Queenscliffe 2013-14 Budget	26 June 2013
Borough of Queenscliffe Rating Strategy	26 June 2013

Legislative compliance

Information privacy

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

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

Information and records management

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

Freedom of information

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

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

Council received one request for information during the financial year 2012–13. This was denied, as the information that was being sought did not exist.

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

Protected disclosures (formerly whistleblower protection)

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

The main objective of the Protected Disclosures Act is to encourage and facilitate the making of disclosures about improper conduct by public officers and public bodies and to establish a system for matters to be

investigated. The Act provides protection from detrimental action to any person affected by a protected disclosure, whether it is the person who makes a disclosure, a witness or the person who is the subject of an investigation.

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

During the financial year 2012–13 no disclosures were made to the Borough of Queenscliffe.

Road management

As a road authority, in accordance with Section 22 of the *Road Management Act 2004* Council is required to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2011–12.

Domestic (feral and nuisance) animals

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

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

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

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

A review of the Domestic Animal Management Plan commenced in 2012–13 and is due for completion in July 2013.

Fire prevention

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

Council's 2012–13 Annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In total 19 properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 100% compliance rate. This is a vast improvement on 2011–12 when 28 notices were issued and two non-compliance notices resulted. This improved result is very encouraging as it shows that the vast majority of the community is committed to undertaking fire prevention activities.

Organisation governance

Best Value Principles

The *Local Government (Best Value Principles) Act 1999* requires all Victorian councils to review their services against key principles to ensure that they are providing value for money to their communities. Council delivers best value to the community by:

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

Council's Best Value Program has been completed in accordance with its legislative requirements. Council still derives learning from the ongoing review applied to all Council services.

Procurement

Council has a Procurement Policy that outlines the core principles that apply to all purchases made and contracts entered into. This is available on Council's website and was reviewed in May 2013.

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

Continuous service improvements

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

During 2012–13 a major focus was placed on transitioning manual processes to electronic systems to improve operations and create efficiencies such as the e-tendering system and new intranet.

E-tendering

In early 2013 an e-tendering system was introduced to advertise and manage submissions for tenders, expressions of interest and contracts, in line with best practice in tendering.

The main benefits of e-tendering are as follows:

- advertising costs are reduced
- prospective suppliers receive direct email notification
- a wider audience can be reached
- suppliers can access documentation 24 hours a day, seven days a week
- administration handling is decreased
- there is an online forum for questions, answers and addendums
- transparency and auditing processes are increased.

Intranet

A new intranet (internal website) was launched in August 2012 for Council staff and in October 2012 for councillors. The benefits of the new intranet include:

- increased productivity
- less distraction from emails
- improved information sharing
- improved communications across all levels and departments
- improved access to regularly used documents and information
- more cost effective
- enhanced collaboration and staff contribution
- promotes positive culture.

The following service improvements have also been implemented during 2012–13:

- a new internal events scheduling process for effectively planning and tracking key activities associated with the delivery of events on public land
- a three-year contract for line clearance services, with significant savings achieved through a competitive tendering process
- installation and use of the Electronic Environmental Health Data Management System to facilitate quarterly food safety reporting to the Department of Health
- review of Council's environmental health service, with Council moving toward directly employing an Environmental Health Officer rather than continuing contract arrangements
- adoption of Streatrader, an online registration of temporary and mobile food premises.

Documents for inspection

A range of public information that is available for public inspection is not included on Council's website. Information is contained

in large documents or registers from which specific detail can be sourced. This includes:

1. current allowances fixed for the Mayor and councillors under section 74 or 74A of the Local Government Act
2. details of senior officers' total salary packages for the current financial year and the previous year
3. details of overseas or interstate travel
4. names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
5. names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted
6. agendas for and minutes of ordinary and special meetings held in the previous 12 months (except if closed to members of the public under section 89 of the Act)
7. list of all special committees established by Council and the purpose for which each committee was established
8. list of all special committees established by Council which were abolished or ceased to function during the financial year
9. minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months (except if closed to members of the public under section 89 of the Act)
10. the register of delegations kept under sections 87, 88 and 98 of the Act
11. list of submissions received in accordance with section 223 of the Act during the previous 12 months
12. agreements to establish regional libraries under section 196 of the Act
13. list of property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council
14. the register of authorised officers appointed under section 224 of the Act
15. list of donations and grants made by the Council during the financial year
16. list of the names of the organisations of which the Council was a member during the financial year
17. contracts required to be listed valued at \$100,000 or more.

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

Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2012. The revaluation was first applied in the rating year commencing 1 July 2012.

The next general revaluation will be 1 January 2014, with the valuations applied from 1 July 2014.

Local laws

Council has two local laws that aim to protect and enhance the community's general way of life and wellbeing. They provide for peace, order and good government. The Council's power to make these local laws is contained in sections 91 and 111 of the *Local Government Act 1989*. The current local laws were adopted on 24 December 2010 and are scheduled for review in December 2014.

Local Law No. 1 2010 – Process of Municipal Government

The objectives of this local law are to:

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

Local Law No. 2 2010 – Community Amenity

The objectives of this local law are to:

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

Infringements, registrations and permits issued

In 2012–13 a number of infringement notices, registrations and permits were issued under these local laws. These are summarised below.

Infringement notices	2012–13	2011–12
Parking infringements	321	308
Animal infringements	9	7
Local law infringements	1	12
Fire prevention	0	0
Planning	3	0
Total	334	327

Court briefs	2012–13	2011–12
Court briefs	0	25
Total	0	25

Notices	2012–13	2011–12
Fire prevention	19	28
Non-compliance of notices	0	2
Total	19	30

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

Outside hours	2012–13	2011–12
After hours calls	74	58
After hours call-outs	18	14
Total	92	72

Animal management	2012–13	2011–12
Animals registered	708	801
Dogs	576	646
Cats	132	155
Impounded animals	14	6
Door knocks (streets)	47	38
Animal warning notices	172	127
Native animal responses	34	27
Total	1,683	1,800

Grants and donations to local organisations

To assist our community to undertake cultural, recreational, environmental and community support projects and activities, Council provides grants and donations to community groups and organisations. In 2012–13, Council gifted a total of \$210,816.43 to the Borough community. This is an increase of \$59,614.54 on 2011–12 figures and represents a substantial investment in our volunteers, the social fabric of this community.

Recipient	Purpose of community grants and donations	2012–13	2011–12	Notes
Community events				
150 Years of the Borough	Celebrating 150 years of the Borough	\$85,342.54	\$1,573.64	1
Queenscliff Music Festival	Support of the event (cash donation and in-kind support)	\$23,852.13	\$19,327.71	2
Kids Busking for the Kids	Support of the event (in-kind support)	\$8,830.31	\$7,053.48	
Point Lonsdale Christmas Tree	Point Lonsdale Christmas Tree festivities	\$7,414.98	\$9,694.05	
Volunteer Day	Volunteer Day celebrations	\$4,107.26	\$3,011.77	
Seniors Week	Seniors Week activities	\$3,602.08	\$4,247.45	
Australia Day	Australia Day celebrations	\$3,161.72	\$5,090.62	
Maritime Weekend	Maritime Weekend activities	\$2,000.00	\$2,000.00	
Bellarine Lighthouse Films	Bellarine Lighthouse Films Festival	\$1,536.73	\$2,966.37	
Sea of Words	Sea of Words event	\$1,421.18	\$3,398.14	
Other event support	Other event support including the ANZAC Dawn Service	\$1,151.61	\$1,996.17	
Youth Week	Youth Week activities	–	\$1,827.06	3
Children's Week	Support of the event (in-kind support)	–	\$909.09	3
Subtotal: community events		\$142,420.54	\$63,095.55	
Contribution to operating costs				
Point Lonsdale Surf Life Saving Club	Lifeguard services	\$25,206.72	\$24,237.23	
Queenscliff Lonsdale Business and Tourism Association	Tourism activities	\$10,000.00	\$10,000.00	
Australian Volunteer Coastguard Association	Coastguard services	\$5,000.00	\$7,372.73	
Queenscliff Reconciliation Week	Reconciliation activities	\$2,783.03	\$2,200.00	
Point Lonsdale Tennis Club	Water	\$1,654.14	\$1,438.33	
Subtotal: contribution to operating costs		\$44,643.89	\$45,248.29	
Other donations				
Sheree Marris	Sponsorship – BOQ Marine Values	–	\$5,000.00	4
Subtotal: other donations		–	\$5,000.00	

Recipient	Purpose of community grants and donations		2012–13	2011–12
Arts & Cultural Development Grants	2012–13 year	2011–12 year		
Point Lonsdale Board Riders Club	Engine shed redevelopment	Purchase of 40ft container for storage of equipment	\$7,000.00	\$2,000.00
Queenscliff and District Neighbourhood House	Purchase of a defibrillator for the Queenscliff and District Men's Shed (\$2,000), purchase of a light tracking system to assist in the presentation of art exhibitions (\$1,300) and nappy change facilities and toy replacement for the Point Lonsdale Playgroup (\$500)	–	\$3,800.00	–
Queenscliff Lighthouse Theatre Group	Moveable lighting bar over the stage in the Point Lonsdale Hall for <i>Oliver – the Musical</i>	Donation for helping with the Over 80s Lunch	\$2,000.00	\$150.00
Queenscliff–Lonsdale Yacht Club	Off-beach activity program and boathouse doors preservation	Security fence and ancillary works	\$2,000.00	\$2,000.00
Queenscliff Maritime Museum	Digitising Queenscliff's maritime archives	Purchase of equipment for internal display and signage preparation and ground maintenance	\$1,452.00	\$1,100.00
Victoria State Emergency Service	Purchase of chainsaws and e-flares (portable flashing red and blue lights)	–	\$1,000.00	–
Friends of the Marine Discovery Centre	Marine Discovery Ranges – a program targeted towards all Borough grade 5 and 6 students and their teachers that seeks to inspire collective responsibility for the health and preservation of the marine environment	Fishing activity with Marine Discovery Centre aimed at people with disabilities, senior citizens and volunteers within the Borough	\$1,000.00	\$1,000.00
St. Aloysius Catholic Primary School		Construction of bike shelter		\$2,000.00
Queenscliff Golf Club		Redesign and upgrade of website		\$2,000.00
Geelong Steam Preservation Society		Construction of a fence between the bike path and railway track to the northern end of the station		\$2,000.00
Borough Coutas Masters Swimming		Sponsorship of the 20th annual event in January 2012		\$2,000.00
Geelong Environmental Forum		Restoration of indigenous vegetation in Citizens Park and Gellibrand Street		\$1,350.00
Queenscliff Point Lonsdale RSL Sub Branch		Replace flagpole		\$1,250.00
Queenscliff Historical Museum		Purchase of professional photographic display albums for permanent exhibition of archived photos		\$1,000.00
Bellarine Masonic Centre Association		Men's/Women's Health Seminar		\$1,000.00
Queenscliff Men's Shed		Upgrade of Men's Shed		\$1,000.00
Subtotal: Arts & Cultural Development Grants			\$18,252.00	\$19,850.00

Recipient	Purpose of community grants and donations	2012–13	2011–12	Notes
Youth Cultural Program				
Youth Cultural Program	Youth Week	\$4,500.00	\$4,456.23	
Youth Cultural Program	Music equipment	–	\$12,351.82	3
Subtotal: Youth Cultural Program		\$4,500.00	\$16,808.05	
Education awards				
Bellarine Secondary College	Scholarship	\$1,000.00	\$1,000.00	
Point Lonsdale Primary School	Scholarship	–	\$100.00	
St. Aloysius Catholic Primary School	Scholarship	–	\$100.00	
Subtotal: Education Awards		\$1,000.00	\$1,200.00	
Total grants and donations paid		\$210,816.43	\$151,201.89	

Notes:

1. Majority of expenditure on 150th anniversary celebrations took place for the official anniversary weekend in May 2013. Some expenditure will be completed in 2013–14 (books and tree planting).
2. Includes additional security and traffic management costs.
3. Programs for which one-off funding was received in 2011–12, therefore no expenditure was incurred in the 2012–13 financial year.
4. One-off donation made in the 2011–12 financial year.

Grants and subsidies received

In 2012/13 Council received a total of \$2,562,927 in grants and subsidies from external sources.

Purpose	Type	Period	Funding	Source	2012–13 actual	2011–12 actual	Notes
Aged Care – Community Aged Care Packages	Operating	Recurrent	Federal	Department of Health and Ageing	\$79,586	\$73,252	1
Roads to Recovery	Capital	Recurrent	Federal	Department of Infrastructure	\$74,440	\$0	2
Subtotal: federal funding					\$154,026	\$73,252	
General purpose	Operating	Recurrent	State	Victoria Grants Commission	\$186,866	\$295,853	3
Local roads	Operating	Recurrent	State	Victoria Grants Commission	\$41,793	\$67,980	3
Aged care – assessments	Operating	Recurrent	State	Department of Health	\$41,054	\$40,229	
Aged care – domestic assistance	Operating	Recurrent	State	Department of Health	\$136,480	\$130,209	
Aged care – personal care	Operating	Recurrent	State	Department of Health	\$44,959	\$36,689	
Aged care – respite care	Operating	Recurrent	State	Department of Health	\$14,770	\$11,141	
Aged care – home maintenance	Operating	Recurrent	State	Department of Health	\$37,598	\$36,836	
Aged care – traineeship	Operating	Non-recurrent	State	Department of Training and Workforce Development	\$2,500	\$8,000	
Aged care – transition	Operating	Non-recurrent	State	Department of Health	\$0	\$1,379	

Purpose	Type	Period	Funding	Source	2012-13 actual	2011-12 actual	Notes
Senior Citizens Centre	Operating	Recurrent	State	Department of Health	\$8,017	\$7,856	
Victorian Seniors Festival – Seniors Week	Operating	Recurrent	State	Department of Health	\$2,600	\$2,600	
Vulnerable Persons Database	Operating	Recurrent	State	Department of Health	\$10,000	\$0	
Maternal and Child Health	Operating	Recurrent	State	Department of Education and Early Childhood Development	\$46,786	\$44,082	
Kindergarten – planning	Operating	Recurrent	State	Department of Health	\$10,000	\$10,000	
Children’s Week	Operating	Non-recurrent	State	Department of Education and Early Childhood Development	\$0	\$500	
Youth Week	Operating	Non-recurrent	State	Department of Human Services	\$0	\$2,000	
Community Development Officer	Operating	Recurrent	State	Department of Health	\$21,060	\$20,637	
School crossing supervisors	Operating	Recurrent	State	Department of Transport	\$13,472	\$12,441	
Heritage Advisor	Operating	Recurrent	State	Department of Planning and Community Development	\$14,000	\$14,000	4
Beach cleaning	Operating	Recurrent	State	Department of Sustainability & Environment	\$5,663	\$5,650	
Sustainability Accord	Operating	Non-recurrent	State	Department of Sustainability & Environment	\$25,000	\$20,000	
Regional Victoria Living Expo	Operating	Recurrent	State	Regional Development Victoria	\$10,000	\$20,000	
G21 Tennis Strategy	Operating	Non-recurrent	State	Sport & Recreation Victoria - Department of Planning and Community Development	\$45,000	\$0	
Country Roads & Bridges Program	Operating	Recurrent	State	Department of Transport	\$626,400	\$0	5
Country Roads & Bridges Program	Capital	Recurrent	State	Department of Transport	\$373,600	\$1,000,000	5
Lighthouse Reserves Development Plan – maintenance	Operating	Non-recurrent	State	Department of Sustainability & Environment	\$77,354	\$0	
Fire Services Levy Implementation	Operating	Non-recurrent	State	State Revenue Office - Department of Treasury & Finance	\$35,980	\$0	
Aged care – minor works	Capital	Recurrent	State	Department of Health	\$29,210	\$8,773	
Web-based Heritage Database (150 Years of the Borough)	Operating	Non-recurrent	Other	Heritage Victoria - Department of Planning and Community Development	\$4,000	\$0	

Purpose	Type	Period	Funding	Source	2012-13 actual	2011-12 actual	Notes
Point Lonsdale Bowls Clubhouse upgrade	Operating	Non-recurrent	State	Sport & Recreation Victoria - Department of Planning and Community Development	\$0	\$6,000	
Visitor Information Centre traineeship	Operating	Non-recurrent	State	Department of Training & Workforce Development	\$0	\$1,500	
Drought relief for community sport & recreation	Operating	Non-recurrent	State	Department of Planning & Community Development	\$0	(\$5,506)	6
Hesse Street Revitalisation Project stage 1	Capital	Non-recurrent	State	Regional Development Victoria	\$175,000	\$0	
Point Lonsdale Foreshore Revitalisation Project stage 1	Capital	Non-recurrent	State	Regional Development Victoria	\$75,000	\$0	
Point Lonsdale Foreshore Revitalisation Project stage 1	Capital	Non-recurrent	State	Department of Planning and Community Development	\$160,000	\$0	
Open Space Strategy	Capital	Non-recurrent	State	Department of Planning and Community Development	\$27,000	\$0	
Queenscliff Sports Club Enhancement Project	Capital	Non-recurrent	State	Sport & Recreation Victoria – Department of Planning and Community Development	-	\$250,000	
Princess & Citizens Park Redevelopment	Capital	Non-recurrent	State	Regional Development Victoria	-	\$125,000	
Netball courts – lighting	Capital	Non-recurrent	State	Department of Planning and Community Development	-	\$3,221	
Music equipment	Capital	Non-recurrent	State	Department of Planning and Community Development	-	\$11,473	
Ferry to Pier	Capital	Non-recurrent	State	Regional Development Victoria	-	\$125,000	
Subtotal: state funding					\$2,301,162	\$2,313,543	
Coastal Tender (Ocean Road)	Operating	Non-recurrent	Other	Corangamite Catchment Management Authority	\$52,490	\$42,560	
Coastal Tender (The Narrows)	Operating	Non-recurrent	Other	Corangamite Catchment Management Authority	\$40,994	\$33,239	
Tobacco Activity Program	Operating	Recurrent	Other	Municipal Association Victoria	\$12,255	\$1,796	4
Implementation of new smoking bans on patrolled beaches	Operating	Non-recurrent	Other	Municipal Association Victoria	\$2,000	\$0	
Subtotal: other funding					\$107,739	\$77,595	
Total grants and subsidies received by Council					\$2,562,927	\$2,464,390	

Notes:

1. Two additional community aged care packages approved during 2012–13.
2. Roads to Recovery funding of \$144,000 in total over a four-year period to 2013–14. \$69,560 received in 2010–11 and the balance of \$74,440 is accrued in 2012–13, as all works are now completed.
3. Victoria Grants Commission funding includes prepayment of 2013–14 quarters 1 and 2. Reduced funding for all Victorian councils, as population (used in funding formula) overestimated.
4. Some funding not received; however, expenditure to which the funding relates has been incurred during the financial year and therefore grant income has been accrued as at 30 June.
5. Country Roads & Bridges funding of \$1 million per annum announced during 2011–12, for a four-year period commencing 2011–12 through to 2014–15.
6. Part of 2007 program grant income received but not expended and was returned in the 2011–12 year in accordance with grant conditions.

Memberships of organisations

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

Organisation	Membership contribution		Notes
	2012–13	2011–12	
Geelong Otway Tourism (GOT)	\$18,511.67	\$14,284.29	1
Geelong Otway Tourism (GOT) – Tourism Excellence Professional Development Program	\$2,500.00	–	2
Municipal Association of Victoria (MAV) – Step Asset Management Program	\$8,000.00	\$4,375.00	3
Municipal Association of Victoria (MAV) – Membership	\$6,644.00	\$6,388.00	
Municipal Association of Victoria (MAV) – LG Information Communications Technology	\$500.00	–	2
G21 Regional Alliance	\$6,000.00	\$6,000.00	
Association of Bayside Municipalities (ABM)	\$4,375.43	\$4,167.07	
Victorian Caravan Parks Association (Vic Parks)	\$2,894.56	\$2,570.92	
Barwon Region Waste Management Group	\$2,375	\$2,695.36	
Small Rural Councils of Victoria	\$2,000.00	\$2,000.00	
Local Government Professionals (LGPro)	\$1,372.72	\$1,000.00	
CPA Australia	\$581.82	\$1,145.46	
Caravan, RV & Accommodation Industry of Australia	\$500.00	\$500.00	
Mainstreet Australia	\$454.55	\$454.55	
AAA Tourism Advantage	\$365.45	\$570.46	
Revenue Management Association (RMA)	\$300.00	\$171.82	
Local Government Finance Professionals (FinPro)	\$230.00	\$317.27	
Waste Management Association of Australia	\$89.64	\$178.54	
The Bellarine	–	\$574.55	4
Coastal Camping Victoria	–	\$454.55	
Total	\$57,694.84	\$47,847.84	

Notes:

1. The contribution paid in 2012–13 includes one quarter relating to the 2011–12 year which was not accrued.
2. New contributions made during the 2012–13 financial year.
3. Increase in MAV Step Asset Management Program contribution includes financial sustainability survey.
4. Complimentary memberships now in place for the Borough and its Visitor Information Centre.

Local government performance indicators

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

Local government performance indicators	2012–13	2011–12	2010–11	Note
Affordability / cost of governance				
Average rates and charges per assessment	\$1,844.90	\$1,769.61	\$1,693.37	1
Average rates and charges per residential assessment	\$1,792.90	\$1,710.53	\$1,626.49	1
Sustainability				
Average liabilities per assessment	\$758.07	\$879.04	\$807.01	2
Underlying operating result per assessment	\$46.30	\$204.71	\$274.53	3
Services				
Average operating expenditure per assessment	\$2,997.31	\$2,561.84	\$2,346.28	3
Community satisfaction rating for overall performance generally of the Council	68	66	64	
Infrastructure				
Average capital expenditure per assessment	\$661.07	\$724.06	\$306.46	4
Renewal gap	185%	195%	56%	5
Renewal and upgrade gap	196%	231%	88%	6
Renewal and maintenance gap	153%	136%	105%	7
Governance				
Community satisfaction rating for Council's advocacy and community representation on key local issues	61	61	65	
Community satisfaction rating for Council's engagement in decision making on key local issues	63	60	60	
Additional sustainability data				
Operating surplus per income statement	\$1,665,259	\$2,071,455	\$1,357,670	3
Underlying operating surplus / (deficit) – (capital income and other abnormals removed)	\$164,723	\$620,164	\$826,615	8

1. Reflects the 4.0% rate increase adopted by Council, as well as supplementary rates and charges raised, for the 2012–13 financial year.
2. Defined benefits superannuation liability paid in full during 2012–13, in addition to the usual loan redemption payments on four bank loans held by Council.
3. The reduction in both operating and underlying result for 2012–13 reflects operating expenditure incurred during the financial year, for which budgets were provided in previous years and carried forward for completion in 2012–13.
4. Some capital projects take more than one financial year to complete. Council has carried forward budgets and grant funding where appropriate to fund the completion of such projects in future years.
5. The Renewal Gap Ratio measures the rate of capital spending on the renewal of assets compared with the value of the assets used (depreciation) during the year.
6. The Renewal and Upgrade Gap Ratio measures the rate of capital spending on the renewal and upgrade of existing assets (as opposed to the creation of new assets) compared with the value of the assets used (depreciation) during the year.
7. The Renewal and Maintenance Gap Ratio measures the rate of capital and maintenance spending on the renewal of assets compared with the value of the assets used (depreciation) and the planned level of maintenance during the year.
8. The underlying operating result removes capital income on the basis that there is no matching capital expenditure included in the Income Statement. On this same matching principle, grant income is adjusted into the year in which it was expended. Other abnormals (non-operating items) removed include profit/loss on asset sales and the share of the Regional Library equity, impairment losses and asset revaluation adjustments. These adjustments are made to ascertain a more realistic result of operating activities.

Community satisfaction

The 2013 Local Government Community Satisfaction Survey results show that the Borough of Queenscliffe Council rates higher than the state-wide and 'small rural councils' group averages on all core performance measures.

Performance measures	Borough of Queenscliffe 2012	Borough of Queenscliffe 2013	Small rural shires 2013	State-wide 2013
Overall performance	66	68	59	60
Community consultation (community consultation and engagement)	60	63	58	57
Advocacy (lobbying on behalf of the community)	61	61	56	55
Customer service	78	75	70	71
Overall Council direction	53	61	52	53

The 2013 Local Government Community Satisfaction Survey also includes extensive results related to performance in specific service areas.

Performance measures	Borough of Queenscliffe 2012	Borough of Queenscliffe 2013	Small rural shires 2013	State-wide 2013
Informing the community	65	68	61	61
The condition of local streets in your area	62	64	56	58
Traffic management	66	66	64	60
Parking facilities	60	62	61	57
Enforcement of local laws	67	66	65	65
Family support services	70	70	67	67
Elderly support services	75	77	72	69
Recreational facilities	72	73	70	70
The appearance of public areas	74	73	73	71
Art centres and libraries	74	70	59	73
Community and cultural activities	72	73	68	69
Waste management	72	71	71	71
Business and community development and tourism	64	68	62	62
Council's general town planning policy	56	59	55	55
Planning and building permits	54	55	55	55
Environmental sustainability	63	66	62	64



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\$165,000

underlying surplus achieved

\$2,002,000

invested in capital works projects

Asset base worth

\$71,834,000

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Financial performance

Financial reporting provides essential information for understanding the financial position of the Borough of Queenscliffe and assessing our performance over the past year.

It also enables our community and our stakeholders to consider the ability of Council to continue to deliver current services and maintain existing facilities in the longer term.

In brief, Council:

- achieved an underlying surplus of \$165,000 for the period, which was \$204,000 above the budgeted underlying deficit of (\$39,000) due to additional user fees and interest income on investment of surplus cash
- ended the 2012–13 financial year with a cash balance of \$3,936,000
- increased fixed assets (property, infrastructure, plant and equipment) by \$1,031,000 as a result of programmed renewal and grant-funded capital expenditure.

Underlying result

Council achieved an underlying surplus of \$165,000 for the 2012–13 financial year. This is the fifth successive year that Council has achieved an underlying surplus, which is a tremendous result given the increasing demands placed upon Council services and infrastructure asset renewal requirements.

Revenue

Council's total revenue for the 2012–13 year was \$10,744,000 (up from \$10,060,000 for 2011–12). The additional income is a combination of increased rate revenue, community contributions to capital works, proceeds of insurance claims, Workcover reimbursement and government grants.

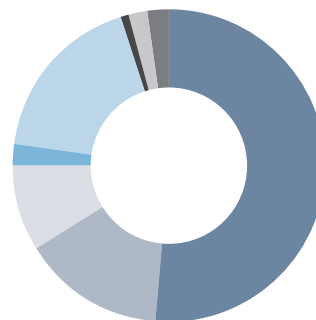
Council's revenue is sourced below.

Expenditure

Council's total expenses for the 2012–13 year were \$9,079,000 (an increase of \$1,091,000 on the 2011–12 year). Additional expenditure largely reflects Council and grant-funded projects carried forward from the previous financial year for completion in 2012–13, predominantly the funded Country Roads & Bridges Program works at Gellibrand and Learmonth Streets.

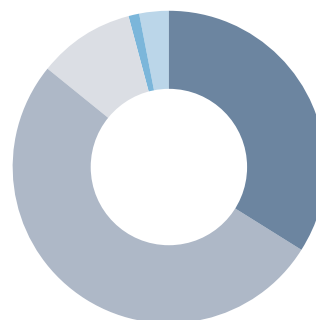
Council's expenses are categorised below.

Revenue



- Rates and charges 52%
- User fees 18%
- Operating grants 15%
- Statutory fees and fines 1%
- Capital grants 9%
- Interest on investments 2%
- Contributions 2%
- Other revenue 2%

Expenses



- Employee benefits 34%
- Materials and services 52%
- Depreciation 10%
- Finance costs 1%
- Other expenses 3%

Capital works

During the financial year, Council invested \$2,002,000 in capital works projects. The investment in capital works continues to focus on maintenance and renewal of the community's existing assets, assisted by large injections of grant funding including the Country Roads & Bridges Program and the Local Government Infrastructure Program.

Key projects undertaken during the year included:

- reconstruction of Gellibrand and Learmonth Streets
- annual renewal program including road resealing, infrastructure, motor vehicles and information technology
- continued improvements to the Queenscliff Sports Club building
- revitalisation of Hesse Street
- planning for the revitalisation of Point Lonsdale Foreshore.

Assets

Council's total asset base is \$71,834,000 – an increase of \$1,302,000 over the previous year. The major components of assets are:

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

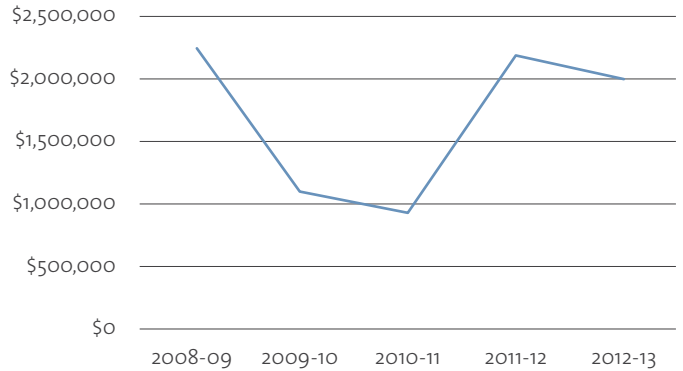
Together these asset categories account for 98.7% of all assets.

Liabilities

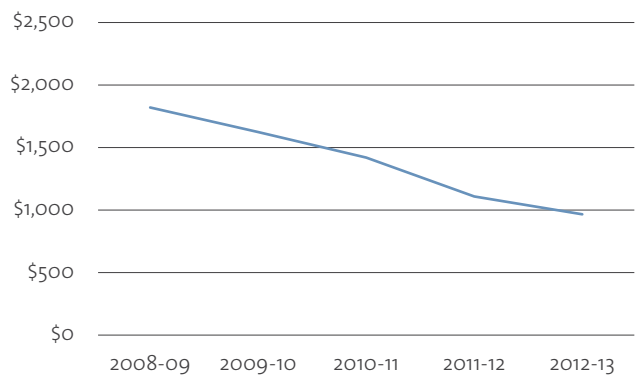
Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$2,296,000 as at 30 June 2013.

The overall level of liabilities has reduced by \$365,000 from 2011–12 due to active repayment of debt in accordance with agreed loan schedules. Current debt levels mean that Council is operating well within the Victorian Government prudential ratio limits.

Capital works five-year comparison, 2008–09 to 2012–13



Liabilities five-year comparison, 2008–09 to 2012–13



Financial indicators

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

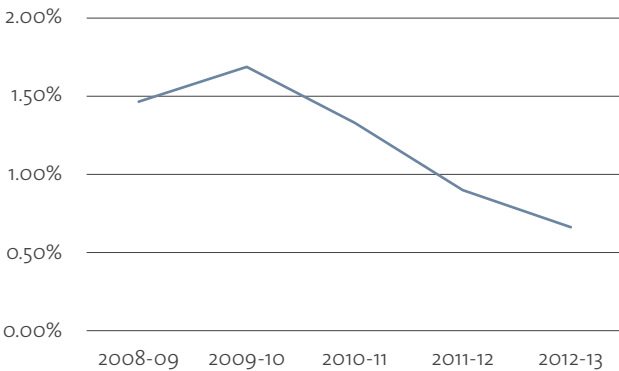
Debt Servicing Ratio

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

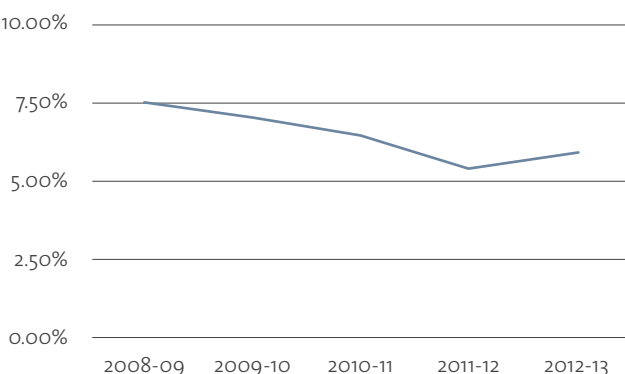
Debt Commitment Ratio

The Debt Commitment Ratio illustrates how much of Council's revenue is used to fund existing debt for the year (including the payment of both loan principal and interest). The lower the ratio, the better off Council is. Council's ratio is well within the prudential limit of 10% set by the Victorian Government and reflects Council's commitment to continued loan redemption. Note that one new loan of \$149,000 commenced in the 2012–13 year.

Debt Servicing Ratio five-year comparison, 2008–09 to 2012–13



Debt Commitment Ratio five-year comparison, 2008–09 to 2012–13



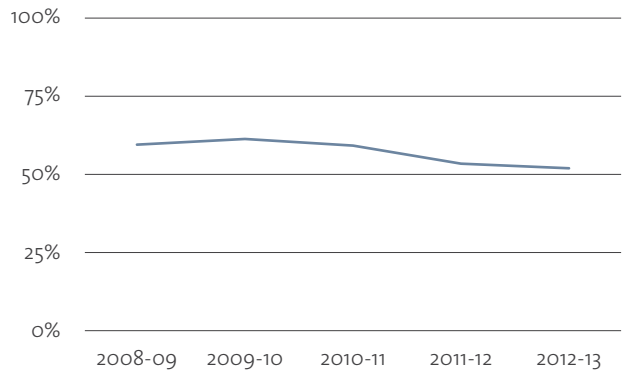
Revenue Ratio

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

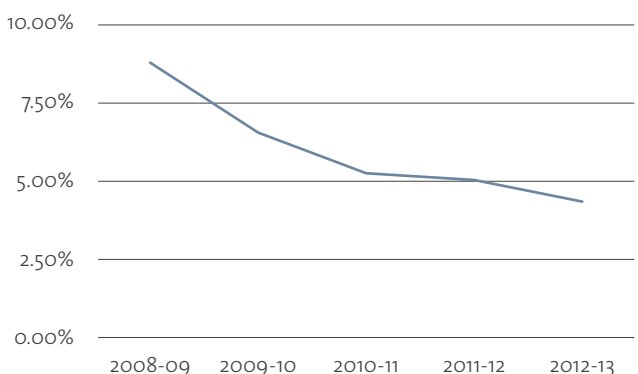
Debt Exposure Ratio

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

Revenue Ratio five-year comparison, 2008–09 to 2012–13



Debt Exposure Ratio five-year comparison, 2008–09 to 2012–13



Financial sustainability indicators

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

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

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

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

The following table shows figures for the Borough of Queenscliffe as included in the VAGO report published in November 2012, with regard to the results of the Local Government Audits 2011–12. It illustrates where Council sits in terms of the level of risk for each of the above six financial sustainability indicators.

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

The following charts indicate the Borough's trend over the past five years on the above financial sustainability indicators. Note that the 2012–13 results are those calculated by the Borough for each of these ratios, as the final VAGO figures will not be released until late 2013.

Sustainability indicators	BOQ Result	Risk levels		
		High	Medium	Low
Underlying Result Ratio	9.93%	Negative 10% or less	Between negative 10% and zero	Greater than zero
Liquidity Ratio	180.00%	Equal to or less than 10%	Between 100% and 150%	Greater than 150%
Indebtedness Ratio	3.48%	Greater than 60%	Between 40% and 60%	Less than 40%
Self-financing Ratio	33.43%	Less than 10%	Between 10% and 20%	Greater than 20%
Capital Replacement Ratio	223.00%	Equal to or less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap Ratio	178.00%	Equal to or less than 50%	Between 50% and 100%	Greater than 100%

Underlying Result Ratio

VAGO includes capital grants within the Underlying Result Ratio, hence the ratio result of 9.93% in the table on the preceding page appears more favourable than that which the Borough deems to be the underlying result and has included in the chart below.

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

- capital grant income and community contributions are deducted, given that capital expenditure is not reflected in the Income Statement but, rather, it forms part of the Balance Sheet (property, infrastructure, plant and equipment)
- other abnormal/one-off items are deducted, including asset revaluations, profit/(loss) on sale of assets and increase/(decrease) in Council's share of equity in the Geelong Regional Library Corporation
- timing differences with regard to government grants and associated expenditure are also adjusted to match grant funding received with the year in which expenditure is incurred.

Council has experienced underlying surpluses in each of the past five years. The decision was made by Council, as part of the 2012-13 Budget, to allocate previous year accumulated cash surpluses to additional projects. This is the reason for the decline in surplus at 30 June 2013. Note, however, that the underlying result achieved for 2012-13 of \$165,000 was an improvement on the budgeted underlying deficit of (\$39,000), largely due to additional user fees and interest income earned on the investment of surplus cash.

Liquidity Ratio (or Working Capital Ratio)

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

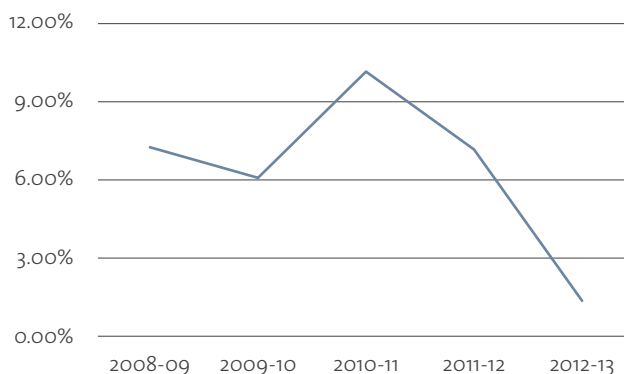
The target in Council's Strategic Resource Plan and Council Plan is to maintain a ratio of at least 100%. Council's current ratio is well over the recommended level of 150% indicated by VAGO. This is a positive result, as it places Council in the 'low' risk category, indicating that there is no immediate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

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

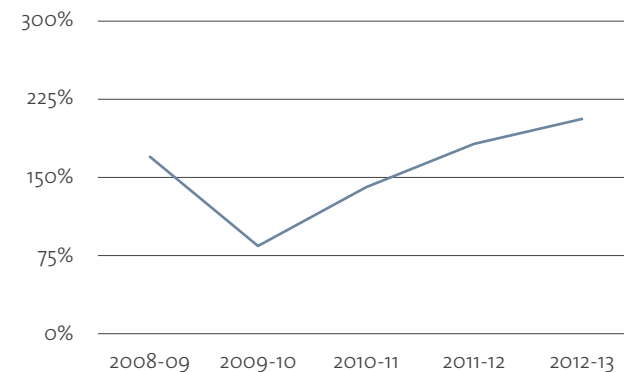
The **Adjusted Working Capital Ratio** illustrated below has two key adjustments:

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

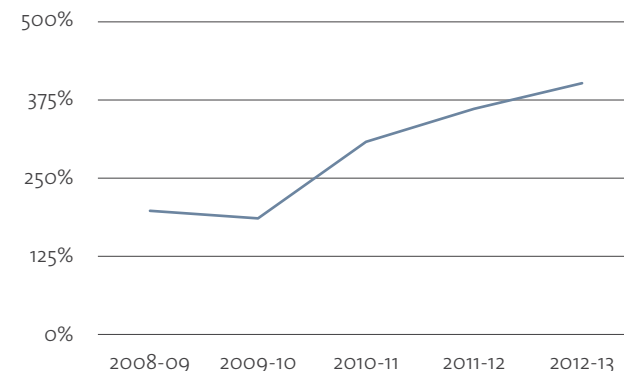
Underlying Rate Ratio five-year comparison, 2008-09 to 2012-13



Liquidity Ratio / Working Capital Ratio five-year comparison, 2008-09 to 2012-13



Adjusted Working Capital Ratio five-year comparison, 2008-09 to 2012-13



Indebtedness Ratio

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

Self-financing Ratio

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

As Council adjusts its underlying result, as detailed earlier (page 88), and because this is the denominator used in the calculation of the self-financing ratio, Council arrives at a slightly different result for this ratio than VAGO. It should be noted that both the VAGO and Council results for this ratio fall within the 'low' risk category.

Capital Replacement Ratio

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

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

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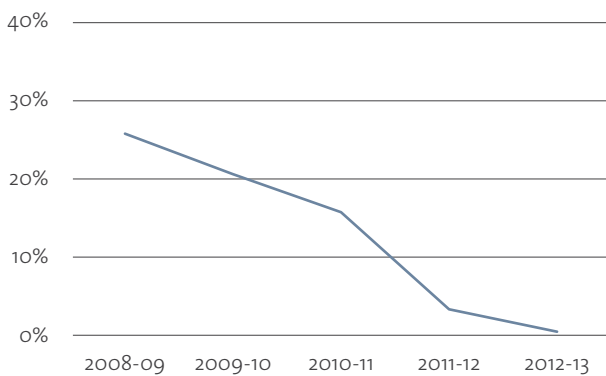
Renewal Gap Ratio

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

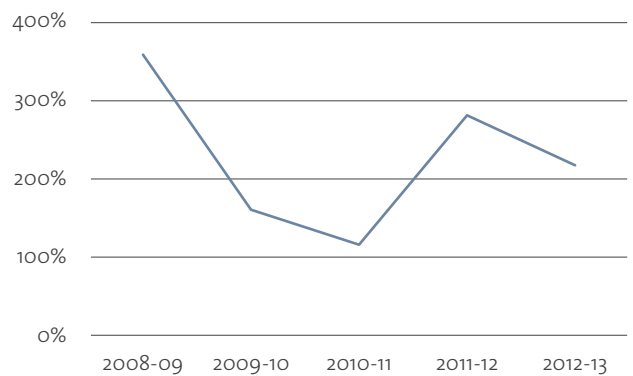
This is a long-term indicator, as capital expenditure compared to depreciation needs to be averaged over a number of years as the peaks and troughs of asset replacement requirements occur. Council has averaged well over 100% for the trend period, demonstrating Council's commitment to maintaining and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

In summary, each of the above six indicators as assessed by VAGO illustrates the Borough of Queenscliffe Council's sound financial position and shows that Council is considered 'low' risk on each of these financial sustainability indicators.

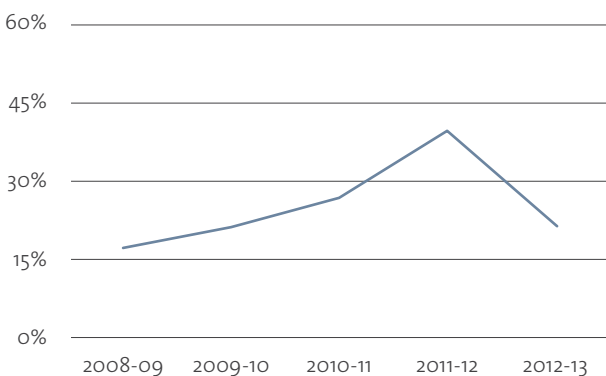
Indebtedness Ratio five-year comparison, 2008-09 to 2012-13



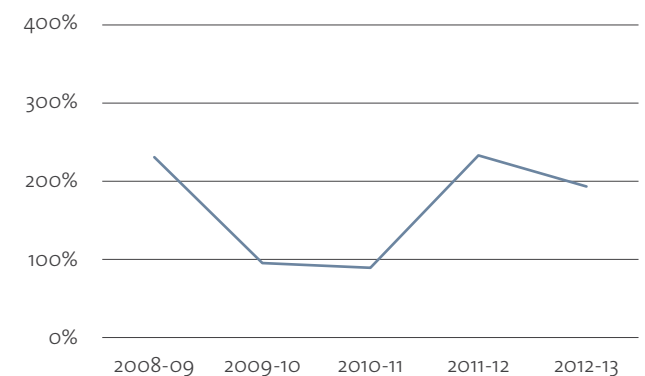
Capital Replacement Ratio five-year comparison, 2008-09 to 2012-13



Self-financing Ratio five-year comparison, 2008-09 to 2012-13



Renewal Gap Ratio five-year comparison, 2008-09 to 2012-13



Understanding the Financial Report

Introduction

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

The Financial Statements show how Council performed financially during the 2012–13 financial year and the overall position at the end of the financial year.

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

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

- Standard Statements (page 94)
- General Purpose Financial Statements (page 110)
- Performance Statement (page 160)

What are the Standard Statements?

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

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

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

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

The Standard Income Statement

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

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

The Standard Balance Sheet

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

The Standard Cash Flow Statement

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

The Standard Statement of Capital Works

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

The Standard Investment Reserves Statement

Council has included a further standard statement reflecting the additional standard statement included within the 2012-13 budget adopted by Council on 20 June 2012 – a Standard Investment Reserves Statement.

What is contained in the General Purpose Financial Statements?

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

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

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Cash Flow Statement.

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

Comprehensive Income Statement

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

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

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

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

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

Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial situation as at 30 June 2013. It shows what the Council controls as assets and what it owes as liabilities. The bottom line of this statement is net assets. This is the net worth of Council, which has been built up over many years.

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

Statement of Changes in Equity

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

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

Cash Flow Statement

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

Notes to the Financial Statements

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

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

Certification by Principal Accounting Officer and Councillors

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

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

Auditor-General's Report

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

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

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Standard Income Statement

	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
Revenues					
Rates and charges	5,588	5,578	10	0%	
Statutory fees & fines	85	109	(24)	(22%)	1
User Charges	1,936	1,855	81	4%	
Grants - Operating	1,648	757	891	118%	2
Grants - Capital	914	1,295	(381)	(29%)	3
Capital Contributions	207	-	207	100%	4
Contributions - Operating	10	-	10	100%	5
Interest received	168	111	57	51%	6
Other income	179	-	179	100%	7
Total operating revenue	10,735	9,705	1,030	11%	
Expenses					
Employee benefits	3,072	2,938	(134)	(5%)	8
Materials & Services	4,715	4,414	(301)	(7%)	9
Bad and doubtful debts	19	2	(17)	(870%)	10
Depreciation	916	777	(139)	(18%)	11
Interest expense	70	90	20	22%	12
Other expenses	247	227	(20)	(9%)	
Total operating expenses	9,039	8,449	(592)	(7%)	
Operating result	1,696	1,256	438	35%	
Share of net profits of associates and joint ventures accounted for by the equity method	9	5	4	89%	13
Net loss on sale of assets	(27)	(10)	17	(175%)	14
(Increase)/decrease in unfunded superannuation liability	12	-	(12)	100%	15
Impairment losses recognised in profit or loss	(24)	-	24	(100%)	16
Comprehensive result	1,666	1,251	473	38%	
Minus					
Grants & contributions - capital	(1,121)	(1,295)	174	(13%)	
Net loss on sale of assets	27	10	17	175%	
Increase/(decrease) in unfunded superannuation liability	(12)	-	(12)	100%	
Share of net profits of associates and joint ventures accounted for by the equity method	(9)	(5)	(4)	89%	
Impairment losses recognised in profit or loss	24	-	(24)	(100%)	
Adjustments to match grant funding to year of expenditure					
operating grants from prior years expended in the current year	177	-	177	100%	
operating grants received in the current year not spent by year end	(587)	-	(587)	100%	
Underlying result	165	(39)	213	547%	

Variance Explanation Report

Note	Item	Commentary
1	Statutory fees & fines	Reduction in parking infringement income (\$5,000) is the direct result of increased law enforcement, particularly in the vicinity of the boat ramp. Less activity with regards to town planning fees/infringements (\$10,000) and local laws permits/fines (\$5,000).
2	Grants - operating	<p>Recurrent funding</p> <p>The Country Roads & Bridges Program funding of \$1,000,000 for the 2012/13 year was budgeted as 100% capital grants (recurrent), however \$626,000 has now been reallocated to operating grants (recurrent) in view of the Ministerial approval to spend part of this grant funding on Vic Roads assets (Admans Street and Hesse/Symonds/Wharf Streets roundabouts). In addition, Council received increased funding in home and community care (one additional community aged care package approved in 2012/13 and additional funding for personal and respite care services).</p> <p>Non-recurrent funding</p> <p>(\$85,000) was budgeted but not achieved in 2012/13 for the Shortlands Bluff tourism development project. However, Council was instead successful in attracting the following grant funding during 2012/13:</p> <ul style="list-style-type: none"> ▪ \$93,000 Coastal Tender (Ocean Road and The Narrows); ▪ \$45,000 G21 Tennis Strategy; ▪ \$36,000 Fire Services Property Levy implementation; ▪ \$32,000 Lighthouse Reserves maintenance; and ▪ \$25,000 balance of Sustainability Accord funding (initial \$20,000 received in the 2011/12 year, total funding \$45,000).
3	Grants - capital	<p>Recurrent funding</p> <p>The Country Roads & Bridges Program funding of \$1,000,000 for the 2012/13 year was budgeted as 100% capital grants (recurrent), however \$626,000 has now been reallocated to operating grants (recurrent) in view of the Ministerial approval to spend part of this grant funding on Vic Roads assets (Admans Street and Hesse/Symonds/Wharf Streets roundabouts). In addition, Council is entitled to receive \$74,000 funding from the Roads to Recovery Program (budgeted in 2011/12, accrued in the 2012/13 accounts) and \$29,000 for aged care minor capital expenditure (not budgeted).</p> <p>Non-recurrent funding</p> <p>Grant funds budgeted but not achieved in 2012/13 include (\$100,000) Senior Citizens & Sea Scouts buildings and (\$10,000) fish cleaning station. However, Council was instead successful in attracting the following grant funding during 2012/13:</p> <ul style="list-style-type: none"> ▪ \$250,000 Local Government Infrastructure Program (Hesse Street and Point Lonsdale Foreshore Revitalisation Project Stage 1). Note that \$185,000 was provided in the 2012/13 budget for these revitalisation projects. ▪ \$160,000 Community Works Program (Point Lonsdale Foreshore Revitalisation Stage 1); ▪ \$45,000 Lighthouse Reserves Development; and ▪ \$27,000 Open Space Strategy.
4	Capital contributions	No capital contributions were provided for in the 2012/13 budget. Council has received \$207,000 during the 2012/13 year, with regards to the Queenscliff Sports Club Enhancement \$201,000 and also the Open Space Strategy \$6,000.
5	Contributions - operating	No operating contributions were provided for in the 2012/13 budget. Council has received \$10,000 during the 2012/13 year, from the G21 councils, with regards to progressing the G21 Tennis Strategy. These funds have been carried forward to reserve for spending in the 2013/14 financial year.
6	Interest received	High cash balances maintained throughout the year, resulting in additional interest income. The high cash balances are mainly due to operating and capital projects incomplete by year end and carried forward for completion in future years, in addition to significant grant funding having been received for works to be conducted within the Country Roads & Bridges Program.
7	Other income	No other income was provided for in the 2012/13 budget. Council received \$75,000 for proceeds from insurance claims, \$61,000 related to one long-term workcover claim and transferred \$41,000 for the heritage restoration fund from trust account to surplus during the year (as Council is active in administering heritage loans, grant funds are not required to be repaid to Heritage Victoria, as would be the case if Council were not active in this space).

8	Employee benefits	<p>Whilst the overall variance from budget is less than 10% in total, it is worth noting the following:</p> <ul style="list-style-type: none"> • (\$72,000) workcover claim was not budgeted. Previously, Council had one long-term workcover claim which it was advised had been completed during the 2011/12 year. However, advice was received in the latter part of the 2012/13 financial year that the claim had re-opened and Council was required to make substantial backpay arrangements, which was not budgeted. • (\$50,000) increase in employee provisions. This is the result of recognising accrued days off in the 2012/13 year (not previously provided for), annual leave intended to be used but not occurring prior to balance date and increases to the long service leave provision resulting from staff transfers in from other Councils, the impact of wage inflation and discount rates and the increased probability of staff becoming entitled given a large number of the staff joined the Borough almost five years ago. • (\$30,000) increase in caravan park salaries, noting this is offset by additional fees and charges income.
9	Materials & Services	Whilst the overall variance from budget is less than 10% in total, it is worth noting that (\$384,000) overspend relates to the Admans Street & Hesse/Wharf/Symonds Street roundabouts (budgeted as capital, but expenditure is on Vic Roads assets instead). Council received special permission from the Minister to spend this from Country Roads & Bridges Program funding.
10	Bad and doubtful debts	Review of parking infringements and associated legal costs has resulted in a one-off large increase in the bad debts expense during 2012/13, to recognise the write down of these debtors after a period of three years (previously five years). Long-term caravan park debtors have also been reviewed and the provision for doubtful debts increased accordingly.
11	Depreciation	Depreciation is impacted by the asset revaluations for buildings and drainage which occurred at the 2011/12 financial year-end and which were not provided for in the 2012/13 budget. Large funded capital works such as the Country Roads & Bridges Program have also contributed to the increase in depreciation expense.
12	Interest expense	Interest lower than budget due to variable rate on loans being significantly lower than previous fixed interest rates.
13	Share of net profits of associates and joint ventures accounted for by the equity method	Per audited financial statements from the Geelong Regional Library Corporation. The library's reported surplus is \$290,000 for the 2012/13 year, of which the Borough's share is \$9,000 (2.61% ownership).
14	Net loss on sale of assets	One motor vehicle was written off, following a vehicle accident, during the 2012/13 financial year. Note some funds have been recovered via Council's insurance policy and this is recorded in the Comprehensive Income Statement as 'Other income'.
15	Increase/(decrease) in unfunded superannuation liability	Council recognised a liability of (\$218,000) in the accounts for the 2011/12 year, which was then paid out to Vision Super during the 2012/13 financial year. Early repayment of this liability has resulted in savings of \$12,000.
16	Impairment losses recognised in profit or loss	This reflects expenditure reported as Work in Progress assets on the Balance Sheet, in previous financial years, for which a review of assets at the 2012/13 year-end was conducted resulting in the recognition of impairment for some items. These are now expensed in the 2012/13 year and relate to pedestrian road safety and community facilities strategies, for which no further expenditure is anticipated to progress such strategies at this time.

Standard Balance Sheet

As at 30 June 2013

	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
Assets					
Current assets					
Cash and cash equivalents	1,978	1,599	379	24%	1
Trade and other receivables	347	230	117	51%	2
Financial assets	1,958	-	1,958	100%	3
Inventories	8	6	2	27%	4
Other assets	295	157	138	88%	5
Total current assets	4,586	1,992	2,594	130%	
Non-current assets					
Trade and other receivables	3	35	(32)	(90%)	6
Investments in associates accounted for using the equity method	255	286	(31)	(11%)	7
Property, infrastructure, plant & equipment	66,991	64,309	2,682	4%	8
Total non-current assets	67,249	64,630	2,619	4%	
Total assets	71,835	66,623	5,212	8%	
Liabilities					
Current liabilities					
Trade and other payables	579	975	396	41%	9
Trust funds and deposits	26	68	42	62%	10
Provisions	639	446	(193)	(43%)	11
Interest bearing loans and borrowings	972	240	(732)	(305%)	12
Other liabilities	41	-	(41)	(100%)	13
Total current liabilities	2,257	1,729	(528)	(31%)	
Non-current liabilities					
Provisions	39	42	3	7%	
Interest bearing loans and borrowings	-	769	769	100%	14
Total non-current liabilities	39	811	772	95%	
Total liabilities	2,296	2,540	244	10%	
Net assets	69,539	64,084	5,455	9%	
Equity					
Accumulated surplus	32,239	33,659	(1,420)	(4%)	15
Asset revaluation reserve	34,267	29,982	4,285	14%	16
Other reserves	3,033	443	2,590	585%	17
Total equity	69,539	64,084	5,455	9%	

Variance Explanation Report

Item	Commentary
1 Cash and cash equivalents	This high cash balance has resulted from incomplete major projects and capital works; and substantial grant funding received for projects which will be undertaken over more than one financial year. This includes the Country Roads & Bridges Program and the Local Government Infrastructure Program. Funds are held in reserve on the Balance Sheet for expenditure to occur in future years.
2 Trade and other receivables - current	Rate revenue and caravan park debtors are above levels budgeted for 2012/13. Rates debtors owed at balance date (for all previous years) totals \$177,000 of which 25% relates to the fourth quarter instalment due 31/05/13. There is no provision for doubtful debts with regards to rate revenue, as all rates are deemed collectible, active debt recovery/management occurs and payment arrangements are in place for some of these debtors. Caravan park debtors is inflated by three large debtors who are currently under review with Council's debt collection agency. Some provision for doubtful debts is included in the 2012/13 year with regards to caravan park debtors. All other trade receivables are consistent with budget and previous year balances.
3 Financial assets	No budget was provided for financial assets, as it was assumed all investments would be for terms of less than three months. However, most short term investments at balance date were for periods longer than three months. This high investment balance has resulted from incomplete major projects and capital works; and substantial grant funding received for projects which will be undertaken over more than one financial year. This includes the Country Roads & Bridges Program and the Local Government Infrastructure Program. Funds are held in reserve on the Balance Sheet for expenditure to occur in future years.
4 Inventories	Merchandise stocked at the Visitor Information Centre for sale.
5 Other assets - current	Higher than budget as a result of \$100,000 prepaid GST in relation to Country Roads & Bridges Program funding (invoice raised and GST paid, however invoice was subsequently reversed and will be receivable in the 2013/14 year instead).
6 Trade and other receivables - non current	One additional heritage loan debtor budgeted for 2012/13, however this loan did not proceed. Existing heritage loan debtors continue to meet quarterly repayments, hence as they move closer to maturity the non-current debtor is reduced accordingly.
7 Investments in associates accounted for using the equity method	Per audited financial statements from the Geelong Regional Library Corporation, the Borough's share of the operating loss for the library was \$30,000 in the 2011/12 year. This was not known until July 2012, well after the preparation and adoption of Council's 2012/13 budget.
8 Property, plant & equipment, infrastructure	Higher than budget as a result of the asset revaluations conducted in 2011/12 for which amounts were not known at the time of setting the 2012/13 budget. Revaluations took place in relation to the following asset classes: land, including land under roads, buildings including cabins and drainage assets. The result on each asset class was a revaluation increment, with a total of \$4.284million added to Council's asset base at 30/06/12. Whilst there is a net increase of \$1.123million in assets relating to capital expenditure during the 2012/13 year, this is less than budgeted due to incomplete capital works, as well as \$626,000 of the Country Roads & Bridges Program expenditure shifting from capital to operating in works.
9 Trade and other payables	Lower than budget, due mainly to a number of projects carried forward for completion in future years.
10 Trust funds and deposits	Heritage restoration fund - grant income of \$42,000 was received many years ago, with the condition that Council could make use of this funding provided it remains active in terms of administering low interest loans for heritage property work. Given this does occur, the decision has been made to transfer this funding from trust account to surplus in the 2012/13 year, as it is unlikely that the funding would need to be repaid to Heritage Victoria.
11 Provisions - current	Higher than budget, for both annual leave and long service provision. The increase in annual leave provision reflects the fact that not all staff utilised their four weeks entitlement during the financial year. The larger increase in employee provisions is in relation to long service leave, with staff transferring from other LGA's bringing their LSL accrual with them (note, this is accompanied by funding from the transferring LGA). The balance is the result of recent years' staff appointments affecting the formula once they pass their three year tenure. Accrued days off are now also recognised in 2012/13 (not budgeted).

12 Interest bearing loans and borrowings - current	Note Council's long term loans were originally budgeted based on maturity profiles, however the 2011/12 financial statement audit resulted in borrowings being adjusted to 100% current, as it was determined that Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. This was not considered at the time of preparing the 2012/13 budget.
13 Other liabilities	Income received in advance, not budgeted in 2012/13, nor recognised in previous financial years includes: \$21,000 caravan park seasonal permits, \$20,000 rate revenue and \$1,000 sundry income.
14 Interest bearing loans and borrowings - non current	Note Council's long term loans were originally budgeted based on maturity profiles, however the 2011/12 financial statement audit resulted in borrowings being adjusted to 100% current, as it was determined that Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. This was not considered at the time of preparing the 2012/13 budget.
15 Accumulated surplus	Lower than budget, as a result of large balances being carried forward and held in reserves for completion of capital projects in the 2013/14 year.
16 Asset revaluation reserve	Revaluation of land including land under roads, buildings including cabins and drainage assets were undertaken in the 2011/12 financial year, for which revaluation amounts were not known when the 2012/13 budget was prepared.
17 Other reserves	Higher than budget as a result of works either not commenced or not completed, in addition to substantial grant funding received for projects which will be undertaken over more than one financial year, including the Country Roads & Bridges Program and the Local Government Infrastructure Program. See the Standard Statement of Investment Reserves for details.

Standard Cash Flow Statement

For the year ending 30 June 2013

	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
Cash flows from operating activities					
<i>Receipts</i>					
Rates and charges	5,569	5,574	(5)	0%	
User fees and fines	2,083	1,960	123	6%	1
Grants and cash contributions	2,689	2,052	637	31%	2
Other receipts	354	111	243	219%	3
	10,695	9,696	999	10%	
<i>Payments</i>					
Payments to suppliers	(4,813)	(4,747)	(66)	1%	
Employee benefits	(3,014)	(2,916)	(98)	3%	
Other payments	(779)	(229)	(550)	240%	4
	(8,606)	(7,892)	(714)	9%	
Net cash provided by operating activities	2,089	1,804	285	16%	
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(2,002)	(2,088)	86	(4%)	
Proceeds from sale of assets	1	40	(39)	(98%)	5
Repayment of loans and advances	10	-	10	100%	6
Trust funds and deposits	(1)	-	(1)	100%	7
Net cash used in investing activities	(1,992)	(2,048)	56	(3%)	
Cash flows from financing activities					
Interest expense	(76)	(90)	14	(16%)	8
Proceeds from borrowings	149	-	149	100%	9
Repayment of borrowings	(469)	(226)	(243)	107%	10
Net cash provided by (used in) financing activities	(395)	(316)	(79)	25%	
Net increase (decrease) in cash and cash equivalents	(299)	(560)	261	(47%)	
Cash and cash equivalents at beginning of period	2,276	2,159	117	5%	
Cash and cash equivalents at end of year	1,976	1,599	377	24%	

Variance Explanation Report

Item	Commentary
1 User fees and fines	Additional caravan park income \$100,000 above that level budgeted, a result of the ongoing review and restructure of fees charged in line with market price.
2 Grants and cash contributions	<p>The following grants were budgeted but not achieved in the 2012/13 financial year:</p> <ul style="list-style-type: none"> (\$100,000) Senior Citizens & Sea Scouts buildings (\$85,000) Shortlands Bluff tourism development project. (\$10,000) fish cleaning station <p>However, Council was successful in attracting alternate grant funding during 2012/13 as follows:</p> <ul style="list-style-type: none"> ▪ \$250,000 Local Government Infrastructure Program (Hesse Street and Point Lonsdale Foreshore Revitalisation Stage 1). Note that \$185,000 was provided in the 2012/13 budget for these revitalisation projects. ▪ \$160,000 Community Works Program (Point Lonsdale Foreshore Revitalisation Stage 1); ▪ \$93,000 Coastal Tender (Ocean Road and The Narrows); ▪ \$77,000 Lighthouse Reserves maintenance; ▪ \$45,000 G21 Tennis Strategy; ▪ \$36,000 Fire Services Levy implementation; ▪ \$27,000 Open Space Strategy; and ▪ \$25,000 balance of Sustainability Accord funding (initial amount of \$20,000 received in 2011/12, total funding \$45,000). <p>Council is entitled to receive \$74,000 funding from the Roads to Recovery Program (budgeted in 2011/12, accrued in the 2012/13 accounts) and \$29,000 for aged care minor capital expenditure (not budgeted). Council also received increased funding in home and community care (one additional community aged care package approved in 2012/13 and additional funding for personal and respite care services).</p> <p>No operating or capital contributions were provided for in the 2012/13 budget. Council has received \$10,000 during the 2012/13 year, from the G21 councils, with regards to progressing the G21 Tennis Strategy. These funds have been carried forward to reserve for spending in the 2013/14 financial year. Council has received \$207,000 during the 2012/13 year, with regards to the Queenscliff Sports Club Enhancement \$201,000 and also the Open Space Strategy \$6,000.</p>
3 Other receipts	High cash balances maintained throughout the year, resulting in additional interest income of \$57,000 above that level budgeted. The high cash balances are mainly due to operating and capital projects incomplete by year end and carried forward for completion in future years, as well as substantial grant income being received for projects which will be undertaken over more than one financial year (Country Roads & Bridges Program and Local Government Infrastructure Program). Council received \$75,000 for proceeds from insurance claims and \$61,000 related to one long-term workcover claim (which Council was advised had ceased in 2011/12, however late advice received in the 2012/13 financial year indicating that this case had re-commenced and back payment was required).
4 Other payments	\$518,000 increase in investments held for periods greater than three months, reflecting funds carried over for the completion of major projects in 2013/14). Increase in Councillor allowances per Council resolution. Additional motor vehicle leased (note one lease ended April 2013).
5 Proceeds from sale of assets	The budget provided for replacement of three vehicles in the 2012/13 financial year. One vehicle was written off and reimbursed under Council's insurance policy, one was a new purchase funded by home and community care grant funding and the third vehicle originally budgeted for replacement was deferred to 2013/14 (another vehicle was replaced in 2012/13, however this related to a vehicle that was leased rather than Council owned). There were minor equipment sales in 2012/13.
6 Repayment of loans and advances	This relates to three low interest loans that Council has granted to applicants for heritage building works. Not included in the 2012/13 budget, however is included in future budgets given Council actively encourages these loans.
7 Trust funds and deposits	Minor movement in the amount of funds held in trust. This item is unpredictable and generally not budgeted.
8 Finance costs	Council's bank loans were changed from fixed to variable interest during the year, achieving savings in interest expense.
9 Proceeds from borrowings	The new loan was originally budgeted in the 2011/12 financial year, however Council deferred the commencement of this loan until the amount of the defined benefits superannuation liability was confirmed. This new loan commenced in September 2012.
10 Repayment of borrowings	\$207,000 defined benefits superannuation liability repaid in full (saving \$12,000 in interest expense). Note this liability was included in the 2011/12 annual financial report within employee provisions, after the amount of this liability was confirmed in July 2012. Council resolved to use proceeds of the new loan and accumulated cash surplus from prior years to fund this liability. In addition, Council's bank loans were changed from fixed to variable interest during the year, with savings in interest expense applied to achieving loan redemption above that level budgeted.

Standard Capital Works Statement

For the year ending 30 June 2013

Capital Works Areas	Actual	Budget	Variance		Note
	\$'000	\$'000	\$'000	%	
Roads	747	1,219	(472)	(39%)	1
Footpaths, kerb & channel	77	54	23	43%	2
Drains	308	165	143	87%	3
Open space	123	106	17	16%	4
Buildings	467	369	98	27%	5
Plant, equipment & other	280	175	105	60%	6
Total capital works	2,002	2,088	(86)	(4%)	
Represented by:					
Asset renewal and upgrade	1,795	1,468	327	22%	
New assets	207	620	(413)	(67%)	
Total capital works	2,002	2,088	(86)	(4%)	

Property, Infrastructure, Plant and Equipment Movement Reconciliation Worksheet

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

Total capital works	2,002	2,088	(86)	(4%)
Depreciation & amortisation	(916)	(777)	(139)	18%
Impairment reported in profit or loss	(25)	-	(25)	100%
Written down value of assets sold	(29)	(50)	21	(42%)
Asset revaluation increment	-	-	-	0%
Net movement in property, infrastructure, plant and equipment	1,031	1,261	(230)	(18%)

Variance Explanation Report

Note	Item	Commentary
1	Roads	<p>Lower than budget as a result of major projects which were not completed at balance date. Budget variances are as follows:</p> <ul style="list-style-type: none"> • \$186,000 Hesse Street Revitalisation Stage 1 and Point Lonsdale Foreshore Revitalisation Stage 1; • \$45,000 Dog beach carpark upgrade; and • \$33,000 Other infrastructure (pedestrian crossings and kerb & channel works). <p>Note the above expenditure, when incurred in the 2013/14 year, will be funded by budgets held in reserve on the Balance Sheet. All carry forward items will be included in the 2013/14 year-end forecast, within the 2013/14 quarterly finance reports.</p> <p>Further, there was some capital expenditure incurred which was not included in the 2012/13 budget, however these items were fully funded by grants received in the previous financial year and carried forward to 2012/13. They are as follows:</p> <ul style="list-style-type: none"> • (\$51,000) Country Roads & Bridges Program; and • (\$49,000) Roads to Recovery Program.
2	Footpaths, kerb & channel	Major works completed for Gellibrand and Learmonth Streets, funded from the Country Roads & Bridges Program.
3	Drains	This relates predominantly to the Country Roads & Bridges Program funded works for Bay Street reconstruction and associated drainage works. This project is about to be tendered and works will be undertaken in the 2013/14 financial year. Grant funding for this project has been reserved in Council's Balance Sheet.
4	Open space	<p>Project undertaken in the 2012/13 year, above the level budgeted for due to grant funding received, is as follows:</p> <ul style="list-style-type: none"> • (\$93,000) Point Lonsdale Foreshore Revitalisation (Local Government Infrastructure Fund & Community Works and offset with the following underspend on the open space budget; • \$37,000 budgeted as Open Space, but expenditure relates to Plant & Equipment (park furniture, fencing and playgrounds) • \$29,000 beach access tracks not completed (funds carried forward to 2013/14).
5	Buildings	<p>Building projects undertaken in the 2012/13 year, above the level budgeted for, are as follows:</p> <ul style="list-style-type: none"> • (\$309,000) Queenscliff Sports Club Enhancement, funded by grants & community contributions (budgeted in previous year); • (\$42,000) other buildings (coaches boxes, neighbourhood house and planning for the hub) funded from Council's Asset and offset with the following underspend on building projects budgeted for the 2012/13 year: • \$254,000 Senior Citizens & Sea Scouts (budgeted to receive grant funding for this project, not achieved in 2013/14).
6	Plant, equipment & other	<p>Expenditure incurred in the 2012/13 year, above the level budgeted for, includes the following:</p> <ul style="list-style-type: none"> • (\$43,000) boundary fence at the Queenscliff Recreation Reserve (budgeted in previous year & carried forward to 2012/13); • (\$39,000) unplanned replacement of vehicle and boat ramp ticket machine (both covered by proceeds of insurance claims); • (\$37,000) budgeted as Open Space, but expenditure is actually Plant & Equipment (park furniture, fencing and and offset with the following underspend on plant & equipment budgeted for the 2012/13 year: • \$20,000 staged introduction of recycling bins (funds have been carried forward for spending in the 2013/14 year).

Standard Investment Reserves Statement

For the year ending 30 June 2013

Reserves	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
Discretionary					
Asset replacement reserve	788	293	495	169%	1
General reserve	50	-	50	100%	2
Funds carried forward to future years					
Grant funding not yet expended - Operating	972	-	972	100%	3
Grant funding not yet expended - Capital	406	-	406	100%	4
Incomplete works - Operating	384	-	384	100%	5
Incomplete works - Capital	433	-	433	100%	6
Local government infrastructure program reserve	-	150	(150)	(100%)	7
Total discretionary reserves	3,033	443	2,590	584%	
Total reserves	3,033	443	2,590	584%	

Variance Explanation Report

Note	Item	Commentary
1	Asset replacement reserve	<p>This reserve account is identified in Council's strategic financial plan and is used throughout the year for the following purposes:</p> <ul style="list-style-type: none"> ▪ to park surplus funds from previous financial year(s), for investment in Council's asset renewal program in future years; and ▪ to earmark projects which, whilst not budgeted, meet asset renewal criteria and/or address specific risk management issues. <p>Council has \$417,000 in this reserve at balance date, relating to surpluses achieved in previous financial years, which has not been allocated to specific projects and is therefore available at Council's discretion to meet future asset renewal requirements.</p> <p>An additional amount of \$372,000 is held in this reserve at balance date, earmarked for the following identified projects:</p> <ul style="list-style-type: none"> ▪ \$136,000 Hesse Street Revitalisation Stage 1 and Point Lonsdale Foreshore Revitalisation Stage 1; ▪ \$80,000 Queenscliff Sports Club Enhancement; ▪ \$60,000 Drainage renewal; and ▪ \$96,000 other (beach access tracks, public conveniences, signage, burn site and review of lease agreements).
2	General reserve	<p>Whilst Council did not budget for funds to be allocated to this reserve, expenditure budgets were allocated in the 2012/13 year to the Foreshore and Caravan Parks program area to provide contingent funds which could be used as matching funds required by Council in seeking grant funding opportunities, particularly for coastal environment and coastal risk management funding. Such opportunities did not present during the financial year, however the decision was made to reserve this budget allocation for opportunities which may arise in future years.</p>
3	Grant funding not yet expended - Operating	<p>Council did not budget for carry forward funds, as it was assumed that all grant funding received would be spent in the same financial year. However, some funding was received late in the financial year, whilst other funding relates to major projects which will take more than one financial year to be completed. It is assumed that all grants received must be spent, otherwise funding is returned to the relevant government department if not acquitted in accordance with funding conditions (seldom does this occur). Council has reserved the following grants received, in this and/or previous financial year(s), for expenditure in future years:</p> <ul style="list-style-type: none"> ▪ \$242,000 Country Roads & Bridges Program (Admans Street roundabout and Hesse/Symonds/Wharf Street roundabout); ▪ \$190,000 Point Lonsdale Cliff Stability; ▪ \$150,000 Coastal Tender (Ocean Road and The Narrows); ▪ \$130,000 Victorian Grants Commission (prepayment of the first two quarters of 2013/14 funding); ▪ \$119,000 Ferry to the Pier Project; and ▪ \$96,000 other (Lighthouse reserves, G21 tennis strategy, kindergarten planning, vulnerable persons & Sustainability Accord).
4	Grant funding not yet expended - Capital	<p>Council did not budget for carry forward funds, as it was assumed that all grant funding received would be spent in the same financial year. However, some funding was received late in the financial year, whilst other funding relates to major projects which will take more than one financial year to be completed. It is assumed that all grants received must be spent, otherwise funding is returned to the relevant government department if not acquitted in accordance with funding conditions (seldom does this occur). Council has reserved the following grants received, in this financial year, for expenditure in future years:</p> <ul style="list-style-type: none"> ▪ \$246,000 Country Roads & Bridges Program (Williams Road reconstruction and Bay Street reconstruction & drainage works); ▪ \$160,000 Community Works Program (Point Lonsdale Foreshore Revitalisation Stage 1); and ▪ \$45,000 Lighthouse Reserves Development.
5	Incomplete works - Operating	<p>Council did not budget for carry forward works, as it was assumed that all budgeted project expenditure would be spent in the same financial year. However, some projects have been delayed and/or will take more than one financial year to be completed. Some budgets also relate to Council's matching contribution to grant funding, thereby the timing of this expenditure directly correlates to the outcome of grant funding applications made during the year and again could be a cause for deferred projects. Council has reserved the following project expenditure, budgeted in this and/or previous financial year(s), for expenditure in future years:</p> <ul style="list-style-type: none"> ▪ \$87,000 Ferry to the Pier Project; ▪ \$75,000 Review of the Planning Scheme; ▪ \$74,000 Queenscliff Railway Station including toilet upgrade; ▪ \$50,000 Significant Tree Register; and

- \$98,000 other (powerline/tree clearance, planning for heritage buildings, 150th celebrations, carbon neutral, Fort Queenscliff).
- 6 Incomplete works - Capital Council did not budget for carry forward works, as it was assumed that all budgeted project expenditure would be spent in the same financial year. However, some projects have been delayed and/or will take more than one financial year to be completed. Some budgets also relate to Council's matching contribution to grant funding, thereby the timing of this expenditure directly correlates to the outcome of grant funding applications made during the year and again could be a cause for deferred projects. Council has reserved the following project expenditure, budgeted in this and/or previous financial year(s), for expenditure in future years:
- \$160,000 Senior Citizens and Sea Scouts Buildings;
 - \$72,000 Infrastructure (Point Lonsdale Footpath Plan, Pedestrian Crossings at Fellows & Grimes Roads and Flinders & Henry Streets)
 - \$68,000 Masterplans (Queenscliff Recreation Reserve, Open Space Strategy and Lighthouse Reserves Development)
 - \$50,000 Dog Beach Carpark Upgrade; and
 - \$83,000 other (botanic gardens, recycling bins, Point Lonsdale Foreshore Revitalisation, netball courts, planning for the Hub).
- 7 Local government infrastructure program reserve Council budgeted for this particular source of grant funding to be reserved in an account in its own right, however additional funding sources have been identified during the financial year and some grant funds received at balance date for the same major projects, therefore all grant funding received for these projects have been grouped together within the carry forward reserves for grant funding as identified above. Note those projects specifically funded from the Local government infrastructure fund are:
- Hesse Street Revitalisation Stage 1;
 - Point Lonsdale Foreshore Revitalisation Stage 1; and
 - Botanic Gardens (former high school site).

Basis of preparation of Standard Statements

The Borough of Queenscliffe is required to prepare and include audited Standard Statements within its annual report.

Council has included a further standard statement reflecting the additional standard statement included within the 2012-13 budget adopted by Council on 20 June 2012 – a Standard Investment Reserves Statement.

Four Statements are required – a Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and a Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose Financial Report prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Finance and Reporting) Regulations 2004*.

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

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

The Standard Statements compare the Council's financial plan, expressed through its Budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10% or \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The Budget figures included in the statements are those adopted by the Council on 20 June 2012. The Budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this Budget in order to meet the Council's business plan and financial performance targets for both the short term and long term.

Certification of the Standard Statements

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

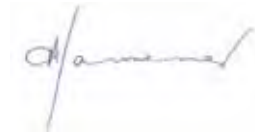


Kerrie Weippert-Rowe CPA
Principal Accounting Officer
Date: 18 September 2013
Queenscliff

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

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

We have been authorised by the Council on 18 September 2013 to certify the standard statements in their final form.



Councillor Helene Cameron
Councillor
Date: 18 September 2013
Queenscliff



Councillor Bob Merriman
Councillor
Date: 18 September 2013
Queenscliff



Leonard Jenner
Chief Executive Officer
Date: 18 September 2013
Queenscliff



Comprehensive Income Statement

For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Income			
Rates and charges	2	5,588	5,357
Statutory fees and fines	3	85	88
User fees	4	1,936	1,930
Grants - Operating (recurrent)	5	1,363	831
Grants - Operating (non-recurrent)	5	285	110
Grants - Capital (recurrent)	5	477	1,009
Grants - Capital (non-recurrent)	5	437	514
Contributions - cash - Operating	6	10	-
Contributions - cash - Capital	6	207	26
Interest received	7	168	185
Other income	8	179	40
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	17	9	(30)
Total income		10,744	10,060
Expenses			
Employee costs	9	(3,072)	(2,874)
Superannuation (additional call)	10	12	(218)
Materials and services	11	(4,715)	(3,764)
Bad and doubtful debts	12	(19)	(6)
Depreciation	13	(916)	(799)
Finance costs	14	(70)	(92)
Other expenses	15	(247)	(220)
Net loss on disposal of property, infrastructure, plant and equipment	16	(27)	(16)
Impairment losses recognised in profit or loss	23	(24)	-
Total expenses		(9,078)	(7,988)
Surplus/(deficit)		1,666	2,071
Other comprehensive income			
Items that will not be reclassified to surplus or deficit:			
Net asset revaluation increment/(decrement)	29(a)	-	4,284
Total comprehensive result		1,666	6,355

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

Balance Sheet

As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Assets			
Current assets			
Cash and cash equivalents	18	1,978	2,276
Trade and other receivables	19	347	430
Financial assets	20	1,958	1,440
Inventories	21	8	6
Other assets	22	295	158
Total current assets		4,586	4,310
Non-current assets			
Trade and other receivables	19	3	19
Investment in regional library corporation	17	255	246
Property, infrastructure, plant and equipment	23	66,991	65,958
Total non-current assets		67,249	66,223
Total assets		71,835	70,533
Liabilities			
Current liabilities			
Trade and other payables	24	579	660
Trust funds and deposits	25	26	68
Provisions	26	639	584
Interest-bearing loans and borrowings	27	972	1,085
Other liabilities	28	41	-
Total current liabilities		2,257	2,397
Non-current liabilities			
Provisions	26	39	264
Total non-current liabilities		39	264
Total liabilities		2,296	2,661
Net Assets		69,539	67,873
Equity			
Accumulated surplus		32,240	30,953
Reserves	29	37,300	36,920
Total Equity		69,539	67,873

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

Statement of Changes in Equity

For the Year Ended 30 June 2013

2013	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		67,873	30,953	34,267	2,653
Comprehensive result		1,666	1,666	-	-
Transfers to other reserves	29(b)	-	(2,067)	-	2,067
Transfers from other reserves	29(b)	-	1,687	-	(1,687)
Balance at end of the financial year		69,539	32,239	34,267	3,033

2012	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		61,543	29,516	29,982	2,046
Adjustment on change in accounting estimate resulting from review of useful lives of drainage assets	30	(27)	(27)	-	-
Comprehensive result		6,355	2,071	4,284	-
Transfers to other reserves	29(b)	-	(2,461)	-	2,461
Transfers from other reserves	29(b)	-	1,854	-	(1,854)
Balance at end of the financial year		67,872	30,953	34,267	2,653

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

Statement of Cash Flows

For the Year Ended 30 June 2013

		2013	2012
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		5,569	5,291
Statutory fees and fines		87	88
User fees		1,996	2,208
Grants		2,472	2,464
Contributions - cash		217	29
Interest		179	199
Other receipts		137	44
Net GST refund/payment		38	294
Employee costs		(3,014)	(2,678)
Payments to suppliers		(4,813)	(4,221)
Other payments		(779)	(345)
Net cash provided by (used in) operating activities	31	2,089	3,373
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	45	(2,002)	(2,217)
Proceeds from sale of property, infrastructure, plant and equipment		1	62
Trust funds and deposits		(1)	1
Repayment of loans and advances		10	10
Net cash provided by (used in) investing activities		(1,992)	(2,145)
Cash flows from financing activities			
Finance costs		(76)	(72)
Proceeds from borrowings		149	-
Repayment of borrowings		(469)	(344)
Net cash provided by (used in) financing activities		(395)	(417)
Net increase (decrease) in cash and cash equivalents		(299)	811
Cash and cash equivalents at the beginning of the financial year		2,275	1,464
Cash and cash equivalents at the end of the financial year	18	1,976	2,275
Financing arrangements	33		
Restrictions on cash assets	34		

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

Notes to the Financial Statements

Introduction

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

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

(b) The purpose of the Council is:

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

External Auditor - Auditor-General of Victoria

Internal Auditor - RSM Bird Cameron

Solicitors - Harwood Andrews

Bankers - Bendigo Bank, Hesse Street, Queenscliff

Website address - www.queenscliffe.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial 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(h), 1(j), 1(l), 1(t), 1(v) and 1(w).

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

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

(b) Correction of prior period error – useful life of drainage assets

Drainage assets

A fixed asset management review was conducted during the 2011/12 financial year, by Council's Engineer Mr. Stuart Hansen, specifically in relation to drainage assets. The review of drainage assets included a review of useful and remaining lives. The useful life of drainage assets was amended in the 2011/12 year.

During the 2012/13 financial year, a further amendment has been made to the remaining useful lives of two drainage pipes. The impact of this amendment is an adjustment to accumulated depreciation of \$27,000 and the opening position for the 2011/12 accumulated surplus has been adjusted to reflect this adjustment directly to equity.

(c) Revenue recognition

Rates, grants and contributions

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

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

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

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

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

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

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

User fees and fines

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

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

Sale of property, infrastructure, plant and equipment

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

Rental

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

Interest

Interest is recognised as it is earned.

Trade and other receivables

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

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

(d) Inventories

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

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

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

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

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

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

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

Property	Period
• buildings	
historical building - town hall	200 years
long life structure	120 years
short life structure	60 years
roof structure	60 years
mechanical services	25 years
building fit-out	25 years
• caravan park cabins	15 years
Plant and Equipment	
• plant, machinery and equipment	3-10 years
• fixtures, fittings and furniture	10 years
• computers and telecommunications	3 years
• playground equipment	12.5 years
Infrastructure	
• 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
• drainage pipes	100 years
• drainage pits	100 years
• drainage pumps	20-30 years
• kerb and channel	60-80 years

(f) Repairs and maintenance

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

(g) Borrowing costs

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

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

(h) Recognition and measurement of assets

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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 23. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

Property	Threshold Limit \$'000
• land	
land under roads	5
land improvements	5
• buildings	
buildings	10
building improvements	10
caravan park cabins	10
Plant and Equipment	
• plant, machinery and equipment	0.5
• fixtures, fittings and furniture	0.5
• computers and telecommunications	0.5
Infrastructure	
• 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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment and recreational, leisure and community facilities, 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 ranging from two years for land and buildings to three years for infrastructure assets. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Council recognises land under roads it controls at fair value.

(i) Cash and cash equivalents

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

(j) Financial assets

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

(k) Investments

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

(l) Accounting for investments in associates

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

(m) Tender deposits

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

(n) Employee benefits***Wages and salaries***

Liabilities for wages and salaries and rostered days off are recognised and 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

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. In addition, Council may periodically be required to contribute to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in note 35.

(o) Leases

Operating leases

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

(p) Allocation between current and non-current

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

(q) Agreements equally proportionately unperformed

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

(r) Website costs

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

(s) Goods and Services Tax (GST)

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

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

(t) Impairment of assets

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

(u) Rounding

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

(v) Financial guarantees

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

(w) Contingent assets and contingent liabilities and commitments

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

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

(x) Pending Accounting Standards

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

Pronouncement	Summary	Impact/Action	Transition	Effective date
AASB 9 Financial instruments	<p>This standard is one of a series of amendments that are expected to eventually completely replace AASB 139.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value - the 'available for sale' and 'held-to-maturity' categories no longer exist. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> Amortised cost - those assets with 'basic' loan features. Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). Fair value through profit and loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine at fair value. There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity. 	These amendments are not expected to impact Council directly.	The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013). Transitional arrangements are extensive, including the requirement for retrospective restatement of comparatives. Early adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives.	Applicable for annual reporting periods commencing on or after 1 January 2015.
AASB 11 Joint Arrangements	<p>AASB 11 classifies all joint arrangements as either joint operations or joint ventures:</p> <ul style="list-style-type: none"> Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement. 	These amendments are not expected to impact significantly on Council.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Applicable for annual reporting periods commencing on or after 1 January 2013.

- Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures.

AASB 12 Disclosure of Involvement with Other Entities	<p>AASB 12 requires the disclosure of information to enable users to evaluate:</p> <ul style="list-style-type: none"> • The nature of, and risks associated with, its interests in other entities. • The effect of those interests on its financial position, financial performance, and cash flows. <p>AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:</p> <ul style="list-style-type: none"> • Significant judgements and assumptions, including how control, joint control, or significant influence has been determined. • Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks. • Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks. • Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks. 	These amendments will require increased disclosures around the operations of the Geelong Regional Library Corporation which Council has an interest in.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously. Council will include increased disclosures, with regards to its interest in the Geelong Regional Library Corporation, in the 2013/14 annual financial report.	Applicable for annual reporting periods commencing on or after 1 January 2013.
AASB 13 Fair Value Measurement	<p>AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:</p> <ul style="list-style-type: none"> • Level 1 - quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. • Level 2 - inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. • Level 3 - unobservable inputs for the asset or liability. <p>There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>	These amendments are not expected to impact significantly on Council.	Early adoption is permitted.	Applicable for annual reporting periods commencing on or after 1 January 2013.
AASB 128 Investments in Associates and Joint Ventures	<p>AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements.</p> <p>The standard sets out how the equity method of accounting is to be applied, defines "significant influence", and how impairment is to be tested for investments in associates or joint ventures.</p>	These amendments are not expected to impact significantly on Council.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Applicable for annual reporting periods commencing on or after 1 January 2013.

	2013 \$'000	2012 \$'000
Note 2 - Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.		
The valuation base used to calculate general rates for 2012/2013 was \$2,280 million (2011/2012: \$2,144 million). The 2012/2013 cents in the CIV dollar was 0.237662 (2011/2012: 0.240976).		
Residential	4,943	4,718
Commercial	631	610
Supplementary rates and rate adjustments	(3)	14
Garbage charge	13	12
Special rates and charges	4	4
Total rates and charges	5,588	5,357

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

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2014, and the valuation will first be applied to the rating period commencing 1 July 2014.

Note 3 - Statutory fees and fines

Town planning fees	48	52
Infringements and costs	18	21
Permits	11	10
Land information certificates	4	3
PERIN court recoveries	4	3
Total statutory fees and fines	85	88

Note 4 - User fees

(a)		
Caravan park fees	1,561	1,509
Boat ramp fees - ticket machines	87	97
Other rent - lease of Crown Land properties	63	64
Other rent - lease of Council properties	33	35
Aged services fees	89	83
Registration fees	47	53
Tourism	16	14
Building services fees	15	12
Recycling disposal income	13	14
Road occupancy charges	4	5
Valuation fees/supplementary charges	-	38
Other fees and charges	8	7
Total user fees	1,936	1,930

(b) Ageing analysis of contractual receivables

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

	2013 \$'000	2012 \$'000
Note 5 - Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	154	73
State funded grants	2,301	2,314
Other grants	108	78
Total	2,563	2,464
Operating (recurrent)		
Commonwealth - community aged care packages	80	73
State - Victoria Grants Commission - general purpose	81	178
State - Victoria Grants Commission - general purpose (received in advance)	106	118
State - Victoria Grants Commission - local roads	18	40
State - Victoria Grants Commission - local roads (received in advance)	24	28
State - Country Roads and Bridges Program	626	-
State - Home help/linkages	275	255
State - Maternal and child health	47	44
State - Community services officer	21	21
State - Heritage advisor	14	14
State - School crossing supervisors	13	12
State - Regional Victoria Living Expo	10	20
State - Kindergarten planning	10	10
State - Vulnerable persons database	10	-
State - Other grants < \$10,000 each	16	16
Other - Tobacco activity	12	2
Total operating (recurrent)	1,363	831
Operating (non-recurrent)		
State - G21 Tennis Strategy	45	-
State - Fire Services Levy Implementation	36	-
State - Lighthouse Reserves Maintenance	77	-
State - Sustainability Accord	25	20
State - Other grants < \$10,000 each	7	14
Other - Coastal tender	93	76
Other - Other grants < \$10,000 each	2	-
Total operating (non-recurrent)	285	110
Capital (recurrent)		
Commonwealth - Roads to Recovery	74	-
State - Country Roads and Bridges Program	374	1,000
State - Home help/linkages	29	9
Total capital (recurrent)	477	1,009

	2013 \$'000	2012 \$'000
Capital (non-recurrent)		
State - Local Government Infrastructure Fund - Hesse Street Revitalisation Stage 1	175	-
State - Local Government Infrastructure Fund - Point Lonsdale Foreshore Revitalisation Stage 1	75	-
State - Community Works Program - Point Lonsdale Foreshore Revitalisation Stage 1	160	-
State - Open Space Strategy	27	-
State - Queenscliff Sports Club Enhancement	-	250
State - Ferry to the Pier	-	125
State - Playground and Park Development	-	125
State - Music Equipment	-	11
State - Other grants < \$10,000 each	-	3
Total capital (non-recurrent)	437	514
Conditions on grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Operating grants		
State - Country Roads and Bridges Program	243	-
State - Victoria Grants Commission - general purpose	106	118
State - Victoria Grants Commission - local roads	24	28
State - Lighthouse reserves Maintenance	76	-
State - G21 Tennis Strategy	25	-
State - Vulnerable persons database	10	-
State - Kindergarten planning	10	10
State - Sustainability Accord	-	5
State - Home and community care (minor capital)	-	8
Other - Coastal tender	93	76
Total operating grants	587	245
Capital grants		
State - Country Roads and Bridges Program	246	799
State - Community Works Program - Point Lonsdale Foreshore Revitalisation Stage 1	-	-
State - Ferry to the Pier	-	119
Total capital grants	246	918
Total	833	1,162

	2013 \$'000	2012 \$'000
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Operating grants		
State - Victoria Grants Commission - general purpose	118	49
State - Victoria Grants Commission - local roads	28	13
Other - Coastal tender	19	-
State - Kindergarten planning	4	-
State - Home and community care (minor capital)	8	-
Other	-	8
Total operating grants	177	71
Capital grants		
State - Country Roads and Bridges Program	798	-
Queenscliff sports club enhancement	-	138
Princess and Citizens Park redevelopment	-	73
Point Lonsdale surf life saving and access ramp	-	46
Roads to recovery	-	21
Total capital grants	798	278
Total	975	350
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	(142)	813
Note 6 - Contributions - cash		
Summary of cash contributions		
Operating contributions	10	-
Capital contributions	207	26
Total	217	26
Operating		
G21 Tennis Strategy	10	-
Total operating	10	-
Capital		
Buildings - Queenscliff Sports Club Enhancement	201	26
Open Space - Point Lonsdale Foreshore Revitalisation Stage 1	6	-
Total capital	207	26
Note 7 - Interest received		
Interest - investment of surplus cash	153	173
Interest - rates	14	11
Interest - heritage loans	1	1
Total interest received	168	185

	2013 \$'000	2012 \$'000
Note 8 - Other income		
Reimbursements - insurance claims	76	-
Reimbursements - workcover	61	40
Reimbursements - other	1	-
Heritage fund	41	-
Total other income	179	40
Note 9 - Employee costs		
Wages and salaries	2,405	2,265
Overtime	92	100
Workcover payments	75	42
Annual leave and long service leave	166	181
Superannuation	227	211
Fringe benefits tax	58	32
Workcover premium	49	43
Total employee costs	3,072	2,874
Note 10 - Superannuation (additional call)		
Superannuation - additional contribution	(12)	218
Total superannuation (additional call)	(12)	218
<p>During the prior period (2012) Council was required to make an additional contribution to Vision Super to meet our obligations to members of the defined benefit plan. Payment of this liability early in the 2012/13 financial year resulted in a discount being received.</p>		
Note 11 - Materials and services		
Contract payments		
Road maintenance and works	728	595
Waste disposal	373	369
Staff (Information technology, engineering, health, building, planning, heritage, caravan parks)	319	252
Public conveniences	85	79
Maternal and child health	59	58
Cleaning services	55	43
Home maintenance	48	45
Rate valuations	34	25
Total contract payments	1,701	1,467

	2013 \$'000	2012 \$'000
Recurrent expenditure		
Materials and services	394	370
Building, works, plant and equipment maintenance	273	315
Utilities	269	226
Contribution to Geelong regional library corporation	228	209
Foreshore and open space maintenance	192	163
Insurance	158	139
Landfill disposal levy	152	119
Information technology software and maintenance agreements	130	88
Membership of organisations	69	66
Grants and donations paid to local organisations	111	131
Fuel and travel expenses	52	51
Recruitment costs	52	44
Legal expenses	40	34
Telephone and internet charges	45	42
Security	32	30
Sustainability / carbon neutral program	29	40
Motor vehicle expenses	22	15
Powerline and sundry tree clearance	6	72
Tree removal and replacement program	7	27
Total recurrent expenditure	2,261	2,181
Grant-funded expenditure		
Country Roads & Bridges Program	384	-
G21 Tennis Strategy	29	-
Sustainability Accord	20	15
Coastal Tender	19	-
Regional Victoria Living Expo	5	19
Kindergarten Planning	4	6
Maternal & Child Health - healthy kids check	-	3
Total grant-funded expenditure	461	44
Non-recurrent expenditure		
Celebrating 150 Years of the Borough	85	2
Electoral review and election costs	55	4
Electrical points of supply at Caravan Parks	53	-
Materials and services	35	12
Councillor conduct panel	25	38
Review of caravan park operations	19	-
Road condition survey	16	-
Review of the planning scheme	4	18
Total non-recurrent expenditure	292	72
Total materials and services	4,715	3,764
Note 12 - Bad and doubtful debts		
Parking fine debtors	5	-
Caravan park debtors	14	6
Total bad and doubtful debts	19	6

	2013 \$'000	2012 \$'000
Note 13 - Depreciation		
Buildings		
Buildings	235	217
Caravan park cabins	33	29
Plant and Equipment		
Plant, machinery and equipment	65	57
Fixtures, fittings and furniture	27	26
Computers and telecommunications	43	27
Recreation equipment	67	64
Infrastructure		
Roads	298	246
Kerb and channel	31	29
Footpaths and cycleways	42	39
Drainage	49	52
Recreational, leisure and community facilities	26	12
Total depreciation	916	799
Note 14 - Finance costs		
Interest - Borrowings	70	92
Total finance costs	70	92
Note 15 - Other expenses		
Councillors' allowances	123	111
Operating lease rentals	56	46
Auditors' remuneration	49	51
Other	19	13
Total other expenses	247	220
Note 16 - Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	1	62
Written down value of assets disposed	(28)	(78)
Total	(27)	(16)

	2013 \$'000	2012 \$'000
Note 17 - Investment in regional library corporation		
Investments in associates accounted for by the equity method are:		
- Geelong regional library corporation	255	246
Total	255	246
Geelong regional library corporation		
Background		
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 2013. 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.		
Council's share of accumulated surplus(deficit)		
Council's share of accumulated surplus(deficit) at start of year	246	276
Reported surplus(deficit) for year	9	(30)
Council's share of accumulated surplus(deficit) at end of year	255	246
Note 18 - Cash and cash equivalents		
Cash on hand	2	2
Purchasing card	1	-
Cash at bank	570	385
Money market at call account	977	956
Short term deposits	428	933
Total cash and cash equivalents	1,978	2,276
Council's cash and cash equivalents (note 18) and financial assets (note 20) are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Reserve funds allocated for specific future purposes (Note 29)	3,033	2,653
- Trust funds and deposits (Note 25)	26	68
Restricted Funds	3,059	2,721
Total unrestricted cash and cash equivalents	878	995
Note 19 - Trade and other receivables		
Current		
Rates debtors	177	115
Pensioner rebate	23	45
Caravan park debtors	17	25
Provision for doubtful debts - caravan park income	(9)	(6)
Parking infringement debtors	7	12
Provision for doubtful debts - parking infringements	(2)	(3)
Loans and advances to community organisations	11	10
Application for planning scheme amendment	52	-
Other rent - lease of Council properties	10	-
Salary recharge	5	5

	2013 \$'000	2012 \$'000
Other	35	26
Net GST receivable	21	159
Queenscliff sports club enhancement	-	29
Restitution costs	-	13
Total	347	430
Non-current		
Loans and advances to community organisations	3	14
Salary recharge	-	5
Total	3	19
Total trade and other receivables	350	451
Note 20 - Financial assets		
Short term deposits	1,958	1,440
Total financial assets	1,958	1,440
Note 21 - Inventories		
Inventories held for sale	8	6
Total inventories	8	6
Note 22 - Other assets		
Current		
Prepayments	181	73
Accrued income	114	85
Total	295	158

	2013 \$'000	2012 \$'000
Note 23 - Property, infrastructure, plant and equipment		
Summary		
at cost	6,491	4,676
Less accumulated depreciation	1,156	969
	5,335	3,707
at fair value as at 1 July 2010	17,826	17,826
at fair value as at 30 June 2012	64,992	64,992
Less accumulated depreciation	21,162	20,567
	61,656	62,251
Total	66,991	65,958
Property		
Land		
at fair value as at 30 June 2012	21,233	21,233
	21,233	21,233
Land under roads		
at fair value as at 30 June 2012	14,348	14,348
	14,348	14,348
Total Land	35,581	35,581
Buildings		
at cost	224	-
Less accumulated depreciation	5	-
	219	-
at fair value as at 30 June 2012	25,256	25,256
Less accumulated depreciation	12,471	12,242
	12,785	13,015
	13,004	13,015
Caravan park cabins		
at cost	25	-
Less accumulated depreciation	-	-
	25	-
at fair value as at 30 June 2012	484	484
Less accumulated depreciation	130	98
	354	386
	379	386
Total Buildings	13,383	13,401
Total Property	48,964	48,982

Valuation of land (including land under roads) was undertaken by a qualified independent valuer from Landlink - Opteon. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.

Land under roads is at fair value, using site values adjusted for engloba (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

Valuation of buildings was undertaken by Landlink - Opteon, using the work of CT Management conducted three years ago and in line with Rawlinson's Aust. Construction Handbook as a guide for building costs. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.

	2013	2012
	\$'000	\$'000
Plant, machinery and equipment		
Plant, machinery and equipment		
at cost	579	419
Less accumulated depreciation	226	170
	353	249
Fixtures, fittings and furniture		
at cost	292	322
Less accumulated depreciation	126	146
	167	176
Computers and telecommunications		
at cost	260	310
Less accumulated depreciation	160	193
	100	115
Recreation equipment		
at cost	935	903
Less accumulated amortisation	474	407
	461	496
Total Plant and Equipment	1,081	1,036
Infrastructure		
Roads		
at cost	1,206	305
Less accumulated depreciation	83	17
	1,123	287
at fair value as at 1 July 2010	14,043	14,043
Less accumulated depreciation	5,241	5,009
	8,802	9,034
	9,925	9,321
Kerb and channel		
at cost	70	31
Less accumulated depreciation	3	1
	67	30
at fair value as at 1 July 2010	2,295	2,295
Less accumulated depreciation	879	851
	1,416	1,445
	1,483	1,475

	2013 \$'000	2012 \$'000
Footpaths and cycleways		
at cost	104	66
Less accumulated depreciation	5	2
	99	64
at fair value as at 1 July 2010	1,488	1,488
Less accumulated depreciation	628	591
	860	897
	959	963
Drainage		
at cost	292	-
Less accumulated depreciation	13	-
	279	-
at fair value as at 30 June 2012	3,671	3,671
Less accumulated depreciation	1,814	1,777
	1,857	1,894
	2,136	1,894
Recreational, leisure and community facilities		
at cost	1,124	1,111
Less accumulated depreciation	61	34
	1,063	1,076
Total Infrastructure	15,566	14,730

Valuation of roads, kerb and channel, footpaths and cycleways has been determined in accordance with an independent valuation undertaken by Mr Peter Moloney, Dip C.E.C.E.MIE Aust as at 1 July 2010. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. The next revaluation of roads, kerb and channel, footpaths and cycleways will occur in 2013/2014. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, during 2011/2012.

	2013 \$'000	2012 \$'000
Works in Progress		
Property at cost	1,101	884
Infrastructure at cost	135	288
Plant and equipment at cost	144	38
Total Works in Progress	1,380	1,210
Total property, infrastructure, plant and equipment	66,991	65,958

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 13)	Written down value of disposals	Impairment losses recognised in profit or loss (a)	Change in accounting estimate (note 30)	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property									
land	21,233	-	-	-	-	-	-	-	21,233
land under roads	14,348	-	-	-	-	-	-	-	14,348
Total land	35,581	-	-	-	-	-	-	-	35,581
buildings	13,014	149	-	(235)	-	-	-	76	13,004
caravan park cabins	387	25	-	(33)	-	-	-	-	379
Total buildings	13,401	174	-	(268)	-	-	-	76	13,383
Total property	48,982	174	-	(268)	-	-	-	76	48,964
Plant and Equipment									
plant, machinery and equipment	249	154	-	(65)	(28)	-	-	43	353
fixtures, fittings and furniture	176	5	-	(27)	-	(8)	-	21	167
computers and telecommunications	115	28	-	(43)	-	-	-	-	100
recreation equipment	496	32	-	(67)	-	-	-	-	461
Total plant and equipment	1,036	219	-	(202)	(28)	(8)	-	64	1,081
Infrastructure									
roads	9,321	193	-	(298)	-	-	-	708	9,925
kerb and channel	1,475	1	-	(31)	-	-	-	38	1,483
footpaths and cycleways	963	38	-	(42)	-	-	-	-	959
drainage	1,894	-	-	(49)	-	-	-	292	2,137
recreational, leisure and community facilities	1,076	13	-	(26)	-	-	-	-	1,063
Total infrastructure	14,730	245	-	(446)	-	-	-	1,038	15,567
Works in progress									
property	884	293	-	-	-	-	-	(76)	1,101
infrastructure	288	900	-	-	-	(15)	-	(1,038)	135
plant and equipment	38	171	-	-	-	(1)	-	(64)	144
Total works in progress	1,210	1,364	-	-	-	(16)	-	(1,178)	1,380
Total property, infrastructure, plant and equipment	65,958	2,002	-	(916)	(28)	(24)	-	-	66,992

(a) Impairment losses

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

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

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Impairment losses recognised in profit or loss	Change in accounting estimate	Transfers	Balance at end of financial year
	\$'000		\$'000	(note 29)	(note 13)	\$'000	(a)		(note 30)
Property									
land	20,059	-	1,174	-	-	-	-	-	21,233
land under roads	13,108	-	1,240	-	-	-	-	-	14,348
Total land	33,167	-	2,414	-	-	-	-	-	35,581
buildings	11,523	75	1,596	(217)	-	-	-	38	13,014
caravan park cabins	308	-	22	(29)	-	-	-	87	387
Total buildings	11,831	75	1,618	(246)	-	-	-	126	13,401
Total property	44,998	75	4,031	(246)	-	-	-	126	48,982
Plant and Equipment									
plant, machinery and equipment	195	185	-	(57)	(74)	-	-	-	249
fixtures, fittings and furniture	186	15	-	(26)	-	-	-	-	176
computers and telecommunications	59	87	-	(27)	(4)	-	-	-	115
recreation equipment	527	33	-	(64)	-	-	-	-	496
Total plant and equipment	967	319	-	(174)	(78)	-	-	-	1,036
Infrastructure									
roads	9,413	154	-	(246)	-	-	-	-	9,321
kerb and channel	1,503	1	-	(29)	-	-	-	-	1,475
footpaths and cycleways	961	41	-	(39)	-	-	-	-	963
drainage	1,713	8	253	(52)	-	-	(27)	-	1,894
recreational, leisure and community facilities	425	222	-	(12)	-	-	-	440	1,076
Total infrastructure	14,015	427	253	(378)	-	-	(27)	440	14,730
Works in progress									
property	249	763	-	-	-	-	-	(127)	884
infrastructure	92	241	-	-	-	-	-	(44)	288
plant and equipment	66	367	-	-	-	-	-	(395)	38
Total works in progress	407	1,372	-	-	-	-	-	(566)	1,210
Total property, infrastructure, plant and equipment	60,386	2,192	4,284	(799)	(78)	-	(27)	-	65,958

(a) Impairment losses

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

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

	2013 \$'000	2012 \$'000
Note 24 - Trade and other payables		
Trade payables	307	422
Accrued expenses	179	153
Accrued wages and salaries	93	85
Total trade and other payables	579	660

Note 25 - Trust funds and deposits

Revolving restoration fund	-	41
Community nursery	12	12
Retention amounts	4	4
Other refundable deposits	10	11
Total trust funds and deposits	26	68

Note 26 - Provisions

	Superannuation - Defined Benefit Fund call \$ '000	Annual leave \$ '000	Long service leave \$ '000	Accrued days off \$ '000	Total \$ '000
2013					
Balance at beginning of the financial year	218	234	394	-	847
Additional provisions	-	79	88	13	179
Amounts used	(218)	(56)	(73)	-	(348)
Balance at the end of the financial year	-	256	409	13	678
2012					
Balance at beginning of the financial year	-	162	286	-	448
Additional provisions	218	117	137	-	472
Amounts used	-	(45)	(29)	-	(73)
Balance at the end of the financial year	218	234	394	-	847

	2013 \$'000	2012 \$'000
Employee provisions		
Current (i)		
Annual leave	256	234
Long service leave	370	348
Accrued days off	13	-
	639	584
Non-current (ii)		
Long service leave	39	46
Superannuation additional call - Defined Benefits Scheme	-	218
	39	264
Aggregate carrying amount of employee		
Current	639	584
Non-current	39	264
	678	847

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

	2013	2012
	\$'000	\$'000
Weighted average increase in employee provisions	4.500%	4.313%
Weighted average discount rates	3.18%	2.59%
Weighted average settlement period	15	15
(i) Current		
All annual leave, accrued days off and the long service leave entitlements representing five or more years of continuous service		
- Short-term employee provisions, that fall due within 12 months after the end of the period measured at nominal value	269	234
- Other long-term employee provisions that do not fall due within 12 months after the end of the period measured at present value	370	348
	639	584
(ii) Non-current		
Long service leave representing less than five years of continuous service measured at present value	39	46
Superannuation liability for Defined Benefit Fund payable on 1 July 2013.	-	218
	39	264

	2013 \$'000	2012 \$'000
Note 27 - Interest-bearing loans and borrowings		
<i>Current</i>		
Borrowings - secured	972	1,085
	972	1,085
Total	972	1,085
The maturity profile for Council's borrowings is:		
Not later than one year	218	216
Later than one year and not later than five years	683	808
Later than five years	71	61
Total	972	1,085
<i>Bank overdraft</i>		
Council did not make use of a bank overdraft facility during the 2012/13 financial year (2011/12 not used).		
<i>Finance leases</i>		
Council had no finance leases at year-end.		
Note 28 - Other liabilities		
Income received in advance	41	-
Total other liabilities	41	-

Note 29 - Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation surplus			
2013			
Property			
Land	19,567	-	19,567
Land under roads	1,240	-	1,240
Buildings	8,729	-	8,729
Caravan park cabins	64	-	64
	29,600	-	29,600
Infrastructure			
Roads	3,734	-	3,734
Kerb and channel	291	-	291
Footpaths and cycleways	389	-	389
Drainage	253	-	253
	4,667	-	4,667
Total asset revaluation surplus	34,267	-	34,267
2012			
Property			
Land	18,393	1,174	19,567
Land under roads	-	1,240	1,240
Buildings	7,133	1,596	8,729
Caravan park cabins	42	22	64
	25,568	4,031	29,600
Infrastructure			
Roads	3,734	-	3,734
Kerb and channel	291	-	291
Footpaths and cycleways	389	-	389
Drainage	-	253	253
	4,414	253	4,667
Total asset revaluation surplus	29,982	4,284	34,267

The asset revaluation reserve is used to record the movements in asset valuations upon the periodic revaluation of Council's assets. It is used to record material differences between the current market value of an asset and the amount at which it has previously been carried in the Balance Sheet. Land, buildings and drainage assets were last revalued in the 2011/12 financial year and will next be due for revaluation in the 2013/14 financial year. Infrastructure assets were last revalued in the 2010/11 financial year and will next be revalued in the 2013/14 financial year.

	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				
2013				
Asset Replacement Reserve	486	617	(315)	788
General Reserve	-	50	-	50
Funds carried forward to future years				
Grant funding not yet expended - Operating	443	706	(177)	972
Grant funding not yet expended - Capital	928	160	(682)	406
Incomplete works - Operating	194	278	(88)	384
Incomplete works - Capital	602	256	(425)	433
Total Other reserves	2,653	2,067	(1,687)	3,033
2012				
Asset Replacement Reserve	229	484	(227)	486
Funds carried forward to future years				
Grant funding not yet expended - Operating	80	436	(72)	443
Grant funding not yet expended - Capital	168	918	(158)	928
Incomplete works - Operating	137	150	(93)	194
Incomplete works - Capital	206	473	(77)	602
Crown Land Reserve	1,226	-	(1,226)	-
Total Other reserves	2,046	2,461	(1,854)	2,653

Asset Replacement Reserve - represents funds set aside for future building and infrastructure renewal needs.

General Reserve - represents funds set aside for future grant matching funds requirements, particularly with regards to coastal risk management and coastal environment grant funding opportunities.

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

Crown Land Reserve - this reserve account was closed during the 2011/12 financial year.

	2013 \$'000	2012 \$'000
Note 30 - Adjustments directly to equity		
Adjustment on change in accounting estimate resulting from review of useful lives of drainage assets	-	(27)
	-	(27)

During the 2012/13 financial year, an amendment of \$27,000 was made to the remaining useful lives of two drainage pipes. The impact of this amendment is included above as the adjustment on change in accounting estimate resulting from review of useful lives of drainage assets. The opening position for 2011/12 accumulated surplus has been adjusted to reflect this additional adjustment directly to equity.

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

Note 31- Reconciliation of cash flows from operating activities to surplus (deficit)

Surplus/(deficit)	1,667	2,071
Depreciation	916	799
(Profit)/loss on disposal of property, infrastructure, plant and equipment	27	16
Impairment reported in profit or loss	(24)	-
Finance costs	70	92
Heritage restoration fund	(41)	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	98	(207)
(Increase)/decrease in financial assets	(518)	-
(Increase)/decrease in inventories	(2)	-
(Increase)/decrease in prepayments	(109)	19
(Increase)/decrease in accrued income	(30)	(21)
(Increase)/decrease in regional library equity	(9)	30
Increase/(decrease) in trade and other payables	(117)	149
Increase/(decrease) in accrued expenses	26	17
Increase/(decrease) in accrued wages	8	9
Increase/(decrease) in income received in advance	40	-
Increase/(decrease) in provisions	37	399
Net cash provided by/(used in) operating activities	2,038	3,373

Note 32 - Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 18)	1,978	2,276
Total reconciliation of cash and cash equivalents	1,978	2,276

Note 33 - Financing arrangements

Bank overdraft	5	5
Unused facilities	5	5

	0	0
	\$'000	\$'000
Note 34 - Restricted assets		
Council has cash and cash equivalents (note 18) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to trust accounts and reserve funds.		
Trust funds and deposits (note 25)	26	68
Reserve funds (note 29)	3,033	2,653
Total restricted assets	3,059	2,721

	2013	2012
	\$'000	\$'000
Note 35 - Superannuation		
Council made Contributions to the following funds:		
Fund		
Defined benefits fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	11	13
	11	13
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super)	(12)	218
	(12)	218
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	171	176
Employer contributions to other funds	44	19
	215	195
Employer contributions payable to other funds	1	-
	1	-

Note 36 - Commitments

The Council has entered into the following commitments:

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

2012	Later than 1 year		Later than 2 years		Total
	Not later than 1 year	and not later than 2 years	and not later than 5 years	Later than 5 years	
	\$'000	\$'000	\$'000	\$'000	
Operating					
Roads, parks and reserves maintenance	703	690	1,381	-	2,775
Garbage collection	370	-	-	-	370
Home maintenance services	-	-	-	-	-
Lawn mowing & minor garden home maintenance	-	-	-	-	-
Internal audit	21	21	10	-	52
Information systems & technology	28	28	16	-	72
Review of the Queenscliffe Planning Scheme	-	-	-	-	-
Powerline & sundry tree clearance	-	-	-	-	-
Total	1,122	739	1,407	-	3,269
Capital					
Buildings	251	-	-	-	251
Total	251	-	-	-	251
Total	1,373	739	1,407	-	3,520

	2013	2012
	\$'000	\$'000
Note 37 - Operating leases		
Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of land, equipment and motor vehicles for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	35	47
Later than one year and not later than five years	61	79
	96	127

Note 38 - Contingent liabilities

Council has one matter which involves engaging the services of Council's solicitor Harwood Andrews. This relates to the review of regulatory and operational issues at caravan and camping parks. The total cost of this review is estimated at \$1,000.

Superannuation

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

Guarantees for loans to other entities

Council has no obligation as guarantor for loans to other entities. Council previously agreed to act as guarantor for a loan to the Queenscliff Golf Club, however this arrangement ended in 2011/12 when the club made final payment on its loan to the Bendigo Bank.

Note 39 - Financial Instruments

(a) Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	18	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	On call deposits returned a floating interest rate of between 2.00% (2.00% in 2011/2012) and 2.75% (6.25% in 2011/2012). The interest rate on the balance held in Council's general bank account at balance date was 2.10% (1.75% in 2011/2012). \$1,405,347 short term investments < 3 months (2011/12: \$1,889,104) Nil managed funds for 2012/2013 (Nil for 2011/2012)
Trade and other receivables	19	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Credit terms are based on 30 days.
Financial assets	20	Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	Funds returned fixed interest rate of between 3.75% (4.00% in 2011/2012), and 5.80% (6.25% in 2011/2012) net of fees. Nil managed funds for 2012/2013 (Nil for 2011/2012)
Financial liabilities			
Trade and other payables	24	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	27	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.23% (7.55% in 2011/2012).
Bank overdraft	33	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. Nil overdraft for 2012/13 (Nil for 2011/12). The interest rate as at balance date was 8.15% (9.79% in 2011/2012).

(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:

2013

	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	1,976	-	-	-	2	1,978
Trade and other receivables	-	11	3	-	336	350
Financial assets	-	1,958	-	-	-	1,958
Accrued income	2	11	-	-	101	114
Total financial assets	1,978	1,980	3	-	439	4,401
Weighted average interest rate	2.03%	4.11%				
Financial liabilities						
Trade and other payables	-	-	-	-	579	579
Trust funds and deposits	-	-	-	-	26	26
Income received in advance	-	-	-	-	22	22
Interest-bearing loans and borrowings	972	-	-	-	-	972
Total financial liabilities	972	-	-	-	626	1,598
Weighted average interest rate	6.23%					
Net financial assets (liabilities)	1,006	1,980	3	-	(187)	2,803

2012

	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets						
Cash and cash equivalents	1,340	933	-	-	2	2,276
Trade and other receivables	-	10	14	-	426	451
Financial assets	-	1,441	-	-	-	1,440
Accrued income	1	23	-	-	61	85
Total financial assets	1,341	2,407	14	-	489	4,252
Weighted average interest rate	3.00%	5.04%				
Financial liabilities						
Trade and other payables	-	-	-	-	660	660
Trust funds and deposits	-	-	-	-	68	68
Interest-bearing loans and borrowings	-	1,085	-	-	-	1,085
Total financial liabilities	-	1,085	-	-	730	1,814
Weighted average interest rate		7.55%				
Net financial assets (liabilities)	1,341	1,322	14	-	(241)	2,438

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	1,978	2,276	1,978	2,276
Trade and other receivables	350	451	350	451
Financial assets	1,958	1,440	1,958	1,440
Accrued income	114	85	114	85
Total financial assets	4,400	4,252	4,400	4,252
Financial liabilities				
Trade and other payables	579	660	579	660
Trust funds and deposits	26	68	26	68
Income received in advance	22	-	22	-
Interest-bearing loans and borrowings	972	1,085	972	1,085
Total financial liabilities	1,599	1,814	1,599	1,814
Net financial assets (liabilities)	2,801	2,438	2,801	2,438

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings which are currently at variable rates and this exposes Council to upward movements in interest rates. These rates are monitored and fluctuations assessed to determine if and when a change to the current strategy of variable rates is required.

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

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

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards;
- capital protection;
- appropriate liquidity;
- diversification by credit rating, financial institution and investment product;

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

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

Credit risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 38.

Movement in Provisions for Doubtful Debts

	2013 \$'000	2012 \$'000
Balance at the beginning of the year	9	4
New Provisions recognised during the year	11	6
Amounts already provided for and written off as uncollectible	(8)	(1)
Amounts provided for but recovered during the year	(1)	-
Balance at end of year	11	9

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

	2013 \$'000	2012 \$'000
Current (not yet due)	125	256
Past due by up to 30 days	76	114
Past due between 31 and 180 days	72	26
Past due by more than 1 year	79	55
Total Trade & Other Receivables	351	451

Ageing of individually impaired Trade and Other Receivables

The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. At 30 June 2013 there were no debtors in this category.

Liquidity risk

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

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

To help reduce these risks we:

- have a liquidity practice of establishing minimum working capital requirements when developing cash flow budgets;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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

The table below lists the contractual maturities for Financial Liabilities. These amounts represent undiscounted gross payments including both principal and interest amounts.

2013	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	579	-	-	-	-	579	579
Trust funds and deposits	10	16	-	-	-	26	26
Income received in advance	22	-	-	-	-	-	22
Interest-bearing loans and borrowings	150	126	251	528	80	1,134	972
Total financial liabilities	760	141	251	528	80	1,738	1,598
2012	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other	660	-	-	-	-	660	660
Trust funds and deposits	10	1	10	6	-	27	68
Income received in	-	-	-	-	-	-	-
Interest-bearing loans	147	147	288	677	65	1,324	1,085
Total financial liabilities	818	148	298	683	65	2,011	1,814

(f) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 2.75%.

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

Carrying amount subject to interest	2013	Interest rate risk				
		-\$'000	-2 % -200 basis points		+1 % +100 basis points	
			Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	1,978	(40)	(40)	20	20	
Trade and other receivables	14	-	-	-	-	
Financial liabilities						
Interest-bearing loans and borrowings	972	19	19	(10)	(10)	

Carrying amount subject to interest	2012	Interest rate risk				
		-\$'000	-2 % -200 basis points		+1 % +100 basis points	
			Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial assets						
Cash and cash equivalents	2,276	(46)	(46)	23	23	
Trade and other receivables	23	-	-	-	-	
Financial liabilities						
Interest-bearing loans and borrowings	1,085	22	22	(11)	(11)	

(g) Fair Value Hierarchy

There were no fair value adjustments to financial assets through the comprehensive income statement in 2012/13 (2011/12 : Nil).

Note 40 - Auditors' remuneration

	2013	2012
	\$'000	\$'000
Audit fee to conduct external audit - Victorian Auditor-General	24	24
Internal audit fees - RSM Bird Cameron	20	24
Audit committee fees	5	2
	49	51

Note 41 - Events occurring after balance date

No matters have occurred since reporting date that require disclosure in the financial report.

Note 42 - Related party transactions

(i) Responsible Persons

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

Councillors

Councillor Helene Cameron (formerly Butler) (Councillor 01/07/12 to current, Mayor 14/11/12 to current)

Councillor Bob Merriman (Councillor 01/07/12 to current, Mayor 01/07/12 to 14/11/12)

Councillor Sue Wasterval (Councillor elected 27/10/12 to current)

Councillor Susan Salter (Councillor elected 27/10/12 to current)

Councillor Graham Christie (Councillor elected 27/10/12 to current)

Councillor John Burgess (Councillor 01/07/12 to 27/10/12)

Councillor David Mitchell (Councillor 01/07/12 to 27/10/12)

Councillor Lloyd Davies (Councillor 01/07/12 to 27/10/12)

Chief Executive Officer

Leonard Jenner (Chief Executive Officer 01/07/12 to current)

(ii) Remuneration of Responsible Persons

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

	2013 No.	2012 No.
\$1 - \$9,999	3	-
\$10,000 - \$19,999	3	4
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	-	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	1	-
	9	6
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	320	300

(iii) No retirement benefits have been made by the Council to a Responsible Person (2011/12, nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2011/12, nil).

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2011/12, nil).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$130,000 (2011/12: \$127,000).

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

Income Range:	2013 No.	2012 No.
<\$130,000	-	-
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	2	2
	2	3
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above amounted to:	181	228

Note 43 - Income, expenses and assets by function/activities

	Governance and External Relations				Tourism and Community Development			
	2013		2012		2013		2012	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Grants	187	296	36	-	91	64	443	393
Other	47	7	5,658	5,400	201	416	149	124
Total	234	303	5,694	5,400	292	481	592	517
Expenses	(1,741)	(1,581)	(1,697)	(1,642)	(819)	(664)	(678)	(669)
Surplus (deficit) for the year	(1,507)	(1,279)	3,997	3,758	(527)	(184)	(86)	(152)
Assets attributed to functions/activities*	4,960	4,228	28	23	8,404	7,728	774	764

	Building		Coastal and Environment		Environmental Health		Infrastructure Services	
	2013		2012		2013		2012	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Grants	14	14	433	324	12	2	1,298	1,330
Other	15	12	1,718	1,434	31	33	265	91
Total	29	26	2,151	1,757	43	35	1,563	1,421
Expenses	(83)	(85)	(1,175)	(1,002)	(83)	(92)	(2,266)	(1,702)
Surplus (deficit) for the year	(54)	(59)	976	756	(40)	(57)	(703)	(281)
Assets attributed to functions/activities*	-	8	7,912	8,505	-	-	44,887	43,094

	Local Law Enforcement		Planning		Sustainability and Environment		Total	
	2013		2012		2013		2012	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Grants	13	12	10	10	25	20	2,562	2,464
Other	50	35	48	53	-	-	8,182	7,604
Total	63	47	58	63	25	20	10,744	10,068
Expenses	(204)	(198)	(229)	(206)	(104)	(110)	(9,079)	(7,952)
Surplus (deficit) for the year	(141)	(151)	(171)	(143)	(79)	(90)	1,665	2,116
Assets attributed to functions/activities *	24	30	-	-	-	-	66,989	64,381

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

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

Governance and External Relations

Operation and maintenance of the administration offices and the corporate costs of managing the municipality along with administration and management of external relationships including public relations, membership of municipal association, etc. Operation and maintenance of the council meeting areas and costs associated with mayoral and councillor allowances are also included under the governance function.

Finance and Audit

Rate revenue, principal and interest payments on loans, bank and rate collection charges, audit fees and insurance premiums are included within this function. Also included are employee costs in relation to finance, rates and risk management, as well as contract payments made in relation to information technology.

Tourism and Community Development

Consists of: library; arts, recreation and culture (including festivals and events and community grants for recreation, arts and youth); visitor information centre; tourism promotion; community and other human services (including senior citizens, community development grants, special events).

Community Services

Consists of: preschool centre; maternal and child health; aged and disabled services.

Building

Consists of: building control and heritage.

Coastal and Environment

Consists of: caravan parks and boat ramp; foreshore management and environmental protection.

Environmental Health

Consists of: registrations (including food, accommodation, hairdressers); inspections (including food premises); mosquito control.

Infrastructure Services

Consists of: engineering; road maintenance and works (including roads, kerb and channel, footpaths and cycleways, drainage, parks and gardens, street cleaning); foreshore (beach cleaning); powerline and tree clearance; street lighting; building maintenance program; waste disposal; public conveniences; building and infrastructure assets (including land under roads, sports complex, playground, bus shelters).

Local Law Enforcement

Consists of: local law enforcement (including parking, camping, alcohol consumption in public places); animal control; fire prevention and emergency management; school crossing supervision.

Planning

Consists of: strategic planning; town planning (including permits, land information certificates); development approvals and appeals; Point Lonsdale structure plan; review of planning scheme.

Sustainability and Environment

Initiatives including: climate change strategy; Council sustainability strategy; reducing emissions in the Borough.

Note 44 - Financial ratio (Performance indicators)

	2013	2013	2012	2012	2011	2011
	\$'000	(%)	\$'000	(%)	\$'000	(%)
(a) Debt servicing ratio						
(to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	70		92		115	
Total revenue	10,744	= 0.66%	10,060	= 0.92%	8,584	= 1.34%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b) Debt commitment ratio (to identify Council's debt redemption strategy)						
<u>Debt servicing & redemption costs</u>	333		294		333	
Rate revenue	5,588	= 5.95%	5,357	= 5.50%	5,099	= 6.53%
The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
(c) Revenue ratio (to identify Council's dependence on non-rate income)						
<u>Rate revenue</u>	5,588		5,357		5,099	
Total revenue	10,744	= 52.01%	10,060	= 53.25%	8,584	= 59.40%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
(d) Debt exposure ratio (to identify Council's exposure to debt)						
<u>Total indebtedness</u>	2,270		2,593		2,362	
Total realisable assets	51,728	= 4.39%	51,263	= 5.06%	44,636	= 5.29%

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 34) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets: land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

	2013	2013	2012	2012	2011	2011
	\$'000	(%)	\$'000	(%)	\$'000	(%)
(e) Working capital ratio						
(to assess Council's ability to meet current commitments)						
<u>Current assets</u>	4,586		4,310		3,276	
Current liabilities	2,257	= 203.14%	2,397	= 179.83%	2,389	= 137.12%
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>	4,586		4,310		3,276	
Current liabilities	1,134	= 404.42%	1,179	= 365.54%	1,057	= 309.91%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

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

Current liabilities have also been reduced to reflect bank loans, which are shown as a current liability because the terms and conditions of each bank loan contains a review clause giving the bank the ability to demand payment should they elect to do so, but which do not fall due and are not likely to be fully re-paid within 12 months after the end of the period.

Note 45 - Capital expenditure

	Note	2013 \$'000	2012 \$'000
Capital expenditure areas			
Property			
Buildings		442	820
Caravan park cabins		25	18
Total property		467	838
Plant and Equipment			
Plant, machinery and equipment		197	185
Fixtures, fittings and furniture		23	18
Computers and telecommunications		28	87
Recreation equipment		32	34
Total plant and equipment		280	323
Infrastructure			
Roads		747	395
Kerb and channel		39	1
Footpaths and cycleways		38	41
Drainage		308	8
Recreational, leisure and community facilities		123	585
Total plant and equipment		1,255	1,031
Total capital works		2,002	2,192
Represented by:			
Renewal	(a)	1,695	1,558
Upgrade	(b)	100	287
Expansion	(c)	-	-
New		207	347
Total capital works		2,002	2,192

Property, infrastructure, plant and equipment movement

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

Total capital works	23	2,002	2,192
Asset revaluation movement	29(a)	-	4,284
Depreciation/amortisation	13	(916)	(799)
Impairment loss recognised in profit or loss	23	(24)	-
Written down value of assets sold	23	(28)	78
Net movement in property, infrastructure, plant and equipment	23	1,034	5,755

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

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

Certification of the Financial Report

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



Kerrie Weippert-Rowe CPA
Principal Accounting Officer
Date: 18th September 2013
Queenscliff

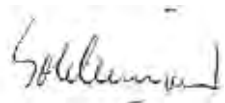
In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2013 and the financial position of the Council as at that date.

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 18th September 2013 to certify the financial statements in their final form.



Councillor Helene Cameron
Councillor
Date: 18th September 2013
Queenscliff



Councillor Bob Merriman
Councillor
Date: 18th September 2013
Queenscliff



Leonard Jenner
Chief Executive Officer
Date: 18th September 2013
Queenscliff

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Borough of Queenscliffe

The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2013 of the Borough of Queenscliffe which comprises, standard income statement, standard balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of standard statements have been audited.

The accompanying financial report for the year ended 30 June 2013 of the Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The Councillors' Responsibility for the Standard Statements and Financial Report

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

- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*
- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the standard statements and financial report that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the standard statements and financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the standard statements and financial report are free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the standard statements and financial report.

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*
- (b) the financial report presents fairly, in all material respects, the financial position of the Borough of Queenscliffe as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to Note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

Matters Relating to the Electronic Publication of the Audited Standard Statements and Financial Report

This auditor's report relates to the standard statements and financial report of the Borough of Queenscliffe for the year ended 30 June 2013 included both in the Borough of Queenscliffe's annual report and on the website. The Councillors of the Borough of Queenscliffe are responsible for the integrity of the Borough of Queenscliffe's website. I have not been engaged to report on the integrity of the Borough of Queenscliffe's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE
30 September 2013



f John Doyle
Auditor-General

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Auditing in the Public Interest

Performance Statement

What is the Performance Statement?

The Performance Statement reports on the performance of Council for the financial year against the key strategic activities that were adopted as part of the annual Budget process.

The Performance Statement links the key strategic activities to Council Plan's strategic objectives, our performance measure, our actual performance and whether we achieved our target or not.

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 165 for the Certification of the Performance Statement and page 166 for the VAGO Independent Auditor's Report.

Strategic Objective: Governance, Finance & External Relations

Providing accountable governance and long term sustainable financial management.

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Successful achievement of Business Plan priority actions.	100%	100% achieved (all 12 actions completed).	Yes
Increase opportunities for community participation in Council decision making.	Conduct at least four public meetings each year	Governance Portfolio Reference Group (PRG) meeting 27 May 2013. Budget presentations to the community held in Queenscliff and Camberwell (6-7 May 2013). Point Lonsdale Main Street and Foreshore Reference Group met on 24/7/12, 27/11/12, 11/12/12, 25/03/13 and 28/5/13. The Proposed Botanic Gardens Reference Group met on 3/7/12, 26/7/12, 20/8/12, 11/10/12 and 29/4/13. The Community Hub Reference Group met on 16/7/12, 8/4/12, 11/12/12 and 15/02/13.	Yes
Maintain working capital ratio greater than 100%.	Greater than 100%	Working capital ratio as at 30 June 2013 is 203.19% (2011-12: 179.83%)	Yes
Improve the risk rating for each of Council's insurance audits.	Improve by 5% each year	Result for JMAPP (property) audit is 79% - an improvement of 27% on the previous audit result of 62%. Liability Mutual Insurance (public liability) audit result is 62% - an improvement of 7% on the previous audit result of 58%. Note that the next MAV crime/fidelity audit is due to occur in the second half of the 2013 calendar year.	Yes
Prepare and adopt annual Budget and Strategic Resource Plan in accordance with the <i>Local Government Act 1989</i> .	Adopt by 31 August 2012	Annual Budget and Strategic Resource Plan adopted by Council on 20 June 2012.	Yes
Review the long term Strategic Financial Plan.	30 April 2013	Plan reviewed and discussed by Council at a Council Budget Workshop on 24/01/13.	Yes
Prepare and lodge annual Financial Statements and Standard Statements in accordance with the <i>Local Government Act 1989</i> .	Lodge by 30 September 2012	Annual financial report (financial statements, standard statements and performance statement) signed off by the Victorian Auditor-General's Office on 21/09/12 and lodged electronically with the Minister for Local Government on 28/09/12.	Yes
Annual Local Government Community Satisfaction Survey rating for overall performance generally of the council.	At least 70% of respondents say Council performance was excellent, good or adequate.	The 2013 survey rating system includes the following responses: very good, good, average, poor, very poor and can't say. Results for the 2013 survey indicate that 90% of respondents have deemed the Borough as being very good, good or average with respect to overall performance.	Yes
Annual Local Government Community Satisfaction Survey rating for council's advocacy and community representation on key local issues.	At least 70% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate that 72% of respondents have deemed the Borough as being very good, good or average with respect to lobbying on behalf of the community.	Yes
Annual Local Government Community Satisfaction Survey rating for council's engagement in decision making on key local issues.	At least 60% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate that 82% of respondents have deemed the Borough as being very good, good or average with respect to community consultation and engagement.	Yes
Annual Local Government Community Satisfaction Survey rating for council's interaction and responsiveness in dealing with the public.	At least 75% of respondents say Council performance was excellent, good or adequate.	Responses in the categories "very good, good and average" have been used to indicate that 88% of respondents have deemed the Borough as being "excellent, good or adequate" with respect to contact/customer service and 91% with respect to informing the community.	Yes

STRATEGIC OBJECTIVE: Sustainability and Local Environment

Living sustainably and protecting and restoring our diverse environment.

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Successful achievement of Business Plan priority actions.	100%	100% achieved (all 10 actions completed).	Yes
Achieve nett increase in street trees across the municipality.	Nett increase	21 street trees removed and replaced with 210 street trees across the Borough. A total of 1,412 trees were planted in the Borough in 2012/13 including street trees and trees in public open spaces.	Yes
Annual Local Government Community Satisfaction Survey rating for council's overall performance in Waste Management.	At least 80% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate 87% of respondents have deemed the Borough as being very good, good or average with respect to waste management.	Yes

Strategic Objective: Business and Tourism

Supporting local businesses and tourism by providing an environment in which they can both flourish.

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Successful achievement of Business Plan priority actions.	100%	100% achieved (all 8 actions completed).	Yes
Increase number of people accessing Queenscliffe Visitor Information Centre.	Total number of people accessing the VIC in person, and via the phone and website increases each year.	Visitor Information Centre total visitations in 2012/13 = 138,849 comprising of : 47,596 walk in visitors; 2,894 phone calls; 145 email enquiries; 87,647 website hits and 567 heritage walk participants (2011/12: 134,188 total).	Yes
Maintain level of sponsorship and in-kind support provided to major tourism events.	Value of support maintained for regular tourism events.	\$37,918 Sponsorship and in-kind support provided for Queenscliff Music Festival, Busking for the Kids Easter Event, Australia Day celebrations and the Maritime weekend (2011/12 : \$33,472).	Yes
Number of food safety audit visits.	At least one visit per premise per annum	75 permanent food premises to be inspected, of which 75 food premises visits were conducted during the 2012/13 financial year.	Yes
Annual Local Government Community Satisfaction Survey rating for council's overall performance in Economic Development.	At least 70% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate 83% of respondents have deemed the Borough as being very good, good or average with respect to business and community development and tourism.	Yes

Strategic Objective: Community Development

Work in partnership with the community to build a strong, safe, inclusive and connected community.

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Successful achievement of Business Plan priority actions	100%	68% achieved (15 of 22 actions completed, 5 in progress and 2 yet to commence).	No
Level of financial support to community initiatives and not-for-profit community groups and organisations.	Maintain value of grants	Total value of financial support to community initiatives and not-for-profit community groups and organisations = \$215,277 (2011/12: \$159,330). This financial support comprises: <ul style="list-style-type: none"> • \$85,343 celebrating 150 years of the Borough; • \$61,538 community events including the Queenscliff Music Festival, Easter weekend, lighting of the Christmas tree, Maritime weekend, Australia Day & Volunteer Day celebrations, Senior Citizens & Youth Week activities; • \$44,644 contribution to community groups including Point Lonsdale Surf Life Saving Club, Australian Volunteer Coast Guard Association, Queenscliff Lonsdale Tourism Inc., Queenscliff Reconciliation Mob and the Point Lonsdale Tennis Club; • \$18,252 annual community grants program; • \$4,500 youth cultural grants; and • \$1,000 annual education awards. 	Yes
Recognise and celebrate volunteer contributions in the Borough of Queenscliffe.	Conduct at least 2 events per annum	Australia Day Awards recognises outstanding volunteer contributions to the community. The Volunteer Celebration was held on 14/05/13 and over 120 people attended to celebrate the Volunteer contribution to the community. In addition, as part of Seniors Week, up to 8 residents (aged 60+) were invited to attend the Victorian Seniors of the Year Awards at Government House held on 5/10/12 in recognition of their voluntary work in the community.	Yes
Annual Local Government Community Satisfaction Survey rating for council's overall performance in health and human services.	At least 90% of respondents say Council performance was excellent, good or adequate.	Responses in the 2013 survey indicate 95% of personal users of Elderly Support services and 93% of personal users of Family Support services deemed the Borough as being 'very good, good or average' (note: Health & Human Services was replaced in the 2013 Community Satisfaction Survey with Elderly Support Services and Family Support Services).	Yes
Annual Local Government Community Satisfaction Survey rating for council's overall performance in recreational facilities.	At least 80% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate 96% of respondents have deemed the Borough as being very good, good or average with respect to recreational facilities.	Yes

Strategic Objective: Planning, Heritage and Community Assets

Striving to ensure development sustains and enhances the character of the natural and built environment.

Key Strategic Activities	Performance Measure	Actual Performance	Target Achieved
Successful achievement of Business Plan priority actions	100%	64% achieved (7 of 11 actions completed, 3 in progress and 1 yet to commence).	No
Complete review of Queenscliffe Planning Scheme and draft Planning Scheme Amendment.	Council endorsement of final report by 30 June 2013	Consultant's final draft report received following amendments as a result of internal and peer review. Council currently reviewing the final draft report before initiating community consultation, which will include two workshops, one in Queenscliff and one in Point Lonsdale.	No
Number of planning applications processed within 60 statutory days	70%	55% of planning application decisions made within statutory timeframe (162 decisions made in total). The result is less than target due to workload on limited (one EFT) planning resources resulting from strategic planning works, namely: <ul style="list-style-type: none"> Ferry Terminal Planning Scheme Amendment; Queenscliffe Planning Scheme Review. In addition, Council encountered significant challenges in recruitment for the Senior Planner role given the industry wide shortages of qualified and experienced statutory and strategic land use planners. In this period Council relied on external consultants that reduced the throughput of planning applications and the time taken to complete assessments within the prescribed statutory timeframes.	No
Annual Local Government Community Satisfaction Survey rating for council's overall performance in appearance of public areas.	At least 80% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate 92% of respondents have deemed the Borough as being very good, good or average with respect to the appearance of public areas and 86% with respect to the condition of local streets and footpaths.	Yes
Annual Local Government Community Satisfaction Survey rating for council's overall performance in traffic management and parking	At least 70% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate 90% of respondents have deemed the Borough as being very good, good or average with respect to traffic management and 85% with respect to parking facilities.	Yes
Annual Local Government Community Satisfaction Survey rating for council's overall performance in town planning policy and approvals.	At least 50% of respondents say Council performance was excellent, good or adequate.	Results for the 2013 survey indicate 75% of respondents have deemed the Borough as being very good, good or average with respect to Council's general town planning policy and 67% with respect to planning and building permits.	Yes

Certification of the Performance Statement

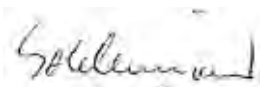
In our opinion, the accompanying performance statement of the Borough of Queenscliffe in respect of the 2012/2013 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent 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 18th September 2013 we were authorised by the Council to certify this performance statement in its final form on behalf of Council.



Councillor Helene Cameron
Councillor
Date: 18th September 2013
Queenscliff



Councillor Bob Merriman
Councillor
Date: 18th September 2013
Queenscliff



Leonard Jenner
Chief Executive Officer
Date: 18th September 2013
Queenscliff

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Borough of Queenscliffe

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Borough of Queenscliffe which comprises the statement and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Borough of Queenscliffe are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independent Auditor's 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

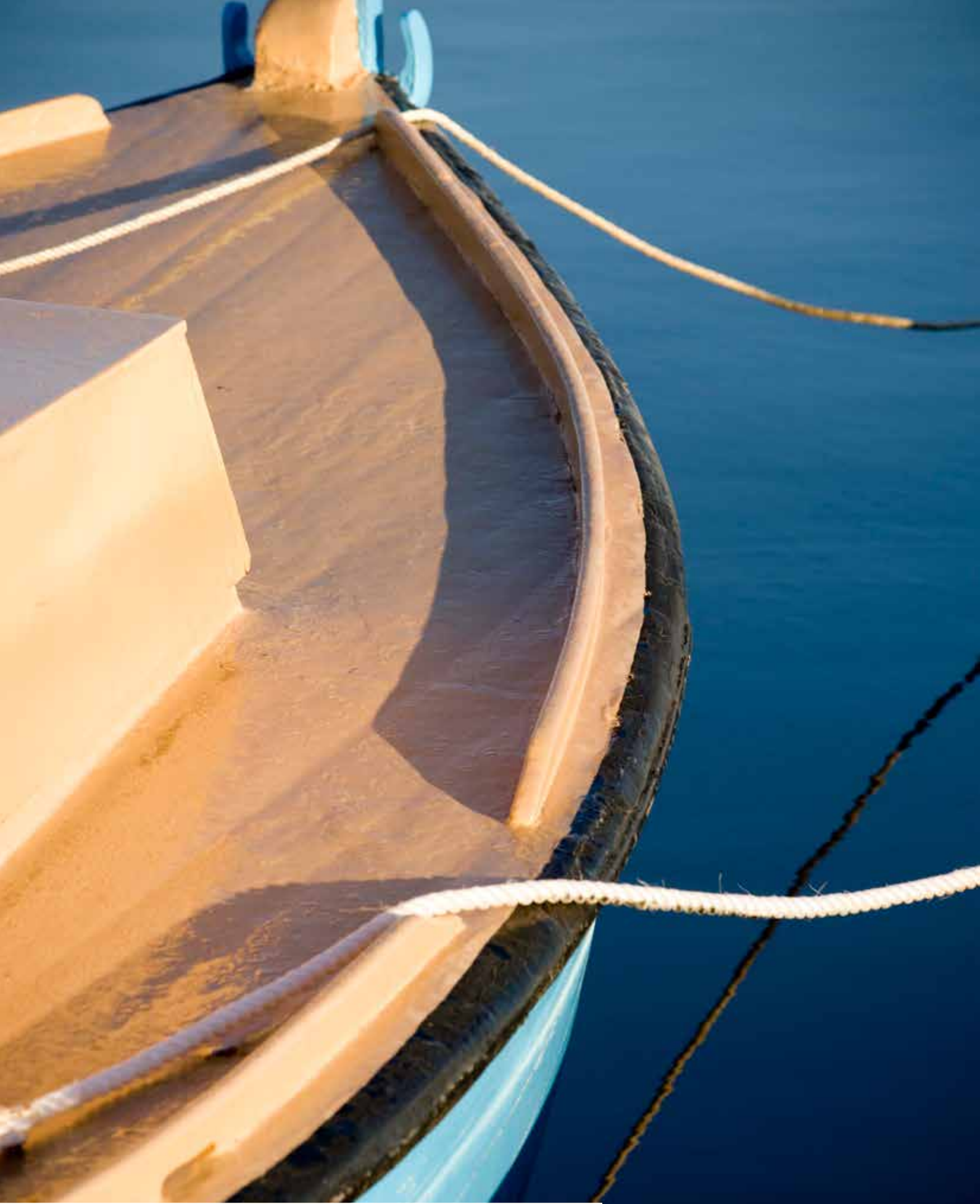
In my opinion, the performance statement of the Borough of Queenscliffe in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Borough of Queenscliffe for the year ended 30 June 2013 included both in the Borough of Queenscliffe's annual report and on the website. The Councillors of the Borough of Queenscliffe are responsible for the integrity of the Borough of Queenscliffe's website. I have not been engaged to report on the integrity of the Borough of Queenscliffe's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
30 September 2013


John Doyle
Auditor-General



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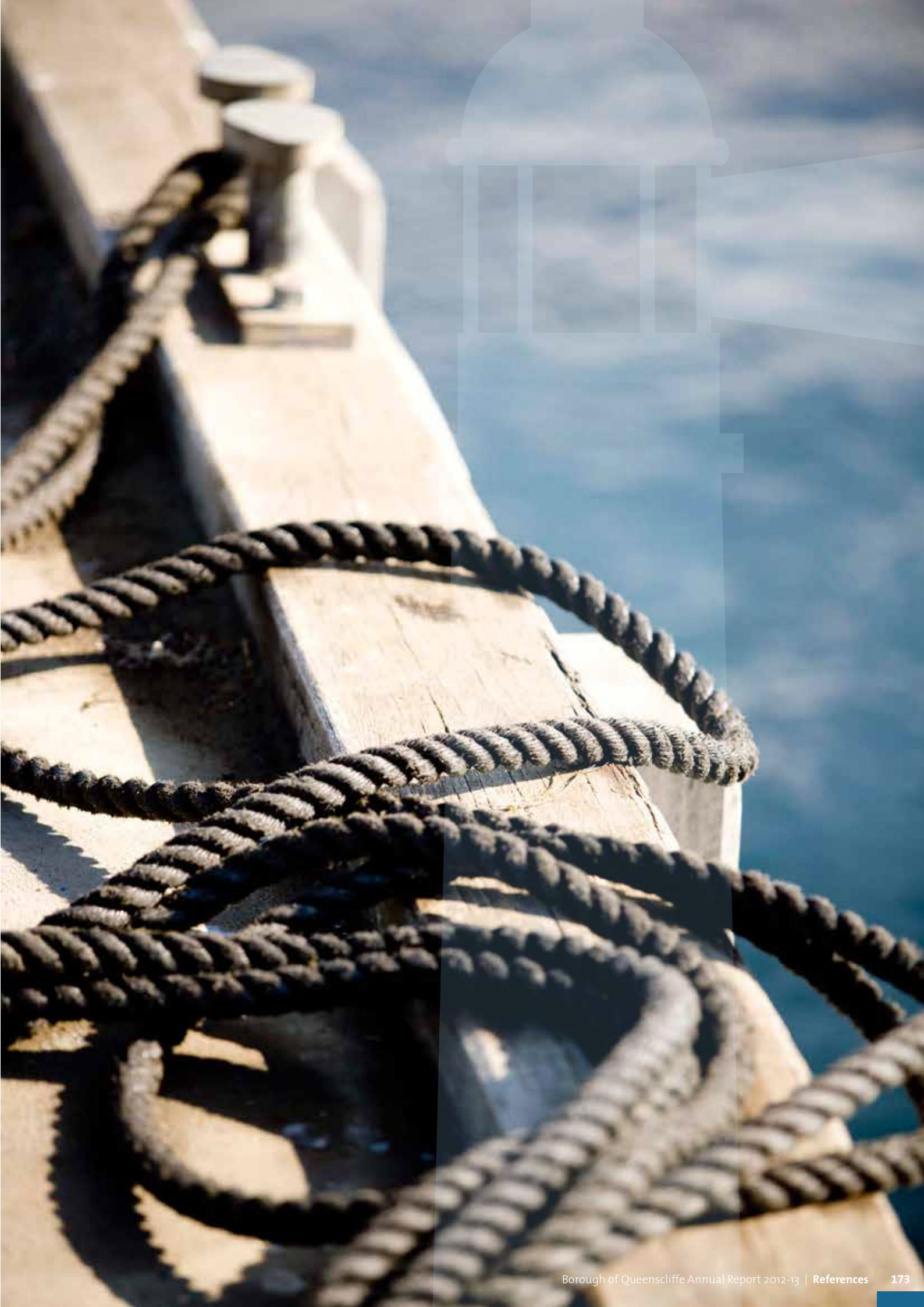
Glossary of terms

Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts expenditure	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity.
Cash and cash equivalents assets	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Contributions income	Contributions received by Council are received for the purpose of providing and improving public open space, provision/improvement of the drainage system and in relation to specific projects.
Current assets	Assets where Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities where Council expects to fulfill its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation and amortisation expenditure	An expense which recognises the value of a fixed asset as it is used up over time.
Employee benefits expenditure	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax and WorkCover.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Expense	An outgoing payment made by Council.
Finance costs	Interest paid on borrowings.
Fixed assets	See Property, infrastructure, plant and equipment.
G21 Regional Alliance	G21 is the formal alliance of government, business and community organisations working together to improve the lives of people within the Geelong region across five member municipalities – Colac Otway, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast.
Grants – recurrent income	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether the Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity from the prior year.
Intangible assets	Represent non-current assets held by Council that are not tangible (such as computer software and licences).
Interest and investment income	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Interest bearing loans and borrowings	Council's borrowings.
Inventories	A complete listing of merchandise or stock on hand, work in progress, finished goods on hand, etc.
Investment property assets	Represents land or buildings held to earn rentals or for capital appreciation or both, rather than for use in the supply of services or for administrative purposes.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and services expenditure	Expenditure incurred in relation to contract payments and trade services, building maintenance, general maintenance, plant and equipment maintenance, utilities, consultants, office and administration, insurance, financial and legal costs and information technology costs.
Movement in equity for the period	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.

Net asset revaluation increment (decrement)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next twelve months.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least twelve months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
Other revenue income	Income received from investment property rental, other rental income, net assets recognised in new entity, waste management, craft markets, local laws and animal management, National Competition Policy dividend, product sales, right-of-way sales, town halls, transport and other sources.
Infringement Court	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the Magistrates Court Act 1989 (Vic) to deal with unpaid fines.
Prepaid income	Income received by Council in advance of services being performed.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment assets	Often referred to as Fixed Assets, this is the largest component of Council's asset base or worth. It represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long-service leave, annual leave and rostered days off owing to employees at reporting date.
Ramsar Convention	Also known as the Convention on Wetlands of International Importance. It is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.
Rate and charges income	Income received from ratepayers in relation to general rates, garbage fees and special rate schemes.
Reserves	Includes the asset revaluation reserve and the drainage contributions reserve. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'.
Revenue	Revenue is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Statutory fees and fines income	Includes parking infringements and costs, Infringement Court recoveries, town planning fees, land information certificates, etc.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Trade and other payables	Monies owed by Council to other entities/individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, debt collection recovery charges, ticket machine fees, and caravan and camping fees.

Abbreviations

AASB	Australian Accounting Standards Board	EMT	Executive Management Team
ABM	Association of Bayside Municipalities	E-waste	Electronic waste
ABS	Australian Bureau of Statistics	FBT	Fringe benefits tax
ASU	Australian Services Union	FinPro	Finance Professionals in Local Government
AUD	Australian dollars	GIS	Geographic Information System
BCN	Bellarine Catchment Network	GOT	Geelong Otway Tourism
BOQ	Borough of Queenscliffe	GST	Goods and services tax
CA	Chartered Accountants	HACC	Home and Community Care
BRWMG	Barwon Regional Waste Management Group	IASB	International Accounting Standards Board
CCMA	Corangamite Catchment Management Authority	LASF	Local Authorities Superannuation Fund
CEEP	Community Energy Efficiency Program	LGAs	Local Government Associations
CEO	Chief Executive Officer	LGPro	Local Government Professionals
CFL	Compact fluorescent lamps	MAV	Municipal Association of Victoria
CI	Continuous improvement	NA	Not applicable
CIV	Capital Improved Value	OHS	Occupational Health and Safety
CNAP	Carbon Neutral Action Plan	QLBTA	Queenscliff Lonsdale Business & Tourism Association
CPA	Certified Practising Accountant	RSL	Returned and Services League of Australia
Cr	Councillor	SES	State Emergency Service
CVA	Conservation Volunteers Australia	VAGO	Victorian Auditor-General's Office
DEPI	Department of Environment and Primary Industries	VCAT	Victorian Civil and Administrative Tribunal
DPCD	Department of Planning and Community Development	VIC	Visitor Information Centre
DSE	Department of Sustainability and Environment	VLGA	Victorian Local Government Association
EEO	Equal employment opportunity		





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