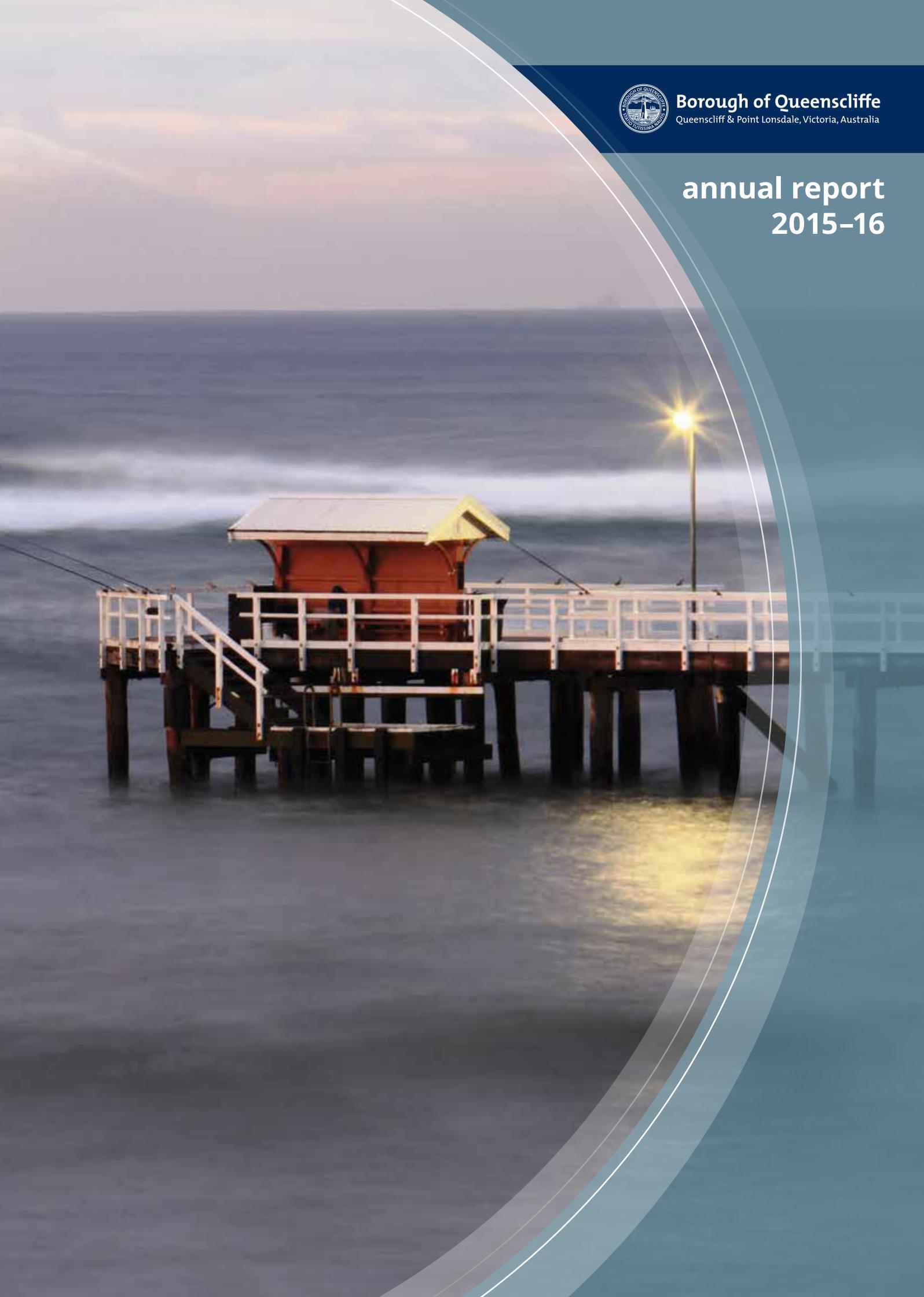




Borough of Queenscliff
Queenscliff & Point Lonsdale, Victoria, Australia

annual report 2015-16





Black lighthouse at Queenscliff.

Contents

About this annual report

The Borough of Queenscliffe Annual Report 2015–2016 highlights Council's performance against the third year of the Council Plan 2013–2017 and the 2015–16 Budget.

The Council Plan 2013–2017 sets out five strategic directions that Council's performance is measured against:

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

This Annual Report includes information about Council's performance, achievements and challenges for each of these strategic directions within the 2015–16 year, as well as an outline of Council services and operations. It also provides a comprehensive and externally audited Performance Statement and Financial Report.

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

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

Feedback or questions relating to the annual report are welcome.

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PO Box 93, Queenscliff VIC 3225.

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

Cover image: Waves breaking over Point Lonsdale Pier.

1	Year in review	4
	Mayor's & CEO's report	6
	Highlights	8
	At a glance	10
	Our successes	13
	Financial overview	16
	Event highlights	20
2	Your Council	22
	Borough of Queenscliffe profile	24
	Your Councillors	26
3	Our people	28
	Organisation summary	30
	Executive team	31
	Organisation chart	32
	Staff management and culture	33
	Volunteers	35
	Awards and recognition	36
4	Our performance	38
	A healthy, involved and creative community	40
	A vibrant local economy	46
	A unique natural environment	49
	A well-planned, attractive place to live and visit	54
	A proactive and accountable Council	61
5	Corporate governance	66
	Council governance	68
	Organisational governance	75
	Governance and management checklist	84
	Victorian local government indicators	88
	Community satisfaction	89
6	Performance Statement	90
	Understanding the Performance Statement	92
	Sustainable Capacity Indicators	93
	Service Performance Indicators	94
	Financial Performance Indicators	96
	Other Information	98
	Certification of the Performance Statement	99
	VAGO Independent Auditor's Report on the Performance Statement	100
7	Financials	102
	Understanding the Financial Report	104
	Summary of Financial Performance	105
	Financial Report	110
	Certification of the Financial Report	149
	VAGO Independent Auditor's Report on the Financial Report	150
8	References	152
	Glossary	154
	Abbreviations	156
	Index	157



The historic Queenscliff Inn.





Year in review

Mayor's & CEO's report	6
Highlights	8
At a glance	10
Our successes	13
Financial overview	16
Event highlights	20

Mayor's and CEO's report

It has been an exciting, productive and rewarding year, highlighted by the successful introduction of the green waste service, improvements to walking paths within the Borough and the completion of major infrastructure projects including the Point Lonsdale foreshore revitalisation project and Queenscliff Community Hall, a purpose built space shared by the Queenscliff Senior Citizens Club and Queenscliff 1st Sea Scouts.

Improving our performance

Community engagement continues to be a primary focus for Council. A number of initiatives have been made to increase the number and variety of ways that Council engages and informs the community, including the use of film, listening posts, open houses, e-newsletters and the monthly Borough Bulletin printed in the local media.

These initiatives have been reflected in the positive results achieved in the annual Local Government Community Satisfaction Survey. Highlights for the year included the following:

- The Borough of Queenscliffe continues to rate higher than the State-wide and Small Rural averages on all core measures and in most cases, significantly so.
- Council performs best on the waste management (79) and the appearance of public areas (74). While these have traditionally been strong performing service areas for Council, the average performance rating has improved significantly on waste management over the last 12 months, largely attributed to the introduction of the green waste kerbside service.

The community satisfaction results are an important benchmarking tool, they provide Council with direct community feedback on areas to focus on for improvement. They reflect not only how the community rates Council's performance, but also how well we are going compared to other councils throughout Victoria.

The independent survey is commissioned annually by Local Government Victoria. This year 69 of the 79 Victorian Councils took part in the survey.

Securing the future of the Point Lonsdale Surf Life Saving Club facility and services

On 10 February 2016, the Borough of Queenscliffe Council transferred the ownership of Council land to the Point Lonsdale Surf Life Saving Club (PLSLSC). This land will enable the PLSLSC to upgrade and expand their facilities in the form of new club rooms.

The land transfer ensures ongoing surf lifesaving services provided by the PLSLSC continue for local residents and visitors alike, particularly over busy summer periods. Point Lonsdale back beach is officially rated by Life Saving Victoria as one of the four most dangerous beaches in Victoria.

The land handover was initiated by a joint taskforce chaired by the Hon. Lisa Neville MP, and involved representatives from PLSLSC and the Borough of Queenscliffe. The group examined siting options and determined the most suitable location for the future PLSLSC clubhouse.

The community strongly supported this proposal, 176 written submissions were received in support of the proposed transfer of Council owned land to the PLSLSC. The taskforce and Borough of Queenscliffe determined that the current site represented

the most suitable location given the PLSLSC needs and took into account strategic and statutory planning considerations.

Council was pleased to play such a significant role in securing the future of the Point Lonsdale Surf Life Saving Club.

Recognising the significant contribution of volunteers

Council continues to recognise and celebrate the contribution of our volunteers. For us here in the Borough of Queenscliffe, valuing our volunteers is extremely important given the extent of our local population who actively volunteer, which is over 50 per cent.

Together our volunteers partner with Council, many local service providers and agencies to form an amazing workforce powering many essential community, environmental, sporting, welfare, emergency services, education and cultural services.

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

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

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 \$120,882 in grants and donations was paid to local organisations throughout the year, including community events \$64,061, contributions to community organisations \$31,212, community grants \$19,615, youth programs \$4,994 and education scholarships \$1,000.

Maximising grant opportunities

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 \$2,119,000 in grant funding has been received.

This has enabled Council to complete the rollout of a new green waste service in the 2015/16 year, as well as undertake improvements to important community assets such as the Queenscliff Sports Club building (Monahan Centre), Point Lonsdale foreshore revitalisation and the Queenscliff historic railway station precinct.

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. Strategic advocacy – building a strong case to other levels of government for grants to enable Council and the local community to achieve facility and infrastructure improvements.

Developing a sustainable financial position

Council ended the year in a healthy financial position despite an underlying deficit of (\$191,000) due to lower than expected levels of completed works carried forward from previous years. During 2015-16 a total of \$2,280,000 was spent on capital works across the Borough. This included a total of \$1,907,000 on renewals and upgrades and \$373,000 on new assets.

Income sources available to Council to deliver its key services to the community include rates, user fees and charges, statutory fees and fines, grants and community contributions, borrowings and interest on investments.

Council continued to seek to strike a balance in the funding sourced from each of these pools to meet the service needs and expectations of the community (noting no new borrowings were undertaken in 2015-16). A commitment to cost restraint and provision of services of value to residents and ratepayers remains imperative to this Council and drove financial decisions in 2015-16.

Supporting local economic activity and employment

The tourism industry plays a significant role in the Borough's economy, generating approximately 20% of local jobs and \$41 million in annual economic output. Given the priority that the Borough of Queenscliffe Council has placed on increasing tourism visitation, Council established a mechanism to harness the expertise of local business owners and operators to inform the strategic priorities for tourism and economic development. The Tourism and Economic Development Advisory Committee (TEDAC) was established to provide strategic advice to Council and held its inaugural meeting in July 2015.

In addition Council undertook a range of initiatives designed to increase the profile of tourism activity in Queenscliffe and support the visitor economy. Specifically Council, in partnership with Tourism Greater Geelong and The Bellarine, (TGGB):

- Produced a 30 second television commercial for a dedicated Melbourne TV marketing campaign.
- Provided assistance towards the planning of scheduled visits from social media influencers, traditional media and event planners.
- Welcomed 160 international passengers from the cruise ship Seabourn Marina.
- Produced a professional development opportunities calendar.

Council worked with Tourism Greater Geelong and The Bellarine (TGGB) on the TGGB Tourism Development Plan, which was developed to identify projects to assist in growing the visitor economy in the region over the next 10-15 years. In this plan, Queenscliff and Point Lonsdale was identified as a sub region with opportunities to include new contemporary product, quality accommodation and improved dining and retail.

The Queenscliffe Visitor Information Centre continued to provide excellent service to visitors and the local community. It has maintained its Level 2 Accreditation status and launched digital

platforms on social media to promote our region as a destination of choice. Again, volunteers have contributed greatly to the success of this important service, servicing over 37,500 walk-in enquiries at the Centre and 7,500 enquiries at the 'pop up' service at Queenscliff Harbour.

Other economic development activities that have been conducted include the hosting and facilitating of the 2015 Victorian Small Business Festival event in August 2015 and the hosting of three 'Borough After Five' business networking events. Council has also played an important role in facilitating local business access to important information and professional development opportunities. The monthly Borough Business e-Bulletin continues to be a key source of information for businesses with readership of 46.4%, well above the local government industry average of 23.7%.

In summary, 2015-2016 has been an exceptionally rewarding year, with 89% of Business Plan Priority Actions completed and a further 11% in progress. A number of outstanding results have been achieved. We have successfully delivered major infrastructure priorities and the foundations have been laid for several exciting projects to progress in 2016-17.

The importance of good working relationships and project partnerships between community, Council and other levels of government continues to underpin everything we do.

Councillors and Council officers are committed to the ongoing improvement of the Borough of Queenscliffe. Their level of professionalism, dedication and enthusiasm is nothing short of brilliant and, for that, we sincerely thank them.



A handwritten signature in black ink, appearing to read 'Helene Cameron'.

Cr Helene Cameron
Mayor

A handwritten signature in black ink, appearing to read 'Lenny Jenner'.

Lenny Jenner
Chief Executive Officer

Highlights of 2015–16

- ❑ The Borough of Queenscliffe won a Gold Award for the 2014–15 Annual Report.
- ❑ The Borough of Queenscliffe's overall performance index score of 63 is significantly higher than both the Small Rural group average (index score of 57) and the State-wide average (59).
- ❑ Zero waiting list maintained for access to Aged Care & Disability Services.
- ❑ In partnership with Tourism Greater Geelong and The Bellarine, (TGGB) a 30 second television commercial promoting the Borough of Queenscliffe as a tourist destination for a dedicated Melbourne TV marketing campaign was produced in late 2015.
- ❑ Council completed the upgrade to the Queenscliff Community Hall facilities and the Sea Scouts and Senior Citizens groups are now using the building as their new shared 'home'.
- ❑ Total grant funding received by Council in 2015–16 was \$2,119,000.
- ❑ Improved coastal vegetation protection and weed reduction.
- ❑ Administration and allocation of the 2015/2016 Community Grants program was completed in August 2015 with 13 grants totalling \$19,615 awarded to local community groups.
- ❑ Council continues to advocate on behalf of the community to integrate all residents of Point Lonsdale within postcode 3225 into the Borough of Queenscliffe.
- ❑ The monthly Borough Business E-Bulletin continued to be a key source of information for traders with readership of 46.4% well above the local government industry average of 23.7%. The level of engagement also remains steady with the average click rate of 8.2% above the industry average of 6.6%.

Disappointments

- ❑ Lack of progress in the Federal Government's formalisation of Green Army Funding for landscaping improvements at the Point Lonsdale Lighthouse Reserve.
- ❑ Continued freeze in indexation of the Federal Grants Commission Financial Assistance Grants.
- ❑ Unable to secure Federal and State funding for the Queenscliffe/ Hesse Street Community Hub.
- ❑ Funding yet to be secured for the development of a Tourism and Economic Development Strategy.



Fast facts

- 3,017 permanent residents
- 3,066 rateable properties
- 17,120 peak population over summer
- 15 birth notifications
- 89% of Council Plan actions completed
- 11% of Council Plan actions still in progress
- \$2,119,389 of grant/subsidies funding received by Council
- 13 grants totalling \$19,615 were awarded to local Community Groups
- 9,095 hours of Aged Care & Disability Services provided
- Council maintained a 'zero waiting list' for all aged care and disability services
- 98 food safety audits conducted
- 38% of the population are active Queenscliff Library users
- 45,000 people assisted at the Queenscliffe Visitor Information Centre
- The Queenscliffe Visitor Information Centre experienced a 27% increase in 'walk in enquiries'
- 42 kilometres of local road network maintained
- 1,392 shrubs and ground covers planted
- 129 park and street trees planted
- 511,660kg of composted green waste delivered to local farms and vineyards
- Waste to landfill has decreased by 14.5%
- 16 initiatives to reduce its energy consumption, decrease waste and improve recycling rates
- 51 media releases issued
- 28 Mayor's columns published
- 4,494 items of incoming correspondence registered
- Volunteers contributed 5,665 hours of volunteer time to visitor servicing
- 50% of our local population are active volunteers
- 51 Heritage Walks were coordinated totalling 804 participants
- The Visitor Information Centre Facebook account increased page likes from 465 to 590
- The Visitor Information Centre Twitter account increased from 657 to 813

At a glance

STRATEGIC DIRECTION	ACHIEVEMENTS	DISAPPOINTMENTS	CHALLENGES	YEAR AHEAD
A healthy, involved and creative community	<ul style="list-style-type: none"> ❑ Maintained the zero waiting list status for access to Aged Care & Disability Services. ❑ Completed the upgrade of the Queenscliff Community Hall to provide a shared 'home' for the Queenscliff Senior Citizens and Queenscliff 1st Sea Scouts. ❑ Council hosted an anniversary celebration marking one year on from declaration of the Borough of Queenscliffe as a Refugee Welcome Zone. ❑ Awarded 13 Community Grants, totalling \$19,615 ❑ Supported a diverse range of local community organisations, civic events and arts, cultural and sporting activities. 	<ul style="list-style-type: none"> ❑ Unable to secure Federal and State funding for the Queenscliffe/Hesse Street Community Hub. 	<ul style="list-style-type: none"> ❑ Understanding the future implications of transitioning responsibilities for aged care from the State to the Commonwealth Government. 	<ul style="list-style-type: none"> ❑ Produce the new Council Health and Wellbeing Plan for 2017–2021. ❑ Continue to advocate for consideration of all residents within postcode 3225 to be part of the Borough of Queenscliffe.
A vibrant local Economy	<ul style="list-style-type: none"> ❑ In partnership with Tourism Greater Geelong and The Bellarine (TGGB), targeted television advertising campaign, promoting Queenscliff and Point Lonsdale. 43 local businesses also contributed to this campaign. ❑ Supported local businesses in showcasing Queenscliff and Point Lonsdale through lifestyle television programs "Postcards" and "Melbourne Weekender" ❑ Developed a "shop local" logo to feature on a series of promotional materials for use by traders. ❑ Welcomed visiting journalists and blog writers who featured Queenscliff and Point Lonsdale in nine online blogs and four state and international publications – estimated reach of more than 600,000. ❑ Supported local business through the facilitation of three Borough After Five events, five professional development and training opportunities, a Victorian Small Business mentoring program and one industry forum. ❑ Provided an enhanced Christmas shopping experience through the provision of window decals and custom gift tags in addition to refurbished Christmas light pole installations. 	<ul style="list-style-type: none"> ❑ Funding yet to be secured for the development of a Tourism and Economic Development Strategy. 	<ul style="list-style-type: none"> ❑ A survey on car parking issues in the Borough has highlighted the need for better servicing of visitors during peak season. ❑ Continued to advocate for the implementation of the recommendations defined in the Fort Queenscliff Precinct Tourism Master Plan. 	<ul style="list-style-type: none"> ❑ Implement a Tourism Directional Signage Plan. ❑ Continue to advocate for funding to progress the Fort Activation Projects and a business plan to support implementation of the master plan recommendations. ❑ Coordinate in conjunction with key stakeholders, a major Winter festival in mid 2017. ❑ Continue to support the business community with access to quality and low-cost training and development programs.
A unique natural environment	<ul style="list-style-type: none"> ❑ Successfully introduced a kerbside green waste bin collection service. ❑ Diverted 511,660kg of green waste from landfill. ❑ 267 kilograms of household batteries were recycled and saved from landfill. ❑ Expanded the weed management program in foreshore areas. ❑ Removal of 160 tonnes of environmental weeds. 	<ul style="list-style-type: none"> ❑ Despite progressing a G21 Region approach to planning, the implementation of a bulk changeover of street lights to LED technology did not commence. 	<ul style="list-style-type: none"> ❑ Continue working with the Barwon South West waste and resource recovery group towards a solution to increase the green waste disposal capacity of the region. 	<ul style="list-style-type: none"> ❑ Increase community participation in the Community Environmental Alliance. ❑ Continue to implement strategies that reduce household waste and weed invasion, while protecting our pristine natural environment.

STRATEGIC DIRECTION	ACHIEVEMENTS	DISAPPOINTMENTS	CHALLENGES	YEAR AHEAD
<p>A unique natural environment <i>(cont)</i></p>			<ul style="list-style-type: none"> ❑ Given the age of many trees in public parks and caravan parks there will continue to be tree removals necessary to ensure public safety. ❑ Given the impact of climate change, there will continue to be major storm events that will lead to the temporary closure of public beaches. 	<ul style="list-style-type: none"> ❑ Continue to work with G21 Councils to implement the regional approach to street light replacement to LED technology.
<p>A well-planned and attractive place to live and visit</p>	<ul style="list-style-type: none"> ❑ 68% of planning permits were decided within the 60 day timeframe. ❑ Completed cliff stabilisation work at Point Lonsdale front beach in partnership with the State Government. ❑ Completed upgrade of Lawrence Road (Springs) and Narrows (Dog Beach) car parks. ❑ Completed upgrade of rail trail shared path from Queenscliff Boat Ramp to Murray Road. 	<ul style="list-style-type: none"> ❑ Further delay in progressing the review of the Queenscliffe Planning Scheme. ❑ Lack of progress in the Federal Government's formalisation of Green Army funding for landscaping improvements at the Point Lonsdale Lighthouse Reserve. 	<ul style="list-style-type: none"> ❑ Managing the complexity of the Queenscliff Sport and Recreation Precinct upgrade project ❑ Managing the Planning Panel process for the Queenscliffe Planning Scheme ❑ Effectively responding to the increased number of formal complaints regarding planning permit applications. 	<ul style="list-style-type: none"> ❑ Complete the Queenscliff front beach boardwalk and viewing platform. ❑ Complete the Point Lonsdale Foreshore Revitalisation Project, Stage 3. ❑ Complete the review of the Queenscliffe Planning Scheme. ❑ Progress construction of the Queenscliff Sport and Recreation Precinct Project.
<p>A proactive and accountable Council</p>	<ul style="list-style-type: none"> ❑ Total grant funding received of \$2,119,000. ❑ The adopted rate increase of 3.8% for 2015–16 is a reduction on the increase of 4.5% foreshadowed in Council's Strategic Resource Plan. ❑ Developed a Rating Strategy to respond to new State rate capping legislation. ❑ 51 media releases issued and 28 Mayor's Columns published in local newspapers. ❑ Updated the Business Continuity Plan, including conducting a business disruption exercise to test the Plan. ❑ Won a Gold Award for the 2014–15 Annual Report in the Australasian Reporting Awards for transparency and financial reporting. 	<ul style="list-style-type: none"> ❑ Continued freeze in indexation of the Federal Grants Commission Financial Assistance Grants. 	<ul style="list-style-type: none"> ❑ Preparing a financially sustainable budget following the State introduction of a 2.5% cap on general rates. 	<ul style="list-style-type: none"> ❑ Induction of new Councillors following the October 2016 Council election. ❑ Develop a Disaster Recovery Plan and incorporate this into the Business Continuity Plan. ❑ Collect the Fire Services Property Levy on behalf of State Government.

To realise the vision and achieve the strategic directions in the Council Plan, specific Business Plan Priority Actions were set for 2015–16. Below is a summary of the number of actions achieved for each strategic direction.

STRATEGIC DIRECTION	NUMBER OF ACTIONS	COMPLETED	IN PROGRESS	YET TO COMMENCE
A health, involved and creative community	8	6	2	0
A vibrant local economy	7	6	1	0
A unique natural environment	9	9	0	0
A well planned and attractive place to live and visit	4	3	1	0
A proactive and accountable Council	10	10	0	0
2015–2016 overall result	38	34	4	0

Progress on strategic directions: 2015–16

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

Completed

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

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.

Yet to commence

These are actions that have not commenced. 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 future year initiatives within the 2013–2017 Council Plan.

Our successes

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.

Transfer of Land Ownership Ensures Surf Life Savings Club's Future

The Point Lonsdale Surf Life Saving Club (PLSLSC) committee and members faced an enormous challenge this year, as the Club worked to secure the best location for the future club facilities.

The PLSLSC involved Council and the State Government in producing a plan to ensure the ongoing viability of the club and set in stone the bedrock of land for the future clubrooms.

This initiative is a prime example of how Council works collaboratively with local organisations to clarify and achieve their plans for the future, and seeks to partner with other levels of Government in ways that benefit the entire community including residents and the many people who visit the Borough and enjoy our beaches and foreshore areas.

The life saving service provided by the PLSLSC is a critical emergency service and is highly valued by our residents and tourists. We simply couldn't enjoy our wonderful coastal lifestyle without the safe patrolling of beaches by the dedicated members and volunteers of the Point Lonsdale Surf Life Saving Club.

The 18th March 2016 proved to be a historic day for our Point Lonsdale Surf Life Saving Club when the Minister and local Member for Bellarine, the Hon Lisa Neville MP, joined the PLSLSC and Council in formalising the execution of the unanimous Council resolution that approved the transfer of Council owned land known as 56 Ocean Road, Point Lonsdale to the Point Lonsdale Surf Life Saving Club for a nominal amount of \$1.

The addition of this land that adjoins the current location of the club, enables the PLSLSC to upgrade and expand their facilities and guarantees that ongoing surf lifesaving services provided by the PLSLSC continue for local residents and visitors alike, particularly over busy summer periods. Point Lonsdale back beach is officially rated by Life Saving Victoria as one of the four most dangerous beaches in Victoria. This is evidenced by the summer season statistics of 3 rescues, 11 first aid cases and 900 preventative actions over the 2015-16 season.

The land handover followed the work of a joint taskforce chaired by Minister Neville and involved representatives from PLSLSC and the Borough of Queenscliffe Council which examined siting options and determined the most suitable location for the future PLSLSC clubhouse.

Prior to resolving the transfer of land ownership, Council considered the 176 written submissions that overwhelmingly supported the proposed transfer of Council owned land to the PLSLSC.

Member for Bellarine Lisa Neville MP congratulated the PLSLSC and Council, highlighting the collaborative efforts of all parties in the process to achieve this outcome.

Planning for the future clubrooms serves the growing needs of the PLSLSC, the immediate needs of Point Lonsdale residents and the broader aspirations of the entire community.

We all look forward to the PLSLSC patrolling our coastline for many seasons to come.



Members of the Point Lonsdale Surf Life Saving Club.

Our successes

Helping our communities tackle sea level rise

Communities in Point Lonsdale and Queenscliffe now have access to the latest data to address the impacts of climate change. Minister for Water and Member for Bellarine Lisa Neville MP launched the Our Coast project in June 2016.

Our Coast uses the latest data on projected sea level rises and storm surges to help coastal communities and government agencies plan and respond to the impact of climate change.

State Government agencies and Council will use the information to influence future planning decisions, emergency management frameworks, local infrastructure maintenance and climate adaptation planning.

Following the launch, a series of open houses were held, giving the community an opportunity to find out more about the latest data and be involved in the planning, prioritising and implementation of responses to deal with sea level rises in their community.

Our Coast project partners include the Department of Environment, Land, Water and Planning, the City of Greater Geelong, Borough of Queenscliffe, Bellarine Bayside Foreshore Committee of Management, Barwon Coast Committee of Management Inc and the Corangamite Catchment Management Authority.

Plug into smart energy answers

Householders and businesses in the Borough of Queenscliffe now have access to free advice to help them reduce their power bills and save money. Council has partnered with Positive Charge, a not-for-profit enterprise that provides independent advice on energy efficiency, installing solar PV, insulating your home, upgrading to LED lighting and much more.

Positive Charge is designed to help residents save energy, money and the planet.

Positive Charge supports Council's objectives to respond to climate change and work with our community to reduce carbon emissions. This program builds on the work already completed by the Community Environment Alliance, a partnership of homeowners, businesses, schools and community organisations taking action to improve their energy efficiency and protect our environment.

The Positive Charge program gives our community confidence to implement changes in their homes or businesses that will save them money and benefit the environment.

Visit www.positivecharge.com.au for the latest news on energy efficiency programs and lots of tips on simple energy saving ideas for your home.

Residents can subscribe to the Positive Charge e-newsletter to keep up-to-date with product news and receive timely advice and techniques for reducing energy usage without compromising on comfort by visiting the Positive Charge website.



New Green Waste service for residents

As well as collecting household waste and recyclables, Council has successfully introduced a new kerbside green waste collection service. This was one of the key community priorities identified by residents when the Borough of Queenscliffe Council developed the Council Plan 2013–2017.

Council introduced its kerbside green waste service from July 3, 2015. The service operates fortnightly and uses a 240 litre bin accepting the following materials only;

- garden prunings and small branches;
- twigs, leaves and small plants; and
- grass clippings, weeds and flowers.

The green waste bin replaced the former bundled green waste service.

In its first year the service has proved to be successful with a total 511,660kg of green waste composted since the introduction of the



Point Lonsdale seawall repairs due to the impact of sea level rise.

kerbside green waste bin service. Waste to landfill has decreased by an average 14.5% due to the introduction of the green bin. The community education campaign continued with monthly updates in local press and on Council's website. The updates aimed to inform the community about the amount of green waste collected and reinforce the correct ways to use the new bin service.

Proposed planning scheme amendment progressed

The Borough of Queenscliffe has submitted proposed planning scheme amendment documents, including updated policies, schedules and associated explanatory reports and documentation to the Department of Environment, Land, Water and Planning (DELWP) for preparation of the amendment.

The purpose of the planning scheme review is to enhance the effectiveness and efficiency of the scheme.

The planning scheme amendment process is focused on achieving Victorian planning objectives and the objectives of the planning policy framework established by the Planning and Environment Act 1987.

The proposed amendment to the Queenscliffe Planning Scheme (C27) recommends a number of revisions to current policies and controls, including:

- A revised Municipal Strategic Statement updated to align with, and flow from, the policy themes contained in the State Planning Policy Framework (Settlement, Housing and Residential Development, Environmental and Landscape Values and Environmental Risk, Built Environment and Heritage, Economic Development, Community Development, Transport and Access, and Infrastructure).
- Revision of the local planning policies to eliminate superfluous and repetitious content and to improve clarity, readability and expression of policy and objectives.
- Revised schedules to the Environmental Significance Overlay, Vegetation Protection Overlay, Significant Landscape Overlay and Design and Development Overlay to update notation to reference documents and authorities, and to improve clarity.

Financial overview

Council has met the challenge of balancing the operational needs of the community with the ongoing requirements to fund renewal and upgrade of Council assets in the Borough during 2015–16. Grant funding opportunities have delivered significantly improved capital works investment that remains focussed on asset renewal, whilst at the same time minimising rate increases.

Financial investment from state and federal governments has enabled Council to complete or make significant progress against a range of priorities in 2015–16. This is most evident in the majority of the following capital works and project initiatives:

- Roll out of new bins for green waste collection and disposal service which commenced in 2015–16.
- Commencement of the final Stage 3 of the Point Lonsdale Foreshore Revitalisation project.
- Completion of the Queenscliff Heritage Railway Precinct upgrade including redevelopment of the Queenscliff Senior Citizens Centre to incorporate the Queenscliff 1st Sea Scouts.
- Completion of projects under the former Country Roads & Bridges Program including shared trail maintenance, extension of ferry to pier trail and Lawrence Road car park upgrade.
- Completion of Stage 1 of the Queenscliff Kindergarten redevelopment.
- Completion of new path on the Bellarine Highway to bus stop.
- Continuation of coastal tender works at Ocean Road and The Narrows (a five year funded program).

Successful funding allocations achieved in 2015–16 for future capital works projects in the Borough of Queenscliffe with a high level of support from the local community included:

- State government funding secured to upgrade the caravan park, improve outdoor sporting facilities at Queenscliff Sport and Recreation Precinct and complete Stage 2 of the Queenscliff Sports Club building (Monahan Centre).

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 deficit of (\$191,000), which is an improvement of \$500,000 compared to the budgeted underlying deficit of (\$691,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet).
- \$11,123,000 in revenue with 59% coming from rates and charges.
- \$2,280,000 capital works delivered, including \$1,907,000 in renewal/upgrade of existing assets.
- \$10,933,000 expenditure with 34% attributable to employee costs and 43% due to materials and services.
- \$125,554,000 in fixed assets, comprising community facilities (property including Crown and freehold land, buildings, plant and equipment) and infrastructure.

- \$3,856,000 in holdings of cash – \$1,220,000 less than last year which reflects significant projects carried over from previous years and completed during the 2015-16 year.
- \$314,000 in loans and borrowings – \$225,000 less than last year in accordance with scheduled loan repayments and noting no new borrowings were undertaken in 2015–16.

The Borough of Queenscliffe is included within the 'small shire councils' grouping of 19 councils across the state, with respect to VAGO's annual assessment of financial sustainability indicators.

Applying the six indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe Council remains in a sound financial position and is considered 'low' risk on five of the six financial sustainability indicators for the 2015–16 year. It is important to note that, while the internal financing indicator suggests a 'high' risk assessment, this outcome is a one year view only and does not factor in cash flows for capital works received in prior financial years, which were held in reserves and carried forward to fund these works completed in the 2015–16 year.

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

1. Adjusted underlying operating result as a percentage of total revenue – generate enough revenue to cover operating costs, including the cost of replacing assets reflected in depreciation expense
2. Current assets to current liabilities – have sufficient working capital to meet short-term commitments.
3. Net operating cashflows as a percentage of total revenue – generate enough operating cash-flow to invest in asset renewal and repay debt.
4. Non-current debt as a percentage of own source revenue – generate sufficient operating cash flows to invest in asset renewal and repay any debt incurred in the past.
5. Capital spend as a percentage of total depreciation – replacing assets at a rate consistent with consumption.
6. Asset renewal and upgrade as a percentage of depreciation over six years – maintaining existing assets at a consistent rate.

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

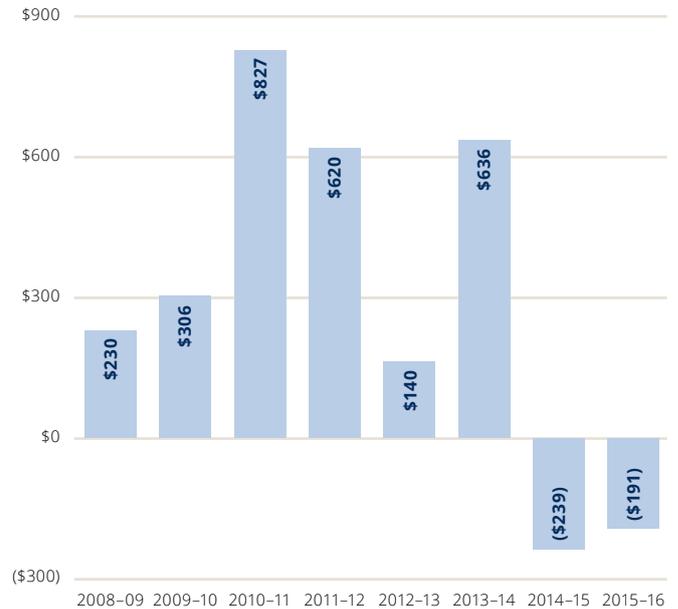
Underlying operating result

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

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

Council's underlying deficit for 2015-16 is (\$191,000). This is a \$500,000 improvement on the budgeted underlying deficit of (\$691,000) and is due to lower than expected levels of completed carry forward works. Cash from government grant funding is set aside in previous years and held in reserves on the Balance Sheet to fund completion of works.

Underlying operating result, 2008-09 to 2015-16 (\$'000)

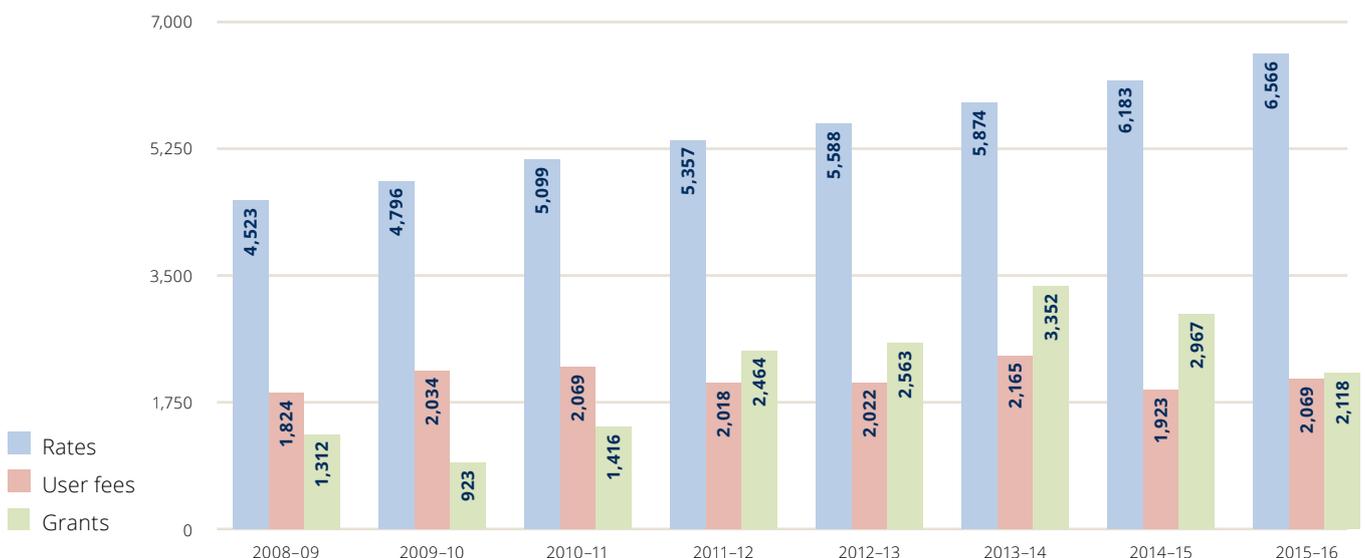


Revenue streams

Income sources available to Council to deliver its key services to the community include rates, user fees and charges, statutory fees and fines, 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 2015-16 (\$'000)



Financial overview

Sustainable capital expenditure

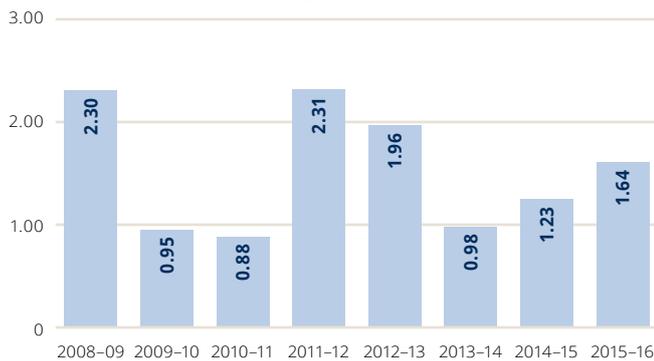
Council aims to ensure that our assets can be maintained at the expected levels while continuing to deliver services needed by our community. During 2015-16 a total of \$2,280,000 was spent on capital works across the Borough. This includes a total of \$1,907,000 on renewals/upgrades and \$373,000 on new assets.

Council recognises the importance of asset renewal, so it actively programs this expenditure into its annual Budget. Council's ratio of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets is 1.64 for the 2015-16 year.

A renewal gap ratio higher than 1.0 indicates that spending on existing assets is greater than the rate at which Council is consuming its assets. VAGO assesses councils with ratios of greater than 1.0 as 'low' risk for this particular indicator of financial sustainability.

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.

Renewal Gap, 2008-09 to 2015-16
(Expenditure on Asset Renewal and Upgrade as a percentage of depreciation)

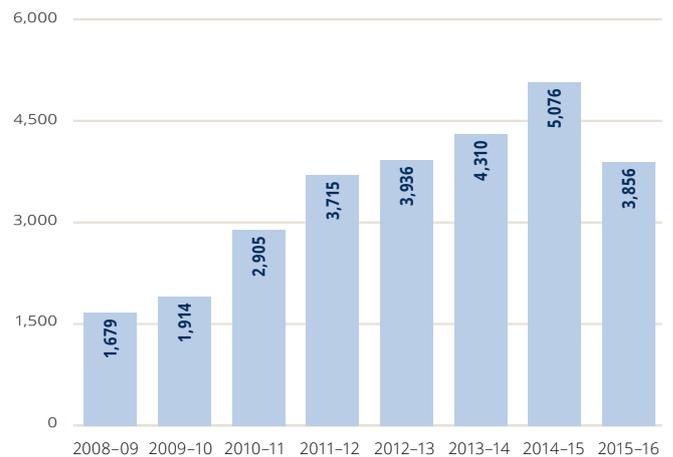


Council has been highly successful in attracting significant external funding to support this investment. A significant level of funded expenditure was again invested in assets during 2015-16.

Cash holdings

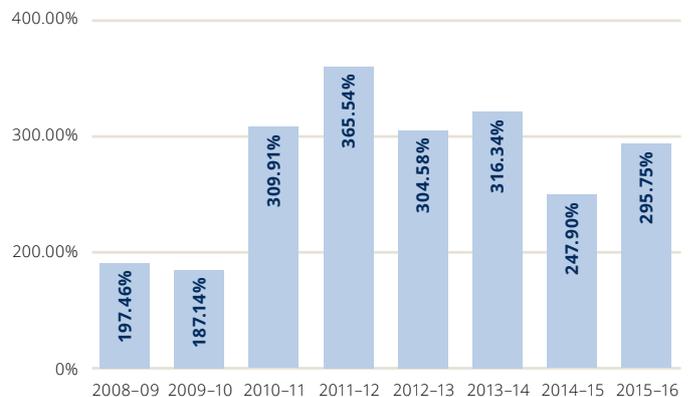
In total, holdings of cash and cash equivalents and financial assets have reduced to \$3,856,000 during 2015-16, reflecting the completion of some significant carry forward projects during the year. Included in total cash holdings is \$3,157,000 in reserve funds, \$2,925,000 of which is carried forward from previous years and earmarked for specific projects, \$191,000 set aside for Council to respond to future capital works opportunities and \$40,000 to provide for future superannuation liability calls.

Cash holdings (\$'000), 2008-09 to 2015-16



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

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



Council's liquidity is once again assessed as low risk for the 2015-16 year. Forecasts included in the Budget for future years are based on the assumption that all planned capital projects will be fully completed each year, which is not usually the case due to timing differences in external funding and project delivery. Thus, the actual resulting liquidity position will always be better than forecast.

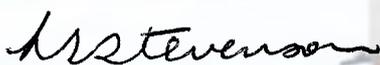
Future planning

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

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

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

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



Lynne Stevenson, CPA
General Manager, Corporate and Community Services



Allison Chaloner, CPA
Senior Accountant



Enjoying the lookout at the Queenscliff Lighthouse Reserve.

Event highlights

Council recognises that festivals and events bring a range of social, economic and cultural benefits to the community, and help to promote the Borough as a tourism and leisure destination on a local, national and international scale. In 2015–16 Council directly supported more than 25 local events and activities.

July 2015

St Kilda Film Festival Regional Tour
Bellarine Lighthouse Film Festival

August 2015

Bellarine Rail Trail Fun Run
Small Business Festival

October 2015

Around the Bay in a Day
Victorian Seniors Festival
Walk to School
FReeZA Youth Event

November 2015

H.M.A.S Goorangai Commemorations
Queenscliff Music Festival

December 2015

Point Lonsdale Lighting of the Christmas Tree
Annual Harley Riders Toy Run
Rip View Swim Classic

January 2016

Rip to River Run
Sand Sculpture Contest
Australia Day Celebrations
Blue Water Swim Classic

February 2016

Queenscliff Hot Rod Show

March 2016

Maritime Weekend

April 2016

Anzac Day commemorative services

May 2016

Artists in Residence Project
Sea of Words
Queenscliffe Literary Festival
M~M 2016 Geelong 24 hour extreme walk
Volunteer Celebration

June 2016

Refugee Week and Refugee Welcome
Zone Celebration

Kate Miller-Heidke performs at the Queenscliff Music Festival.







Ice creams at the Harbour.



Your Council

Borough of Queenscliffe profile 24

Your Councillors 26

Borough of Queenscliffe profile

Our Vision

A vibrant, safe and welcoming community that draws inspiration and life from our heritage, unique environment and connection to the sea.

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

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

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

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

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

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

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

Location

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

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



Point Lonsdale at sunrise.

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 and 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 live in Point Lonsdale.
- 43.3% 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.

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)

Environment

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

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

The need to protect and enhance the Borough's natural environment continues to be a high priority for Council as demonstrated through a number of programs including weed management, its Corporate Carbon Neutral Action Plan and the Community Environment Alliance.

Economy

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

- public administration and safety (\$155,000,000)
- tourism (\$41,000,000)
- construction (\$38,600,000).

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: Hesse Street in Queenscliff, Queenscliff Harbour and Point Lonsdale Village.

Your councillors

The current Council was elected to office in October 2012.



L-R: Cr Bob Merriman, Cr Susan Salter, Cr Helene Cameron (Mayor), Cr Peter Russell, Cr Sue Wasterval

Cr Helene Cameron, Mayor

Cr Cameron was first elected to Council in 2008 and was elected for a second term in 2012. She was elected Mayor for a third one-year term at the Statutory Meeting of Council in November 2014.

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 Advisory Reference Group (Chair)
- Point Lonsdale Lighthouse Reserve Project Reference Group (Chair)

Delegations to external organisations:

- G21 Health and Wellbeing Pillar
- Geelong Region Library Corporation Board
- MAV Human Services sub committee
- Rural Councils Victoria
- Municipal Association of Victoria
- Local Government Ministerial - Mayors Advisory Panel

Mobile: 0448 887 728

Email: helene.cameron@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 historic 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 Advisory Reference Group
- Reconciliation Reference Group
- Botanic Gardens Project Reference Group
- Heritage Committee
- Memorials and Plaques Reference Group

Delegations to external organisations:

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

Mobile: 0428 398 966

Email: susan.salter@queenscliff.vic.gov.au

Cr Bob Merriman

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 chair 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:

- Audit Committee
- Point Lonsdale Main Street and Foreshore Reference Group
- Governance and Finance Portfolio Reference Group
- Sea Level Rise Reference Group

Delegations to external organisations:

- G21 Region Alliance Board
- Municipal Association of Victoria (Deputy)
- Geelong Queenscliffe Coastal Mapping Project Strategic Partnership Group
- Rural Councils Victoria

Mobile: 0400 062 967

Email: bob.merriman@queenscliffe.vic.gov.au

Cr Peter Russell

Cr Russell was elected to Council in February 2016 following an extraordinary vacancy. Cr Russell (and family) has had an itinerant relationship with Queenscliffe and Point Lonsdale over many years with full time domestic retirement here over 8 years.

Prior to retirement, Cr Russell has over 30 years commercial experience, civic affairs and community involvement.

Cr Russell has served in local government at Moorabool Shire Council (1998–2008) as a Shire Councillor including 1 term as Deputy Mayor and 2 terms as Mayor.

Portfolio: Local Economy

Delegation to Council committees and reference groups:

- Tourism & Economic Development Advisory Committee

Delegations to external organisations:

- Tourism Greater Geelong and the Bellarine

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:

- Australia Day Awards Selection Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group
- Queenscliffe Park Project Reference Group (Chair)
- Point Lonsdale Main Street and Foreshore Reference Group
- Botanic Gardens Project Reference Group

Delegations to external organisations:

- G21 Environment Pillar
- Barwon Region Waste Management Group Board

Mobile: 0428 395 784

Email: sue.wasterval@queenscliffe.vic.gov.au

Cr Graham J Christie JP

Cr Graham J Christie JP resigned in October 2015.

Cr Greg Jones

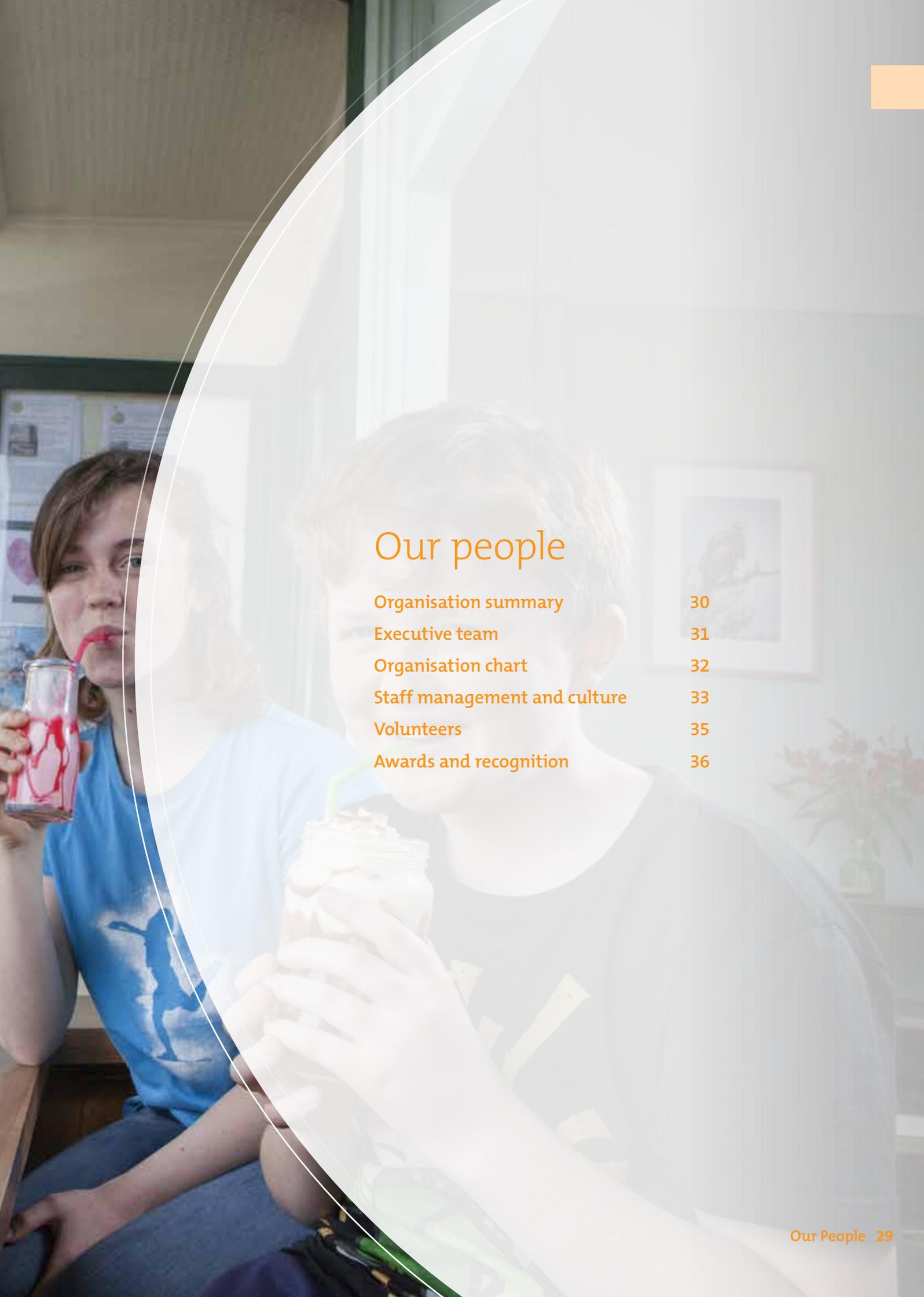
Cr Greg Jones was elected to Council in November 2015 following an extraordinary vacancy. Cr Jones resigned in January 2016.



BELSIZE
AND CO
Fresh Food
& COFFEE

Milkshakes at Belsize & Co café in Queenscliff.





Our people

Organisation summary	30
Executive team	31
Organisation chart	32
Staff management and culture	33
Volunteers	35
Awards and recognition	36

Our People

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

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

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

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

The small team at the Borough of Queenscliffe comprises 61 people; however, the full-time equivalent is only 39.93 positions.

This includes:

- 21 full-time, 29 part-time and 11 casual staff
- 15 male and 46 female staff
- 9 community care workers
- 8 school crossing supervisors
- 2 local laws officers

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

Directorate	Primary areas of responsibility
Executive Services	<ul style="list-style-type: none"> Mayor and councillor support Governance Communications Citizenship and civic events Community engagement Organisational development Strategic advocacy
Planning and Infrastructure	<ul style="list-style-type: none"> Animal management Building control Building maintenance Caravan park management Coastal and crown land management Contract management Emergency management Engineering Environmental health Heritage advice Local law enforcement Powerline clearance Public amenities Road maintenance and works School crossings Strategic and statutory planning Street lighting Sustainability and environment Waste management.
Corporate and Community Services	<ul style="list-style-type: none"> Aged and disability services Arts, recreation and cultural services Community development Customer service Events Finance, risk and audit Information technology Early years services Human resources Library services Rate collection Tourism and economic development Visitor information Youth services.

Executive team

Executive Management Team

Council's Executive Management Team (EMT) is led by the Chief Executive Officer and includes the General Manager Planning and Infrastructure and the General Manager 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 (CEO), Lenny has overall responsibility for the operations of the Council. Under the Local Government Act 1989 the CEO is the only appointment made by the Council. All staffing responsibilities rest with the CEO.



General Manager Planning and Infrastructure – Phil Josipovic

Phil Josipovic was appointed to the position in November 2011. Phil's qualifications include a Masters in Business Administration and a Certificate of Technology in Civil Engineering. 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 – Lynne Stevenson

Lynne Stevenson was appointed to the position in July 2014. Lynne has a Bachelor of Business (Accounting), is a Certified Practising Accountant (CPA) and has completed post-graduate studies in Local Government Law and Business Administration. As General Manager Corporate and Community Services, Lynne is responsible for several diverse portfolios including Corporate Services, Governance, Finance, Risk Management, Information Technology, Aged Care, Children and Family Services, Tourism & Community Development, Arts & Culture and Events.

Staff profile

The Borough of Queenscliffe staff team comprises 61 people; however, the full-time equivalent is only 39.93 positions.

Type of Employment	Female	Male
Full Time	11	10
Part Time	26	3
Casual	9	2
Total	46	15
Full Time Equivalent	27.56	12.37

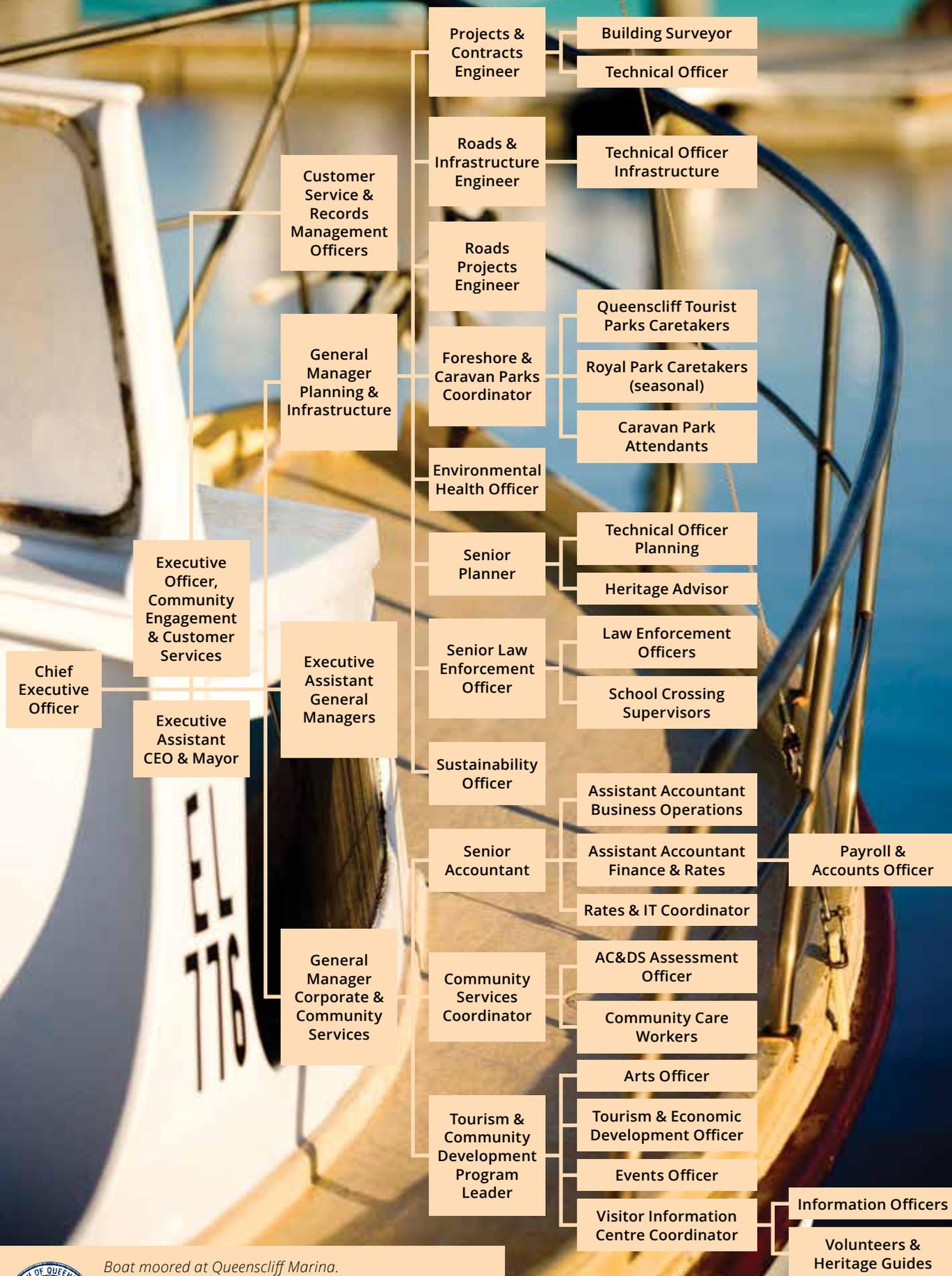
The trend over the past eight years shows low levels of staffing fluctuation indicating a stable operating environment and low levels of staff turnover.

Type of Employment	2008/09		2009/10		2010/11		2011/12		2012/13		2013/14		2014/15		2015/16	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Full Time	9	6	9	8	8	8	8	10	10	8	10	8	10	9	11	10
Part Time	27	2	28	1	25	1	26	2	22	2	32	4	33	4	26	3
Casual			3	1	10	5	10	5	10	3	7	1	5	1	9	2
Total	36	8	40	10	43	14	44	17	42	13	49	13	48	14	46	15
Full Time Equivalent	34.00		32.20		37.80		38.40		34.34		36.48		38.04		39.93	

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



Organisation chart



Boat moored at Queenscliff Marina.

Staff management and culture

Enterprise Bargaining Agreement

The current Enterprise Bargaining Agreement No 8, 2013 was due to expire on 15 January 2016, however remains operational until a new agreement is approved. In 2015, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegate, union representative and staff representatives, was established to negotiate a new Enterprise Agreement for Council staff and was not finalised at 30 June 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 terms and conditions in the former Victorian Local Authorities Award 2001, which are detailed in the agreement.

Staff changes and recruitment

For a small Council, the turnover in staff in 2015–16 was moderate. The following positions were recruited in the 2015–16 financial year:

Local Laws Officer	Replacement of casual staffing with a permanent full time position
Assistant Accountant – Finance & Rates	Restructure of staffing hours (including casual staffing) within finance team
Executive Assistant to General Managers	Replacement due to internal promotion
Community Care Workers (three positions)	Replacement due to retirement/resignation
Communications Officer	Restructure of staffing hours within the communications and customer service team
Seasonal Caretakers (two positions)	Replacement of contract positions with staff
Visitor Information Centre Officer	Replacement (casual staffing)
School Crossing Supervisors (two positions)	Replacement due to resignation

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

Equal employment opportunity

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

The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010, such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Council has a strong commitment to promote a workplace free of discrimination where each

person has the opportunity to progress to the extent of their ability. Council is committed to upholding the principles of Equal Employment Opportunity in all Council activities.

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

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

Employee performance

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

A core component of performance management is development. The appraisal process allows staff to review recent and current performance, plan for the future and identify training requirements and development opportunities. Council also offers study assistance for staff where benefits are likely to accrue to both the organisation and employees through participation of employees in further education.

Training and development

In 2015–16 a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their roles at the Borough of Queenscliffe. An indication of the types of training undertaken is as follows:

- Induction to Local Government
- First Aid
- Financial reporting
- Report writing
- Information Technology
- Risk management
- Human resources
- Legislation amendments
- Fraud prevention
- Professional conferences related to staff roles
- Special interest group meetings relevant to staff roles.

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

Occupational health and safety

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

Council's internal Risk Management Committee discusses matters relating to OH&S. Ongoing OH&S training is a key element in our continuous improvement approach to health and safety performance.

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

Management is responsible for:

- the provision and maintenance of safe workplaces;
- the development, promotion and implementation of health and safety policies and procedures;
- training of employees to enable them to conduct their assigned tasks safely; and
- the provision of resources to meet health and safety commitments.

All employees are expected to:

- report all accidents and incidents according to adopted procedures;
- comply with health and safety policies and procedures; and
- report all known or observed hazards to immediate supervisor or manager.

Staff Consultative Committee

Under the requirements of the Enterprise Bargaining Agreement, the Borough of Queenscliffe has a Staff Consultative Committee. The role of this committee is to:

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

Appreciating our people

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

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

Several employees reached service milestones with the Borough of Queenscliffe in 2015–16. Two employees reached their five year anniversary and one employee reached 10 of continuous service with the Borough of Queenscliffe.

Commitment to the Corporate Carbon Neutral Action Plan

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

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

Staff flu vaccinations

Staff Flu Vaccinations were administered to 22 staff members under the Council's vaccination program. This was a decrease from 23 Flu vaccinations given in the previous year. Some staff also took up the option of having the Tetanus/Whooping Cough Boostrix.

Contribution to charity

During 2015–16 staff participated in several fundraising activities to raise money for local and national charities. This included: Give Where you Live, Food collection for the Refugees, Cancer Council Victoria and Geelong Animal Welfare.

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.

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 2016.

Volunteer celebration

In conjunction with National Volunteers Week in May 2016, Council hosted a civic function to applaud volunteers from across the community. Over 120 community volunteer representatives attended the function, where the Mayor formally said 'thank you' for the valuable contribution the volunteers make to the Borough of Queenscliffe community.

Refugee Welcome Zone

On 30 July 2015, Council hosted a Refugee Welcome Zone Anniversary celebration. This event marked the important milestone, one year on from declaration of the Borough of Queenscliffe as a Refugee Welcome Zone. It was an event that acknowledged our volunteers and the wider community and it was an opportunity for attendees to share stories and ideas about how groups could work together to support refugees.



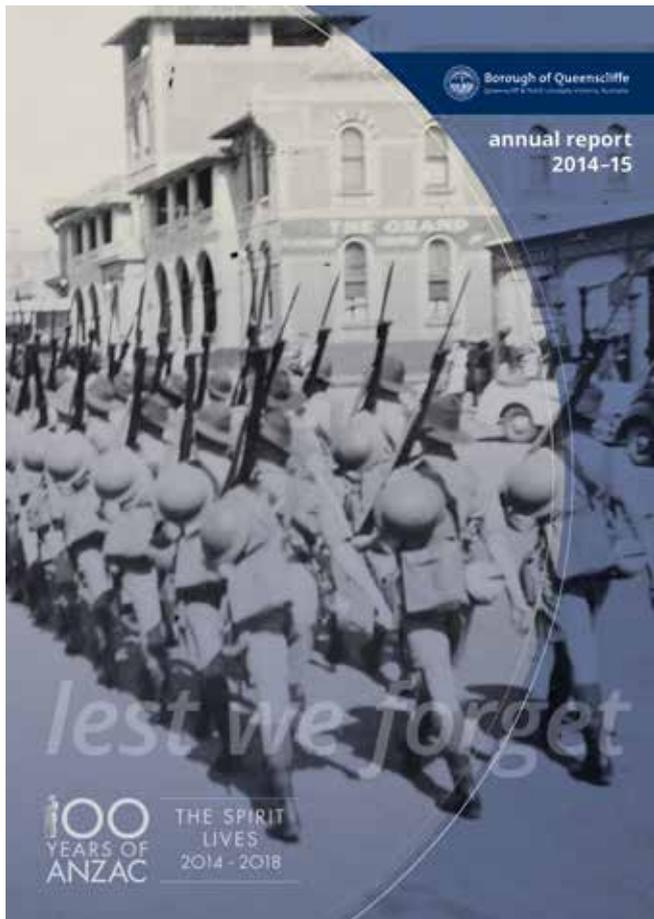
The Visitor Information Centre achieved reaccreditation in September 2015.

Awards and recognition

In 2015–16 the Borough of Queenscliffe received a gold medal at the Australasian Annual Report Awards in June 2016. The Borough of Queenscliffe won a Gold Award for the 2014–15 Annual Report.

The judges appraisal identified:

“The excellent financial overview and the introduction to the financial statements clearly show how the community benefits from Council expenditures. The balanced treatment of positive and negative outcomes demonstrates transparency.”



To receive a Gold Award a Report must:

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

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





Completed stages 1 and 2 of the Point Lonsdale Foreshore Revitalisation.



Heritage streetscape along Hesse Street, Queenscliff.



Our performance

A healthy, involved and creative community	40
A vibrant local economy	46
A unique natural environment	49
A well-planned and attractive place to live and visit	54
A proactive and accountable Council	61

A healthy, involved and creative community

PRIMARY FOCUS AREAS	2015-16 SUCCESSES
<ul style="list-style-type: none"> • Promote community health and wellbeing • Facilitate access to a range of sport and recreation activities • Protect, enhance and promote public health • Support local clubs and community organisations • Encourage and recognise volunteers • Facilitate access to child and family services and life-long learning opportunities • Invest in activities and events that respond to the needs of young people • Support older residents and people with disabilities to access services and live independently • Promote shared use of community facilities • Promote community safety 	<ul style="list-style-type: none"> • Council maintained the zero waiting list status for access to Aged Care & Disability Services. • Administration and allocation of the 2015/2016 Community Grants program was completed in August 2015 with 13 grants totalling \$19,615 awarded to local community groups. • Council completed the upgrade to the Queenscliff Community Hall facilities and the Sea Scouts and Senior Citizens groups are now using the building as their new shared 'home'.

2015-16 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Administer a community grants and sponsorship program to support local clubs and community organisations	Completed
Conduct public events that recognise the contribution of volunteers	Completed
Support local organisations to plan and implement community recreation, sport, and civic activities and events	Completed
Implement the Borough of Queenscliffe Municipal Health & Wellbeing Plan 2013-2017	In progress
Provide an accredited, responsive aged and disability support service with a 'zero waiting' list	Completed
Ensure statutory obligations with respect to the Food Act 1984 and Public Health & Wellbeing Act 2008 are met	Completed
Support the shared facility management arrangements between Queenscliff Senior Citizens and Queenscliff Sea Scouts following redevelopment of the community facility	Completed
Implement strategies to integrate all of the 3225 postcode community into the Borough of Queenscliffe	In progress



Local residents take part in the 2016 M2M Walk.

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

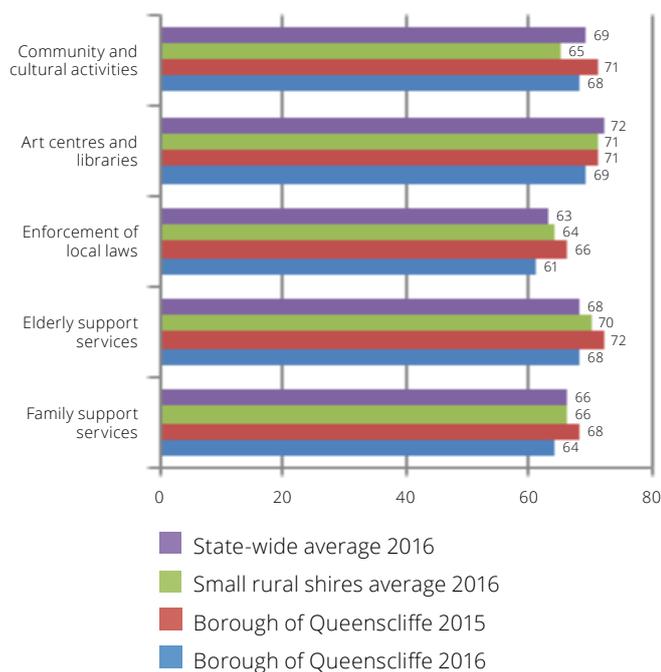
SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Aged and Disability Services	This service provides a range of aged and disability services including home care, personal care and respite care, home maintenance and senior citizens centre.	121
		135
		14
Community Development	Council's role in Community Development is to assist the different Borough Communities to join together to enhance social health and wellbeing of all the communities within the Borough. In particular, the Community Development program area is responsible for leading the development and implementation of policies and projects that support social inclusion, access and equity within the Borough.	156
		160
		4
Events	Council works with local community organisations and clubs to plan and implement events that contribute to the health and wellbeing and build on the social fabric of the Borough community. Council's role in events can cover: leading, facilitating, supporting or permit administration, depending on the nature of the event and the level of community responsibility for the specific event.	58
		81
		23
Maternal and Child Health	Maternal and child health services are externally provided by the City of Greater Geelong and funded by Council grant income.	20
		22
		2
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities and smoke free dining venues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	32
		53
		21
TOTAL	Actual	388
	Budget	450
	Variance	62

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

Service/Indicator/Measure	2015-16	2014-15	Material Variations
Aged and Disability Services			
Home and Community Care (HACC)			
Timeliness			
<i>Time taken to commence the HACC service</i>	8.06	10.39	
[Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]			
Service standard			
<i>Compliance with Community Care Common Standards</i>	94.44%	94.44%	17 of 18 Community Care Common Standards complied with, noting the 1 Standard not met is with respect to fee structure (recommended rather than mandatory).
[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100			
Service cost			
<i>Cost of domestic care service</i>	\$45.75	\$47.38	Transitional provisions apply – will be reported for the 2015/16 year.
[Cost of the domestic care service / Hours of domestic care service provided]			
<i>Service cost</i>			
<i>Cost of personal care service</i>	\$61.46	\$49.27	Transitional provisions apply – will be reported for the 2015/16 year.
[Cost of the personal care service / Hours of personal care service provided]			
<i>Service cost</i>			
<i>Cost of respite care service</i>	\$60.78	\$55.01	Transitional provisions apply – will be reported for the 2015/16 year.
[Cost of the respite care service / Hours of respite care service provided]			
Participation			
<i>Participation in HACC service</i>	52.99%	44.86%	Queenscliffe's population aged 65 years and older is 33% (State average 14.2%), hence the significant emphasis placed on the provision of aged services. Queenscliffe maintains a zero waiting list for HACC services.
[Number of people that received a HACC service / Municipal target population for HACC services] x100			
<i>Participation</i>			
<i>Participation in HACC service by CALD people</i>	21.21%	35.71%	This outcome appears greater due to the small number of CALD people. The variance reflects 7 people participating, compared with 10 in 2014/15.
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100			
Maternal and Child Health (MCH)			
Satisfaction			
<i>Participation in first MCH home visit</i>	106.67%	114.29%	16 first MCH home visits, comprising of 14 from the 15 birth notifications received in 2015/16 and 2 from the 5 new enrolments for families moving into the Borough during the financial year.
[Number of first MCH home visits / Number of birth notifications received] x100			
Service standard			
<i>Infant enrolments in the MCH service</i>	93.33%	100.00%	14 infants enrolled, of the 15 birth notifications received in 2015/16, with 1 enrolment anticipated in the 2016/17 financial year.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100			

Service/Indicator/Measure	2015-16	2014-15	Material Variations
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$153.69	\$145.25	
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	100.00%	100.00%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0.00%	0.00%	NIL Aboriginal children enrolled / attending the MCH service in either the 2014/15 or 2015/16 financial year.
Environmental Health Food Safety Timeliness <i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.00	2.00	
Service standard <i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100.00%	100.00%	
Service cost <i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$646.75	\$699.83	Cost reflects compliance rates and standard of food safety service delivery.
Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	

Level of community satisfaction



(Source: Local Government Community Satisfaction Survey 2016, prepared by JWS Research.)

Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2016. Award recipients in 2016 were as follows.

Citizen of the Year: Joan Kenwood

For over 50 years Joan Kenwood has been a prized and valued citizen of this community. Her contributions have been outstanding, with a strong commitment to community issues, charitable concerns, heritage values, environmental issues, social justice, humanitarian causes and refugee issues. For the past 18 years Joan has been president of the Queenscliff Community Association, she has made numerous cups of tea to help with asylum seeker and refugee support events, being a strong supporter of heritage values and a member of many political and environmental communities in the Borough. Joan is a true community leader, her passion for causes and a better world continues to this day, she provides an inspirational beacon for others in the community.

Young Citizen of the Year: Liam Petrie-Allbutt

Liam Petrie-Allbutt is the Senior Vice President of the Point Lonsdale Surf Lifesaving Club and has been a member of the club since starting as a Nipper over 15 years ago. In 2015, Liam was instrumental in a number of initiatives that benefited both the Point Lonsdale Surf Lifesaving Club and the broader Borough of Queenscliffe community. Some of Liam's key achievements include:

- The development and implementation of the Nippers in School program

- Rebranding of Point Lonsdale Surf Lifesaving Club
- Refurbishment of the upstairs area at the Point Lonsdale Surf Lifesaving Clubhouse,
- Successfully obtained a community grant for a 3m x 3m marquee for the Point Lonsdale Surf Lifesaving Club

As Point Lonsdale Surf Lifesaving Club Aquatic Sports Sections Coordinator, Liam was responsible for coordinating the competition side of surf lifesaving.

Queenscliff Music Festival volunteer Liam was also instrumental in the coordination of the annual Rip View Swim Classic, and a key adviser to the Rotary Club of Queenscliffe, Lighting of the Christmas Tree committee.

Community Service of the Year: Rotary Club of Queenscliffe

In 2015 the Rotary Club of Queenscliffe celebrated 10 years of service to the community. Rotary is a voluntary group, which has contributed greatly to the community over the years and brought many people to the area that may not otherwise have discovered our part of the world. Rotary has worked closely with other groups in the community and was involved in the following 2015 events and achievements: Queenscliffe Bricks (LEGO), Vanuatu Cyclone Appeal, Literacy in the Borough, Drug Awareness Forum, Rotary Caravanners, Christmas Tree Lighting and 10 Years of Rotary.

Community Environment Project of the Year: Bellarine Catchment Network – Point Lonsdale Primary School Coast Care Caring for our Bays day

Since inception in 1997 the Bellarine Catchment Network and project has achieved significant environmental and education outcomes on the Bellarine Peninsula. The inaugural Point Lonsdale Primary School Coast Care Day was held on 19th May and was organised by Grade 3 and 4 students. The afternoon featured games and activities that focused on the impact of litter on our waterways and bays, including Port Phillip Heads Marine National Park, how to protect Hooded Plovers and the importance of our Moonah Woodlands. The activity catered for the entire school and will lead into this year, whereby the event will become a recurrent part of the school program.

Community Event of the Year: Queenscliffe Historical Museum 1915 WW1 ANZAC 100th Commemoration 'Weaving the Threads of Remembrance'

In 2015, the Queenscliffe Historical Museum Research Group initiated a WW1 project to commemorate the life of WW1 Nurse Violet Duddy. A plaque was placed on Violet's previously unmarked grave and together with Queenscliff and Point Lonsdale Primary Schools a Welcome Home event to honour Sister Duddy was conducted. In April, the Queenscliffe Historical Museum presented the story of Nurse Violet Duddy at the Queenscliff Town Hall and in September 2015 the project entered an international phase when the Museum's Ambassador had the opportunity to visit the Island of Lemnos and Villers Bretonneux, France, where Violet Duddy served. Gifts containing artwork and film created by students in the Borough of Queenscliffe were presented to the Mayor of Lemnos and to the Manager of Musee Franco-Australien.

Achievements

Supporting local events

During 2015–16 Council supported a range of community, sporting and cultural events. The key events included the following:

- **Civic events**
Australia Day Awards and Community Celebration | Community Grants Reception | Volunteer Celebration | Refugee Welcome Zone Signing Declaration | Anzac Day services
- **Arts and cultural events**
Seniors Week celebrations | Sea of Words Festival | Lighthouse Film Festival | St Kilda Film Festival | Queenscliff Music Festival | Queenscliff Rod Run
- **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 | Children's Week

Community Grants

Administration and allocation of the 2015-16 Community Grants program was completed in August 2015 with 13 grants totalling \$19,615 awarded to local Community Groups. The projects included support of community events, better equipment for events and local community groups.

Aged Care & Disability Services

Council has maintained a 'zero waiting list' to June for all aged care and disability services within the Borough. In the 2015/16 financial year, the Aged Care & Disability Service has provided 9,095 hours of service.

Clients have accessed 342 hours for assessment, re-assessment and care coordination. 34 new clients were assessed for service, 9 clients departed (deceased) the service and 7 clients transferred into permanent care.

Environmental health activities

Key activities undertaken in 2015–16 as part of Council's environmental health service included the following:

- Council conducted a total of 98 food safety assessments. Of these 98 food safety assessments, 54 were annual food safety assessments, 13 compliance inspections, 27 routine inspections and 4 were transfer inspections.
- 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 2014 to March 2015.
- Additionally as required under the Food Act 1984, 17 food samples were submitted for analysis, 16 of the food samples were deemed to be satisfactory and one sample failed. The failed sample food type was removed from sale.

- Council also conducted 9 assessments of accommodation and beauty treatment services.
- The Department of Health and MAV cigarette sales to minors program resulted in 'no sales' of cigarettes, which demonstrates a high level of compliance by tobacco retailers in the Borough.
- A staff flu vaccination program was delivered.

Disappointments

Proposed Queenscliff / Hesse St Hub

A suitable funding program has not yet become available to progress the Queenscliff / Hesse St Hub.

Challenges

Proposed Queenscliffe Park

A suitable funding program has not yet become available to progress the Queenscliffe Park Project.

Year ahead

- Complete the Queenscliff Recreation Reserve Master Plan.
- Progress construction of the Queenscliffe Sport and Recreation Precinct Project.



Recognising our Australia Day award recipients.

A vibrant local economy

PRIMARY FOCUS AREAS	2015-16 SUCCESSES
<ul style="list-style-type: none"> • Manage and operate an accredited and vibrant Visitor Information Centre service • Increase tourism visitation to the Borough • Support local businesses and new business investment • Work with local, regional and state tourism organisations to promote Queenscliffe as a holiday, events and festivals destination • Advocate for improved public transport • Increase access and occupancy of Council managed holiday accommodation 	<ul style="list-style-type: none"> • In partnership with Tourism Greater Geelong and The Bellarine's (TGGB), targeted television advertising campaign, promoting Queenscliff and Point Lonsdale. 43 local businesses also contributed to this campaign. • Supported local businesses in showcasing Queenscliff and Point Lonsdale through lifestyle television programs "Postcards" and "Melbourne Weekender" • Developed a "shop local" logo to feature on a series of promotional materials for use by traders. • Welcomed visiting journalists and blog writers who featured Queenscliff and Point Lonsdale in nine online blogs and four state and international publications – estimated reach of more than 600,000. • Supported local business through the facilitation of three Borough After Five events, five professional development and training opportunities, one Small Business Bus service and one industry forum. • Provided an enhanced Christmas shopping experience through the provision of window decals and custom gift tags in addition to refurbished Christmas light pole installations.

2015-16 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Actively engage volunteers in the delivery of the Visitor Information Centre services	Completed
Improve the level of Council, community, business and visitor information available through Council's digital media	Completed
Work with local, regional and state tourism organisations to increase the profile of tourism products and services in the Borough	Completed
Facilitate local businesses access to information and professional development opportunities	Completed
Support local organisations to effectively plan and promote major public participation events in the Borough	Completed
Develop a plan for improving tourism and town entry signage in the Borough of Queenscliffe	In Progress
Upgrade the Christmas decorations in the Queenscliff and Point Lonsdale main streets	Completed

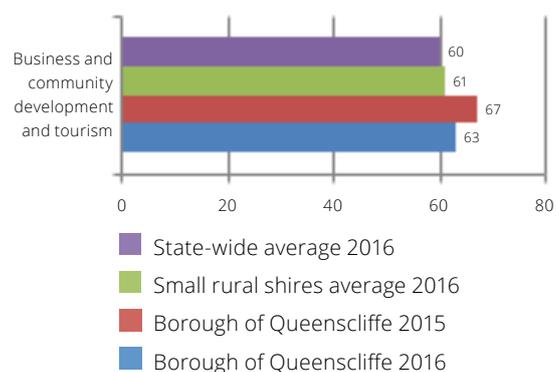


The following statement provides information in relation to the services funded in the 2015–16 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Caravan parks and boat ramp	This service provides approximately 400 camping sites and associated facilities, which provide the revenue to fund the bulk of Council's foreshore activities. The boat ramp service provides a two lane sheltered access to the region's fishing grounds. <i>Major variance explanation: Camping and caravan park improvement investment fund carried forward to 2016–17.</i>	(1,008)
		(771)
		237
Visitor information centre	This service provides a state accredited tourist information service year round. Professional and friendly advice from paid and volunteer staff ensure that visitors have a positive experience in the seaside townships of Queenscliff and Point Lonsdale.	183
		181
		(2)
Tourism promotion	This service is integrated with the activities of Geelong Otway Tourism, Bellarine Peninsula Tourism and the local Queenscliff Lonsdale Business and Tourism Association. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and visitors who choose to stay in the Borough. <i>Major variance explanation: Queenscliff Historic Railway Precinct Project carried forward and completed in 2015–16.</i>	388
		225
		(163)
TOTAL	Actual	(438)
	Budget	(365)
	Variance	73

There are no mandatory performance indicators to be reported for this Strategic Objective.

Level of community satisfaction



(Source: Local Government Community Satisfaction Survey 2016, prepared by JWS Research.)

Achievements

Television Advertising Campaign

In partnership with Tourism Greater Geelong and The Bellarine, (TGGB), a 30 second television commercial for a dedicated Melbourne TV marketing campaign was produced and promoted in late 2015. The Queenscliff and Point Lonsdale TV Marketing campaign was launched at the Borough After Five function on 14 October 2015. Sixty-one local business owners and

representatives from Tourism Greater Geelong and the Bellarine attended. The campaign aired on Channel Nine over a four-week period from the first week of November 2015. A number of local businesses communicated to Council that this was noted by visitors over the summer period as a point of reference influencing their decision to visit Queenscliff.

Small Business Festival events

Council hosted and promoted the 2015 Victorian Small Business Festival event in August 2015. The session, 'Low season marketing strategies on a shoestring budget', attracted 28 attendees from various businesses and industries across the Bellarine. The session focused on low cost marketing solutions using various social media channels, joint ventures, press releases and holiday packaging opportunities.

Borough After Five

Three 'Borough After Five' business networking events were held and hosted at the Vue Grand Hotel (October 2015), Fort Queenscliff (December 2015) and Hotel Q (March 2016). The guest speaker for the March event was Victorian Small Business Commissioner, Mr Geoff Browne. The topic focused on simple ways to avoid unnecessary business costs when dealing with retail and supply chain business disputes.

Local Events Calendar

During 2015–16 Council improved and promoted the calendar of events via:

- **Social media** – The Borough of Queenscliffe Visitor Information Centre actively promoted local events with regular posts on its Facebook site. The Visitor Centre Facebook regularly ‘shared’ detail of local events with its followers as well as the Visit Geelong Bellarine Facebook site.
- **Borough of Queenscliffe website** – event content was regularly updated and an improved searchable calendar of events was introduced.
- **Industry communication** – regular event details were provided to local businesses via email and in the monthly E-Business bulletin.

Queenscliffe Visitor Information Centre

The accreditation status of the Queenscliffe Visitor Information Centre through the Australian Tourism Accreditation Programme has been maintained. Key activities at the Visitor Information Centre in 2015–16 included:

- Servicing over 37,500 walk-in enquiries at the Centre and 7500 enquiries at the Queenscliff Harbour;
- Committing to additional volunteer hours to service the ‘Pop Up’ booth at the Queenscliff Harbour for the 2015/16 summer holiday period;
- Assisting with the training of an additional seven volunteers for the summer season;
- Attending a combined regional Volunteers Conference and Christmas function both hosted by Tourism Greater Geelong and the Bellarine;
- Participating in familiarisation tours to regional and local businesses;

- Attending the Melbourne Tourism Industry Exchange and a site inspection of the Fitzroy Gardens Visitor Information Centre and Captain Cook’s Cottage;
- Maintaining the regional electronic accommodation availability system;
- Assisting in production of a new Visitor Information Centre Map;
- Providing a ‘meet and greet service’ to the visitors from the Seabourn Marina cruise ship who stopped off at three venues in Queenscliff for afternoon tea;
- Providing support and a ‘meet and greet’ to the guests at the Governor La Trobe memorial bust at the Queenscliff Historical Museum;
- Coordinating and conducting 51 Heritage Walks with 804 participants.

Challenges

Unlocking Fort Queenscliff

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

Tourism and Economic Development Strategy

Funding yet to be secured for the development of a Tourism and Economic Development Strategy. Council continues to advocate strongly for this important local priority.

Year Ahead

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

A unique natural environment

PRIMARY FOCUS AREAS	2015-16 SUCCESSES
<ul style="list-style-type: none"> • Protect the natural environment and significant vegetation • Limit the spread of noxious weeds • Promote recycling and minimise waste • Work with the community to reduce carbon emissions • Actively respond to climate change • Improve access to parks and beaches • Enhance walking and cycling routes to encourage use by the community and visitors 	<ul style="list-style-type: none"> • Weed reduction activities resulted in excess of 160 tonnes of weeds being removed from coastal environment sites. • Diverted 511,660kg of green waste from landfill. • Successfully introduced a kerbside green waste bin collection service. • 129 park and street trees, together with 1,392 indigenous shrubs and ground covers were planted. • 7,420kg of e-waste was collected including televisions, computer equipment and household electrical appliances.

2015-16 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Collaborate with local and regional organisations to implement weed reduction programs	Completed
Support local organisations and volunteers undertaking projects designed to protect and enhance the natural environment	Completed
Continue street tree and park planting programs that reflect the character of Queenscliff and Point Lonsdale	Completed
Work with local and regional organisations and neighbouring Councils to reduce waste and promote recycling in the Borough and enhance the green waste disposal capacity of the region	Completed
Implement the Council's Corporate Carbon Neutral Action Plan	Completed
Facilitate community participation in the Community Environment Alliance and promote new projects through implementing a small grants program	Completed
Improve recycling through the introduction of a municipal green waste collection service	Completed
Work with the City of Greater Geelong and State Government partners to implement recommendations from the Geelong Queenscliffe Coastal Mapping Project	Completed
Advocate to the State Government for inclusion of Laker's Cutting into the RAMSAR listed Swan By site	Completed



Residents welcome the introduction of a kerbside green waste collection service.

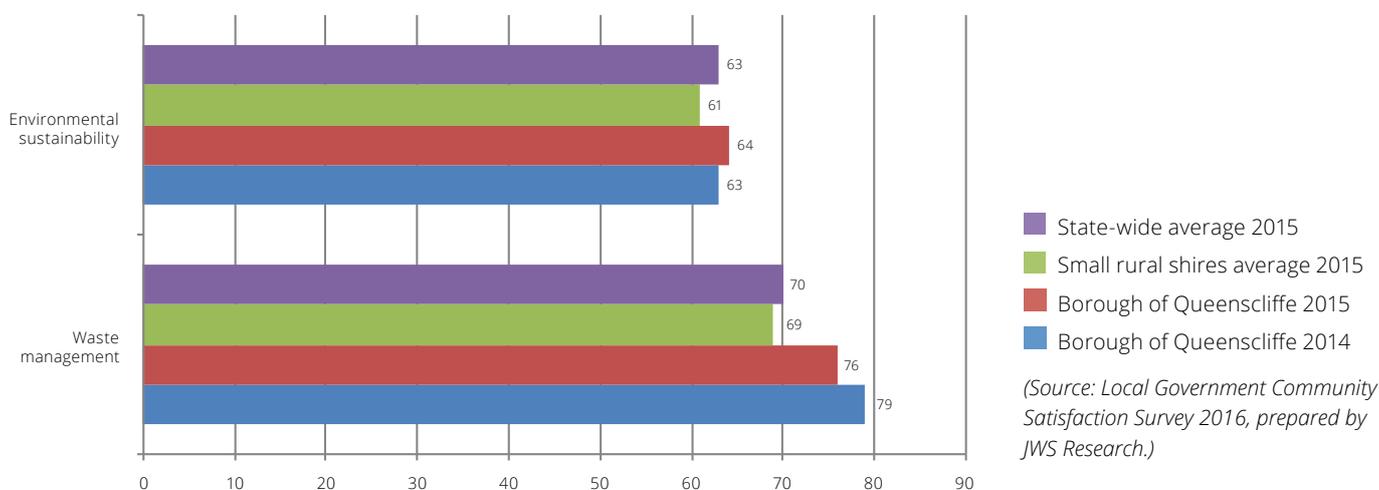
The following statement provides information in relation to the services funded in the 2015–16 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Sustainability and environment	This program area has carriage of the sustainability policy and facilitates community projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority, as is dealing with Climate Change.	137
		197
		60
Coastal and environment	This service implements State government coastal management policy and plans and implements environmental projects and works with other services to improve Council's management of Coastal Crown Land. <i>Major variance explanation: Grant funded coastal tender works at Ocean Road and The Narrows (a five year funding program) carried forward to 2015/16.</i>	395
		763
		368
Waste disposal	This service includes regular bin based waste collection of kerbside garbage and recycling as well as a cyclic hard rubbish collection, e-waste and a green waste bin service, for all residential and tourist accommodation properties. Public waste includes bins located in the Borough's parks and reserves. Council also works with the Barwon Region Waste Management Group to increase community awareness and promote behaviours that minimise waste and increase recycling. <i>Major variance explanation: Reduced landfill disposal costs, partly due to green waste diverted from landfill and also a lower tonnage than estimated in the 2015/16 Budget. Savings also achieved with respect to the landfill disposal levy and e-waste collection costs.</i>	830
		638
		(193)
TOTAL	Actual	1,363
	Budget	1,597
	Variance	234

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

Service/Indicator/Measure	2015-16	2014-15	Material Variations
Kerbside waste (incl. hard waste), green waste and public waste Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	45.81	74.84	This outcome appears lower due to the small number of bins. The variance reflects 133 requests of 2,903 bins, compared with 216 requests of 2,886 bins in 2014/15.
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.19	3.32	
Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$132.43	\$102.73	Cost of disposal includes a State government landfill disposal levy in addition to gate fees.
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$44.37	\$45.68	
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	46.38%	36.66%	This result has improved with the introduction of a new green waste service in the 2015/16 financial year.

Level of community satisfaction



Achievements

Environmental Weed Management

Council has land management responsibility for significant areas of coastal and natural environments within the Borough. In some cases these environments contain important remnant stands of vegetation, such as the Coastal Moonah Woodlands and other coastal vegetation classes. Weed invasion has long been recognised as a threat to these environments and are targeted for weed reduction programs.

In partnership with key stakeholders the Borough of Queenscliffe undertook priority conservation projects at key sites including primary dune and foreshore areas adjacent to Port Phillip Bay and Swan Bay.

In addition to this, partnership arrangements with local and regional organisations saw the following weed removal activities undertaken during the year:

- Vegetation management within the remnant Coastal Moonah Woodland sites at the "Narrows" in Queenscliff, and in the dune system at Point Lonsdale as part of an ongoing project with the Corangamite Catchment Management Authority;
- Foreshore works within the Borough to ensure the sustainability of urban habitation adjoining the environment utilising volunteers, school and community groups;
- Foreshore weed removal undertaken by Conservation Volunteers Australia work teams;
- Ongoing environmental projects utilising labour resources available through the Department of Justice, Community Corrections services.

Weed reduction activities resulted in excess of 160 tonnes of weeds being removed from coastal environment sites throughout the year.

Tree Planting

Council's tree management program continues to be a high priority. More than 129 park and street trees, together with 1,392 indigenous shrubs and ground covers were planted in 2015–16 as part of Council's proactive planting program. In the same period a total of 25 trees that were dead or high risk were removed.

Waste Reduction and Recycling

In the 2015/16 year Council has implemented a range of actions designed to reduce waste and promote recycling within the Borough including:

- Introduction of the kerbside green waste bin service in July 2015. In its first year of operation, the service has achieved the following successes:
 - Composted 511,660kg of green waste to local farms and vineyards;
 - A 14.5% reduction in waste to landfill;
 - A 19.8% reduction in green waste material in kerbside waste bins;
 - Contamination rate of 1.4% in green waste bins (0.7% contamination if oversized prunings not considered).

A combination of grant funding from Sustainability Victoria and Council funds were used to introduce the service. Funds were used to conduct bin audits before and after the introduction of the new service, purchase green waste bins, change waste bin lids, conduct visual bin assessments and implement a community education and communication program. The education program included fact sheets, bin collection calendars, updates in local press and Council's newsletter and an A–Z waste/recycling guide.

- Hosted the annual e-waste drop-off event at the Ocean View carpark in May 2016. A total of 7,420kg of e-waste was collected including televisions, computer equipment and household electrical appliances. The e-waste was recycled through PGM Refiners in Dandenong, a for-profit social enterprise which employs disadvantaged workers and specialises in recycling e-waste. The e-waste is de-manufactured into components including plastic, glass, metal wiring and circuit boards. These components are then sent to recyclers and manufacturers to be made into new products. Since introducing the drop-off event in 2012, Council has collected a total 38,400kg of e-waste for recycling;
- Recycled a total of 267kg of household batteries during 2015/16 from collection containers located in businesses and schools across Queenscliff and Point Lonsdale. This is a 99kg increase on the 2014/15 collection amounts;
- Promotion of Council's annual hard waste collection event in April 2016 that collected 96,000kg of waste;
- Organised and promoted 'Clean-Up Australia Day' sites at Burnt Point and Springs Beach in March 2016 with a small band of local volunteers;
- Worked with Sustainability Victoria to promote the 'Detox your Home' event in February 2016. The event enables residents to drop-off household chemicals for safe disposal at a temporary collection site in Geelong;
- Implemented a community education campaign in local press to increase kerbside recycling rates and reduce contamination in kerbside recycling bins. The campaign, which is a regional initiative, focused on increasing recycling of glass, metal cans and plastic food/drink containers and reducing the amount of recycling presented in plastic bags; and
- Promotion of National Recycling Week by hosting a collection in the Town Hall foyer of household items that cannot be recycled through the kerbside service.

Carbon Neutral Action Plan

In 2015/16, Council completed a review of the Corporate Carbon Neutral Action Plan that was adopted by Council in April 2012. A new three-year action plan from July 2015 to June 2018 was developed. The new plan comprises 16 initiatives that will assist Council to reduce its energy consumption, decrease waste to landfill and improve recycling rates. Actions delivered during 2015/16 from the revised plan included:

- Installing solar systems on the following facilities:
 - 15kW solar system on Council offices;
 - 3.72kW solar system on Queenscliff Community Hall;
 - 5.2kW solar system on Queenscliffe Neighbourhood House (through Community Solar Bulk-buy); and
 - 5.2kW solar system on Queenscliffe Historical Museum (through Community Solar Bulk-buy).
- Upgrading the interior lighting at the Queenscliffe Maritime Museum to LED energy saving technology;
- Installing two solar lights at the Queenscliffe Neighbourhood House carpark;
- Upgrading interior and exterior lighting to LED energy saving technology at five toilets blocks across Queenscliff & Point Lonsdale; and
- Measuring electricity usage at individual sites in three caravan sites to assist in developing strategies and an education campaign to reduce power consumption by park holiday users.

Further, in 2015/16, Council completed the following actions to facilitate participation in the Community Environment Alliance:

- Completed the delivery of the Community Solar Bulk-buy initiative in September 2015. Delivered by the Community Environment Alliance, of which Council is a partner, the initiative resulted in 43 solar installations that will generate a combined 200 megawatt hours of solar power every year and reduce the Borough community's carbon emission by 270 tonnes. A survey of project participants was undertaken in October 2015. The survey achieved a 46% return rate; 87% of respondents selected the highest satisfaction rating for the level of information provided and the way the project was delivered.
- Working with Alliance partners, Bellarine Catchment Network and Swan Bay Environment Association to promote the annual community planting event in September 2016. Planting activities by the 60 volunteers along the Bellarine Rail Trail resulted in 400 new indigenous trees, shrubs and groundcovers in the ground. The volunteers, which included community members and school students, also completed weeding of former planting sites.
- Supporting local primary school students to participate in a workshop for the 'Take 3 from the Sea' initiative. The Take 3 program aims to increase awareness of the impact of litter on our beaches and waterways. Students participating in the workshop developed an action plan for their school to become more sustainable and generate less waste.

- Secured \$10k grant funding through the Victorian Climate Change Grants to deliver the project, "Supporting Queenscliff and Point Lonsdale to prepare for climate change". Funding will be used to provide householders and businesses with one-to-one advice via telephone and email on how to reduce their power bills and save money.

Disappointments

Unsuccessful funding applications

Council was unsuccessful in its application for funding from the Federal Government's Regional Development Australia Fund 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.

Challenges

Regional waste arrangements

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. 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

- Secure funding to upgrade residential street lighting to energy-efficient alternatives.

A well-planned and attractive place to live and visit

PRIMARY FOCUS AREAS	2015-16 SUCCESSES
<ul style="list-style-type: none"> • Preserve and value the Borough's significant history and heritage • Manage Council infrastructure in accordance with the Borough's asset management plans and annual capital works program • Enhance the main streets of Queenscliff and Point Lonsdale • Maintain road and pedestrian safety • Maintain shared pathways and improve walking and cycling routes • Promote arts and cultural activity 	<ul style="list-style-type: none"> • 68% of planning permits were decided within the 60 day timeframe compared to 67% in 2014-2015. • A road pavement report was completed and road reseals were carried out on 12 roads.

2015-16 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Complete review of the Queenscliffe Planning Scheme and commence the statutory amendment process	In Progress
Use Council's Planning Scheme, Policies and Local Laws to protect significant vegetation	Completed
Implement Council's asset renewal and maintenance program for Council owned and managed community buildings and open space	Completed
Promote and support a range of arts, cultural and reconciliation activities and events	Completed

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

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Road Maintenance and Works	Provided by an external contractor, this service includes maintenance of local roads, kerb and channel, footpaths and shared use trails, drainage, street cleaning and sweeping, parks and gardens and sports ovals.	780
		896
		116
Engineering	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as build over easement, legal point of discharge, vehicle point of access and infrastructure associated with unit developments.	233
		202
		(31)
Planning and Development Control	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors Council's Planning Scheme as well as preparing major policy documents shaping the future of the Borough. It also processes amendments to the Council Planning Scheme and carries out research on demographic, economic and social issues affecting Council. <i>Major variance explanation: Queenscliffe Planning Scheme Panel carried forward to 2016-17.</i>	141
		282
		141





Hobson Street vista down to Citizen's Park.

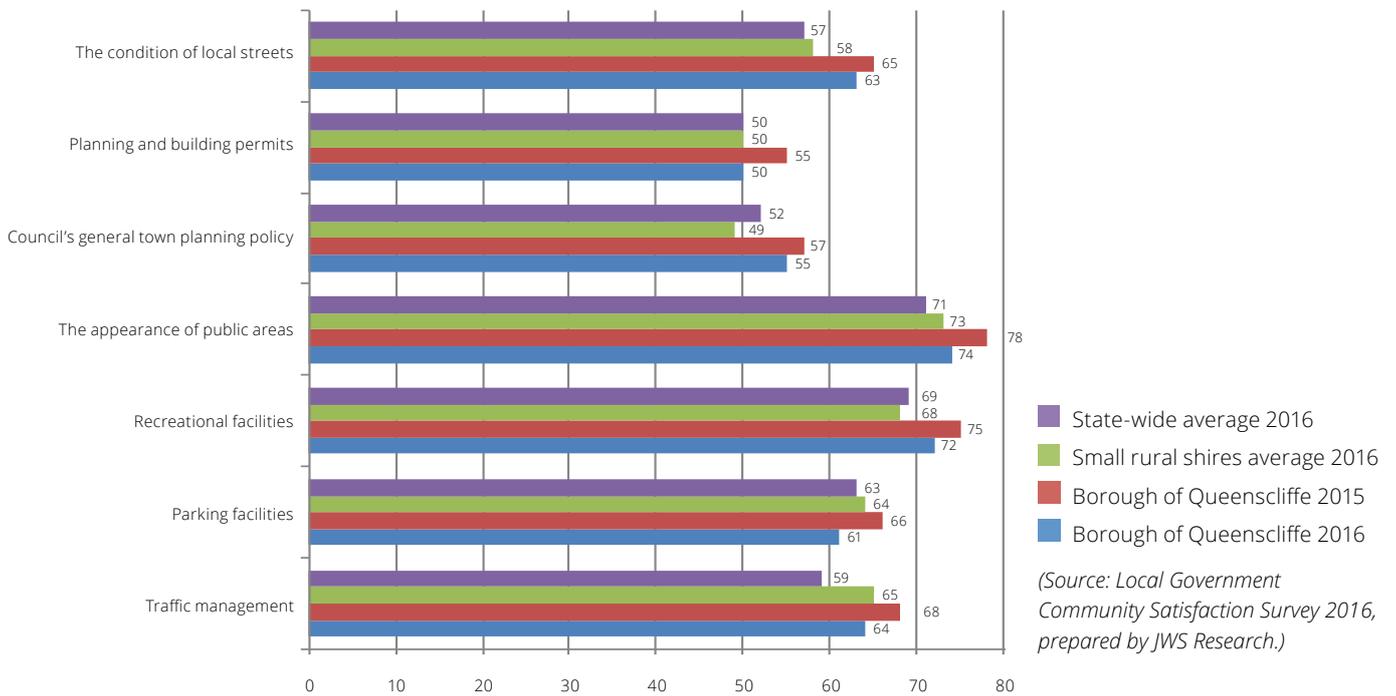
SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Local Law Enforcement	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing services including a dog and cat collection service, a lost and found notification service, a registration and administration service, an after hours service and an emergency service. This service also facilitates the smooth flow of traffic and parking throughout the municipality through the provision of safe, orderly and equitable parking enforcement and education. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	194
		205
		11
Public Conveniences	Maintenance, cleaning and renewal of 13 public conveniences is required to maintain a level of service acceptable to the general community as well as tourists.	95
		98
		3
Street Lighting	Operation, maintenance and renewal plus energy costs associated with the Borough's street lights.	43
		55
		12
Powerline Clearance	This is to maintain the legislative clear zones around powerlines to ensure safety and prevention of fire.	2
		26
		24
Building Maintenance	This service prepares long term maintenance management programs for Council's buildings in an integrated and prioritised manner in order to optimise their strategic value and service potential.	86
		69
		(17)
Heritage Assets	Advice is provided via an external contractor regarding Council's heritage assets, in order to maintain the Borough's heritage values.	38
		58
		20
Building Control	This service provides statutory building services to the Council community including processing of siting variation consent, emergency management responsibilities, building safety inspections/audits and investigations of complaints and illegal works. Provided by way of a part time external contractor.	40
		41
		1
Library	A public library service is provided in Queenscliff, operated by the Geelong Regional Library Corporation, for which Council contributes to the cost of the service.	243
		229
		(14)
Arts, Recreation and Culture	This service provides a varied ongoing program of arts and cultural events.	18
		29
		11
TOTAL	Actual	1,912
	Budget	2,189
	Variance	277

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

Service/Indicator/Measure	2015-16	2014-15	Material Variations
Roads Maintenance and Works			
Satisfaction of use			
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	176.19	188.10	The higher than average requests can be partly attributed to all local sealed roads being urban and no rural roads existing within the Borough of Queenscliffe.
Condition			
<i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	100.00%	
Service Cost			
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$62.48	\$59.40	
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$7.34	\$20.61	The 2014-15 result for the cost of resealing local roads was skewed due to the small sample size of reseat works which were completed as part of a major drainage and road renewal contract, which included a high reseat rate within the successful tender.
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.00	65.00	Queenscliffe's result of 65 is above the Small Rural council group average of 52 and the State-wide average of 54.
Planning and Development Control			
Statutory Planning			
Timeliness			
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	87.00	71.00	Queenscliffe's result was impacted on by a number of complex applications and an increase in application numbers.
Service standard			
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	67.97%	67.38%	
Service cost			
<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$1,241.81	\$1,560.73	Revised allocation of corporate overheads has led to a reduction in cost of the statutory planning service.
Decision making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	66.67%	0.00%	Three application decisions were subject to review by VCAT, two were upheld.

Service/Indicator/Measure	2015-16	2014-15	Material Variations
Local Law Enforcement Animal Management Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	89.19%	100.00%	37 animals collected during the year, of which 33 were reclaimed and 4 cats / kittens were not claimed.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$106.80	\$82.93	Queenscliffe provides services for high levels of visitors with animals to Queenscliffe (i.e. not registered with Queenscliffe). Over 50% of houses in the Borough are holiday homes. It is estimated that the number of animals in the Borough doubles during peak holiday periods (i.e. registered elsewhere) which results in peak demand and additional resources allocated to animal management matters. Additional animal patrols were conducted during the 2015/16 summer season, with a focus on dogs on beaches compliance.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in reduced likelihood of penalties being issued.
Library Libraries Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	3.52	3.58	
Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	62.27%	67.19%	
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$7.33	\$7.06	This indicator represents in-person visits only and does not capture the use of online resources by library users.
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	38.42%	37.12%	Active library members are those who have borrowed from the lending collection, including e-book loans, only. It excludes other library activity, including children and youth programs, digital literacy programs and literary events, the use of public internet personal computers and facilities such as meeting rooms and study areas, wifi and in-library use of collections.

Level of community satisfaction



View over Citizen's Park overlooking Queenscliff Pier.

Achievements

Queenscliffe Planning Scheme Review

The review of the Queenscliffe Planning Scheme is a legislative requirement and commenced in 2011–12. During 2015–2016 the review has progressed the statutory exhibition phase with a Planning Panel hearing to be held in November 2016.

Planning Application Processing Rate

In 2015–2016, 68% of planning permits were decided within the 60 day timeframe compared to 67% in 2014–2015.

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 2016. The 2016 program included works on:

- J.L. Jordan Reserve
- Rip View Road
- Pelham Court
- Qu'appelle Court
- Caroline Street
- Grimes Road
- Alexander Crescent
- Murray Road
- Williams Road

Point Lonsdale cliff safety

Following a Victorian Government review of the Geotechnical Cliff Safety Assessment for Point Lonsdale, rock revetment works at the base of the cliff below Point Lonsdale Bowls club was completed to prevent further erosion in this area. In addition, infill works were completed on the cliff face in the same area again designed to prevent further erosion and stabilise this area of the foreshore.

Point Lonsdale Foreshore Upgrade

Stage 3 of this project advanced significantly during the 2015–16 year. This stage included demolition of the old toilet block, construction of new toilet block adjacent to the Point Lonsdale Bowls Club and landscape improvements. The project is the result of significant community consultation which influenced the final design and implementation of the project. The amenities are

scheduled to be completed by August 2016 with the final element of this stage, upgrading the playground to include all abilities equipment, scheduled to commence after the September 2016 school holidays.

Queenscliff Kindergarten

A major upgrade of the Queenscliff Kindergarten was completed and opened in August 2015. This upgrade was a partnership project with the Kindergarten Committee who provided funding and in kind support. The project was funded by the State Government, Council and the Kindergarten Committee.

Queenscliff Hall

Council has completed the upgrade of facilities for the Sea Scouts and Senior Citizens groups. A Memorandum of Understanding for shared use and management of the upgraded facility has been finalised between the Senior Citizens and Sea Scouts organisations. Facility management meetings are conducted between the two organisations and Council every three months to ensure the smooth operation and management of the new community facility.

Other

Council also completed upgrade works of:

- Lawrence Road (Springs) and Narrows (Dog Beach) car parks.
- Upgrade of Bellarine Rail trail from Queenscliff Boat Ramp to Murray Road.

Challenges

- Further delay in progressing the review of the Queenscliff Planning Scheme.
- Lack of progress in Government's formalisation of Green Army funding for landscaping improvements at the Point Lonsdale Lighthouse Reserve.

Year ahead

- Complete the Queenscliff front beach boardwalk and viewing platform.
- Complete the Point Lonsdale Foreshore Revitalisation Project, Stage 3.
- Complete the review of the Queenscliffe Planning Scheme.
- Commence construction of the Queenscliff Sport and Recreation Precinct Project.

A proactive and accountable Council

PRIMARY FOCUS AREAS	2015-16 SUCCESSES
<ul style="list-style-type: none"> Value and draw on the skills, knowledge and views of the local community Provide transparent, open and accountable governance and ensure compliance with relevant legislation Ensure sustainable financial management and maximise external funding opportunities Minimise rate increases Maximise return on Council assets Increase revenue sources by developing Council managed Caravan Parks Foster partnerships with community organisations, business, our municipal neighbours and other levels of Government Provide a high standard of Customer Service Increase residents' access to information Advocate to other levels of Government on issues of key concern to the local community Ensure the continuing independence of the Borough 	<ul style="list-style-type: none"> The adopted rate increase of 2.5% for 2016-17 complies with rate capping legislation which commences from the 2016-17 financial year. The 2016 Community Satisfaction Survey results highlight that the Borough of Queenscliffe scored higher than both the average of the Small Rural Councils group and the State-wide average. 51 media releases issued and 28 Mayor's Columns published in local newspapers. Council's rate of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets is 1.64 for the 2015-16 year, which the Victorian Auditor-General's Office (VAGO) will assess to be of 'low' risk. Council continues to focus on its Asset Management Plan to ensure assets are renewed when required. Council has been successful in attracting significant external funding to support this investment. A significant level of funded expenditure was again invested in assets during 2015-16. Applying the six indicators of financial sustainability assessed by VAGO each year, Council remains in a sound financial position and is considered 'low' risk on five of the six indicators for the 2015-16 year, noting the other indicator is impacted by works completed for which grant funding was received in prior years, held in reserves and carried forward to offset this expenditure in 2015-16.

2015-16 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Implement Council's 'Community Information and Engagement' policy to increase public participation and access to information	Completed
Establish reference groups on major community projects as determined by Council	Completed
Participate in the annual Local Government Community Satisfaction Survey	Completed
Progressively implement Council's Lease Policy with organisations occupying Council owned or managed land	Completed
Ensure that Councillor and staff behaviour complies with the respective Codes of Conduct	Completed
Ensure adherence to guidelines on prudent management of debt, cash and asset renewal	Completed
Produce and forward the Council Plan, Strategic Resource Plan, Performance Statement and Annual Budget to the Minister for Local Government 28 days following Council adoption	Completed
Complete an annual review of its Strategic Resource Plan and long term budget as part of Council's annual Budget preparation process	Completed
Continue to administer the Fire Services Property Levy in accordance with legislative requirements	Completed
Effectively manage public and organisational risk and meet all legislative requirements	Completed

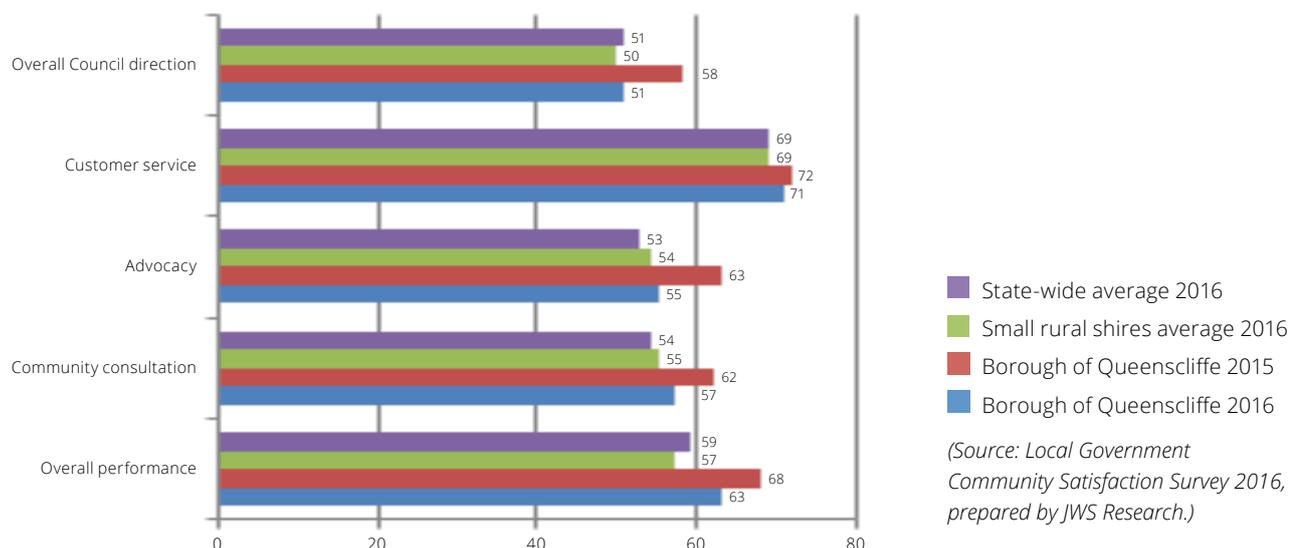
The following statement provides information in relation to the services funded in the 2015–16 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Governance	This relates predominantly to the Mayor and Councillors, also governance items such as the community satisfaction survey and membership of various organisations including the MAV and the G21 alliance.	237
		254
		17
Administration	This area includes the Chief Executive Officer, Executive Management Team and associated support which cannot be easily attributed to direct service provision areas. <i>Major variance explanation: 50% of Victoria Grants Commission funding allocation for 2015/16 was prepaid to Council in the 2014–15 year.</i>	1,211
		1,250
		39
Community Engagement and Customer Service	Included here is customer and civic services, providing a range of governance, statutory and corporate support services, and acting as the main customer interface with the community. Services include the coordination of council and committee meetings, records and information management and office support services. Legislative requirements under Privacy and Freedom of Information Acts are also administered here.	340
		279
		(61)
Finance, risk and audit	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, fleet management, insurance and risk management. Depreciation expense for all Council assets is included in this program area. Audit services include those provided by external and internal auditors, insurance auditors and Council's Audit Committee. <i>Major variance explanation: Asset write-offs mainly relating to a decrease in the revaluation of off street car park assets.</i>	1,776
		1,504
		(273)
Rates and information technology	This service is responsible for the raising and collection of rates and charges, and the maintenance of property information for both Council and Land Victoria databases. Expenditure related to external provision of both valuation and information technology services is also included.	71
		58
		(13)
TOTAL	Actual	3,635
	Budget	3,346
	Variance	(289)

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

Service/Indicator/Measure	2015-16	2014-15	Material Variations
Governance Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	6.54%	16.67%	Council has changed the way in which it prepares and considers contract tender reports. These reports are now considered in Council meetings open to the public, however include confidential attachments that are commercial in confidence information.
Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	57.00	62.00	Queenscliffe's result of 57 is above the Small Rural council group average of 55 and the State-wide average of 54.
Attendance <i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	85.88%	92.86%	Reduced attendance is due to the gap between Councillor appointments, for time taken by the Victorian Electoral Commission to conduct count-backs, following two Councillor resignations during the 2015/16 financial year.
Service Cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$34,005.18	\$33,285.80	
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	54.00	62.00	Queenscliffe's result of 54 is above the Small Rural council group average of 53 and equal to the State-wide average of 54.

Level of community satisfaction



Achievements

Increasing Information to Residents

51 media releases issued and 28 Mayor's Columns published in local newspapers.

Evaluating community satisfaction

The 2016 Community Satisfaction Survey results highlight that the Borough of Queenscliffe scored higher than both the average of the Small Rural Councils group and the State-wide average.

Rate Increase Minimised

The adopted rate increase of 3.8% for 2015–16 is a reduction on the increase of 4.5% foreshadowed in Council's Strategic Resource Plan.

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

Proactive risk management

Council updated and activated its Business Continuity Plan during the 2015–16 year to maximise the resilience and capability of Council to respond to a business disruption event and significantly reduce prolonged periods of interruption in service provision to the community.

State and Federal Grant Revenue Maximised

Total grant funding received by Council in 2015–16 was \$2,119,000.

Successful funding programs which are particularly noteworthy include:

- Roll out of new bins for green waste collection and disposal service which commenced in 2015–16
- Commencement of the final Stage 3 of the Point Lonsdale Foreshore Revitalisation project
- Completion of the Queenscliff Heritage Railway Precinct upgrade including redevelopment of the Queenscliff Senior Citizens Centre to incorporate the Queenscliff Sea Scouts
- Completion of projects under the former Country Roads & Bridges Program including shared trail maintenance, extension of ferry to pier trail and Lawrence Road car park upgrade.
- Completion of Stage 1 of the Queenscliff Kindergarten redevelopment
- Completion of new path on the Bellarine Highway to bus stop
- Continuation of coastal tender works at Ocean Road and The Narrows (a five year funded program)

Successful funding allocations achieved in 2015–16 for future capital works projects in the Borough of Queenscliffe with a high level of support from the local community included:

- State government funding secured to upgrade the caravan park, improve outdoor sporting facilities at Queenscliff Sport and Recreation Precinct and complete Stage 2 of the Queenscliff Sports Club building (Monahan Centre).

Refer to page 82 for an overview of the grants and subsidies received.

Effective financial reporting

Won a Gold Award for the 2014–15 Annual Report in the Australasian Reporting Awards for transparency and financial reporting.

Long-Term Financial Sustainability

Applying the six indicators of financial sustainability assessed by VAGO each year, Council remains in a sound financial position and is considered 'low' risk on five of the six financial sustainability indicators for the 2015–16 year. It is important to note that, while the internal financing indicator suggests Council is at 'high' risk, this outcome is a one year view only and does not factor in cash flows for capital works received in prior financial years, which were held in reserves and carried forward to fund these works when they were completed in the 2015–16 year.

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

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

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



Mirrah L-FRESH the LION performing at the Queenscliff Music Festival in 2015.



Australia Day Civic Ceremony at Queenscliff Town Hall.



Corporate governance

Council governance	68
Organisational governance	75
Governance and Management Checklist	84
Victorian local government indicators	88
Community satisfaction	89

Council governance

The value of good governance

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

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

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

Council's role

The Borough of Queenscliffe is one of 79 Victorian councils that derive their roles, powers and functions primarily from the Local Government Act 1989. Under section 3D of the Act:

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

The Borough of Queenscliffe performs this role by setting the strategic

direction of the municipality through the development of the Council Plan, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation on behalf of our community.

Decision making

Council decisions are made in one of two ways:

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

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO) and are exercised in accordance with adopted Council policies. This system recognises the CEO's responsibility under the *Local Government Act 1989* in managing the day-to-day operations of the organisation.

Conflict of interest

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

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

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

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

Elected representatives

Councillor elections

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

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

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

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

An extraordinary vacancy occurred on the Council following the resignation of Cr Graham Christie JP on 27 October 2015. Cr Greg Jones was elected to be a Councillor from 23 November 2015 following a countback that was conducted by the Victorian Electoral Commission.

A further extraordinary vacancy occurred on the Council following the resignation of Cr Greg Jones on 12 January 2016. Cr Peter Russell was elected to be a Councillor from 1 February 2016 following a secondary countback by the Victorian Electoral Commission.

Code of Conduct

Council has a Code of Conduct, which was last revised on 25 May 2016 to include the new requirements contained within the Local Government Act 1989. The code aims to:

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

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

Council Meeting Attendance

Councillor	Number of Council and statutory meetings		Number of special meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Helene Cameron (Mayor)	12	12	4	4
Cr Susan Salter	12	12	4	4
Cr Bob Merriman	12	11	4	3
Cr Sue Wasterval	12	11	4	3
Cr Peter Russell ³	5	4	3	3
Cr Greg Jones ²	2	2	0	0
Cr Graham Christie ¹	5	0	0	0

¹ Council Approved Leave of Absence from 1 July 2015 until resignation as Councillor on 27 October 2015

² Councillor from 23 November 2015 to 12 January 2016 ³ Councillor from 1 February 2016 to present

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:

- Wednesday 22 July 2015
- Wednesday 19 August 2015
- Wednesday 23 September 2015
- Wednesday 28 October 2015
- Wednesday 25 November 2015
- Wednesday 16 December 2015
- Wednesday 13 January 2016
- Wednesday 24 February 2016
- Wednesday 23 March 2016
- Wednesday 27 April 2016
- Wednesday 25 May 2016
- Wednesday 22 June 2016

During the 2015–16 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:

- 9 May 2016 in Queenscliff
- 10 May 2016 in Camberwell

In accordance with Section 71 of the Local Government Act 1989, at the Ordinary Meeting of Council on 25 November 2015, Cr Cameron was elected as Mayor for a one year term.

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

Councillor	Allowance	Expenses	Total
Cr Helene Cameron	\$53,226	\$105	\$53,332
Cr Bob Merriman	\$21,135	\$35	\$21,170
Cr Sue Wasterval	\$21,135	\$0	\$21,135
Cr Susan Salter	\$21,135	\$0	\$21,135
Cr Peter Russell	\$8,883	\$0	\$8,883
Cr Greg Jones	\$3,003	\$0	\$3,003
Cr Graham Christie	\$6,758	\$0	\$6,758
TOTAL	\$135,277	\$140	\$135,417

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

Interstate and overseas travel

The *Local Government Act 1989* requires councillors to register their interstate and overseas travel and associated expenses. In the 2015–16 financial year the Mayor, Cr Helene Cameron, registered travel expenses of \$2,366.62 to attend the 2016 National General Assembly of Local Government in Canberra and \$981.74 to attend the Australasian Reporting Awards in Sydney, both in June.

Committees of Council

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

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

Council also has a number of reference groups to provide advice and direction on specific projects. These reference groups consist of community members, councillors and Council staff. Reference groups as at 30 June 2016 include:

- Australia Day Awards Selection Reference Group
- Queenscliffe Park Project Reference Group
- Community Grants Advisory Reference Group
- Governance & Finance Portfolio Reference Group
- Heritage Committee
- Memorials and Plaques Reference Group
- Reconciliation Reference Group
- Sea Level Rise Reference Group

New committees and reference groups are established as required.

Tourism and Economic Development Advisory Committee

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

The Committee consists of seven industry and/or skills based members, Mr Matt McDonald, Mr David Beaumont, Mr Sean Blackwood, Ms Katalin Blond, Ms Lorraine Golightly, Mr Mark Gingell and Mr Rick Rogerson, as well as the Mayor and one Councillor. External

members are appointed for a three-year term. The chair is elected from amongst the external members.

The Committee meets at least four times a year. Council officers (including the Chief Executive Officer, General Manager Corporate and Community Services and Tourism and Community Development Program Leader) attend all meetings but are not formally part of the Committee. Recommendations from each Tourism and Economic Development Advisory Committee meeting are reported to, and considered by Council.

During the 2015–16 financial year the Tourism and Economic Development Advisory Committee met six times:

- 17 July 2015
- 11 November 2015
- 10 December 2015
- 3 February 2016
- 15 March 2016
- 3 May 2016

The Committee held its inaugural meeting on 17 July 2015. The new Committee subsequently identified strengths, weaknesses and opportunities within the Borough to develop a planning framework for short, medium and long term tourism and economic development needs. This framework identified the four key focus areas of governance, development, partnership and promotion. This formed the basis of a number of short term priority projects that were endorsed by Council and are being implemented with the advice and support of the Committee. The priority projects include:

- Establishment of a Queenscliff Winter Arts Festival
- Front beach clean up/beach raking
- Development of the Tourism & Economic Development Strategy
- Provision of tourism directional signage
- Marine and harbour activation project
- Development of a festival/event program

A future priority for the Committee is to contribute to the future development of Council's Tourism and Economic Development Strategy with State Government grant funding not yet confirmed at the end of the financial year.

Audit Committee

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

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

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

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

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

During the 2015–16 financial year the Audit Committee met three times:

- 14 September 2015
- 7 December 2015
- 27 June 2016

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

Internal audit

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

Internal audit topics reviewed by the Committee in the 2015–16 year include:

- Town Planning
- Capital works
- Compliance with Information Privacy Act / Freedom of Information
- Rates
- Performance reporting
- Fraud Health Check
- ongoing review of risk management (including OH&S)
- status of outstanding actions from previous internal audit reports

External audit

Council is externally audited by VAGO. For the 2015-16 year the annual external audit of Council's Performance Statement and Annual Financial Report was conducted by VAGO's representative. The external auditors attend the Audit Committee meetings in June and September to present the annual audit plan and independent external audit report on the Performance Statement and Annual Financial Report. The external audit management letter and management responses are also provided to the Audit Committee and progress status reports on agreed recommendations are reviewed regularly.

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

Governance

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

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

Other significant items received by the Committee included:

- VAGO reports on emerging issues, with Council officers providing comment on the Borough's position. The topics reviewed included responses to 2012–13 and 2013–14 performance audit recommendations, implementing the Gifts, Benefits and Hospitality Framework, access to public sector information, review of ICT projects and initiatives, bullying and harassment in the health sector, managing and reporting on performance and cost of capital projects, reducing the burden of red tape and results of the 2013–14 Local Government audits.
- biannual reports from Council officers on the Risk Management Committee's activities, including incident reporting, emergency response management, progress regarding outstanding audit recommendations, review of insurance audits, an update of Council's review of the Risk Register, rollout of the risk management training for staff and updating of the Business Continuity Plan.
- revised Council policies, including Conservation Covenant Incentive, Gifts, Benefits & Hospitality, Information Privacy, Reimbursement of Councillor Expenses, Councillor Resources and Support & Facilities and Election Caretaker Period policies.

- review of the annual Local Government Community Satisfaction Survey, which compares performance across all Victorian councils.
- review of the implications of the pause in indexation of the Victorian Grants Commission Financial Assistance Grants.
- Advice to Council in review of the Audit Committee charter.

Risk management

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

Incident reporting is an important part of Council's risk plan and, where potential liability is identified or incidents occur, these are referred to Council's insurers or to the relevant government department. Incident reporting is included in Council's quarterly finance reports during the year. An average of 5–6 incidents is reported each quarter and followed up in line with Council's risk management policies and procedures.

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

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

The standing agenda for the Risk Management Committee comprises:

- review of audit reports and actioning the recommendations of internal and external auditors as well as insurance audits
- assessment of risk management, taking into account: incident/risk reports, emergency response, business continuity and disaster recovery, risk training schedule, risk register review and ensuring appropriate insurance policies are in place.

Business continuity

Work has been undertaken in the area of Business Continuity Management (BCM) to ensure documentation is up to date and in line with current good practice guidelines and standards. Council updated and activated its Business Continuity Plan during the 2015–16 year to maximise the resilience and capability of Council to respond to a business disruption event in a controlled and methodical manner and significantly reduce prolonged periods of interruption in service provision to the community. A Business Disruption Exercise was conducted to test the Plan, involving the Business Continuity Committee and key staff. The exercise simulated an event impacting the Council offices and focused on testing the understanding and effectiveness of delegated roles and responsibilities under the Business Continuity Plan.

Insuring our risks

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

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

- Councillors and officers liability (professional indemnity)
- motor vehicle accidents
- personal accident/corporate travel
- personal accident (Council associated organisations)
- personal accident and sickness (employees and Councillors)
- commercial crime (fidelity)

Insurance premiums have increased by 3% (\$4,000) compared with the 2014–15 year, factoring in the claims experience of Council.

Officers continue to attend regular Best Practice Forums conducted by Council's insurance brokers and attended by other councils within the region. This is an important source of information in helping to manage Council's risks in the most appropriate manner.

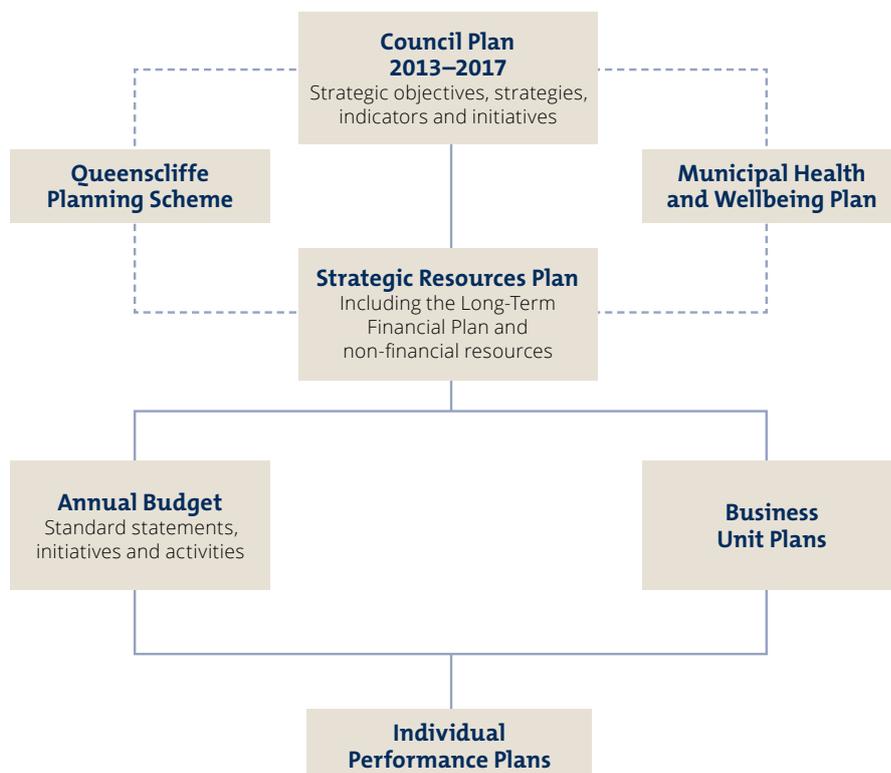
Business planning framework

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

The Borough of Queenscliffe's Council Plan 2013–2017 was produced after a comprehensive process that included extensive strategic research on the key drivers and trends affecting the current and future growth and welfare of our community, inputs from councillors and Council staff, community consultation and consideration of statutory and contractual requirements.

The 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.

The diagram below depicts Council's strategic planning framework.



Policies, strategies and plans

The following strategies and key planning documents were reviewed and/or adopted by Council during 2015–16.

Title	Date adopted
2014/15 Annual Financial Report	23/09/2015
2014–2015 Annual Report	28/10/2015
Rating Strategy	13/04/2016
2016/17 Implementation Plan	22/06/2016
2016/17 Budget including the Strategic Resource Plan	22/06/2016

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

Legislative compliance

Information privacy

Council is committed to protecting the personal privacy of residents and ratepayers. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where required by law, as per the Privacy and Data Protection Act 2014. Council's Information Privacy Policy is available on Council's website.

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

Information and records management

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

Freedom of information

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

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

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

summary as follows:

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

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

Council received three requests for information during the financial year 2015–16.

Documents available for inspection

A range of public information is available for public inspection under Regulation 12 of the Local Government (General) Regulations 2015 that is not included on Council's website. Information is contained in large documents or registers from which specific detail can be sourced. This includes:

1. Details of overseas or interstate travel undertaken in an official capacity by any Councillor or member of Council staff.
2. Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
3. Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
4. Minutes of ordinary and special meetings held in the previous 12 months which are kept under Section 93 of the Act (except if closed to members of the public under section 89 of the Act).
5. Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months (except if closed to members of the public under section 89 of the Act).
6. The register of delegations kept under sections 87 and 98 of the Act.

7. A document containing details of all leases involving land which were entered into by Council as lessor.
8. The register of authorised officers appointed under section 224 of the Act.
9. List of donations and grants made by the Council during the financial year.
10. List of the names of the organisations of which the Council was a member during the financial year.
11. Contracts required to be listed valued at \$150,000 or more.

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

Protected disclosures

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

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

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

the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

During the financial year 2015–16 no disclosures were made to the Borough of Queenscliffe, or to the Independent Broad-based Anti-corruption Commission (IBAC).

Road management

As a road authority, in accordance with Section 22 of the Road Management Act 2004, Council is required to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2015-16.

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 micro-chipping and de-sexing pets, and the need for a strategic approach to manage domestic animals in the community. Refer to page 76 for the number of animals registered within the Borough of Queenscliffe.

Fire prevention

Under the Country Fire Authority Act 1958 Council is required to have a Municipal Fire Prevention Plan and to evaluate its implementation in its annual report. Council's Fire Prevention Plan 2012–2015 was adopted by Council on 19 December 2012.

Council's 2014–15 Annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In 2015–16, no properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 100% compliance rate. This reflects the increase in awareness and may be attributed to the substantial advertising campaign implemented by the State Government. The number of vacant allotments within the Borough is being reduced due to new home construction activity which has also impacted the numbers of notices issued.

Organisation governance

Best Value Principles

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

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

Council's Best Value Program has been completed in accordance with its legislative requirements. Council derives learning from the ongoing review applied to all Council services. This has been achieved through the budget process, business planning, continuous improvement, innovation and by adherence to the procurement requirements of the *Local Government Act 1989* and Council's Procurement Policy.

Procurement

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

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

During the year Council did not enter into contracts valued at \$150,000 or more for services or \$200,000 or more for works of a kind specified in Section 186(5)(a) or (c) of the *Local Government Act 1989*. It also did not enter into any contracts valued at \$150,000 or more for goods or services or \$200,000 for works without engaging in a competitive tendering process.

Continuous service improvements

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

Waste Management

During 2015–16 Council introduced a mobile bin based kerbside green waste collection service. The service replaced an existing bundled green waste collection service that had been provided six times annually in recent years. Members of the community indicated to Council that the bundled green waste service was inadequate. This position was supported by the majority of the community as evidenced by a community survey undertaken by Council. In response to the community's demand the bin based kerbside green waste service which is collected fortnightly was introduced during July 2015. With the assistance of a proactive community Council the introduction of this service has resulted in a reduction of waste to landfill by approximately 190 tonnes in comparison to the 2014–15 financial year. This represents a 14.5% reduction on the previous year prior to the introduction of the bin based green waste service.

The green waste collected and diverted from landfill is composted and utilised locally within the Bellarine region at farms and vineyards as a soil conditioner as an additional environmental benefit.

Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2016. The revaluation will apply in the rating year commencing 1 July 2016.

Local laws

Council has two local laws that aim to protect and enhance the community's general way of life and wellbeing. They provide for peace, order and good government. The Council's power to make these local laws is contained in sections 91 and 111 of the *Local Government Act*

1989. The current local laws were adopted on 24 December 2010.

Local Law No. 1 2010 – Process of Municipal Government

The objectives of this local law are to:

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

Local Law No. 2 2010 – Community Amenity

The objectives of this local law are to:

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

Infringements, registrations and permits issued

In 2015–16 a number of infringement notices, registrations and permits were issued under these local laws. These are summarised below.

Infringement notices	2015–16	2014–15	2013–14	2012–13
Parking infringements	203	263	243	321
Animal infringements	4	1	4	9
Local law infringements	2	2	4	1
Fire prevention	0	0	0	0
Planning		0	0	3
Total	209	266	251	334

Court briefs	2015–16	2014–15	2013–14	2012–13
Court briefs	0	0	0	0
Total	0	0	0	0

Local law permits	2015–16	2014–15	2013–14	2012–13
Consume alcohol	16	17	10	27
Weddings	13	20	25	16
Major events	28	29	24	21
Bulk rubbish bins	5	12	9	14
Disabled parking	52	168	219	66
Outdoor eating facilities	20	14	12	7
Goods for sale	22	8	8	12
A-frames	39	25	25	44
Residential parking	0	0	0	0
Boat ramp	240	252	265	260
Other	42	39	38	64
Total	477	584	635	531

Animal management	2015–16	2014–15	2013–14	2012–13
Animals registered	751	758	728	708
- Dogs	622	629	595	576
- Cats	129	129	133	132
Impounded animals	33	33	25	14
Door knocks (streets)	82	74	67	47
Animal warning notices	396	178	159	172
Native animal responses	47	39	29	34
Total	1309	1,082	1,008	975

Notices	2015–16	2014–15	2013–14	2012–13
Fire prevention	16	11	11	19
Non-compliance of notices	0	0	0	0
Total	16	11	11	19

Outside hours	2015–16	2014–15	2013–14	2012–13
After hours calls	197	98	87	74
After hours call-outs	53	34	24	18
Total	250	132	111	92



Queenscliff Town Hall.

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 2015–16, Council gifted a total of \$120,822 to the Borough community and represents a substantial investment in our volunteers, the social fabric of this community.

Recipient	Purpose of community grants and donations	2015–16	2014–15
Community events			
Queenscliff Music Festival (QMF)	Support of the event (cash donation and in-kind support)	\$23,115	\$20,725
Australia Day	Australia Day celebrations	\$4,387	\$5,180
Volunteer Day	Volunteer Day celebrations	\$4,296	\$3,393
Point Lonsdale Christmas Tree	Point Lonsdale Christmas Tree festivities	\$4,201	\$5,846
Artists in Residence	Arts event	\$4,105	\$3,344
Refugee Welcome Zone	Refugee welcome event	\$2,851	\$0
Senior Citizens Week	Senior Citizens Week activities	\$2,576	\$4,100
Maritime Weekend	Maritime Weekend activities	\$2,000	\$2,000
Mountain to Mouth	Art installation	\$2,000	\$0
Sea of Words	Sea of Words event	\$1,712	\$3,515
Films	Films event	\$448	\$1,098
Other event support	Other event support including ANZAC Dawn Service, Red Cross High Tea, Small Business Festival & QMF clean-up	\$12,370	\$29,261
150 Years of the Borough	Celebrating 150 Years of the Borough	\$0	\$6,655
Childrens Week	Support of the event (in-kind support)	\$0	\$695
Sub Total : Community events		\$64,061	\$85,813
Contribution to operating costs			
Point Lonsdale Surf Life Saving Club	Lifeguard services	\$29,012	\$27,896
Queenscliff Reconciliation Week	Reconciliation activities	\$2,200	\$2,200
Australian Volunteer Coastguard Association	Coastguard services	\$0	\$5,000
Point Lonsdale Tennis Club	Water usage	\$0	\$68
Sub Total : Contribution to operating costs		\$31,212	\$35,164
Arts & Cultural Development Grants			
	2015/16 Year	2014/15 Year	
Point Lonsdale Board Riders Club	Power access to Clubhouse	\$2,000	\$0
Point Lonsdale Primary School	Engagement of Indigenous artist Bronwyn Razem and Wathaurung Elder for art and nature workshops across all three schools	\$2,000	\$0
Queenscliff Literary Festival	Festival keynote speaker fees and costs	\$2,000	\$0
Queenscliffe Historical Museum	Purchase of display cabinets for 50 years celebration	\$2,000	\$0
Uniting Church Outreach Group	Hosting a refugee weekend camp	\$2,000	\$0

Recipient	Purpose of community grants and donations		2015-16	2014-15
Arts & Cultural Development Grants				
	2015/16 Year	2014/15 Year		
Queenscliffe Maritime Museum	Replacement of roller door in Fishermen's co-op building		\$1,775	\$0
Queenscliff Senior Citizens	Replacement of 10 damaged chairs		\$1,600	\$0
Point Lonsdale Bowls Club	Safety equipment and access		\$1,500	\$0
Point Lonsdale Surf Life Saving Club	3mx 3m Club marquee		\$1,500	\$0
Queenscliffe Neighbourhood House	Expansion of House Gallery Lighting		\$1,500	\$0
Friends of the Marine Discovery Centre	Lured – Discovering our marine and freshwater environments for Arcare residents, kindergarten and younger school aged children	Rangers program for local school students	\$1,250	\$2,000
Point Lonsdale Tennis Club	Family tennis for beginners		\$350	\$0
Queenscliff Coast Guard	New microwave for kitchen		\$140	\$0
Queenscliff & District Men's Shed		Improvements to safety, accessibility and viability of Men's Shed	\$0	\$5,000
Bellarine State Emergency Service		Community outreach equipment	\$0	\$2,000
Queenscliff Football Netball Club		Netball equipment	\$0	\$2,000
Queenscliff/Point Lonsdale RSL Sub Branch		Anzac Day 2015 Dawn Service audio equipment	\$0	\$2,000
St. Aloysius Catholic Primary School		St. Aloysius fun run	\$0	\$2,000
YMCA Camp Wyuna		Purchase of a beach access wheelchair	\$0	\$2,000
Queenscliff Toy Library		Celebration of 30 years	\$0	\$900
Point Lonsdale/Queenscliff Unit of the Red Cross		Purchase of plaque and tree for commemoration of Centenary of Red Cross in Queenscliffe	\$0	\$798
Swan Bay Environment Association Inc.		Purchase and installation of two Hungry bins for compost production	\$0	\$490
Sub Total : Arts & Cultural Development Grants			\$19,615	\$19,188
Youth Cultural Program				
Youth Cultural Program	Youth week		\$4,994	\$5,130
Sub Total: Youth Cultural Program			\$4,994	\$5,130
Education Awards				
Bellarine Secondary College	Scholarship		\$1,000	\$1,000
St. Aloysius Primary School	Scholarship		\$0	\$100
Sub Total: Youth Cultural Program			\$1,000	\$1,100
TOTAL GRANTS AND DONATIONS PAID TO LOCAL ORGANISATIONS			\$120,882	\$146,395

Grants and subsidies received

In 2015–16 Council received a total of \$2,119,389 in grants and subsidies from external sources.

Purpose	Type	Period	Funding	Source	2015-16 Actual	2014-15 Actual
Aged Care – Community Aged Care Packages	Operating	Recurrent	Federal	Department of Health & Ageing	\$64,095	\$49,188
Home Care Packages Program Implementation	Operating	Non-recurrent	Federal	Department of Health & Ageing	\$2,192	\$0
Fort Queenscliff Development Plan	Operating	Non-recurrent	Federal	Austrade	\$0	\$25,000
Sub total : Federal funding					\$66,287	\$74,188
Queenscliff Sports & Recreation Precinct Development	Capital	Recurrent	State	Sport & Recreation Victoria - Department of Health & Human Services	\$930,000	\$0
Queenscliff Sports & Recreation Precinct Development	Operating	Non-recurrent	State	Sport & Recreation Victoria - Department of Health & Human Services	\$70,000	\$0
Aged Care - Domestic Assistance	Operating	Recurrent	State	Department of Health	\$149,328	\$138,105
Aged Care - Personal Care	Operating	Recurrent	State	Department of Health	\$49,563	\$60,480
Aged Care - Assessments	Operating	Recurrent	State	Department of Health	\$43,331	\$44,940
Aged Care - Home Maintenance	Operating	Recurrent	State	Department of Health	\$39,657	\$39,071
Aged Care - Minor Works	Capital	Recurrent	State	Department of Health	\$28,104	\$8,822
Aged Care - Respite Care	Operating	Recurrent	State	Department of Health	\$22,840	\$15,345
Point Lonsdale Foreshore Revitalisation Stage 3 – Village Park Upgrade	Capital	Non-recurrent	State	Regional Development Victoria	\$180,000	\$120,000
Point Lonsdale Foreshore Revitalisation Stage 3 – Village Park Upgrade	Capital	Non-recurrent	State	Sport & Recreation Victoria – Department of Health & Human Services	\$72,000	\$0
General Purpose	Operating	Recurrent	State	Victoria Grants Commission	\$97,033	\$305,976
Local Roads	Operating	Recurrent	State	Victoria Grants Commission	\$27,264	\$77,440
Queenscliff Historic Railway Precinct	Operating	Non-recurrent	State	Department of State Development, Business & Innovation	\$72,000	\$0
Queenscliff Historic Railway Precinct - Senior Citizens & Sea Scouts Buildings	Capital	Non-recurrent	State	Department of State Development, Business & Innovation	\$28,000	\$100,000
Maternal and Child Health	Operating	Recurrent	State	Department of Education & Early Childhood Development	\$39,618	\$48,240
Fire Services Levy Implementation	Operating	Recurrent	State	State Revenue Office - Department of Treasury & Finance	\$35,855	\$34,819
Community Development Officer	Operating	Recurrent	State	Department of Health	\$32,975	\$32,488
Green Waste Bins	Capital	Non-recurrent	State	Sustainability Victoria	\$23,086	\$100,000
Climate Resilient Communities of the Barwon South West Adaptation Planning Project	Operating	Non-recurrent	State	Victorian Adaptation and Sustainability Partnership (VASP)	\$20,000	\$0

Purpose	Type	Period	Funding	Source	2015-16 Actual	2014-15 Actual
School Crossing Supervisors	Operating	Recurrent	State	Department of Transport, Planning & Local Infrastructure	\$16,780	\$16,372
Walk to School	Operating	Recurrent	State	Vic Health	\$16,262	\$8,085
Beach Cleaning	Operating	Recurrent	State	Department of Sustainability & Environment	\$12,722	\$12,372
New path on Bellarine Highway to bus stop	Capital	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	\$12,500	\$0
Senior Citizens Centre	Operating	Recurrent	State	Department of Health	\$8,244	\$8,122
Installation of additional water fountains	Capital	Non-recurrent	State	Victorian Adaptation and Sustainability Partnership (VASP)	\$5,000	\$0
ANZAC Day 2015	Operating	Recurrent	State	Department of Veteran Affairs	\$4,500	\$11,091
Open Space Strategy	Capital	Non-recurrent	State	Department of Planning and Community Development	\$3,000	\$0
Victorian Seniors Festival - Senior Citizens Week	Operating	Recurrent	State	Department of Health	\$2,600	\$2,600
Country Roads & Bridges Program	Operating	Non-recurrent	State	Department of Transport, Planning & Local Infrastructure	\$0	\$513,055
Country Roads & Bridges Program	Capital	Non-recurrent	State	Department of Transport, Planning & Local Infrastructure	\$0	\$486,945
Point Lonsdale Foreshore Revitalisation Stage 2 - Underground Power	Operating	Non-recurrent	State	Regional Development Victoria	\$0	\$263,320
Point Lonsdale Foreshore Revitalisation Stage 2 - Underground Power	Operating	Non-recurrent	State	Regional Development Australia Fund	\$0	\$205,000
Ferry to the Pier	Operating	Non-recurrent	State	Regional Development Victoria	\$0	\$125,000
Fort Queenscliff Development Plan	Operating	Non-recurrent	State	Regional Development Victoria	\$0	\$35,000
Fort Queenscliff Development Plan	Operating	Non-recurrent	State	Tourism Greater Geelong and the Bellarine	\$0	\$20,000
Regional Public Place Recycling	Operating	Non-recurrent	State	Sustainability Victoria	\$0	\$14,962
Regional Victoria Living Expo	Operating	Non-recurrent	State	Regional Development Victoria	\$0	\$10,000
Lighthouse Reserves Development Plan	Capital	Non-recurrent	State	Department of State Development, Business & Innovation	\$0	\$5,500
G21 Tennis Strategy	Operating	Non-recurrent	State	Sport & Recreation Victoria - Department of Planning and Community Development	\$0	\$5,000
Tobacco Activity Program - No Smoking Signs	Operating	Non-recurrent	State	Department of Health	\$0	\$5,000
Community Environment Alliance	Operating	Non-recurrent	State	Department of Environment & Primary Industries	\$0	\$3,648
Emergency Management	Capital	Non-recurrent	State	Department of Health	\$0	\$2,358

Purpose	Type	Period	Funding	Source	2015-16 Actual	2014-15 Actual
Youth Obstacle Course	Operating	Non-recurrent	State	Department of Health	\$0	\$2,000
Childrens Week	Operating	Non-recurrent	State	Department of Education & Early Childhood Development	\$0	\$500
Sub total: State funding					\$2,042,261	\$2,881,656
Tobacco Activity Program	Operating	Recurrent	Other	Municipal Association Victoria	\$13,861	\$10,376
WISE Return to Work Scheme	Operating	Non-recurrent	Other	Worksafe Victoria	(\$3,019)	(\$3,883)
BPay View Implementation	Operating	Non-recurrent	Other	Bendigo and Adelaide Bank	\$0	\$4,545
Sub total : Other funding					\$10,841	\$11,038
Total grants and subsidies received by Council					\$2,119,389	\$2,966,882

Memberships of organisations

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

Organisation	Membership contribution		
	2015-16	2014-15	Notes
Municipal Association of Victoria (MAV) – Membership	\$7,474	\$7,186	
Municipal Association of Victoria (MAV) – Step Asset Management Program	\$7,000	\$7,000	
Municipal Association of Victoria (MAV) – Small Rural Councils of Victoria	\$3,000	\$3,000	
Municipal Association of Victoria (MAV) – Australian Standards Sector-Wide Access Program	\$2,208	\$0	1
Municipal Association of Victoria (MAV) – LG Information Communications Technology	\$277	\$267	
Tourism Greater Geelong and the Bellarine – Membership	\$16,277	\$15,803	
Tourism Greater Geelong and the Bellarine – Tourism Excellence Professional Development Program	\$2,500	\$2,500	
Tourism Greater Geelong and the Bellarine – Caravan Parks Membership	\$647	\$628	
Bellarine Catchment Network	\$11,520	\$11,520	
G21 Regional Alliance	\$7,000	\$7,000	
Association of Bayside Municipalities (ABM)	\$4,942	\$4,824	
Victorian Caravan Parks Association (Vic Parks)	\$3,484	\$3,269	
CPA Australia	\$1,423	\$1,231	2
Local Government Professionals (LGPro)	\$1,077	\$1,842	3
Victorian Chamber of Commerce and Industry (VECCI)	\$650	\$385	
Local Government Finance Professionals (FinPro)	\$356	\$220	2
Tourism Accreditation Program	\$439	\$439	
Revenue Management Association (RMA)	\$380	\$570	4
Environmental Health Professionals	\$295	\$318	4
Waste Management Association of Australia	\$202	\$250	5
School Crossings Victoria	\$95	\$95	
ANSTAT	\$88	\$86	
Victorian Tourism Industry Council	\$595	\$595	4
Star Ratings Australia	\$0	\$411	5
Mainstreet Australia	\$455	\$159	6
Total membership contributions	\$72,385	\$69,598	

Notes:

1. New memberships commenced in the 2015/16 financial year.
2. Additional membership fees for new staff.
3. The contribution paid in 2015/16 is less (some of this contribution was prepaid in 2014/15).
4. Reduction in cost of memberships for staff.
5. Memberships ceased at the end of 2014/15 or during the 2015/16 year.
6. Membership includes addition of the RIP Chamber of Commerce in 2015/16.

Governance and management checklist

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

#	Governance and Management Items	Assessment	Tick
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation Date of operation of current policy: 24/09/2014	<input checked="" type="checkbox"/>
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date of operation of current guidelines: 24/09/2014	<input checked="" type="checkbox"/>
3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act Date adopted in accordance with section 126 of the Act: 22/06/2016	<input checked="" type="checkbox"/>
4	Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act Date adopted in accordance with section 130 of the Act: 22/06/2016	<input checked="" type="checkbox"/>
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation Date of operation of current plans: General information 18/09/2007 Road Network 18/09/2007 Buildings & Facilities 18/09/2007 Open Space 16/09/2008 Urban Stormwater Drainage 16/09/2008	<input checked="" type="checkbox"/>
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation Date of operation of current strategy: 13/04/2016	<input checked="" type="checkbox"/>
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of operation of current policy: 29/04/2015	<input checked="" type="checkbox"/>
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of operation of current policy: 29/04/2015	<input checked="" type="checkbox"/>
9	Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> : 09/11/2015	<input checked="" type="checkbox"/>
10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Not prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Reason for no review: Council review occurred on 27 July 2016. No material changes were applied to the Policy. Delay of one month due to limited organisational capacity.	<input checked="" type="checkbox"/>
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of operation of current plan: 15/06/2016	<input checked="" type="checkbox"/>
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	No current plan in operation Reason for no plan: Disaster Recovery Plan to be developed and incorporated into the Business Continuity Plan following the June 2016 implementation of the revised Business Continuity Plan	<input checked="" type="checkbox"/>
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of operation of current framework: 29/04/2015	<input checked="" type="checkbox"/>
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act Date Committee was established in accordance with section 139 of the Act: 30/10/2013	<input checked="" type="checkbox"/>

#	Governance and Management Items	Assessment	Tick
15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement of Internal auditor: 08/12/2014	<input checked="" type="checkbox"/>
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation Date of operation of current framework: 04/06/2014	<input checked="" type="checkbox"/>
17	Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates of performance reporting review: 2014/15 Quarter 4 Council Plan Progress Report 19/08/2015 2015/16 Quarter 1 Council Plan Progress Report 28/10/2015 2015/16 Quarter 2 Council Plan Progress Report 24/02/2016 2015/16 Quarter 3 Council Plan Progress Report 27/04/2016	<input checked="" type="checkbox"/>
18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act Dates of Quarterly statements presented to Council in accordance with section 138(1) of the Act: 2014/15 Quarter 4 Finance Report 23/09/2015 2015/16 Quarter 1 Finance Report 28/10/2015 2015/16 Quarter 2 Finance Report 24/02/2016 2015/16 Quarter 3 Finance Report 27/04/2016	<input checked="" type="checkbox"/>
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented Dates of presentation of reports: Rolling Program of Internal Audit Topics 27/06/2016 Internal Audit Report 2015 2nd Semester 07/12/2015 Internal Audit Report 2016 1st Semester 27/06/2016 Audit Committee Meeting 14/09/2015 Audit Committee Meeting 07/12/2015 Audit Committee Meeting 27/06/2016 Ordinary Council Meeting 22/07/2015 Ordinary Council Meeting 23/09/2015 Ordinary Council Meeting 13/01/2016	<input checked="" type="checkbox"/>
20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented Date of presentation of reports: 2014/15 Performance Report 25/03/2015 2015/16 YTD (6 months) Performance Report 23/03/2016	<input checked="" type="checkbox"/>
21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act Date of consideration of Annual report at a meeting of Council in accordance with section 134 of the Act: 28/10/2015	<input checked="" type="checkbox"/>
22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act Date of review of code in accordance with section 76C of the Act: 25/05/2016	<input checked="" type="checkbox"/>
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of review of delegations in accordance with section 98(6) of the Act: 03/06/2014	<input checked="" type="checkbox"/>
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law was made in accordance with section 91(1) of the Act: 14/12/2010	<input checked="" type="checkbox"/>

Certification of the governance and management checklist

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

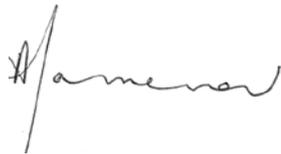


Leonard Jenner

Chief Executive Officer

Date: 21 September 2016

Queenscliff



Councillor Helene Cameron

Councillor

Date: 21 September 2016

Queenscliff



Council celebrated its Refugee Welcome Zone anniversary of status with local residents.

Victorian local government indicators

Performance Snapshot

Indicators	2013/14	2014/15	2015/16	Note
Affordability / Cost of Governance				
Average Rates and Charges per Assessment	\$1,936.18	\$2,024.01	\$2,143.75	1
Average Rates and Charges per Residential Assessment	\$1,899.44	\$1,988.95	\$2,111.77	1
Sustainability				
Average Liabilities per Assessment	\$762.14	\$923.16	\$657.46	2
Underlying Operating Result per Assessment	\$209.78	(\$78.24)	(\$62.26)	3
Services				
Average Operating Expenditure per Assessment	\$3,147.25	\$3,572.49	\$3,291.04	4
Community Satisfaction Rating for Overall Performance generally of the Council	71	68	63	5
Infrastructure				
Average Capital Expenditure per Assessment	\$739.31	\$577.14	\$744.52	6
Renewal Gap	90%	81%	137%	7
Renewal and Upgrade Gap	98%	123%	164%	8
Renewal and Maintenance Gap	96%	83%	119%	9
Governance				
Community Satisfaction Rating for Council's Advocacy and Community Representation on Key Local Issues	61	63	55	10
Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	65	62	54	11
Additional Sustainability Data				
Operating Surplus per Income Statement	\$1,733,866	\$664,466	\$3,186,094	12
Underlying Operating Surplus / (Deficit) – (Capital Income and other abnormals removed)	\$636,468	(\$239,025)	(\$190,701)	3

Notes to the Performance Snapshot:

- Reflects the 3.8% rate increase adopted by Council, supplementary rates and charges including an additional 8 properties, as well as a shift in rating type for 27 properties from residential to tourist accommodation, during the 2015/16 financial year.
- Reduction in trade payables (previous year included significant payables for Queenscliff Kindergarten and Lawrence Road Car Park capital works), coupled with scheduled loan redemption payments.
- The underlying deficit result reflects a number of projects for which budgets and grant funding were received in prior years (and held in cash reserves), for projects which are completed (or underway) during the 2015/16 year.
- Some operating projects have been carried forward for completion in the 2016/17 financial year.
- Queenscliffe's result of 63 is higher than both the Small Rural Councils group average of 57 and the State-wide average of 59.
- Significant capital works expenditure in 2015/16 includes completion of the Queenscliff Kindergarten redevelopment and Queenscliff Historic Railway Precinct, commencement of Stage 3 Point Lonsdale foreshore revitalisation and the purchase of new green waste bins.
- The renewal gap ratio measures the rate of capital spending on asset renewal compared with the value of the assets used (depreciation) during the year. In addition to the 2015/16 outcome being above the target of 100%, Council has maintained an average in excess of 100% over the past 10 years.
- The renewal and upgrade gap ratio measures the rate of capital spending on renewal and upgrade of existing assets (as opposed to the creation of new assets) compared to the value of the assets used (depreciation) during the year. This outcome has averaged in excess of 100% over the past 10 years.
- 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 planned maintenance during the year. The 2015/16 outcome reflects significant projects completed in 2015/16.
- Queenscliffe's result of 55 is higher than both the Small Rural Councils group average of 54 and the State-wide average of 53.
- Queenscliffe's result of 54 is higher than the Small Rural Councils group average of 53 and equal to the State-wide average of 54.
- The increase in operating result is predominantly due to a net asset revaluation increment of \$2.997m for the 2015/16 financial year. Excluding this net asset revaluation increment, the operating result would have been a surplus of \$189k, noting this result is less than in previous years due to a loss on sale of fixed assets totalling \$853k in the 2015/16 year.

Community satisfaction

The 2016 Community Satisfaction Survey service areas results are summarised in the table below and include the Borough of Queenscliffe Council score against the average score statewide and within the 'small Shires grouping' and a comment on the comparative results.

Results from the Local Government Community Satisfaction Survey are included as key performance indicators in the 2013–2017 Council Plan and are reported in the Borough of Queenscliffe Council's Annual Report.

Service	BoQ Score	Statewide Score	Small Shires Score	BoQ Comparative Results
Overall Council Direction	51	51	50	Same as statewide and higher than LGA grouping
Consultation & Engagement	57	54	55	Higher than statewide and LGA grouping
Lobbying on behalf of the Community	55	53	54	Higher than statewide and LGA grouping
Community Decisions Made	54	54	53	Same as statewide and higher than LGA grouping
Informing the Community	63	59	58	Significantly higher than statewide and LGA grouping
Customer Service	71	69	69	Higher than statewide and LGA grouping
Sealed local roads	65	54	52	Significantly higher than statewide and LGA grouping
Streets and footpaths	63	58	54	Significantly higher than statewide and LGA grouping
Parking	61	56	61	Significantly higher than statewide and same as LGA grouping
Traffic Management	65	59	65	Significantly higher than statewide and same as LGA grouping
Law Enforcement	61	63	64	Lower than statewide and LGA grouping
Family Support Services	64	66	66	Lower than statewide and LGA grouping
Elderly Support Services	68	68	70	Same as statewide and lower than LGA grouping
Recreational facilities	72	69	68	Higher than statewide and LGA grouping
Public areas	74	71	73	Higher than statewide and LGA grouping
Arts Centres & Libraries	69	72	71	Lower than statewide and LGA grouping
Community activities	68	69	65	Lower than statewide and higher than LGA grouping
Waste management	79	70	69	Significantly higher than statewide and LGA grouping
Business/development and tourism	63	60	61	Higher than statewide and LGA grouping
Town Planning	55	52	49	Higher than statewide and significantly higher than LGA grouping
Planning & Building Permits	50	50	50	Same as both statewide and LGA grouping
Environmental sustainability	63	63	61	Same as statewide and higher than LGA grouping

The survey results report provide an important insight into the Borough of Queenscliffe Council's performance against the Statewide averages and the results achieved by the grouping of 16 other 'Small Rural Councils'. The survey results focus attention on those where Council has achieved and needs to maintain comparatively high performance standards as well as those areas needing improvement. The results assist Council in its medium to long term planning and allocation of resources as identified in the Council Plan and the short to medium term program or service interventions and improvements that can be achieved.



Mirror image of Shellfish Hatchery.



Performance Statement

Understanding the Performance Statement	92
Sustainable Capacity Indicators	93
Service Performance Indicators	94
Financial Performance Indicators	96
Other Information	98
Certification of the Performance Statement	99
VAGO Independent Auditor's Report on the Performance Statement	100

Understanding the Performance Statement

Local Government Performance Reporting Framework

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

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

In 2012, the Victorian Government introduced a mandatory system of performance reporting for councils which prescribes performance information to be included in councils' annual reports from 1 July 2014. The framework aims to ensure that performance information reported in the annual report is relevant, balanced, appropriate and clearly aligned with Council Plan strategic objectives to ensure performance reporting is meaningful to the community.

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

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

- a governance and management checklist (page 86)
- other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (page 94)
- a statement that reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan (page 41)

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

What is the Performance Statement?

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

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

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

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

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

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 100 for the Certification of the Performance Statement and page 150 for the VAGO Independent Auditor's Report.

Description of municipality

The Borough of Queenscliffe is located to the south of Melbourne on the south eastern tip of the Bellarine Peninsula. The Borough has a land area of 10.7 square kilometres all of which is essentially coastal land. The Borough was proclaimed a municipality in 1863 and is unique in Victoria in that it is the only Local Government untouched by any boundary change. It remained unchanged through the amalgamation process in the first half of the 1990's.

The estimated resident population as at 30 June 2013 was 3,058 (2012: 3,085). It is anticipated that the population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non permanent ownership of property. In the 2011 Census, the population aged 65 years and older was 33.7%, compared with the Victorian average of 14.2%. The Borough's population aged 65 years and older is estimated to be 40% in 2016 and 45% by 2031. For this reason, there is significant emphasis on the need to provide aged services.

The Census population of the Borough of Queenscliffe in 2011 was 2,999, living in 2,777 dwellings with an average household size of 1.08 compared with the average household size of 1.40 in regional Victoria. Property values in the Borough are generally high with the top quartile averaging \$1,297,950 and the overall median house price being \$664,000.

Council has in recent years attracted significant levels of government grant funding, particularly under the Country Roads & Bridges Program (\$1,000,000 p.a. over four years to 2014/15) and the Local Government Infrastructure Fund (\$813,000 over four years to 2014/15). Both these important sources of government funding came to an end in the 2014/15 financial year, placing pressure back on Council's rates budget and user fees and charges in order to achieve the same level of services as is currently provided for the community.

Sustainable Capacity Indicators

For the Year Ended 30 June 2016

<i>Indicator/measure</i>	Results 2014/15	Results 2015/16	Material Variations
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,781	\$2,964	Rate revenue represents almost 60% of own source revenue. In addition, the Borough attracts significant user fees and charges income, particularly with respect to fees from caravan parks and camping.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$302	\$542	Significant funding of \$1m was recognised in 2015/16 for the Queenscliff Sports & Recreation Precinct, a project which will be completed over three years (\$3.155M total grant funding). Council receives minimal funding from the Victoria Grants Commission (\$252k compared to the nearest council, which receives in excess of \$2m), noting 50% of the 2016 Victoria Grants Commission allocation was prepaid in June 2015.
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,569	\$3,624	Queenscliffe has a very small population base, with the average household size being 1.08 (compared with an average of 1.40 in regional Victoria). Over 50% of rateable properties in Queenscliffe are non-permanent residences and not reflected in municipal population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,893	\$11,449	Some large projects completed in 2015/16 including the Queenscliff Historic Railway Precinct and Queenscliff Kindergarten. In addition, the purchase and distribution of bins for a new green waste service also completed in 2015/16. Revaluation of infrastructure assets in 2015/16 including the road network, footpaths and cycle ways, drainage and off street car parks resulted in a net increase in these assets of \$632k.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	71	70	No material variations.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	9	9	No material variations.

Definitions

adjusted underlying revenue means total income other than:

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

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

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

population means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the Year Ended 30 June 2016

Service/Indicator/measure	Results 2014/15	Results 2015/16	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	62	54	Queenscliffe's result of 54 is above the Small Rural council group average of 53 and equal to the State-wide average of 54.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	67%	Three application decisions were subject to review by VCAT, two were upheld.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65	65	Queenscliffe's result of 65 is above the Small Rural council group average of 52 and the State-wide average of 54.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	37%	38%	Active library members are those who have borrowed from the lending collection, including e-book loans, only. It excludes other library activity, including children and youth programs, digital literacy programs and literary events, the use of public internet personal computers and facilities such as meeting rooms and study areas, wifi and in-library use of collections.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	37%	46%	This result has improved with the introduction of a new green waste service in the 2015/16 financial year.
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	N/A	N/A	Queenscliffe does not provide this service.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in reduced likelihood of penalties being issued.
Food Safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100%	100%	No material variations.

Service/Indicator/measure	Results 2014/15	Results 2015/16	Material Variations
Home and Community Care (HACC) Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	45%	53%	Queenscliffe's population aged 65 years and older is 33% (State average 14.2%), hence the significant emphasis placed on the provision of aged services. Queenscliffe maintains a zero waiting list for HACC services.
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	36%	21%	This outcome appears greater due to the small number of CALD people. The variance reflects 7 people participating, compared with 10 in 2014/15.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	100%	100%	No material variations.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0%	0%	NIL Aboriginal children enrolled / attending the MCH service in either the 2014/15 or 2015/16 financial year.

Definitions

Aboriginal child means a child who is an Aboriginal person

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

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

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

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

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

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

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

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

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

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

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

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

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

population means the resident population estimated by council

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

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

Financial Performance Indicators

For the Year Ended 30 June 2016

Dimension/Indicator/Measure	Results 2014/15	Results 2015/15	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Material Variations
Operating position							
Adjusted underlying result							
Adjusted underlying surplus (or deficit)	(2%)	(2%)	(1%)	0%	(1%)	(1%)	Underlying deficit in 2015/16 reflects a number of projects completed in the year, for which grant funding was received in prior years. Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100							
Liquidity							
Working capital							
Current assets compared to current liabilities	218%	280%	127%	131%	139%	143%	The high ratio outcome for the 2015/16 year reflects a number of projects carried forward to the 2016/17 year for completion.
[Current assets / Current liabilities] x100							
Unrestricted cash							
Unrestricted cash compared to current liabilities	84%	90%	97%	102%	105%	109%	The higher ratio outcome for 2015/16 reflects both a proposed new loan not drawn down in 2015/16 and a number of projects carried forward to the 2016/17 year for completion. Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works. The improvement in forecast trend, for unrestricted cash compared to current liabilities, reflects the scheduled repayment of debt over time.
[Unrestricted cash / Current liabilities] x100							
Obligations							
Loans and borrowings							
Loans and borrowings compared to rates	9%	5%	6%	4%	3%	2%	Proposed new loan not drawn down in 2015/16. The decreasing forecast trend for this measure reflects the scheduled repayment of debt over time.
[Interest bearing loans and borrowings / Rate revenue] x100							
Loans and borrowings repayments compared to rates	4%	4%	4%	1%	1%	1%	Proposed new loan not drawn down in 2015/16. The decreasing forecast trend for this measure reflects the scheduled repayment of debt over time.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100							
Indebtedness							
Non-current liabilities compared to own source revenue	1%	1%	3%	3%	2%	2%	Proposed new loan not drawn down in 2015/16. The decreasing forecast trend for this measure reflects the scheduled repayment of debt over time.
[Non-current liabilities / Own source revenue] x100							
Asset renewal							
Asset renewal compared to depreciation	81%	137%	116%	135%	110%	81%	Significant asset renewal completed during 2015/16 includes the Queenscliff Historic Railway Precinct and Queenscliff Kindergarten.
[Asset renewal expenses / Asset depreciation] x100							

Dimension/Indicator/Measure	Results 2014/15	Results 2015/15	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Material Variations
Stability							
Rates concentration							
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	58%	67%	65%	68%	69%	69%	Rates concentration is lower in the 2014/15 year largely due to the Country Roads & Bridges funded project, Hesse Street roundabout, which is a Vic Roads rather than Borough asset.
Rates effort							
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.27%	0.28%	0.28%	0.28%	0.29%	0.30%	No material variations.
Efficiency							
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$3,572	\$3,286	\$3,446	\$3,334	\$3,413	\$3,518	The majority of expenditure incurred by Queenscliffe is non-discretionary and part of managing the services expected of a local council. Given the very small ratepayer base, this translates into a level of expenditure per property assessment which is higher than the outcome for other local councils. The 2015 outcome was greater than for 2016 and is largely due to the Country Roads & Bridges funded project, Hesse Street roundabout, which is a Vic Roads rather than Borough asset.
Revenue level							
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,989	\$2,063	\$1,918	\$1,966	\$2,015	\$2,065	Rate revenue represents a high proportion of Queenscliffe's revenue with the majority of expenditure non-discretionary and spread across a very small ratepayer base.
Workforce turnover							
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8%	15%	0%	0%	0%	0%	Two seasonal positions concluded during 2015/16.

Definitions

adjusted underlying revenue means total income other than:

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

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

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

current assets has the same meaning as in the AAS

current liabilities has the same meaning as in the AAS

non-current assets means all assets other than current assets

non-current liabilities means all liabilities other than current liabilities

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

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

population means the resident population estimated by council

rate revenue means revenue from general rates and service charges

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

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

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

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

Other Information

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its draft strategic resource plan on 22 June 2016 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Report

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



Lynne Stevenson CPA

Principal Accounting Officer

Date: 21 September 2016

Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe For the Year Ended 30 June 2016 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Councillor Helene Cameron

Councillor

Date: 21 September 2016

Queenscliff



Councillor Bob Merriman

Councillor

Date: 21 September 2016

Queenscliff



Leonard Jenner

Chief Executive Officer

Date: 21 September 2016

Queenscliff



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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Borough of Queenscliffe

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Borough of Queenscliffe which comprises the statement, the related notes 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, I and my 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 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
23 September 2016



R Andrew Greaves
Auditor-General



View from Queenscliff Harbour Observation Tower.



Financials

Understanding the Financial Report	104
Summary of Financial Performance	105
Financial Report	110
Certification of the Financial Report	149
VAGO Independent Auditor's Report on the Financial Report	150

Understanding the Financial Report

Introduction

Financial viability or sustainability is reviewed and assessed using many different tools. The most important tools in understanding Council's financial performance for the period are the financial performance indicators disclosed in the Performance Statement (page 91) and the Financial Report.

The Financial Statements show how Council performed financially during the 2015–16 financial year and the overall position at the end of the financial year.

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

What is contained in the Financial Report?

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

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

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

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

Comprehensive Income Statement

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

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

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

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

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

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 2016. 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.

Councils are required to provide a 'third balance sheet' where material adjustments are made to the statements, as a result of applying an accounting policy retrospectively or restating items in the financial statements to correct errors or reclassify items, in order to assist users of the statements to fully understand the impact of such changes.

Inclusion of a third balance sheet requires that an entity provide an additional (third) year of comparative information in the balance sheet and related notes. By doing so, the year immediately preceding that year being reported on is restated, so the user can more easily draw comparisons between the two most recent years of financial information.

Statement of Changes in Equity

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

- the 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year;
- the use of monies from Council's reserves and transfers to Council's reserves;
- revaluation of assets – this takes place in a staggered fashion every two years for land and building assets and every three years for road network, footpaths and cycle ways, drainage and off-street car park assets; and
- prior period adjustments, where applicable.

Statement of Cash Flows

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

Notes to the Financial Statements

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

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

Certification by Principal Accounting Officer and Councillors

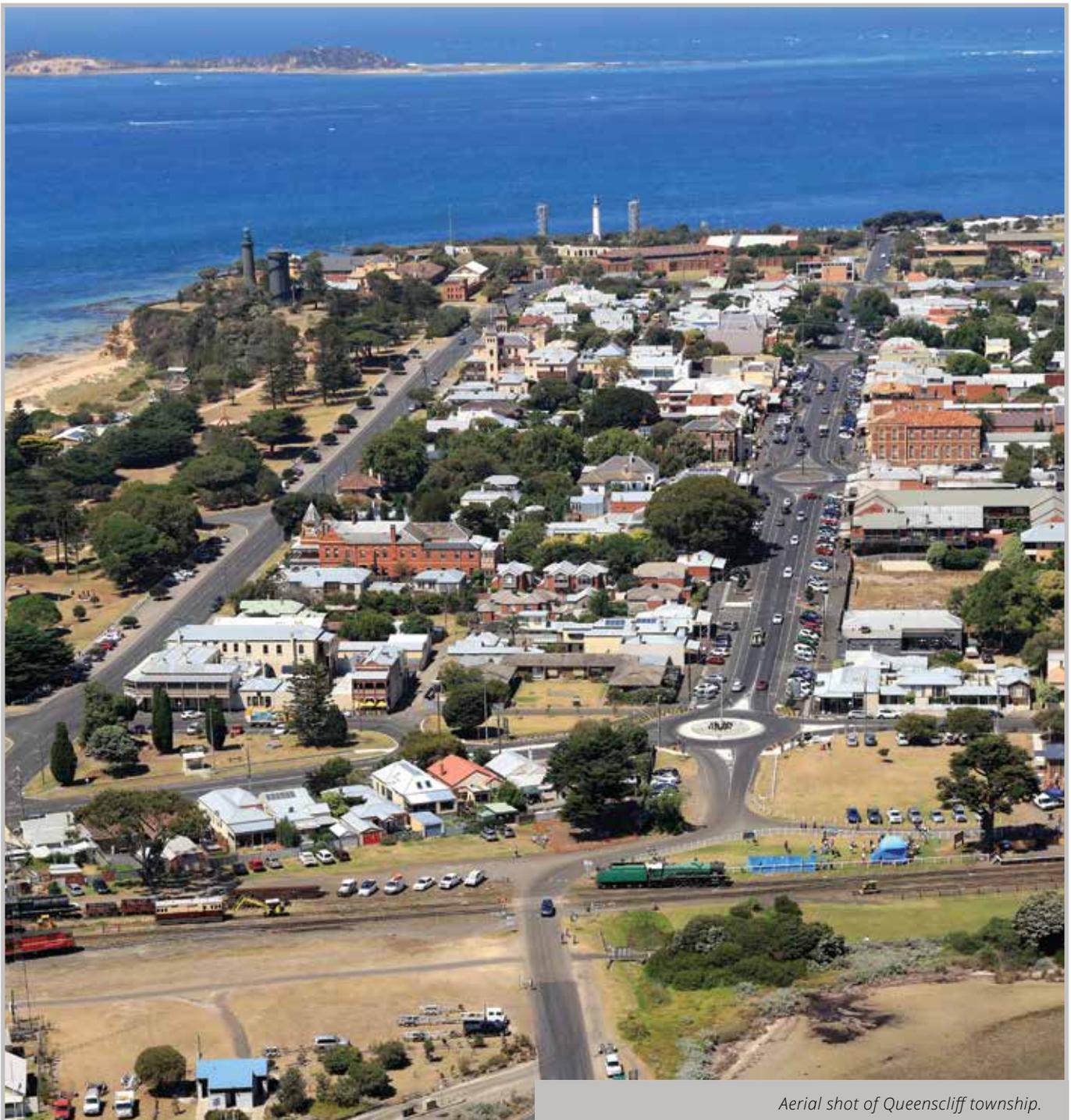
The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council and confirms that in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

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

Auditor-General's Report

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

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



Aerial shot of Queenscliff township.

Summary of Financial Performance

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

In brief, Council:

- achieved an underlying deficit of (\$191,000) for the period, which was an improvement of \$500,000 compared to the budgeted underlying deficit of (\$691,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet);
- ended the financial year with a cash balance of \$3,856,000; and
- increased fixed assets (property, infrastructure, plant and equipment) by \$3,909,000 as a result of programmed renewal and grant-funded capital expenditure, as well as a net asset revaluation increment with respect to the revaluation of property, road network, footpaths and cycle ways, drainage and off street car park assets as at 30 June 2016.

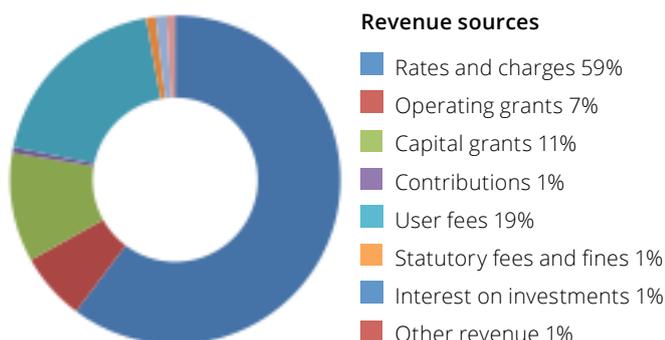
Underlying result

Council achieved an underlying deficit of (\$191,000) for the 2015–16 financial year. In each of the six years to 2013–14, Council maintained an underlying surplus greater than Budget. The deficit result in both the 2014–15 and 2015–16 years is due to the delivery of carry forward capital projects in relation to capital investment for which Council has successfully attracted significant external grant funding in previous financial years.

Revenue

Council's total revenue for the 2015-16 year was \$11,123,000 (down slightly from \$11,569,000 in 2014–15). The lower income is mainly due to decreased grant revenue in 2015–16, particularly with the end of the \$1m p.a. Country Roads & Bridges Program funding that Council received each year from 2011–12 to 2014–15.

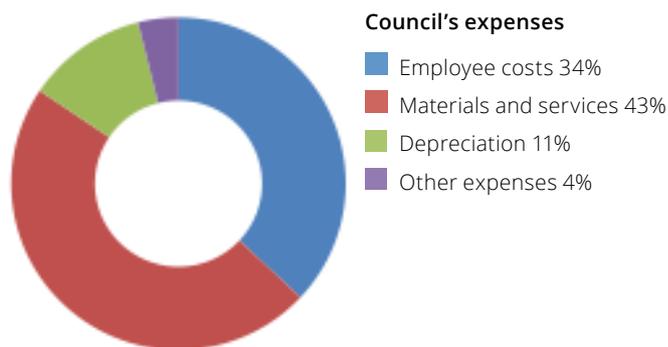
Council's revenue is sourced as follows:



Expenditure

Council's total expenses for the 2015–16 year was \$10,934,000 (up slightly from \$10,906,000 in 2014–15). Materials and services expenditure is \$1,276,000 less than in 2014–15 due to some projects not completed in 2015–16 and carried forward for completion in the 2016–17 year instead. This reduction in expenditure is offset in other expenses, including in particular \$853,000 net loss on sale of land to the Point Lonsdale Surf Life Saving Club for a nominal amount in the 2015–16 year to achieve a significant community benefit to residents and visitors with no impact on the budget.

Council's expenses are categorised as follows:



Assets

Council's total asset base is \$131,249,000 – an increase of \$2,476,000 over the previous year,

The major components of assets are:

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

Together these asset categories account for 98.4% of all assets.

A number of prior period adjustments were included in the 2015–16 financial statements (explained in Note 30) and a 'third balance sheet' was prepared, given the material nature of these adjustments, which included:

- recognition of Crown land assets;
- recognition of freehold land assets; and
- recognition of off-street car park assets;

Property, plant and infrastructure reported in the Balance sheet now includes Crown Land assets to the value of \$54.4 million. The Department of Environment, Land, Water & Planning undertook a comprehensive review of Crown land assets within the Borough (and across the State) during 2015/16 in conjunction with Council officers. This review considered who has operational control and should take lead responsibility for financial reporting of Crown land assets. This resulted in Council recognising Crown land where Council is the Committee of Management in Council's fixed asset register for the first time. The inclusion of Crown land in the financial report has no financial impact on the budget.

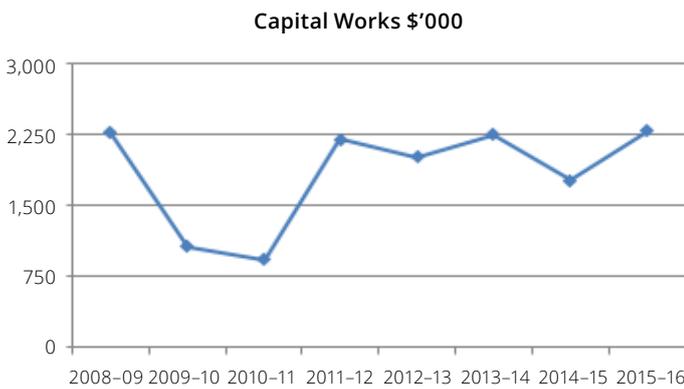
Capital works

During the financial year, Council investment \$2,280,000 in capital works projects to increase the total asset base. This investment in capital works continues to focus on maintenance and renewal of the community's existing assets.

Key projects undertaken during the year included:

- Roll out of new bins for green waste collection and disposal service commencing in 2015-16
- Commencement of the final Stage 3 of the Point Lonsdale Foreshore Revitalisation project
- Completion of the Queenscliff Heritage Railway Precinct upgrade, including redevelopment of the Queenscliff Senior Citizens Centre to incorporate the Queenscliff 1st Sea Scouts
- Completion of projects under the former Country Roads & Bridges Program, including shared trail maintenance, extension of ferry to pier trail and Lawrence Road car park upgrade
- Completion of Stage 1 of the Queenscliff Kindergarten redevelopment
- Completion of new path on the Bellarine Highway to bus stop
- Continuation of coastal tender works at Ocean Road and The Narrows (a five year funded program)
- Upgrade of the Dog Beach car park
- Upgrade of the Queenscliff Town Hall, including installation of solar panels

Capital works eight-year comparison, 2008-09 to 2015-16:

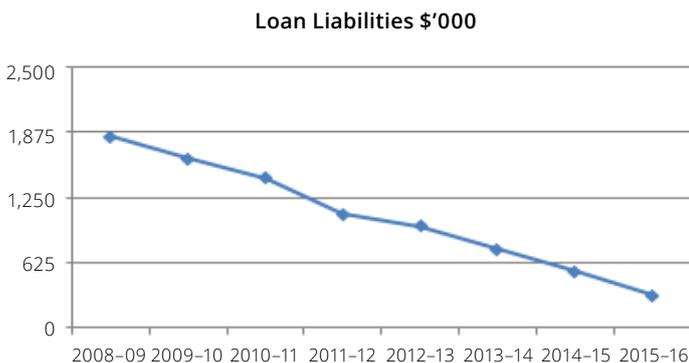


Liabilities

Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$2,014,000 as at 30 June 2016.

The overall level of liabilities has decreased by \$806,000 from 2014-15 due to a reduction in trade payables (significant projects were completed for which invoices were not yet received in 2014-15) as well as the 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.

Liabilities eight-year comparison, 2008-09 to 2015-16:



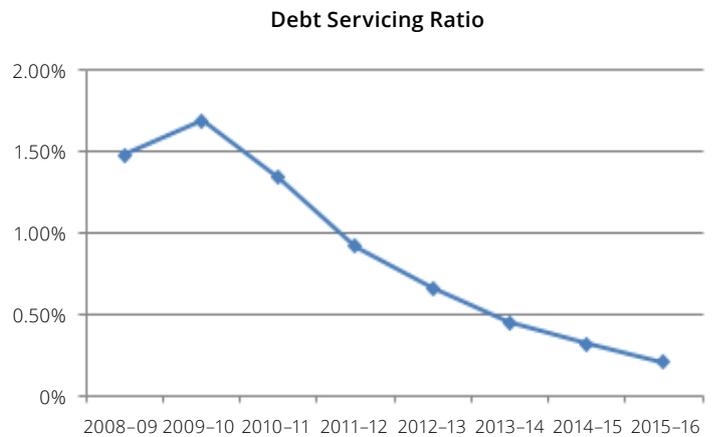
Financial indicators

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

Debt Servicing Ratio

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

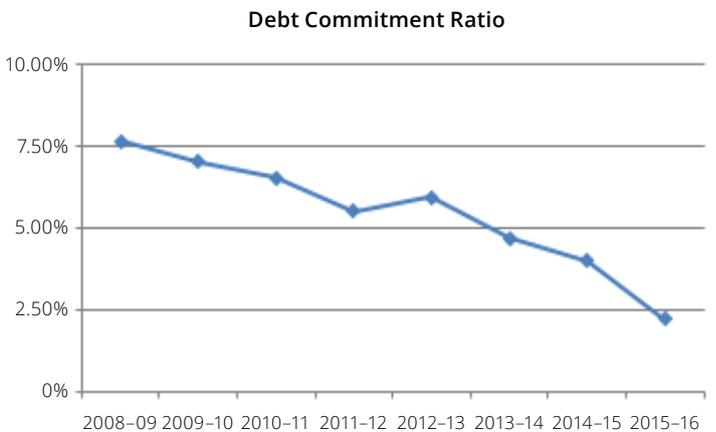
Debt Servicing Ratio eight-year comparison, 2008-09 to 2015-16:



Debt Commitment Ratio

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

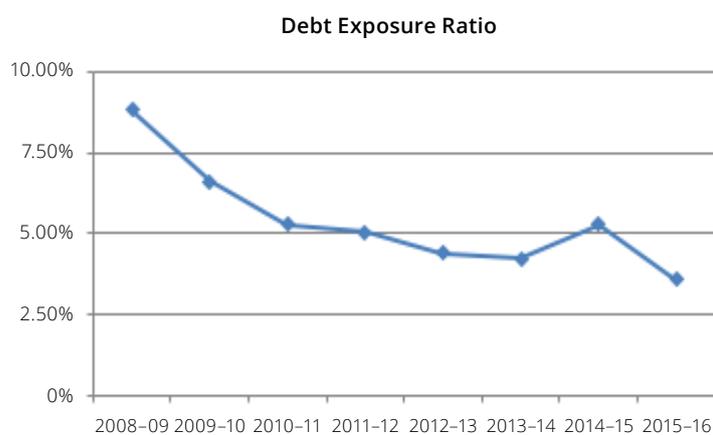
Debt Commitment Ratio eight-year comparison, 2008-09 to 2015-16:



Debt Exposure Ratio

The Debt Exposure Ratio enables an assessment of Council's solvency and exposure to debt. A low ratio means that Council's realisable assets (those which can be sold and are not subject to restrictions on realisation or use) such as land, buildings, plant and equipment exceed its overall liabilities. Council has a significant holding of crown land assets, which have been excluded from the calculation of realisable assets, as have road infrastructure assets. Council's ratio has decreased in 2015-16 due to a reduction in trade payables (significant projects were completed for which invoices were not yet received in 2014-15) as well as the active repayment of debt in accordance with agreed loan schedules.

Debt Exposure Ratio eight-year comparison, 2008-09 to 2015-16:



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

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

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

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

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

Applying the six indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe Council remains in a sound financial position and is considered 'low' risk on five of the six financial sustainability indicators for the 2015-16 year. It is important to note that, while the internal financing indicator suggests Council is at 'high' risk, this outcome is a one year view only and does not factor in cash flows for capital works received in prior financial years, which were held in reserves and carried forward to fund these works when they were completed in the 2015-16 year.

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

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

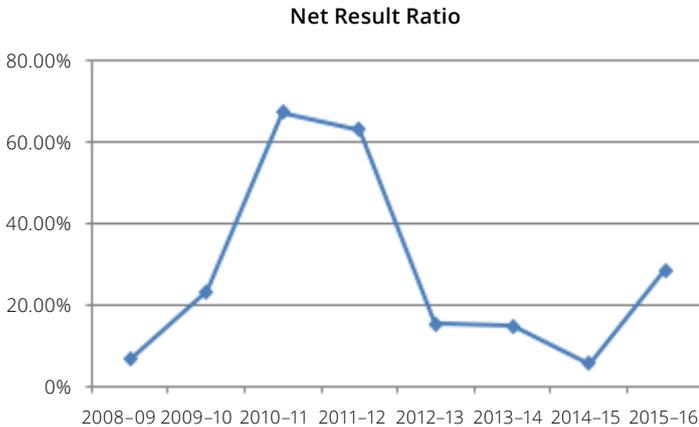
The following charts indicate the Borough's trend over the past eight years on the above financial sustainability indicators. Note that the 2015-16 results are those calculated by the Borough for each of these ratios, as the final VAGO figures will not be released until late in the 2016-2017 year.

Sustainability indicators	BOQ Result	High	Risk levels	
			Medium	Low
Income				
Net Result (%)	28.64%	Negative 10% or less	Between negative 10% and zero	Greater than zero
Liquidity Ratio	2.80	Equal to or less than 0.75	Between 0.75 and 1.0	Greater than 1.0
Indebtedness (%)	0.70%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing (%)	53.04%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement Ratio	1.96	Equal to or less than 1.0	Between 1.0 and 1.5	Greater than 1.5
Renewal Gap Ratio	1.64	Equal to or less than 0.5	Between 0.5 and 1.0	Greater than 1.0

Net Result Ratio

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

Net Result Ratio eight-year comparison, 2008-09 to 2015-16:

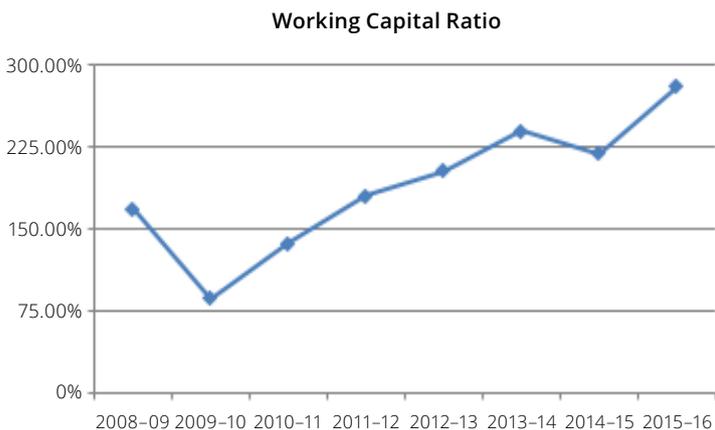


Liquidity Ratio

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

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

Liquidity Ratio / Working Capital Ratio eight-year comparison, 2008-09 to 2015-16:



Council considers both the Working Capital Ratio (as above) and an Adjusted Working Capital Ratio (below) when reviewing its financial sustainability.

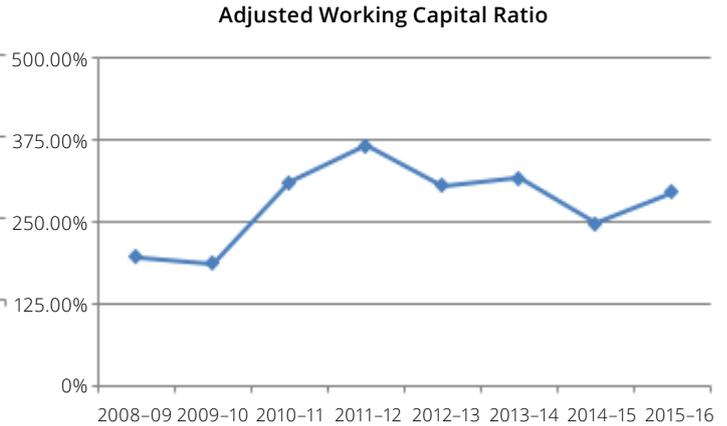
The Adjusted Working Capital Ratio illustrated below has two key adjustments:

- 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; and

- 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.

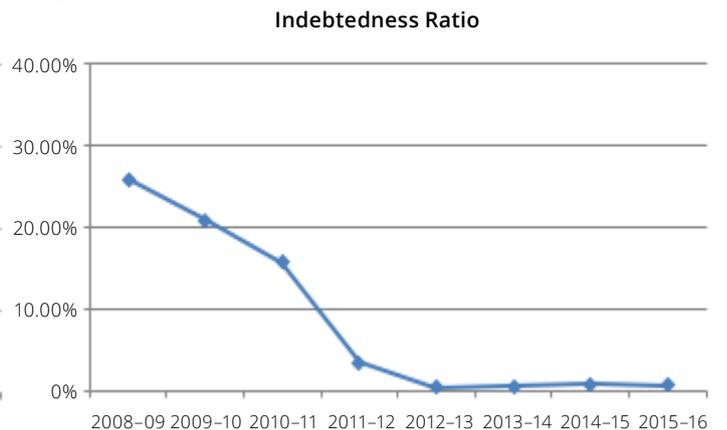
Adjusted Working Capital Ratio eight-year comparison, 2008-09 to 2015-16:



Indebtedness Ratio

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

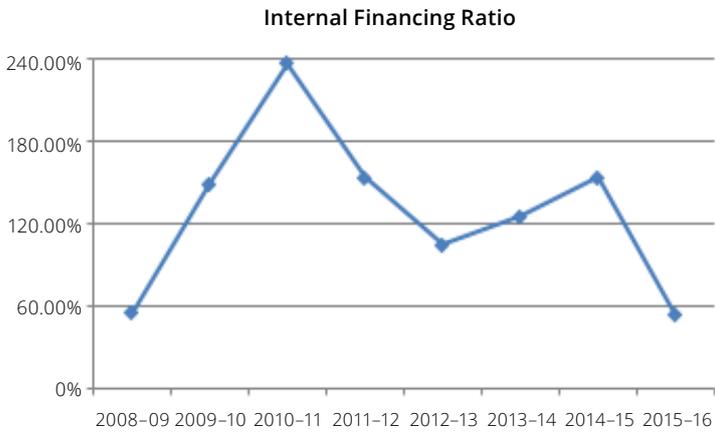
Indebtedness Ratio eight-year comparison, 2008-09 to 2015-16:



Internal Financing Ratio

VAGO recently included this ratio in its assessment of financial sustainability indicators, as a measure of whether sufficient operating cash flows are generated to invest in assets and repay debt. While the outcome for this ratio suggests Council is at 'high' risk, it is a one year view only and does not factor in cash flows for capital works received in prior financial years, which were held in reserves and carried forward to fund these works when they were completed in the 2015-16 year.

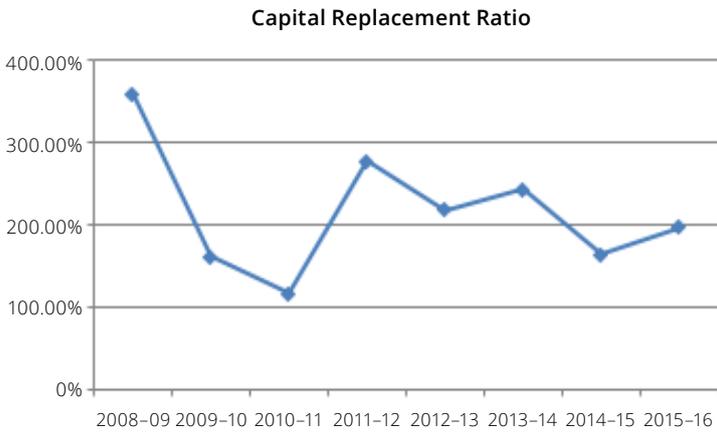
Internal Financing Ratio eight-year comparison, 2008–09 to 2015–16:



Capital Replacement Ratio

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

Capital Replacement Ratio eight-year comparison, 2008-09 to 2015-16:



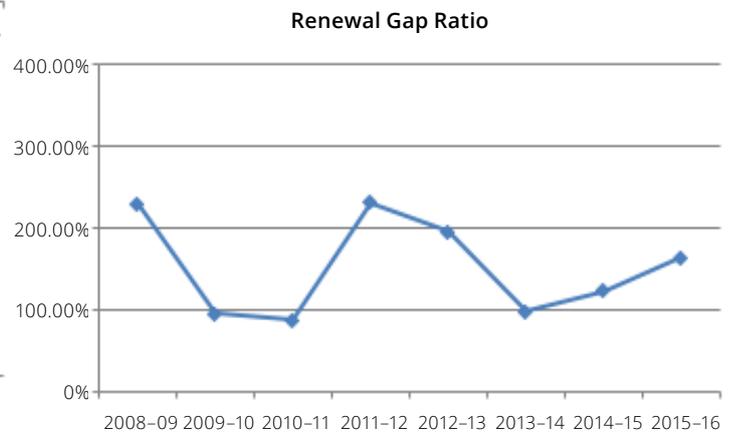
Whilst the above Capital Replacement Ratio may have some benefit in assessing financial sustainability, Council prefers to focus on the Renewal Gap Ratio (below), as it more clearly demonstrates Council’s commitment to capital spending on asset renewal as compared to capital expenditure, including new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

Renewal Gap Ratio

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

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

Renewal Gap Ratio eight-year comparison, 2008–09 to 2015–16:



In summary, the outcomes for the financial sustainability indicators in the 2015–16 financial year, in conjunction with the indicators assessed by VAGO each year, continues to illustrate the Borough of Queenscliffe Council’s sound financial position and shows that Council will be considered ‘low’ risk on five of the six financial sustainability indicators when VAGO’s report is released for 2015–16. To reiterate, the internal financing indicator suggests Council is at ‘high’ risk, however the outcome for this ratio should be considered as an average over the longer-term given the nature and timing of grants which may be received in one financial year and related works completed in a future year.



Contents of the Financial Report

Financial Statements

Comprehensive Income Statement	112
Balance Sheet	113
Statement of Changes in Equity	114
Statement of Cash Flows	115
Statement of Capital Works	116

Notes to the Financial Report

Introduction	118
Note 1 Significant accounting policies	118
Note 2 Budget comparison	122
Note 3 Rates and charges	126
Note 4 Statutory fees and fines	126
Note 5 User fees	126
Note 6 Grants	127
Note 7 Contributions	129
Note 8 Other income	129
Note 9 Employee costs	129
Note 10 Materials and services	130
Note 11 Bad and doubtful debts	130
Note 12 Depreciation	130
Note 13 Borrowing costs	130
Note 14 Other expenses	131
Note 15 Net gain / (loss) on disposal of property, infrastructure, plant and equipment	131
Note 16 Investment in an associate	131
Note 17 Cash and cash equivalents	131
Note 18 Trade and other receivables	132
Note 19 Other financial assets	133
Note 20 Inventories	133
Note 21 Non current assets classified as held for sale	133
Note 22 Other assets	133
Note 23 Property, infrastructure, plant and equipment	134
Note 24 Trade and other payables	139
Note 25 Trust funds and deposits	139
Note 26 Provisions	139
Note 27 Interest bearing loans and borrowings	140
Note 28 Other liabilities	140
Note 29 Reserves	141
Note 30 Prior period adjustments	143
Note 31 Reconciliation of cash flows from operating activities to surplus / (deficit)	143
Note 32 Financing arrangements	143
Note 33 Commitments	144
Note 34 Operating leases	145
Note 35 Superannuation	145
Note 36 Contingent liabilities	146
Note 37 Financial instruments	147
Note 38 Related party transactions	148
Note 39 Events occurring after balance date	148
Certification of the Financial Report	149

Comprehensive Income Statement

For the Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	6,566	6,183
Statutory fees and fines	4	102	89
User fees	5	2,069	1,923
Grants - operating	6	837	2,143
Grants - capital	6	1,282	824
Contributions	7	60	109
Other income	8	207	298
Total income		11,123	11,569
Expenses			
Employee costs	9(a)	(3,676)	(3,500)
Materials and services	10	(4,726)	(6,001)
Bad and doubtful debts	11	(2)	(3)
Depreciation	12	(1,160)	(1,074)
Borrowing costs	13	(23)	(37)
Other expenses	14	(478)	(302)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	15	(853)	15
Share of net (losses) / profits of an associate	16	(15)	(3)
Total expenses		(10,934)	(10,906)
Surplus for the year		189	664
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit in future periods:</i>			
Net asset revaluation increment / (decrement)	29(a)	3,093	-
Total comprehensive result		3,282	664

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

Balance Sheet

As at 30 June 2016

	Note	2016 \$'000	2015 \$'000	2014* \$'000
Assets				
Current assets				
Cash and cash equivalents	17	1,508	1,436	1,936
Trade and other receivables	18	382	487	480
Other financial assets	19	2,348	3,640	2,374
Inventories	20	5	4	4
Non current assets classified as held for sale	21	-	863	-
Other assets	22	1,212	443	618
Total current assets		5,455	6,873	5,412
Non-current assets				
Investment in an associate	16	240	255	258
Property, infrastructure, plant and equipment	23	125,554	121,645	121,931
Total non-current assets		125,794	121,900	122,189
Total assets		131,249	128,773	127,601
Liabilities				
Current liabilities				
Trade and other payables	24	584	1,269	702
Trust funds and deposits	25	87	53	62
Provisions	26	888	790	699
Interest-bearing loans and borrowings	27	314	539	749
Other liabilities	28	78	101	51
Total current liabilities		1,951	2,752	2,263
Non-current liabilities				
Provisions	26	63	68	49
Total non-current liabilities		63	68	49
Total liabilities		2,014	2,820	2,312
Net Assets		129,235	125,953	125,289
Equity				
Accumulated surplus		89,082	88,528	87,669
Reserves	29	40,153	37,425	37,620
Total Equity		129,235	125,953	125,289

* See Note 30 for adjustments relating to a prior period error.

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

Statement of Changes in Equity

For the Year Ended 30 June 2016

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

2015	Note	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		125,289	87,669	33,903	3,717
Surplus / (deficit) for the year		664	664	-	-
Net asset revaluation increment / (decrement)	29(a)	-	-	-	-
Transfers to other reserves	29(b)	-	(1,641)	-	1,641
Transfers from other reserves	29(b)	-	1,836	-	(1,836)
Balance at end of the financial year		125,953	88,528	33,903	3,522

2014	Note	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		68,272	30,972	34,267	3,033
Net adjustment arising from recognition of Crown land assets	30	54,401	54,401	-	-
Net adjustment arising from recognition of freehold land assets	30	863	863	-	-
Net adjustment arising from recognition of car park assets	30	18	18	-	-
Adjusted balance at beginning of the financial year		123,555	86,255	34,267	3,033
Surplus / (deficit) for the year		2,098	2,098	-	-
Net asset revaluation increment / (decrement)	29(a)	(364)	-	(364)	-
Transfers to other reserves	29(b)	-	(2,421)	-	2,421
Transfers from other reserves	29(b)	-	1,737	-	(1,737)
Balance at end of the financial year		125,289	87,669	33,903	3,717

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 2016

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		6,549	6,173
Statutory fees and fines		101	88
User fees		2,029	2,055
Grants - operating		969	2,143
Grants - capital		383	1,031
Contributions		89	80
Interest received		128	168
Trust funds and deposits taken		76	69
Other receipts		161	114
Net GST (payment) / refund		9	(75)
Total operating receipts		10,494	11,846
Employee costs		(3,638)	(3,376)
Materials and services		(5,354)	(5,432)
Trust funds and deposits repaid		(38)	(78)
Other payments		(254)	(245)
Total operating payments		(9,284)	(9,131)
Net cash provided by operating activities	31	1,210	2,715
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(2,278)	(1,763)
Proceeds from sale of property, infrastructure, plant and equipment		98	61
Payments for investments		-	(1,265)
Proceeds from sale of investments		1,292	-
Net cash used in investing activities		(888)	(2,966)
Cash flows from financing activities			
Finance costs		(26)	(40)
Repayment of borrowings		(224)	(209)
Net cash used in financing activities		(250)	(249)
Net decrease in cash and cash equivalents			(500)
Cash and cash equivalents at the beginning of the financial year		1,436	1,936
Cash and cash equivalents at the end of the financial year	17	1,508	1,436
Financing arrangements	32		
Restrictions on cash assets	17		

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

Statement of Capital Works

For the Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Property			
Land improvements		9	40
Total land		9	40
Buildings		1,010	873
Total property		1,019	912
Plant and equipment			
Plant, machinery and equipment		216	109
Fixtures, fittings and furniture		13	9
Computers and telecommunications		63	22
Total plant and equipment		292	140
Infrastructure			
Roads		111	155
Footpaths and cycleways		203	65
Drainage		78	45
Recreational, leisure and community facilities		197	115
Waste management		175	9
Parks, open space and streetscapes		110	85
Off street car parks		66	237
Other infrastructure		28	-
Total infrastructure		970	711
Total capital works expenditure		2,280	1,763
Represented by:			
New asset expenditure		373	445
Asset renewal expenditure		1,592	865
Asset upgrade expenditure		315	453
Total capital works expenditure		2,280	1,763

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



Notes to the Financial Report

For the Year Ended 30 June 2016

Introduction

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

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

Statement of Compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Finance and Reporting) Regulations 2014*.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Change in accounting policies

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

(c) Accounting for investments in associates

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

Note 1 Significant accounting policies (continued)

(d) Revenue recognition

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

Rates and charges

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

Statutory fees and fines

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

User fees

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

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Rental Income

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

Other Income

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

Note 1 Significant accounting policies (continued)

(e) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards.

AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) 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.

(h) Other financial assets

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

(i) Inventories

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

(j) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded

as met only when the sale is highly probable and the assets, sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the 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.

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

Revaluation

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

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 1 Significant accounting policies (continued)

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

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

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

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

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

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

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

(m) 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.

(n) 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.

(o) Trust funds and deposits

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

(p) Borrowings

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

Borrowing costs

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

Borrowing costs refers to the interest expense incurred on borrowings.

Note 1 Significant accounting policies (continued)

(q) Employee costs and benefits

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

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

Liabilities for wages and salaries, including non-monetary benefits, annual leave, rostered days off and time-in-lieu expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

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

Classification of employee costs

Current liability – unconditional LSL is disclosed as a current liability even when the Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value – component that is not expected to be wholly settled within 12 months.
- nominal value – component that is expected to be wholly settled within 12 months.

Non-current liability – conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(r) 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.

(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) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the Balance Sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that this right will be exercised. Council has not provided any bank guarantees as at balance date (as referred to within Note 36).

(u) 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 36) 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 33) and are presented inclusive of the GST payable.

(v) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(w) 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.

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 24 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and Expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	6,530	6,566	36	
Statutory fees and fines	88	102	14	1
User fees	2,186	2,069	(117)	2
Grants – operating	953	837	(116)	3
Grants – capital	1,139	1,282	143	4
Contributions – monetary	–	60	60	5
Other income	156	207	51	6
Share of net profits / (losses) of an associate	5	(15)	(20)	7
Total income	11,057	11,108	51	
Expenses				
Employee costs	3,656	3,676	(20)	
Materials and services	5,396	4,726	670	8
Bad and doubtful debts	5	2	3	9
Depreciation	1,134	1,160	(26)	
Borrowing costs	33	23	10	10
Other expenses	380	478	(98)	11
Net (gain) / loss on disposal of property, infrastructure, plant and equipment	5	853	(848)	12
Total expenses	10,609	10,918	(309)	
Surplus / (deficit) for the year	448	189	(259)	

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

Variance		
Ref	Item	Explanation
1	Statutory fees and fines	The increase is due mainly to additional planning permit activity in the 2015/16 year, with \$7k fees and \$6k infringements issued.
2	User fees	The decrease is due mainly to \$134k lease income budgeted as User fees (actual result \$89k), reclassified as Other income.
3	Grants – operating	The decrease is mainly due to: 1) (\$129k) Victoria Grants Commission funding was prepaid in June 2015, being 50% of the 2015/16 financial year allocation; 2) (\$57k) Tourism and economic development grants, budgeted in 2015/16, now expected to be progressed in 2016/17; and 3) \$52k funding for Queenscliff Sports and Recreation Precinct, budgeted as \$18k and \$70k operating grant accrued in 2015/16.
4	Grants – capital	The increase is mainly due to: 1) \$128k funding for Queenscliff Sports and Recreation Precinct, budgeted as \$802k and \$930k capital grant accrued in 2015/16; 2) \$28k HACC minor capital grant received in late June 2016, to be carried over for expenditure in the 2016/17 year; and 3) (\$20k) Roads to Recovery grant funding of \$20k budgeted in 2015/16, deferred to 2016/17 to undertake a larger funded project.
5	Contributions – monetary	The increase is due mainly to \$57k additional community contribution for agreed variations to the Queenscliff Kindergarten redevelopment work completed in 2015/16.
6	Other income	The increase is mainly due to \$89k lease income received in 2015/16, budgeted as User fees and reclassified as Other income, and a \$38k reduction in interest income reflecting cash paid for significant projects completed in 2015/16 and lower interest rates.
7	Share of net profits / (losses) of an associate	The decrease is due to Council's share of the investment in the Geelong Regional Library Corporation being budgeted as an increase of \$5k in equity, compared to an actual decrease of \$15k, reducing Council's share of investment from \$255k to \$240k.
8	Materials and services	The decrease is mainly due to significant operating projects budgeted in 2015/16 and carried over for completion in the 2016/17 year, with \$605k held in carry forward operating expenditure reserves at 30/06/2016, and some of the larger projects including: 1) \$121k Coastal tender works at Ocean Road and The Narrows; 2) \$108k Camping and caravan park improvement investment fund; 3) \$70k Queenscliffe Planning Scheme Panel; and 4) \$50k Tourism and economic development strategy.
9	Bad and doubtful debts	The decrease is due to the provision for bad and doubtful debts, originally budgeted at \$5k, compared to an actual result of \$2k. This relates predominantly to parking infringements.
10	Borrowing costs	The decrease is due to the 2015/16 budget providing for interest charges on a new green waste loan in late 2014/15, which did not eventuate, as well as new loan for the Point Lonsdale foreshore revitalisation project in 2015/16 which has not yet occurred.
11	Other expenses	The decrease is mainly due to \$130k landfill disposal levy budgeted as Other expenses (actual result \$150k), reclassified as Materials and services.
12	Net (gain) / loss on disposal of fixed assets	The increase is due mainly to \$863k loss on sale of land during the 2015/16 year. Council approved the transfer of Council land to Point Lonsdale Surf Life Saving Club for a nominal amount after the 2015/16 Budget was prepared.

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 2 Budget comparison (continued)

b) Capital works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land improvements	34	9	25	1
Buildings	1,630	1,010	620	2
Total property	1,664	1,019	645	
Plant and equipment				
Plant, machinery and equipment	179	216	(37)	3
Fixtures, fittings and furniture	10	13	(3)	4
Computers and telecommunications	45	63	(18)	5
Total plant and equipment	234	292	(58)	
Infrastructure				
Roads	164	111	53	6
Footpaths and cycleways	25	203	(178)	7
Drainage	35	78	(43)	8
Recreational, leisure and community facilities	604	197	407	9
Waste management	10	175	(165)	10
Parks, open space and streetscapes	254	110	144	11
Off street car parks	-	66	(66)	12
Other infrastructure	281	28	253	13
Total infrastructure	1,373	970	403	
Total capital works expenditure	3,271	2,280	991	

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

Variance		
Ref	Item	Explanation
1	Land improvements	The decrease is due to land improvements, budgeted in 2015/16, which has commenced and will be carried over for completion in the 2016/17 year.
2	Buildings	The decrease is mainly due to: 1) \$401k Queenscliff Sports and Recreation Precinct buildings, budgeted in 2015/16, which is now expected to commence in 2016/17 following receipt of the first instalment of government grant funding on 1 July 2016; 2) \$125k Point Lonsdale Foreshore Stage 3 buildings, budgeted in 2015/16, which have commenced and will be carried over for completion in the 2016/17 year; 3) \$96k building asset renewal program, budgeted in 2014/15, carried over for completion in the 2016/17 year; 4) (\$349k) Queenscliff Senior Citizens and Sea Scouts building upgrade, originally budgeted to be completed in 2014/15, for which funds were carried forward and this project was completed in the 2015/16 year; and 5) the reallocation of some funded capital works projects and related project management costs from buildings to other fixed asset classes including recreational, leisure and community facilities.
3	Plant, machinery and equipment	The increase is due to a motor vehicle purchase, originally budgeted in 2014/15, for which funds were carried forward and this purchase was completed in the 2015/16 year.
4	Fixtures, fittings and furniture	The increase is mainly due to the purchase of mattresses and furniture for cabins at the Queenscliff Tourist Park.
5	Computers and telecommunications	The increase is due to the implementation of a new corporate finance system, originally budgeted in both 2013/14 and 2014/15, which has commenced and will be carried over for completion in the 2016/17 year.
6	Roads	The decrease is mainly due to road projects including Roads to Recovery funded works, access roads and a pedestrian crossing, budgeted in 2015/16, to be carried forward for completion in the 2016/17 year.
7	Footpaths and cycleways	The increase is mainly due to \$112k for shared trails and \$39k for extension of the ferry to pier trail, for which Country Roads & Bridges Program government grant funding was originally budgeted in 2014/15, with funds carried forward and these works completed in the 2015/16 year.
8	Drainage	The increase is due to drainage asset renewal works, originally budgeted in 2014/15, for which funds were carried forward and completed in the 2015/16 year.
9	Recreational, leisure and community facilities	The decrease is mainly due to \$377k Queenscliff Sports and Recreation Precinct recreation, leisure and community facilities, budgeted in 2015/16, which is now expected to commence in 2016/17 following receipt of the first instalment of government grant funding on 1 July 2016.
10	Waste management	The increase is due to the purchase of new green waste bins, originally expected in 2014/15 when grant funding was received, for which funds were carried over and this new green waste service commenced in the 2015/16 year.
11	Parks, open space and streetscapes	The decrease is due mainly to \$105k Queenscliff Park, originally budgeted in 2014/15, to be carried forward into the 2016/17 year (noting there is an additional allocation of \$75k by Council for this project in the 2016/17 budget).
12	Off street car parks	The increase is due mainly to \$55k dog beach carpark upgrade, originally budgeted in 2014/15, for which funds were carried forward and works were completed in the 2015/16 year.
13	Other infrastructure	The decrease is due mainly to deferral of the \$236k Streetlight Replacement to LED project, budgeted in 2015/16, to be progressed with the G21 group of Councils in the 2016/17 year.

Notes to the Financial Report

For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 3 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all its improvements.		
The valuation base used to calculate general rates for 2015/16 was \$2,328 million (2014/15: \$2,319 million). The 2015/16 cents in the CIV dollar was 0.269281 (2014/15: 0.259423).		
General rates		
Residential	5,310	5,146
Tourist accommodation	697	592
Commercial	430	411
Total rates and charges	6,436	6,150
Waste management charges		
Green waste	107	-
Additional bins	15	15
Total rates and charges	122	15
Other rates and charges		
Supplementary rates and rate adjustments	4	15
Cultural and recreational	4	4
Total other rates and charges	8	19
Total rates and charges	6,566	6,183
The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016 and the valuation will be first applied in the rating year commencing 1 July 2016.		
Note 4 Statutory fees and fines		
Town planning fees	57	50
Infringements and costs	21	17
Permits	14	10
PERIN court recoveries	6	7
Land information certificates	4	5
Total statutory fees and fines	102	89
Note 5 User fees		
Caravan park fees	1,727	1,624
Boat ramp fees – ticket machines	99	93
Aged services	89	80
Registration and other permits	52	58
Valuation fees/supplementary charges	44	-
Building services	16	16
Tourism	15	16
Recycling disposal income	13	15
Other fees and charges (< \$10,000 each)	13	21
Total user fees	2,069	1,923

Note 6 Grants

	2016 \$'000	2015 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	66	74
State funded grants	2,042	2,882
Other grants	11	11
Total	2,119	2,967
Operating grants		
Recurrent – Commonwealth Government		
Aged and disability services	64	49
Recurrent – State Government		
Aged and disability services	315	309
Victoria Grants Commission	124	383
Community development	49	41
Maternal and child health	40	48
Rates and information technology	36	35
School crossing supervision	17	16
Waste management	13	12
Events	4	11
Recurrent – Other		
Environmental health	14	10
Total recurrent operating grants	676	915
Non-recurrent – Commonwealth Government		
Aged and disability services	2	-
Tourism and economic development	-	25
Non-recurrent – State Government		
Tourism and economic development	72	65
Coastal and environment	70	130
Sustainability and environment	20	19
Road maintenance and works	-	981
Other grants (< \$10,000 each)	-	7
Non-recurrent – Other		
Other grants (< \$10,000 each)	(3)	1
Total non-recurrent operating grants	161	1,228
Total operating grants	837	2,143

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 6 Grants (continued)

	2016 \$'000	2015 \$'000
Capital grants		
Recurrent – State Government		
Recreation, leisure and community facilities	930	–
Plant and equipment	28	9
Total recurrent capital grants	958	9
Non-recurrent – State Government		
Recreation, leisure and community facilities	252	120
Buildings	28	100
Waste management	23	100
Footpaths and cycleways	13	–
Recreation, leisure and community facilities	5	–
Parks, open space and streetscapes	3	6
Roads	–	487
Computers and telecommunications	–	2
Total non-recurrent capital grants	324	815
Total capital grants	1,282	824
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,092	1,782
Received during the financial year and remained unspent at balance date	1,256	472
Received in prior years and spent during the financial year	(913)	(1,162)
Balance at year end	1,434	1,092

	2016 \$'000	2015 \$'000
Note 7 Contributions		
Monetary – operating	4	20
Monetary – capital	56	89
Total contributions	60	109
Note 8 Other income		
Interest – investment of surplus cash	100	145
Interest – rates	16	20
Other rent – lease of Crown Land properties	52	94
Other rent – lease of Council properties	37	36
Reimbursements	3	3
Total other income	207	298
Note 9(a) Employee costs		
Wages and salaries	3,003	2,829
Superannuation	294	275
Annual leave and long service leave	176	205
Overtime	101	91
Fringe benefits tax	56	55
Workcover premium	46	45
Workcover payments	–	1
Total employee costs	3,676	3,500
Note 9(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	28	27
Total employer contributions to defined benefit fund	28	27
Employer contributions payable at reporting date	–	–
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	195	184
Employer contributions – other funds	68	59
Total employer contributions to accumulation funds	263	242
Employer contributions payable at reporting date	22	18
Refer to note 35 for further information relating to Council's superannuation obligations.		
Note 9(c) Total Superannuation		
Employee costs – superannuation (Note 9(a))	294	275
Property, infrastructure, plant and equipment – capitalised superannuation	19	12
Total superannuation paid/payable to superannuation funds (Note 9(b))	313	287

Notes to the Financial Report

For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 10 Materials and services		
Contract payments	1,029	1,027
General service delivery	897	861
Grant-funded expenditure	577	1,911
Waste management	543	425
Utilities	264	288
Foreshore and open space maintenance	260	227
Contribution to Geelong Regional Library Corporation	229	217
Labour contracts (information technology, building surveyor, heritage advisor and specialist backfill)	188	249
Building, works, plant and equipment maintenance	183	226
Insurance	172	165
Landfill disposal levy	150	166
Office administration	126	136
Information technology software and maintenance agreements	108	102
Total materials and services	4,726	6,001
Note 11 Bad and doubtful debts		
Parking fine debtors	2	2
Caravan park debtors	3	(3)
Other debtors	(2)	4
Total bad and doubtful debts	2	3
Note 12 Depreciation		
Property	397	400
Plant and equipment	138	150
Infrastructure	626	523
Total depreciation	1,160	1,074
Refer to note 23 for a more detailed breakdown of depreciation charges.		
Note 13 Borrowing costs		
Interest – Borrowings	23	37
Total borrowing costs	23	37

	2016 \$'000	2015 \$'000
Note 14 Other expenses		
Councillors' allowances	136	134
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	43	30
Auditors' remuneration – Internal	20	20
Operating lease rentals	39	37
Asset write offs	216	65
Other	24	16
Total other expenses	478	302
Note 15 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	98	61
Write down value of assets disposed	(951)	(46)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(853)	15
Note 16 Investment in an associate		
Investment in an associate accounted for by the equity method is:		
Geelong Regional Library Corporation	240	255
Geelong Regional Library Corporation		
Background		
Council recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on Council's underlying interest in the net assets of the service disclosed in its unaudited financial statements for the year ended 30 June 2016. Council'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 Comprehensive Income Statement.		
Fair value of Council's investment in Geelong Regional Library Corporation	240	255
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	255	258
Reported deficit for year	(15)	(3)
Council's share of accumulated surplus at end of year	240	255
Note 17(a) Cash and cash equivalents		
Cash on hand	2	1
Cash at bank	994	739
Money market at call accounts	4	2
Term deposits	507	694
Total cash and cash equivalents	1,508	1,436
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 25)	87	53
Total restricted funds	87	53
Total unrestricted cash and cash equivalents	1,420	1,383

Notes to the Financial Report

For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Note 17(a) Cash and cash equivalents (continued)		
Intended allocations		
Although not externally restricted, the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works (Note 29(b))	1,775	1,344
- Cash held to fund carried forward operating projects (Note 29(b))	852	1,222
- Cash held to fund future asset replacement requirements (Note 29(b))	490	936
- Cash held to fund future calls on the defined benefits superannuation fund (Note 29(b))	40	20
Total funds subject to intended allocations	3,157	3,522
Note 17(b) Unrestricted cash and cash equivalents and other financial assets		
Total cash and cash equivalents (Note 17(a))	1,508	1,436
Total other financial assets (Note 19)	2,348	3,640
Total cash and cash equivalents and other financial assets	3,856	5,076
Less total restricted funds (Note 17(a))	87	53
Total unrestricted cash and cash equivalents and other financial assets	3,768	5,023
Note 18 Trade and other receivables		
Current		
Rates debtors	213	212
Pensioner rebate	24	23
Caravan park debtors	4	10
Provision for doubtful debts - caravan park income	(4)	-
Parking infringement debtors	10	10
Provision for doubtful debts - parking infringements	(4)	(4)
Government grants	25	77
Community contributions	-	22
Rechargeables - electricity costs	-	21
Other rent - lease of Council properties	14	3
Other debtors	17	25
Provision for doubtful debts - other debtors	-	(3)
Net GST receivable	82	91
Total current trade and other receivables	382	487
Total trade and other receivables	382	487
a) Ageing of receivables		
At balance date, other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:		
Current (not yet due)	48	118
Past due by up to 30 days	4	3
Past due between 31 and 180 days	5	16
Past due between 181 and 365 days	2	8
Past due by more than 1 year	3	16
Total trade and other receivables	62	161

	2016 \$'000	2015 \$'000
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	7	8
New provisions recognised during the year	7	6
Amounts already provided for and written off as uncollectible	(3)	(4)
Amounts provided for but recovered during the year	(3)	(3)
Balance at end of year	8	7
c) Ageing of individually impaired receivables		
At balance date, debtors (including caravan park, parking infringements and other debtors) representing financial assets with a nominal value of \$7,668 (2015: \$7,268) were impaired and a provision was raised against these debtors for the amounts impaired. They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	1	4
Past due by more than 1 year	7	3
Total trade and other receivables	8	7
Note 19 Other financial assets		
Term deposits	2,348	3,640
Total other financial assets	2,348	3,640
Note 20 Inventories		
Inventories held for sale	5	4
Total inventories	5	4
Note 21 Non current assets classified as held for sale		
Cost of acquisition	-	863
Total non current assets classified as held for sale	-	863
Note 22 Other assets		
<i>Current</i>		
Prepayments	89	87
Accrued income	1,123	356
Total other assets	1,212	443

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 23 Property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV at 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV at 30 June 2015	At Fair Value 30 June 2014	Accumulated Depreciation	WDV at 30 June 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Summary of property, infrastructure, plant and equipment

Land	91,012	-	91,012	88,314	-	88,314	89,177	-	89,177
Buildings	24,145	(9,141)	15,003	24,387	(10,407)	13,980	24,319	(10,008)	14,311
Plant and equipment	1,086	(620)	465	1,022	(562)	460	1,002	(485)	517
Infrastructure	27,505	(9,137)	18,369	26,794	(9,036)	17,758	25,614	(8,512)	17,103
Work in progress	706	-	706	1,133	-	1,133	822	-	822
Total property, infrastructure, plant and equipment	144,454	(18,899)	125,554	141,650	(20,005)	121,645	140,934	(19,005)	121,931

Summary of work in progress

Buildings	236	-	236	878	-	878	77	-	77
Plant and equipment	61	-	61	-	-	-	-	-	-
Infrastructure	409	-	409	255	-	255	745	-	745
Total work in progress	706	-	706	1,133	-	1,133	822	-	822

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

Land and Buildings

At fair value 1 July 2015	67,858	20,456	88,314	21,342	3,045	24,387	878	113,580
Accumulated depreciation at 1 July 2015	-	-	-	(9,769)	(639)	(10,407)	-	(10,407)
	67,858	20,456	88,314	11,573	2,407	13,980	878	103,173

Movements in fair value

Acquisition of assets at fair value			-	807	40	847	171	1,018
Revaluation increments / (decrements)	2,355	343	2,698	(491)	(359)	(850)	-	1,848
Fair value of assets disposed			-	(1,052)	-	(1,052)	-	(1,052)
Transfers			-	813	-	813	(813)	-
	2,355	343	2,698	77	(319)	(242)	(642)	1,813

Movements in accumulated depreciation

Depreciation	-	-	-	(344)	(53)	(397)	-	(397)
Revaluation increments / (decrements)	-	-	-	625	(15)	610	-	610
Accumulated depreciation of disposals	-	-	-	1,052	-	1,052	-	1,052
	-	-	-	1,333	(68)	1,264	-	1,265
At fair value 30 June 2016	70,213	20,799	91,012	21,419	2,726	24,145	236	115,394
Accumulated depreciation at 30 June 2016	-	-	-	(8,436)	(707)	(9,141)	-	(9,141)
	70,213	20,799	91,012	12,983	2,019	15,003	236	106,252

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

	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in progress \$'000	Total Property \$'000
Land and Buildings								
At fair value 1 July 2014	67,858	21,319	89,177	21,298	3,021	24,319	77	113,573
Accumulated depreciation at 1 July 2014	-	-	-	(9,421)	(586)	(10,008)	-	(10,008)
	67,858	21,319	89,177	11,877	2,433	14,311	77	103,565
Movements in fair value								
Acquisition of assets at fair value	-	-	-	44	23	67	845	912
Asset write-offs	-	-	-	-	-	-	(43)	(43)
Transfers	-	(863)	(863)	-	1	1	(1)	(863)
	-	(863)	(863)	44	24	68	801	6
Movements in accumulated depreciation								
Depreciation	-	-	-	(348)	(52)	(400)	-	(400)
	-	-	-	(348)	(52)	(400)	-	(400)
At fair value 30 June 2015	67,858	20,456	88,314	21,342	3,045	24,386	878	113,579
Accumulated depreciation at 30 June 2015	-	-	-	(9,769)	(639)	(10,409)	-	(10,409)
	67,858	20,456	88,314	11,573	2,407	13,978	878	103,171
Plant and Equipment								
At fair value 1 July 2015				427	309	286	-	1,022
Accumulated depreciation at 1 July 2015				(157)	(181)	(224)	-	(562)
				270	128	62	-	460
Movements in fair value								
Acquisition of assets at fair value				216	13	2	61	292
Fair value of assets disposed				(167)	-	-	-	(167)
				49	13	2	61	125
Movements in accumulated depreciation								
Depreciation				(81)	(29)	(28)	-	(138)
Accumulated depreciation of disposals				79	-	-	-	79
				(2)	(29)	(28)	-	(59)
At fair value 30 June 2016				476	322	288	61	1,147
Accumulated depreciation at 30 June 2016				(159)	(210)	(252)	-	(621)
				317	112	36	61	526

Notes to the Financial Report

For the Year Ended 30 June 2016

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

	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecom- munications \$'000	Work in Progress \$'000	Total Plant and Equipment \$'000
Plant and Equipment					
At fair value 1 July 2014	424	301	277	-	1,002
Accumulated depreciation at 1 July 2014	(139)	(154)	(192)	-	(485)
	285	147	85	-	517
Movements in fair value					
Acquisition of assets at fair value	109	9	22	-	140
Fair value of assets disposed	(106)	(1)	(12)	-	(119)
Asset write-offs	-	-	(2)	-	(2)
	3	8	8	-	19
Movements in accumulated depreciation					
Depreciation	(79)	(28)	(44)	-	(151)
Accumulated depreciation of disposals	61	1	11	-	73
Asset write-offs	-	-	1	-	1
	(18)	(27)	(32)	-	(77)
At fair value 30 June 2015	427	309	286	-	1,022
Accumulated depreciation at 30 June 2015	(157)	(181)	(224)	-	(562)
	270	128	62	-	460

	Roads \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community facilities \$'000	Waste management \$'000	Parks, open spaces and streetscapes \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
Infrastructure										
At fair value 1 July 2015	16,557	1,561	4,035	2,092	37	1,343	929	241	255	27,049
Accumulated depreciation at 1 July 2015	(5,389)	(600)	(1,943)	(685)	(37)	(80)	(235)	(65)	-	(9,036)
	11,168	961	2,092	1,407	-	1,263	694	176	255	18,013
Movements in fair value										
Acquisition of assets at fair value	110	203	78	42	175	35	66	28	231	968
Revaluation increments / (decrements)	94	(283)	327	-	-	-	(238)	-	-	(99)
Fair value of assets disposed	-	-	(4)	-	-	-	-	-	-	(4)
Transfers	-	13	-	-	9	28	27	-	(77)	-
	204	(67)	401	42	184	63	(145)	28	154	865

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

	Roads	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Waste management	Parks, open spaces and streetscapes	Off street car parks	Other infrastructure	Work in progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Movements in accumulated depreciation										
Depreciation	(300)	(49)	(62)	(94)	(16)	(62)	(32)	(11)	-	(626)
Revaluation increments / (decrements)	488	80	(71)	-	-	-	24	-	-	521
Accumulated depreciation of disposals	-	-	2	-	-	-	-	-	-	2
	188	31	(131)	(94)	(16)	(62)	(8)	(11)	-	(103)
At fair value 30 June 2016	16,762	1,494	4,436	2,134	221	1,406	784	269	409	27,913
Accumulated depreciation at 30 June 2016	(5,201)	(569)	(2,074)	(779)	(53)	(142)	(243)	(76)	-	(9,136)
	11,561	925	2,362	1,355	168	1,264	541	193	409	18,777
Infrastructure										
At fair value 1 July 2014	15,989	1,496	3,973	2,039	37	1,172	692	216	745	26,360
Accumulated depreciation at 1 July 2014	(5,117)	(561)	(1,884)	(596)	(37)	(23)	(234)	(60)	-	(8,512)
	10,873	935	2,089	1,443	-	1,149	458	156	745	17,848
Movements in fair value										
Acquisition of assets at fair value	142	65	45	53	-	18	237	-	151	711
Asset write-offs	-	-	-	-	-	-	-	-	(21)	(21)
Transfers	426	-	16	-	-	153	-	25	(621)	-
	568	65	61	53	(1)	171	237	25	(490)	690
Movements in accumulated depreciation										
Depreciation	(273)	(39)	(59)	(89)	-	(57)	(1)	(5)	-	(524)
	(273)	(39)	(59)	(89)	-	(57)	(1)	(5)	-	(524)
At fair value 30 June 2015	16,557	1,561	4,035	2,092	36	1,343	929	241	255	27,049
Accumulated depreciation at 30 June 2015	(5,389)	(600)	(1,943)	(685)	(37)	(80)	(235)	(65)	-	(9,036)
	11,168	961	2,092	1,407	-	1,263	694	176	255	18,013

Notes to the Financial Report

For the Year Ended 30 June 2016

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

Valuation of land and buildings

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

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

The valuation of crown land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The latest valuation of buildings was undertaken by Opteon on 30 June 2016, with the fit-out component undertaken by CT Management on 1 January 2014, in line with Rawlinsons Australia Construction Handbook as a guide for building costs. The valuation of buildings, excluding fitout, is at fair value, being current replacement cost or market value based on highest and best use.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Freehold land	-	20,799	-
Crown land (specialised land)	-	-	55,315
Land under roads (specialised land)	-	-	14,898
Buildings	-	2,019	-
Buildings (specialised)	-	-	12,983
Total	-	22,818	83,196

Valuation of infrastructure

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

The valuation is at fair value based on the cost approach which utilises the current replacement cost, adjusted for the condition of the asset. The current replacement cost has been based on a combination of recently tendered work, benchmarking of costs against other councils and Rawlinson's Australia Construction Handbook. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, during 2015/2016. The next scheduled revaluation of road network infrastructure, off street

car parks and drainage infrastructure assets will occur in the 2018/19 financial year.

Details of the Council's road network infrastructure, drainage and off street car parks and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Roads	-	-	11,561
Footpaths and cycleways	-	-	925
Drainage	-	-	2,362
Off street car parks	-	-	541
Total	-	-	15,389

Description of significant unobservable inputs into Level 3 valuations

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

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

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

	2016	2015
	\$'000	\$'000
Reconciliation of specialised land		
Crown land	55,315	54,401
Land under roads	14,898	13,457
Total specialised land	70,213	67,858

	2016 \$'000	2015 \$'000
Note 24 Trade and other payables		
Trade payables	426	974
Accrued expenses	92	179
Accrued wages and salaries	66	117
Total trade and other payables	584	1,269
Note 25 Trust funds and deposits		
Fire services property levy	-	4
Community nursery	10	11
Retention amounts	37	11
Other refundable deposits	40	27
Total trust funds and deposits	87	53

Purpose and nature of items

Fire services property levy – Council is the collection agent for fire services property levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Community nursery – Council holds monies in trust on behalf of the Queenscliff Indigenous Plant Nursery and arranges for the payment of appropriate nursery expenditure from this trust account during the year at the request of the community nursery.

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

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

Note 26 Provisions				
	Annual leave \$'000	Long service leave \$'000	Accrued days off \$'000	Total \$'000
2016				
Balance at beginning of the financial year	266	572	20	858
Additional provisions	51	126	12	189
Amounts used	(61)	(25)	(9)	(95)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	-	-	(1)
Balance at the end of the financial year	255	673	23	951
2015				
Balance at beginning of the financial year	256	480	12	748
Additional provisions	47	154	14	215
Amounts used	(40)	(62)	(6)	(108)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	3	-	-	3
Balance at the end of the financial year	266	572	20	858

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 26 Provisions (continued)

	2016 \$'000	2015 \$'000
Employee provisions		
<i>Current provisions expected to be settled within 12 months</i>		
Annual leave	54	39
Long service leave	–	13
Accrued days off	23	20
Total current provisions expected to be settled within 12 months	77	72
<i>Current provisions expected to be settled after 12 months</i>		
Annual leave	201	227
Long service leave	610	491
Total current provisions expected to be settled after 12 months	811	718
Total current provisions	888	790
<i>Non-current</i>		
Long service leave	63	68
Total non-current provisions	63	68
<i>Aggregate carrying amount of employee provisions:</i>		
Current	888	790
Non-current	63	68
Total aggregate carrying amount of employee provisions:	951	858

Note 27 Interest-bearing loans and borrowings

<i>Current</i>		
Borrowings – secured ¹	314	539
Total current loans and borrowings	314	539
Total loans and borrowings	314	539
¹ Borrowings are secured by the general rates of the Council as contemplated in Section 148(1) of the Local Government Act 1981 (the Act).		
<i>The maturity profile for Council's borrowings is:</i>		
Not later than one year	207	225
Later than one year and not later than five years	97	287
Later than five years	10	27
Total loans and borrowings	314	539

Note 28 Other liabilities

Income received in advance	78	101
Total other liabilities	78	101

Note 29 Reserves

(a) Asset revaluation surplus	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2016			
Property			
freehold land	18,791	343	19,134
Crown land	–	914	914
land under roads	349	1,441	1,790
Buildings	10,031	(241)	9,790
Total property	29,171	2,457	31,628
Infrastructure			
Roads	4,084	583	4,667
Footpaths and cycleways	395	(203)	192
Drainage	253	256	509
Total infrastructure	4,732	636	5,368
Total asset revaluation surplus	33,903	3,093	36,996
2015			
Property			
Land			
land	18,791	–	18,791
land under roads	349	–	349
Buildings	10,031	–	10,031
Total property	29,171	–	29,171
Infrastructure			
Roads	4,084	–	4,084
Footpaths and cycleways	395	–	395
Drainage	253	–	253
Total infrastructure	4,732	–	4,732
Total asset revaluation surplus	33,903	–	33,903

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

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 29 Reserves (continued)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2016 (b) Other reserves				
Asset Replacement Reserve – Allocated	705	97	(503)	299
Asset Replacement Reserve – Unencumbered	231	–	(40)	191
Future Calls on Defined Benefits Superannuation	20	20	–	40
Funds carried forward to future years				
Grant funding not yet expended – Operating	657	77	(488)	246
Grant funding not yet expended – Capital	435	1,179	(426)	1,188
Incomplete works – Operating	565	310	(269)	606
Incomplete works – Capital	909	233	(555)	587
Total funds carried forward to future years	2,566	1,799	(1,738)	2,627
Total other reserves	3,522	1,917	(2,282)	3,157
2015	\$'000	\$'000	\$'000	\$'000
Asset Replacement Reserve – Allocated	412	470	(177)	705
Asset Replacement Reserve – Unencumbered	464	–	(233)	231
General Reserve	–	20	–	20
Funds carried forward to future years				
Grant funding not yet expended – Operating	1,207	137	(687)	657
Grant funding not yet expended – Capital	575	335	(475)	435
Incomplete works – Operating	379	293	(107)	565
Incomplete works – Capital	680	386	(157)	909
Total funds carried forward to future years	2,841	1,151	(1,426)	2,566
Total other reserves	3,717	1,641	(1,836)	3,522

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

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

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

Funds carried forward to future years (capital and operating, grant funded and Council own source funds) represent those projects which are not complete at year end and funding is reserved from current year operations to be carried forward into the following year. Some of the capital projects are recorded as Works in Progress in Note 23, whilst details of each project for which grants were received in the financial year and which remain unexpended at balance date are included at Note 6.

Note 30 Prior period adjustments	2016	2015	2014
	\$'000	\$'000	\$'000
Net adjustment arising from recognition of Crown land assets	–	–	54,401
Net adjustment arising from recognition of freehold land assets	–	–	863
Net adjustment arising from recognition of Off street car park assets	–	–	18
Total period period adjustments	–	–	55,282

During the 2015/16 financial year, a range of Crown land assets over which Council is Committee of Management were identified as not having been previously included in Council's asset register. As a result, an adjustment arising from the recognition of Crown land assets has been included above. This adjustment has had a material impact on the opening balances in the financial report and has necessitated a third balance sheet.

A parcel of freehold land was also identified during the 2015/16 year as not having been previously included in Council's asset register. As a result, an adjustment arising from the recognition of freehold land assets has been included above. Council resolved in April 2015 to sell this parcel of land. As a result, this adjustment increased Non Current Assets Held for Sale at 1 July 2015 (Note 21). This land was subsequently sold during the 2015/16 year.

An off street car park was also identified during the 2015/16 year as not having been previously included in Council's asset register. As a result, an adjustment arising from the recognition of off street car park assets has been included above.

The accumulated surplus at 1 July 2015 has been adjusted to reflect the above adjustments directly to equity.

Note 31 Reconciliation of cash flows from operating activities to surplus / (deficit)	2015	2014
	\$'000	\$'000
Surplus for the year	189	664
Depreciation	1,160	1,074
Loss/(gain) on disposal of property, infrastructure, plant and equipment	853	(15)
Asset write-offs	216	65
Borrowing costs	23	37
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	105	(7)
(Increase)/decrease in inventories	(1)	–
(Increase)/decrease in prepayments	(2)	(13)
(Increase)/decrease in accrued income	(767)	188
(Increase)/decrease in regional library equity	15	3
Increase/(decrease) in trade and other payables	(548)	498
Increase/(decrease) in accrued expenses	(87)	76
Increase/(decrease) in accrued wages	(51)	(7)
Increase/(decrease) in trust funds and deposits	34	(9)
Increase/(decrease) in income received in advance	(23)	50
Increase/(decrease) in provisions	93	110
Net cash provided by operating activities	1,210	2,715

Note 32 Financing arrangements		
Bank overdraft	5	5
Credit card facilities	29	19
Loan facilities	314	539
Total facilities	348	563
Used facilities	320	542
Unused facilities	28	21

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 33 Commitments

The Council has entered into the following commitments.

2016	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Roads, parks and reserves maintenance	754	773	793	-	2,320
Garbage collection	482	494	1,558	-	2,534
Cleaning contract for council buildings	42	43	44	-	129
Cleaning contract for amenities blocks & BBQs	65	67	68	-	200
Finance system	105	-	-	-	105
Internal audit	11	-	-	-	11
Review of the Queenscliffe Planning Scheme	2	-	-	-	2
Planning for the future of Council Managed Tourist Parks	44	-	-	-	44
Total operating commitments	1,567	1,393	2,463	-	5,423
Capital					
Pt Lonsdale Foreshore Revitalisation Stage 3 Village Park Upgrade Design Services	40	-	-	-	40
Total capital commitments	40	-	-	-	40
Total commitments	1,607	1,393	2,463	-	5,463
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Roads, parks and reserves maintenance	870	-	-	-	870
Home maintenance services	3	-	-	-	3
Internal audit	22	11	-	-	33
Provision of valuation services	25	-	-	-	25
Open space strategy	12	-	-	-	12
Avenue of Honour tree replacement plan	4	-	-	-	4
Total operating commitments	936	11	-	-	947
Capital					
Development Plan of Murray Road	7	-	-	-	7
Queenscliff Heritage Railway Station Precinct Upgrade Senior Citizens building upgrade works	346	-	-	-	346
Queenscliff Kindergarten building upgrade works	100	-	-	-	100
Pt Lonsdale Foreshore Revitalisation Stage 3 Village Park Upgrade Design Services	19	-	-	-	19
Total capital commitments	472	-	-	-	472
Total commitments	1,408	11	-	-	1,419



	2016 \$'000	2015 \$'000
Note 34 Operating leases		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of land and photocopier equipment for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	11	36
Later than one year and not later than five years	4	6
Later than five years	1	2
Total operating lease commitments	16	44
(b) Operating lease receivables		
The Council has entered into commercial property leases on its surplus property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge annually. Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	118	112
Later than one year and not later than five years	492	485
Later than five years	1,208	1,230
Total operating lease receivables	1,818	1,827

Note 35 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision My Super / Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.00% p.a.
Salary information	4.25% p.a.
Price inflation (CPI)	2.50% p.a.

Vision Super has advised that the estimated VBI at 30 June 2016 is 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 35 Superannuation (continued)

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/15). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the defined benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$130.8 million; and

A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the results of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$28,984.

Note 36 Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 35. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists. At this point in time, it is not known if additional contributions will be required, their timing or potential amount.

Guarantees for loans to other entities

Council has no obligation as guarantor for loans to other entities.

Note 37 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, money market at call accounts, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial report. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. 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.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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:

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

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

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

(c) Credit Risk

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

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

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

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

We may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 36.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and Notes to the Financial Report. Council does not hold any collateral.

(d) Liquidity risk

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

To help reduce these risks, Council:

- has a liquidity practice of establishing minimum working capital requirements when developing cash flow budgets;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

(e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +1% and -2% in market interest rates (AUD) from year-end rates of 1.35%.

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

Notes to the Financial Report

For the Year Ended 30 June 2016

Note 38 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 (Mayor)
 Councillor Bob Merriman
 Councillor Sue Wasterval
 Councillor Susan Salter
 Councillor Graham Christie (01/07/15 to 27/10/15)
 Councillor Greg Jones (23/11/15 to 12/01/16)
 Councillor Peter Russell (01/02/16 to current)

Chief Executive Officer

Leonard Jenner

(ii) Remuneration of Responsible Persons

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

	2016 \$'000	2015 \$'000
\$0 - \$9,999	3	-
\$20,000 - \$29,999	3	4
\$50,000 - \$59,999	1	1
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	1	-
	8	6
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	376	367

(iii) 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 \$139,000 (2014/15: \$136,000).

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

Income range	2015 \$'000	2014 \$'000
\$70,000 - \$79,999	1	-
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	-
\$150,000 - \$159,999	1	1
\$160,000 and above	-	-
	3	2
Total Remuneration for the reporting year for Senior Officers included above amounted to:	375	285

(iv) Responsible persons retirement benefits

No retirement benefits have been paid during the reporting period by Council in connection with the retirement of responsible persons (2014/15, nil).

(v) Loans to responsible persons

No loans have been made, guaranteed or secured during the reporting period by Council to a responsible person of the Council or a related party of a responsible person (2014/15: nil).

(vi) Transactions with responsible persons

No transactions, other than remuneration payments or the reimbursement of approved expenses, were entered into during the reporting period by Council with a responsible person of Council or a related party of a responsible person (2014/15: nil).

Note 39 Events occurring after balance date

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

Certification of Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Lynne Stevenson CPA

Principal Accounting Officer

Date: 21 September 2016

Queenscliff

In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliff for the year ended 30 June 2016 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 21 September 2016 to certify the financial statements in their final form.



Councillor Helene Cameron

Councillor

Date: 21 September 2016

Queenscliff



Councillor Bob Merriman

Councillor

Date: 21 September 2016

Queenscliff



Leonard Jenner

Chief Executive Officer

Date: 21 September 2016

Queenscliff



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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Borough of Queenscliffe

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Borough of Queenscliffe which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Borough of Queenscliffe are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, 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 financial report that is 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 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 financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the 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 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 financial report.

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)

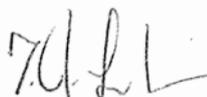
Independence

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, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Borough of Queenscliffe as at 30 June 2016 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*.

MELBOURNE
23 September 2016


R Andrew Greaves
Auditor-General



St Aloysius Primary School enjoy Environment Day excursion.



References

Glossary	154
Abbreviations	156
Index	157

Glossary

Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts expenditure	Bad debts written off and the movement in the bad debt provision for infringement debtors 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.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainable capacity indicator	A prescribed indicator measuring whether Council has the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Trade and other payables	Monies owed by Council to other entities/individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, debt collection recovery charges, ticket machine fees, and caravan and camping fees.

Abbreviations

AASB	Australian Accounting Standards Board
ABM	Association of Bayside Municipalities
ABS	Australian Bureau of Statistics
ARA	Annual Report Awards
AUD	Australian dollars
BCN	Bellarine Catchment Network
BOQ	Borough of Queenscliffe
BRWVG	Barwon Regional Waste Management Group
CALD	Culturally & Linguistically Diverse
CCMA	Corangamite Catchment Management Authority
CEO	Chief Executive Officer
CIV	Capital Improved Value
CNAP	Carbon Neutral Action Plan
CPA	Certified Practising Accountant
Cr	Councillor
CVA	Conservation Volunteers Australia
DELWP	Department of Environment, Land, Water & Planning
DPCD	Department of Planning and Community Development
DSE	Department of Sustainability and Environment
EEO	Equal employment opportunity
EMT	Executive Management Team
E-waste	Electronic waste
FBT	Fringe benefits tax
FinPro	Finance Professionals in Local Government
GOT	Geelong Otway Tourism
GST	Goods and services tax
HACC	Home and Community Care
LASF	Local Authorities Superannuation Fund
LGPro	Local Government Professionals
MAV	Municipal Association of Victoria
MCH	Maternal & Child Health
MP	Member of Parliament
N/A	Not applicable
OH&S	Occupational Health and Safety
PLSLSC	Point Lonsdale Surf Life Saving Club
QLBTA	Queenscliff Lonsdale Business & Tourism Association
QMF	Queenscliff Music Festival
RSL	Returned and Services League of Australia
SES	State Emergency Service
TEDAC	Tourism & Economic Development Advisory Committee
TGGB	Tourism Greater Geelong & The Bellarine
VAGO	Victorian Auditor-General's Office
VCAT	Victorian Civil and Administrative Tribunal
VECCI	Victorian Chamber of Commerce and Industry
VIC	Visitor Information Centre

Index

- A**
Abbreviations 156
About this annual report 3
Achievements 10
Appreciating our people 36
At a glance 10
Audit Committee 72
Auditor General's Report 100, 151
Awards and recognition 38
- B**
Balance sheet 113
Best value 76
Borough of Queenscliffe profile 24
Borough of Queenscliffe name 25
Business and tourism 48
Business planning framework 74
- C**
Cash flow statement 115
Certification 99, 149
Challenges 11
Committees of Council 70
Community grants and donations 79
Community satisfaction 89
Conflict of interest 70
Continuous service improvements 76
Corporate governance 69
Council 70
Council meetings 70
Councillor attendance at meetings 71
Councillor Code of Conduct 38
Councillors 28
Councillor allowances and expenses 71
Council's role 70
- D**
Decision making 70
Disappointments 8
Documents for inspection 76
Domestic (feral and nuisance) animals 77
- E**
Economy 26
Environment 26
Equal employment opportunity 35
Events highlights 20
Executive Management Team 38
- F**
Fast facts 9
Financials 105
Financial indicators 106
Financial overview 16
Financial performance indicators 96
Fire prevention 75
Freedom of information 75
- G**
Glossary 154
Governance and management checklist 86
Grants and donations 79
Grants and subsidies received 82
- H**
Highlights 8
- I**
Income statement 12
Information and records management 75
Information privacy 75
- L**
Legislative compliance 75
Local government performance reporting framework 92
Local laws 77
- M**
Mayor's and CEO's report 6
Memberships 85
- N**
Notes to the financials 118
- O**
Occupational health and safety 35
Organisation chart 34
Organisation summary 32
Our people 32
Our successes 13
- P**
Performance statement 92
Policies, strategies and plans 74
Procurement 76
Progress on Council Plan actions 12
Protected disclosures 75
- R**
Recruitment 35
Risk management 73
Road management 75
- S**
Service performance indicators 94
Staff changes 35
Staff consultative committee 36
Staff management and culture 35
Staff profile 33
Standard capital works statement 116
Statement of changes in equity 114
Sustainable capacity indicators 93
- T**
Tourism 48
Training and development 35
- U**
Understanding the Financial Report 104
- V**
Victorian local government performance indicators 88
Vision 24
Volunteers 37
- Y**
Year ahead 11
Year in review 5



Shortland's Bluff at sunrise.





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