



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

annual report 2017-18





Statio Tutissima Nautis

“The Safest Anchorage for Seafarers”

Just as it is a safe haven for mariners, the Borough has an enduring role to play in conserving our extraordinary natural beauty with ecological values of global significance, rich architectural heritage and military history fundamental to Australia’s defence.

Our Vision

Inspired by the Borough’s Latin motto, Council’s vision for the future is that:

‘The Borough remains a safe haven defined by its unique heritage, rich culture and significant natural environment. It is a special and restorative place for an involved and caring community and our visitors.’

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About this annual report

The Borough of Queenscliffe Annual Report 2017–18 highlights Council's performance against the first year of the Council Plan 2017–2021 and the 2017–18 Budget.

The Council Plan 2017–2021 sets out five strategic directions against which Council's performance is measured:

1. Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture.
2. Play our part in protecting the local, national and globally significant values within our natural environment for future generations.
3. Foster a diverse and vibrant local economy.
4. Preserve and enhance the Borough as a special place through excellence of design and conservation of its rich culture and unique heritage.
5. Maintain a cohesive, well governed, financially sustainable and independent Borough.

This Annual Report includes information about Council's performance, achievements and challenges for each of these strategic directions within the 2017–18 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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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: Tom Limb leads the local batonbearers in the Gold Coast 2018 Commonwealth Games Queen's Baton Relay.
Photographer: Michael Chambers

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New Year's Eve fireworks at the Queenscliff Harbour.





Year in review

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Mayor's and CEO's report

The 2017–18 financial year was punctuated by a string of remarkable festivals and events as well as a succession of key milestones achieved by several local community organisations. This thread of activity reinforces the special nature of Queenscliff and Point Lonsdale as restorative coastal communities. We acknowledge the collective efforts of volunteers, clubs and local organisations that contribute valuable time and resources to the spectrum of civic, sporting, history and heritage and religious activity, and the provision of emergency and community services.

A year of festivals, events and key milestones

There was a rich array of festivals and events throughout the financial year, starting with the Gold Coast 2018 Queen's Baton Relay (QBR) that passed through Queenscliff in February 2018. The Queenscliff leg of the QBR was led by local sporting champion and leader, Tom Limb, and supported by local volunteers, community organisations and businesses. We were treated to the inaugural Low Light Winter Festival, another highly successful Queenscliff Music Festival, and the emerging brilliance of the Queenscliffe Literary Festival, SacredEdge Festival and the Mountain to Mouth Extreme Arts Walk that passes through the Borough.

There were many community sporting events that warrant the attention of this Annual Report including the Rip View Swim Classic, Queenscliff 180 Family Swim, Rip to River Run and the annual Nippers Carnival.

The significance and longevity of Queenscliffe was again expressed through key milestones celebrated by a number of organisations that form part of the fabric of the Borough.

The Point Lonsdale Surf Life Saving Club (PLSLSC) celebrated its 70th anniversary in November 2017. The PLSLSC clubrooms were opened in 1964 and have since provided a much-loved place for the community to gather and share their passion for the Borough's local beaches, as well as a base for the life guards who keep those beaches safe.

Following the 50th anniversary of the Queenscliffe Historical Museum in 2016, the Museum's patron, the Honourable Ted Baillieu, former Premier of Victoria, launched the book 'Celebrating History' in October 2017. In line with the anniversary year, 'Celebrating History' showcases 50 of the rarest and most significant items in the Museum's collection.

The 21st Queenscliff Music Festival (QMF) took place in November 2017 and was a sell-out event that delivered a spectacular program of well-known artist and up and coming musical talents. The event continues to generate enormous popularity, due to the dedication and expertise of the Festival organisers and their army of volunteers.

In October 2017 Searoad Ferries achieved 30 years of operation of the car and passenger ferry between Sorrento and Queenscliff.

Finally, the Probus Club of Queenscliff reached its 20th anniversary in May 2018. The friendships, insights, ideas and opportunities for further knowledge shared over this period have been integral to the fabric of society in the Borough, and the longevity of the Probus Club is a demonstration of its value to our community.

Encouraging community conversations

Council introduced additional ways of engaging with the community. In January 2018 Council held its first Community Listening Post to encourage discussion between residents, community organisations, local businesses and Councillors. This has become a monthly activity in the Councillors' calendars. Council also conducted extensive community consultation to inform its decisions regarding key projects including Destination Queenscliff, the Avenue of Honour restoration project and Stage 1 of the Point Lonsdale Lighthouse Reserve improvements.

Responding to the challenges facing our coastal community

The Australian Bureau of Statistics analysis of the 2016 census highlighted some of the key trends and the emerging opportunities and challenges facing the Borough of Queenscliffe.

Sustaining the leadership, membership and volunteer efforts of local community organisations will become a key challenge, given an older demographic and an increasing number of non-residential households. These trends also underline the importance of maintaining community networks and strengthening local neighbourhood connections. To this end, Council and the Bellarine Community Health Service commenced regular meetings to better coordinate service planning and delivery.

Council continued its partnership with the City of Greater Geelong in implementing the 'Our Coast' project that is designed to plan for and respond to the challenges associated with climate change and sea level rise. These efforts were recognised in March 2018 when the Borough of Queenscliffe and City of Greater Geelong jointly received the National Climate Adaptation Award from the Australian Coastal Council for the Our Coast project.

Delivering a financially sustainable position

Council ended the 2017–18 year in a positive financial position with an underlying surplus of \$75,000, despite commencing the year with a budgeted deficit. The result was largely due to additional income and significant operational savings achieved in 2017–18 and lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet).

During the financial year a total of \$2,115,000 was spent on capital works across the Borough. This included a total of \$1,342,000 on renewals and upgrades and \$773,000 on new assets.

When comparing the Borough of Queenscliffe against the other 19 councils within the 'small shire councils' grouping, with respect to assessment of VAGO's financial sustainability

indicators, the Borough of Queenscliffe remains in a sound financial position and is considered low risk in all six of the financial sustainability indicators identified by the Auditor General for the 2017–18 year.

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

Council continues to strike a balance in the funding sourced from each of these pools in order to meet the service needs and expectations of the community (noting no new borrowings were undertaken in 2017–18). 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 2017–18.

Securing funding

The importance of good working relationships and project partnerships between community, Council and other levels of government continues to support and enrich our work program. These strong relationships have enabled Council to be very successful in attracting funds for community facilities and infrastructure, which reduces the financial pressures on local ratepayers. A total of \$2,414,377 in grant funding was received in 2017–18 from other levels of government.

The financial investment from the Federal and State Governments has enabled Council to complete or make significant progress against a range of priorities in 2017–18. These included the replacement of Council streetlights with light-emitting diode (LED) technology, construction of the initial stage of the Queenscliff Sport and Recreation Precinct, detailed planning for both 'Destination Queenscliff' and Stage 1 of the Point Lonsdale Lighthouse Reserve improvements, and the staging of the first Low Light Winter Festival.

Achieving a regional, state and national solution for waste management

Local communities across Australia were impacted by global changes in waste management policies and practices. The Borough of Queenscliffe worked with its neighbouring Councils in the G21 region to identify how best to respond to the immediate implications of China's non-acceptance of local waste recycling and position our region to frame a medium-to-long-term solution in collaboration with State and Federal Governments.

Working together to protect our environment

The very nature and location of Point Lonsdale and Queenscliff accentuate Council's coastal Crown land management responsibilities. Given the extent of Crown land and the comparative size and capacity of the Borough of Queenscliffe, Council places a high level of emphasis on working with local, regional, state and national organisations to enhance environmental values through revegetation and weed removal. Council's partnerships delivered very positive environmental outcomes with the Corangamite Catchment Management Authority, Conservation Volunteers Australia and the Federal Government's Green Army Program, Bellarine Catchment



Borough of Queenscliffe CEO, Mr Lenny Jenner and Mayor, Cr Susan Salter.

Network, Department of Justice Correctional Services, Parks Victoria, local Primary Schools as well as regional and Melbourne Secondary Schools, The Gordon TAFE and the Queenscliffe members of the Geelong Environmental Council all playing an important part.

Residents and property owners also delivered outstanding results in improving kerbside waste collection. It was extremely positive that 2017–18 saw an increase in recycling levels and a corresponding reduction in the proportion of household waste to landfill.

Finally, the importance of good working relationships and project partnerships between community, Council and other levels of government continues to support and enrich our work program. The team of Councillors and Council officers are committed to the ongoing improvement of the Borough of Queenscliffe. Their level of focus, attention to emerging operating priorities and community service delivery is outstanding and, for that, we acknowledge their significant contributions.

Cr Susan Salter
Mayor

Leonard Jenner
Chief Executive Officer

Highlights of 2017–18

- ❑ 'Our Coast' project awarded the Climate Adaptation Award from the Australian Coastal Council in March 2018.
- ❑ Replacement of the 318 Council street lights suitable for light-emitting diode (LED) technology was completed in February 2018.
- ❑ Staging of Inaugural Low Light Festival – more than 100 events, hosted by 26 businesses and community groups, held over four consecutive weekends in winter 2018.
- ❑ The Borough of Queenscliffe won a Gold Award (Australasian Reporting Awards) for the 2016–17 Annual Report.
- ❑ The Borough of Queenscliffe's overall performance index score of 62 is significantly higher than both the small rural group average (score of 56) and the statewide average (score of 59).
- ❑ Zero waiting list status maintained for access to Aged Care Services.
- ❑ Total grant funding received by Council in 2017–18 was \$2,414,377.
- ❑ Administration and allocation of the 2017–18 Community Grants program was completed in August 2017 with 11 grants totalling \$18,357 awarded to local community groups.
- ❑ The Borough of Queenscliffe adopted the Economic Development Strategy in December 2017.
- ❑ The Borough of Queenscliffe and Surf Coast Shire Council entered into a joint partnership to secure a green waste management contract, ensuring secure processing of green waste for the next three years.
- ❑ 652 tonnes of green waste and 9,758 kilograms of e-waste were diverted from landfill.
- ❑ The Borough of Queenscliffe continued to foster and enhance partnerships with community groups, business, our municipal neighbours and other levels of government.
- ❑ Council continued to host a diverse range of civic events and supported local organisations, arts, cultural and sporting activities.
- ❑ Council continued to advocate on behalf of the community to integrate all of Point Lonsdale within postcode 3225 into the Borough of Queenscliffe.

Disappointments

- ❑ The Essential Services Commission (ESC) did not approve of Council's application for a one-off higher rate cap of 4.5% in the 2017–18 rating year.
- ❑ Unable to commence and / or complete some priority projects due to increased pressures on available resources.
- ❑ Unable to secure funding to progress the Queenscliff / Hesse Street Community Hub.

Queenscliff Music Festival.





Fast facts

- 2,853 permanent residents
- 2,802 rateable properties
- 17,000-plus peak population over summer
- 16 birth notifications
- \$2,414,377 of grants and subsidies funding received by Council
- 9,530 hours of Aged Care Services provided
- Council maintained a zero waiting list for all Aged Care Services
- 126 food safety assessments and inspections conducted
- 42 kilometres of local road network maintained
- 5,350 native trees, shrubs and ground covers planted in Council's caravan parks, reserves and foreshores
- 184 street trees planted
- 511,660kg of composted green waste delivered to local farms and vineyards
- 652,120kg of green waste composted for re-use by farmers
- Waste to landfill decreased by 14.5%, or a further 3.5% compared to 2016–17
- 36,586 people assisted at the Queenscliffe Visitor Information Centre
- Volunteers contributed 4,650 hours to visitor servicing
- 95 media releases issued
- 80 Mayor's Columns published
- 6 Mayor's Message video summaries of Council's Ordinary Meetings published
- 6 Community Listening Posts held in Point Lonsdale and Queenscliff
- 38% of the Borough of Queenscliffe population are active volunteers
- 40% of the population are active Queenscliff Library users

At a glance

| STRATEGIC DIRECTION | ACHIEVEMENTS | DISAPPOINTMENTS | CHALLENGES | YEAR AHEAD |
|----------------------------|---|---|--|---|
| Community Wellbeing | <ul style="list-style-type: none"> ❑ Maintained zero waiting list status for access to Aged Care Services. ❑ 100% of local food businesses were inspected and comply with regulations. ❑ Implemented Council's Health and Wellbeing Action Plan. ❑ Awarded 11 Community Grants totalling \$18,357.30 in August 2017. ❑ Hosted a diverse range of civic events and supported local organisations, arts, cultural and sporting activities. ❑ CCTV installed at JL Jordan Reserve Boat Ramp in November 2017. | <ul style="list-style-type: none"> ❑ Unable to secure funding for the Queenscliff / Hesse Street Hub . | <ul style="list-style-type: none"> ❑ Identifying a funding source for the Queenscliffe Park Project. Council has resolved to prepare a masterplan for the entire site to create a family friendly park. | <ul style="list-style-type: none"> ❑ Finalise construction of Queenscliff Sport and Recreation Precinct Project. ❑ Complete a Pathways Strategy for Queenscliff and Point Lonsdale. ❑ Implement construction works at Queenscliff Recreation Reserve Caravan Park. ❑ Complete Stage One of Queenscliffe Park Project. |
| Local Economy | <ul style="list-style-type: none"> ❑ Queenscliff Visitor Information Centre (VIC) awarded TripAdvisor Certificate of Excellence in June 2018. ❑ Inaugural Low Light Festival – more than 100 events held over four consecutive weekends in winter hosted by 26 businesses and community groups. ❑ Following extensive community consultation, the Borough of Queenscliffe adopted the Economic Development Strategy at the Ordinary Meeting of Council on 14 December 2017. ❑ Supported local businesses by hosting the Victorian Small Business Festival in August 2017, facilitating networking opportunities and a Small Business Victoria mentoring program. ❑ In partnership with Tourism Greater Geelong and the Bellarine (TGGB), Council contributed to the 2018-19 Business Events Geelong Planners Guide, the new Official Visitor Guide and in the development of destination specific blogs. ❑ Council joined in on the Worksafe Liveability Expo as part of the WorkSafe organisation and staff relocation program and encouraged local real estate agents to provide housing options for promotion. ❑ Attracted significant publicity with BBC drama 'The Cry' being filmed in Queenscliff and Point Lonsdale in March 2018 and Foxtel's program 'Coast Australia' visiting Queenscliff to film a segment March 2018. ❑ 4,650 volunteer hours provided to the VIC. ❑ VIC received the Customer Service Award at the Victorian Regional Achievement and Community Awards in October 2017. | <ul style="list-style-type: none"> ❑ Council is yet to secure funding from State and/ or Federal Government for the Queenscliff Hub project. | <ul style="list-style-type: none"> ❑ Securing further State Government funding for Low Light Festival. | <ul style="list-style-type: none"> ❑ Implement Borough of Queenscliffe Economic Development Strategy. ❑ Continue to build on the success of the Low Light Festival. ❑ Complete detailed design and progress construction of Stage 1 improvements to the Point Lonsdale Lighthouse Reserve. ❑ Commence planning of the Hesse Street Revitalisation project. ❑ Finalise planning and progress construction of the Destination Queenscliff project. |

| STRATEGIC DIRECTION | ACHIEVEMENTS | DISAPPOINTMENTS | CHALLENGES | YEAR AHEAD |
|-------------------------------------|---|--|---|---|
| Environmental Sustainability | <ul style="list-style-type: none"> □ 'Our Coast' project was awarded the Climate Adaptation Award from the Australian Coastal Council in March 2018. □ Replacement of 318 Council street lights suitable for light-emitting diode (LED) technology completed in February 2018. □ Strengthened partnerships with environmental organisations and agencies to deliver weed reduction programs and vegetation management. □ 5,350 indigenous plants, shrubs and trees have been planted in Council caravan parks, car parks and reserves. □ 184 street trees planted (replacing 12 removed trees). □ 229 tonnes of seaweed material was removed from beaches, creating compost for horticultural purposes. □ Diverted 652 tonnes of green waste from landfill. □ Collected 9,758 kilograms of e-waste. □ Continued implementation of Council's Carbon Neutral Action Plan. □ Introduction of Community Environment Alliance grants program to assist community groups to reduce their impact on the environment. | <ul style="list-style-type: none"> □ Council's 2017-18 diversion rate for the amount of resources saved from landfill was 55.3%, which is above the regional average of 51.7%. However, this figure only places Council third in diverting resources from landfill across the nine Barwon South West councils. □ Council has written several letters to State politicians and the Department of Environment, Land, Water and Planning regarding inclusion of Laker's Cutting into the RAMSAR listed Swan Bay. This remains a challenge and Council will continue its lobbying efforts into the future. | <ul style="list-style-type: none"> □ Due to the global crisis in the recycling industry, Council can no longer offset its costs of recycling with income received from processed recyclables. Council is now required to negotiate contracts to reflect current and future market conditions to ensure continuity of service and securing a price that is acceptable to our community. | <ul style="list-style-type: none"> □ Prepare a Consultancy Brief and appoint qualified consultants to undertake a feasibility study into alternative power supplies. □ Examine options to reduce waste to landfill from kerbside hard waste service. □ Produce a Foreshore Plan to identify priority actions to enhance amenity and use of foreshore and beaches. □ Develop an Integrated Water Management Plan to investigate stormwater reuse and improved stormwater management. |
| Planning and Heritage | <ul style="list-style-type: none"> □ Statutory Compliance Officer appointed to ensure planning permit compliance. □ Annual asset renewal programs completed. □ Successfully promoted local heritage through Low Light Festival. □ Supported and enhanced the local arts and culture scene through a number of programs, activities and events. | <ul style="list-style-type: none"> □ Reduced percentage of planning applications processed within 60 days, due to limited planning resources, complex projects and applications, and recruitment process for new Senior Planner. | <ul style="list-style-type: none"> □ Resourcing was a key challenge during the 2017-18 year, with the resignation of Council's Senior Planner in early August 2017. | <ul style="list-style-type: none"> □ Commence Heritage and Urban Character Review. □ Renew kerb and channel assets in Hobson Street, upgrade footpath and nature strip in Harbour Street, Queenscliff. |
| Governance and Performance | <ul style="list-style-type: none"> □ The 2018 Community Satisfaction Survey results highlight that the Borough of Queenscliff scored higher than both the average of the small rural councils group and the statewide average. □ Online self-service for rate enquiries and payments introduced. □ Community References Groups were established for the Point Lonsdale Lighthouse Reserve Concept Plan, Avenue of Honour Restoration, and Queenscliff Sport and Recreation Precinct Projects. □ Total grand funding received by Council in 2017-18 was \$2,414,377.20. □ 95 media releases issued and 80 Mayor's Columns published in local newspapers. □ Won an Australasian Reporting Awards Gold Award for 2016-17 Annual Report. | <ul style="list-style-type: none"> □ The Essential Services Commission (ESC) did not approve Council's application for a one-off higher rate cap of 4.5% in the 2017-18 rating year. | <ul style="list-style-type: none"> □ Preparing a financially sustainable budget following the State introduction of a 2.0% rate cap on increased rates revenue. | <ul style="list-style-type: none"> □ Implement the 2017-2021 Council Plan. □ Review Council's Risk Management Framework. □ Continue to improve Council's records management systems. |

Progress on strategic directions: 2017–18

To realise the vision and achieve the strategic directions in the Council Plan, specific Business Plan Priority Actions were set for 2017–18. 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 |
|-------------------------------|-------------------|-----------|-------------|-----------------|
| Community Wellbeing | 8 | 7 | 1 | 0 |
| Local Economy | 11 | 11 | 0 | 0 |
| Environmental Sustainability | 12 | 10 | 0 | 2 |
| Planning and Heritage | 8 | 5 | 3 | 0 |
| Governance and Performance | 14 | 13 | 1 | 0 |
| 2017–18 overall result | 53 | 46 | 5 | 2 |

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 2017–2021.

In Progress

These actions were progressed but not completed. Any actions assessed as priorities for the future have been included in the Council Plan 2017–2021.

Yet to commence

These are actions that have not commenced. The major obstacles relate to competing priorities, given the funding opportunities available 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 2017–2021 Council Plan.

Our stakeholders

Council has a diverse range of stakeholders and we communicate and consult with them in a variety of ways to gain valuable knowledge, build understanding, share views and respond to opportunities and issues that are most important to them.

| COUNCIL | | | | | | STAKEHOLDERS | | | | |
|---|--|--|--|---|--|---|--|---|--|--|
| Residents | | Ratepayers | | Local businesses | | Community groups and volunteers | | Government – State, Federal and other councils | | |
| They are important to Council because they . . . | | | | | | | | | | |
| Use and provide feedback about Council services, facilities and infrastructure. They also give us information about issues that are most important to them. | | Provide funding for Council services. They also use and provide feedback about Council services, infrastructure and local issues. | | Create local jobs and provide goods and services for residents of and visitors to the Borough. They are key to our local economy. | | Provide a range of services and community building activities and events. They connect local residents and encourage community participation. They generate and pursue ideas and projects in the community. | | Provide grant funding and guidance on legislation and regulations. They also form a valuable network and contribute to regional partnerships and major projects. | | |
| Council is important to them because we . . . | | | | | | | | | | |
| Provide local services, facilities and infrastructure; support many community building activities and events that improve wellbeing; and provide information in response to enquiries. | | Provide local services, facilities and infrastructure; support many community building activities and events that improve wellbeing; and provide information in response to enquiries. | | Support professional development for local businesses; facilitate tourism activity; provide support and resources for local events; and assess and issue permits. | | Provide information, resources and support for many community building activities and events that improve wellbeing; build community connections and enhance the environment. | | Provide local services, facilities and infrastructure; play an important role in community wellbeing; facilitate tourism; and implement a range of legislation and regulations. | | |
| Council engages with this group via . . . | | | | | | | | | | |
| Listening Posts; Council meetings; community consultation and surveys; Council website; publications; Annual Report; mail-outs; customer service; face-to-face meetings; and telephone contact. | | Rates notices; community forums, including Listening Posts; publications; Council website; Annual Report; mail-outs; community consultation and surveys; customer service; face-to-face meetings; and telephone contact. | | Listening Posts; Council meetings; community consultation and surveys; Advisory Committee; Council website; publications; Annual Report; mail-outs; customer service; face-to-face meetings; and telephone contact. | | Meetings with clubs and community organisations; reference groups; workshops and forums; face-to-face meetings with committee members; and online. | | Formal legislative reports; partnerships; meetings; briefings; networking events; and formal correspondence. | | |

Our successes

A mix of funding initiatives, strategies for environmental and economic sustainability, international events and even a touch of celebrity have delivered lasting benefits to the Borough of Queenscliffe community and visitors to the region in 2017–18. Here are some of our highlights.

Our Coast wins national award for Climate Adaptation

In March 2018, the 'Our Coast' project partners won the Australian Coastal Councils' Climate Adaptation Award.

Our Coast uses the latest data on projected sea level rise and storm surge to model potential inundation. The joint initiative is made up of contributions from the City of Greater Geelong, the Borough of Queenscliffe, the Corangamite Catchment Management Authority, Barwon Coast Committee of Management Incorporated, Bellarine Bayside Foreshore Committee of Management and the Department of Environment, Land, Water and Planning.

Our Coast leads the way in identifying and addressing risks associated with sea level rise. The project's cutting-edge innovation is an outstanding example of a partnership approach at a grass roots level.

Extensive community participation and consultation were a key feature in the development of the Our Coast project, providing well-researched climate adaptation options to assist the community to plan for the future.

The Our Coast Adaptation Plan is underpinned by the objective of protection and can be transferred to and replicated for any coastal council. The project is a benchmark for approaches to land management in general and will be a reference point for many similar studies nationally.

Council lights the way

Replacement of all 318 Council street lights suitable for light-emitting diode (LED) technology was completed in February 2018. This achievement positions Council to lead the way as the first municipality in Australia with LED technology used for Council street lighting.

The decision to transition to LED street lighting is both financially and environmentally sound. Street lighting is the single largest contributor to electricity use within the Borough of Queenscliffe, generating 206 tonnes of carbon dioxide equivalent in 2016–17. LED technology produces up to 75% less carbon emissions than the mercury vapour lights previously used.

Council pays all operating costs for all street lights in the Borough of Queenscliffe. There are a further 117 lights, located on declared highways that are maintained by VicRoads under a joint management arrangement between Council and VicRoads. Council is currently discussing the potential transition of these lights to LED technology.

Economic Development Strategy

At its December 2017 Ordinary Meeting, Council unanimously endorsed its Economic Development Strategy for the Borough of Queenscliffe.

The Strategy is designed to foster a more diverse, vibrant and sustainable year-round economy for businesses and the wider community in Queenscliff and Point Lonsdale. It is built around

existing strengths to provide a solid foundation for development of local industries and business capacity and potential for local economic growth.

The Economic Development Strategy was developed with substantial community consultation and input from the Borough community and local businesses that were crucial to the success of the project. Council welcomed the State Government funding to develop the Economic Development Strategy, which was secured during the 2016–17 financial year.

Low Light shines in winter

Council was delighted to partner with the Queenscliff Music Festival and the State Government to present the first Low Light Winter Festival in 2018.

In December 2017, local member for Bellarine, the Honourable Lisa Neville MP, announced that Council had secured funding of \$30,000 for the Low Light Festival through the Victorian Government's Regional Events Fund, to complement the \$59,000 allocated for the Festival in Council's 2017-18 Budget.

The goal of Low Light was to increase visitation during a time of year that is typically quieter for business operators in Queenscliff and Point Lonsdale. Kicking off on 22 June 2018, the Festival program read like an A to Z of the finest international and local arts and culinary talents, and the event partners were thrilled to see events booking up quickly and even booking out well in advance.

The level of enthusiasm for the Low Light Festival demonstrated by the participation of our local business owners and members of the community was marvellous, and Council looks forward to building on everything learned during the planning and implementation of Low Light to continue this collaborative approach and further support local businesses to achieve a sustainable, year-round economy.

Events like this mean serious business for Queenscliff. They attract visitors, create jobs, keep local businesses busy and put Queenscliff on the map for tourism.

Low Light concluded in mid-July 2018. We look forward to reporting on the success of the first Winter Festival in our next Annual Report.

Funding confirmed for Netball Game Day Facility

Local member for Bellarine, the Honourable Lisa Neville MP, had more great news for the Borough of Queenscliffe community when she announced Victorian Government funding for a Netball Game Day Facility at the Queenscliff Sport and Recreation Facility in June 2018.

The funding provided by the Victorian Government acknowledges the advocacy and community campaigning for women's participation in sport as a foundation for healthy people, families and communities, and highlights the importance of creating an environment that supports health, wellbeing, inclusion and participation in sport.

Ms Neville's announcement followed confirmation that Council had awarded the contract for construction of the netball game day facility to local construction firm BDH Constructions Pty Ltd.

Gold Coast 2018 Queen's Baton Relay

In February 2018 the Gold Coast 2018 Commonwealth Games Queen's Baton Relay arrived in the Borough of Queenscliffe.

Lead by local resident Tom Limb, fifteen batonbearers from the region, including George Abel, John Reginald Beazley, Meagan Canaway, Bianca Chatfield, Jacquie Johnston, Molly McKenzie, Richelle Olsen, Victoria Potter, Gail Rodgers, Barbara Shalders, Sienna Stewart, Kellie Whitehead, Martin Wilson and Suzanne Winton, were honoured to carry the Queen's Baton through the Borough, bringing the excitement of the Games to the local community.

Hosting the Queen's Baton Relay provided an opportunity to highlight and promote the Borough of Queenscliffe to people in Australia and around the world as they followed the extraordinary journey of the Queen's Baton from Buckingham Palace to the Gold Coast. In Queenscliff, people lined the streets to support their local batonbearers, coming together to share in the spirit of the Relay and the Games and enjoying a celebration at the stage in Lower Princess Park, Queenscliff when the Baton arrived in the Borough.

Council rolls out the red carpet for weddings

At its December 2017 Ordinary Meeting, Council resolved to waive permit fees for weddings in public open spaces and

encourage more people to choose our pristine parks and beautiful beachfronts for their dream wedding day.

To showcase the best of the Borough's local businesses for couples looking for the perfect place to say 'I do', Council prepared a new Wedding Guide, 'Marry Me Queenscliff', available on the Borough of Queenscliffe website and from Council's offices.

Local venues, caterers, wedding celebrants, florists, invitation and stationery suppliers, photographers and other wedding-related service providers were invited to register for 'Marry Me Queenscliff' and at the time of writing, the Queenscliff Weddings Instagram page had attracted 381 followers.

Borough locations star in BBC television series

The spotlight was on the Borough again in March 2018, with filming for BBC television series *The Cry* taking place at locations in Point Lonsdale and Queenscliff.

Jenna Coleman, well-known to viewers as Queen Victoria in the television series *Victoria*, and Australian actor Ewen Leslie, were cast in the lead roles. Approximately 60 cast and crew stayed in the Borough while filming took place.

This was a tremendous boost for local businesses. The midweek timing was especially beneficial for Borough accommodation providers.

Hesse Street and the beach in front of the Point Lonsdale Lighthouse were the main filming locations, ensuring that our stunning Borough landmarks had another chance to shine on the world stage.



Cr Bob Merriman, Cr Susan Salter and the Hon Lisa Neville MP with Queenscliff netball players.

Environmental sustainability

Council adopted its Corporate Carbon Neutral Action Plan in 2012, and has since achieved a number of key objectives, including:

- Fostering successful partnerships with the community to deliver creative environmental projects to protect our environment and respond to climate change;
- Upgrading to LED lighting on all Council-managed streets in Queenscliff and Point Lonsdale;
- Facilitating installation of solar power on six Council-owned buildings and 81 privately owned buildings;
- Reducing waste sent to landfill and increasing recycling tonnages through the kerbside bin service; and
- Introducing a kerbside green waste bin that has diverted 1,806 tonnes from landfill since July 2015.

Council and the Borough community share a passion for the unique coastal environment that surrounds us. Protecting and enhancing our coastlines, waterways and indigenous vegetation are key areas of focus for Council and, with the support of local residents and community groups, Council has achieved a number of milestones this year that have contributed to the ongoing environmental sustainability of the municipal area.

Geelong Queenscliffe Coastal Adaptation – Our Coast

The Geelong Queenscliffe Coastal Adaptation Project, known as 'Our Coast', seeks to build the capacity of coastal communities, in partnership with State and Local Governments and stakeholder authorities, to plan for and effectively respond to changes along our coastlines.

The first phase of the program, the Geelong-Queenscliff Coastal Mapping Project, commenced in 2013 and focused on the identification of inundation hazards based on a number of sea level rise scenarios.

The second phase, the Geelong-Queenscliff Coastal Climate Change Risk Assessment, identified and assessed risks associated with potential coastal hazards, particularly inundation. The assessment included risks to private property, public infrastructure, cultural heritage and environmental assets along the coast, using information derived through the first phase of the program, as well as asset databases and input from coastal communities.

The first and second phases of the project have been completed. The third phase focused on a comprehensive community information, education and engagement program designed to provide residents with the climate change information, coastal hazard data, risk assessments and adaptation options and pathways described above in the first and second phases of the program.

Phase 3 was a critical step in the program and central to its ongoing relevance and success. This phase was designed to build community awareness and stakeholder knowledge and understanding of the impacts of climate change along our coast, informed by resident and local stakeholder views regarding the most suitable and feasible adaptation pathways. This phase of the program commenced in 2016 and continued through to the end of the 2017-18 financial year.

Our Coast was a joint initiative made up of contributions from the City of Greater Geelong, the Borough of Queenscliffe, the Corangamite Catchment Management Authority, Barwon Coast Committee of Management Incorporated, Bellarine Bayside Foreshore Committee of Management and the Department of Environment, Land, Water and Planning. It was an outstanding example of a partnership approach at a grass roots level.

The project leads the way in identifying and addressing risks associated with sea level rise and can be transferred to and replicated by any coastal council. Our Coast's cutting-edge innovation was recognised in March 2018, when the project partners were presented with the Australian Coastal Councils' Climate Adaptation Award.



Phil Josipovic (Borough of Queenscliffe), Alan Stokes (Australian Coastal Councils Association Inc.), Leigh Dennis, (City of Greater Geelong), and Rodney Thomas (City of Greater Geelong) at the Australian Coastal Awards.

A positive move to LED street lighting

Following a 2015-16 trial of six LED lights in Point Lonsdale, Council resolved to transition to LED street lighting in Queenscliff and Point Lonsdale at its Ordinary Meeting in October 2017, a decision that positioned the Borough to lead the way as the first municipality in Australia with full use of LED technology in street lighting on Council-managed roads.

The decision to transition to LED street lighting is both financially and environmentally sound. Street lighting is the single largest contributor to electricity use within the Borough of Queenscliffe, generating 206 tonnes of carbon dioxide equivalent in 2016-17. LED technology produces up to 75% less carbon emissions than the mercury vapour lights previously used.

Replacement of the 318 street lights suitable for light-emitting diode (LED) technology was completed in February 2018.

Council pays all operating costs for street lights in the Borough of Queenscliffe. Council has a joint arrangement with VicRoads for the 111 lights located on declared highways that are maintained by VicRoads. Council is undertaking discussions with VicRoads to identify opportunities to transition these lights to LED technology.

Community Environment Alliance

The Community Environment Alliance (CEA) is a partnership of locals working together to reduce our collective carbon emissions and protect our environment. The Alliance belongs to the community and is guided by the principle of 'think globally, act locally'. Community ownership of the Alliance is the key to success. Our residents, businesses, community organisations and schools have become Alliance partners, and Council plays a key role in facilitating the activities of the Alliance.

In February 2018, Council introduced the Community Environment Alliance grants program. The program was designed to support local not-for-profit organisations and groups to reduce carbon emissions and facilitate innovative and creative projects to:

- Support the reduction of energy consumption and greenhouse gas emissions;
- Increase the energy efficiency of community buildings within the municipality;
- Raise community awareness of climate change and the impacts it will have on our environment and way of life;
- Increase recycling at public events;
- Divert waste from landfill;
- Increase community awareness on waste minimisation and correct waste disposal; and / or
- Enable community members to gain new skills in relation to sustainability.

Council confirmed the Queenscliffe and District Neighbourhood House, St Aloysius Primary School and Swan Bay Environment Association as the recipients of CEA grants in June 2018.

The Queenscliffe and District Neighbourhood House received funding of \$2,500 for their 'Boomerang Bags' project. This initiative

aims to reduce the use of plastic bags in the community by providing the option of reusable fabric bags through local businesses.

Funding of \$2,000 was provided to St Aloysius Primary School to fund their contribution to the 'Kids Teaching Kids Local Conference 2018', a one-day conference in Queenscliff in September 2018 in which students from local and Geelong-based schools taught each other about sustainability initiatives and environmental issues.

The Swan Bay Environment Association received a grant of \$2,300 to extend the successful Gardens for Wildlife program, which provides residents with advice on improving the ecological value of their garden.

Council was very proud to be able to provide funding for our local organisations to deliver these important projects, which support everyone in our community to make change and deliver long-term benefits for the wider Borough.

Community Solar Initiative

The Community Solar Initiative, which assisted our community to navigate the complex and often confusing topic of solar power, has been another flagship program for the CEA. The objective of the Community Solar Initiative was to identify a solar supplier and system that would provide value for money across the life of the system. The CEA's process for the appointment of a preferred solar supplier was based on five criteria: price, product quality, warranty, aftersales support and service, and experience and reliability. Council officers assisted in the design, management and promotion of the project and related tender process and the initiative was funded with the support of the Borough of Queenscliffe and the Victorian Government.

Round One of the community solar initiative was completed in 2015, with a second round confirmed in November 2016 and completed early in the 2017-18 year, following continued demand from the community.

In total, 83 solar systems were installed across Round One and Round Two of the Community Solar Initiative – 43 in Round One and 40 in Round Two. Combined, these solar systems will generate a combined 369 megawatt hours of solar power every year, which is the equivalent of supplying electricity to 80 homes in Victoria for 12 months and reducing the community's carbon emissions by 369 tonnes every year.

Following the successful implementation of Round One and Round Two of the Community Solar Initiative, and with interest in home batteries to store energy from solar systems continuing to grow, the Borough of Queenscliff joined forces with Indigo Shire Council and Towong Shire Council to develop the Home Battery Storage Systems: Frequently Asked Questions guide.

The guide, completed in April 2018, provides detailed information about how battery storage works and what's needed to be 'battery ready', as well as links to further reading and useful websites.

Council congratulates our community for embracing the Community Solar Initiative. Their investment in renewables will provide ongoing benefits and help to preserve our environment for generations.

Kerbside waste management service continues to perform

Council's kerbside waste, recycling and green waste bin service showed continued improvements again in 2017-18. Weighbridge dockets show a reduction in waste to landfill for the third consecutive year. Green waste and recycling collection tonnages have also increased for the third consecutive year.

Waste to landfill totalled 997 tonnes in 2017-18. This is 35 tonnes less than in 2016-17. A total of 565 tonnes of recycling was collected through the kerbside bin in 2017-18, an increase of 10 tonnes on the previous year. Green waste composted through the kerbside bin in 2017-18 also increased by 10 tonnes on the 2016-17 weights.

Audits of kerbside waste, recycling and green waste bins were conducted in May / June 2018 and revealed that contamination in Council's recycling and green waste bins were the lowest in the Barwon South West region. The audit results reflect the comprehensive education campaigns and bin monitoring programs undertaken by Council and the support and interest in waste management by the Borough community.

Innovation and collaboration lead to success for kerbside green waste services

The Borough community has long supported the introduction of a kerbside green waste bin. A community survey in July 2014 revealed 63% of the approximate 1,200 survey respondents supported this new service. The kerbside green waste service generated very positive results, including an annual reduction in green waste disposal in landfills and comparatively low levels of contamination.

An extensive community education program was undertaken to help residents use this new service correctly. As part of the monitoring and evaluation campaign, Council officers regularly

inspect the green waste deposit and conduct random audits of general waste and recycling so the education program can be tailored to address specific contamination issues.

In August 2017, the Borough of Queenscliffe and Surf Coast Shire Council joined forces to secure a new green waste management contract that delivers significant benefits for ratepayers and the environment and will see approximately 3,500 tonnes of garden organic material processed and redistributed for use in landscaping and agriculture.

Council is very proud of the innovative thinking that enabled the joint contract for green waste management to proceed.

Council's e-waste drop-off day continues to build

Since the introduction of its annual e-waste drop-off day in 2012, Council has collected a total of 56,429 kilograms of e-waste.

The drop-off day has continued to build year on year, with members of the Borough community bringing 9,758 kilograms of old, broken and unwanted electronic waste items to the 2018 event. The total weight of e-waste items received at the 2018 drop-off day is an increase of almost 18% compared to the 2017 event, building further on the increase of 11.5% from the 2016 to 2017 events.

E-waste received at the 2018 drop-off day was made up of:

- 5,741 kilograms of televisions and computer monitors;
- 484 kilograms of hard drives and laptops;
- 1,681 kilograms of printers;
- 70 kilograms of electrical cords/keyboards; and
- 1,782 kilograms of household appliances such as radios, telephones and power tools.



Queenscliff Kindergarten students participate in the 'Recycle Your Toothbrushes' program with Cr Susan Salter.

E-waste is growing up to three times faster than general municipal waste in Australia, and the Victorian Government has committed to a ban on e-waste in landfill that will commence on 1 July 2019. Council's annual e-waste drop-off day is a positive and proactive event that gives our ratepayers another opportunity to care for and maintain the Borough environment.

Additional recycling programs

As well as our kerbside recycling service, Council supports National Recycling Week and Sustainability Victoria's 'Detox Your Home' program, and provides additional recycling programs to capture items that are not accepted through the weekly kerbside recycling collection. These include recycling options for batteries, fluorescent light globes and, from November 2017, toothbrushes, toothpaste tubes and dental floss containers.

During National Recycling Week in November 2017, Council launched 'Recycle Your Toothbrushes', a new program to collect used toothbrushes, toothpaste tubes and dental floss containers for recycling.

In partnership with the parents and students of Queenscliff Kindergarten, Council provides a dedicated collection point for these items so that they can be kept out of landfill and recycled into useful products like picnic tables, park benches and playground equipment.

As of June 2018, a combined total of 308 items including toothbrushes, toothpaste tubes and dental floss containers had been accepted at the Queenscliff Kindergarten and the Borough of Queenscliff Council offices.

Recycle Your Toothbrushes is another initiative of the Community Environment Alliance.

In March 2018, Council's household battery recycling program achieved a significant milestone when the total number of batteries collected passed the 1,000kg mark. Introduced in 2012, the program has recycled 1,283kg of batteries from nine collection containers in businesses and schools across the municipality. Batteries are sent for recycling through the Detox Your Home program administered by Sustainability Victoria.

The Borough of Queenscliff has a long-term commitment to sustainability projects, and was the first council in the region to introduce the additional collection programs, both of which have enjoyed a positive reception by the community.

Generations of support for Community Planting Day

On Sunday 30 July 2017, 24 hardworking volunteers, with representatives from the Swan Bay Environment Association and Point Lonsdale Coastcare Group, braved the winter weather to pitch in at the ninth annual Community Planting Day.

Enthusiastic volunteers from a range of age groups, with their families in tow, planted 300 indigenous plants from 20 individual species into the Dog Beach Car Park and Lovers Walk areas of the Narrows coastal moonah woodland.

The Community Planting Day was hosted in celebration of National Tree Day by the Bellarine Catchment Network, the Swan Bay Environment Association and the Borough of Queenscliff, with indigenous plants provided by the Queenscliff Community Indigenous Nursery.

Council acknowledges the Bellarine Catchment Network, the Queenscliff Community Nursery and the Swan Bay Environment Association for their support of the event, and the remarkable work they do for environmental causes in the Borough.



Brooke Connor, Matt Crawley and Eva Mutton examine previous planting at the Community Planting Day.

Financial overview

Council has continued to meet the challenge of balancing the operational needs of the community with the ongoing requirements to fund the renewal and upgrade of Council assets in the Borough during 2017–18. A continued focus on maximising grant funding opportunities has enabled Council to achieve significant improvements to community facilities whilst at the same time managing resources within the State Government’s rate cap.

Financial investment from State and Federal Governments has enabled Council to complete or make significant progress against a range of priorities in 2017–18. This is evident in the following grant-funded capital works and project initiatives:

- Significant progress towards completion of the Queenscliff Sport and Recreation Precinct, including the new netball game day facility;
- Continuation of coastal tender works at Ocean Road and The Narrows (a five-year funded program); and
- State Government funding for significant works at the Point Lonsdale Lighthouse Reserve.

Successful funding allocations achieved in 2017–18 for future capital works projects in the Borough of Queenscliffe include:

- Federal Government funding secured for the Destination Queenscliff project;
- State Government funding for the restoration of the search light structure at the Point Lonsdale Lighthouse Reserve; and
- Federal funding for the construction of a roundabout at the intersection of Point Lonsdale Road and Ocean Road, Point Lonsdale.

In addition to the above government grant-funded projects, Council allocated rate funds in 2017–18 to the following capital projects and significant renewal works:

- The installation of CCTV cameras at the Queenscliff Boat Ramp;
- Completion of annual reseal of Queen Street, Anderson Street and Lawrence Road service roads;
- Completion of kerb and channel replacement on Point Lonsdale Road;
- Significant restoration of the Town Hall including the timber floor and toilet facilities;
- The implementation of a new finance system; and
- Completion of drainage renewal and kerb and channel installation at Little Hesse Street.

In brief

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

- An underlying surplus of \$75,000, which is an improvement of \$1,114,000 compared to the budgeted underlying deficit of (\$1,039,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet);
- \$11,812,000 in revenue with 59% coming from rates and charges;
- \$2,115,000 capital works delivered, including \$1,342,000 in renewal/upgrade of existing assets;

- \$10,540,000 expenditure with 40% attributable to employee costs and 47% due to materials and services;
- \$133,566,000 in fixed assets, comprising community facilities (property including Crown and freehold land, buildings, plant and equipment) and infrastructure;
- \$5,452,000 in holdings of cash – \$687,000 more than last year, which reflects a range of operating and capital projects carried forward for planned completion over multiple years; and
- \$63,000 in loans and borrowings – \$42,000 less than last year, in accordance with scheduled loan repayments and noting no new borrowings were undertaken in 2017–18.

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 remains in a sound financial position and is considered low risk on all six financial sustainability indicators for the 2017–18 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 – generate enough revenue to cover operating costs, including the cost of replacing assets reflected in depreciation expense.
2. Liquidity – Current assets as a percentage of current liabilities – have sufficient working capital to meet short-term commitments.
3. Indebtedness – Non-current liabilities as a percentage of own-source revenue (that is, total revenue excluding government grants) – generate sufficient operating cash flows to invest in asset renewal and repay any debt incurred in the past.
4. Internal financing – Net operating cash flows as a percentage of net capital expenditure – generate enough operating cash flow to invest in the renewal and upgrade of existing assets as well as the creation of new assets.
5. Capital replacement – Cash outflows for property, infrastructure, plant and equipment as a percentage of total depreciation – replacing assets at a rate consistent with consumption.
6. Renewal gap – Renewal and upgrade expenditure as a percentage of total depreciation – 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, including the Victorian Local Government Indicators, Performance Statement and Summary of Financial Performance.

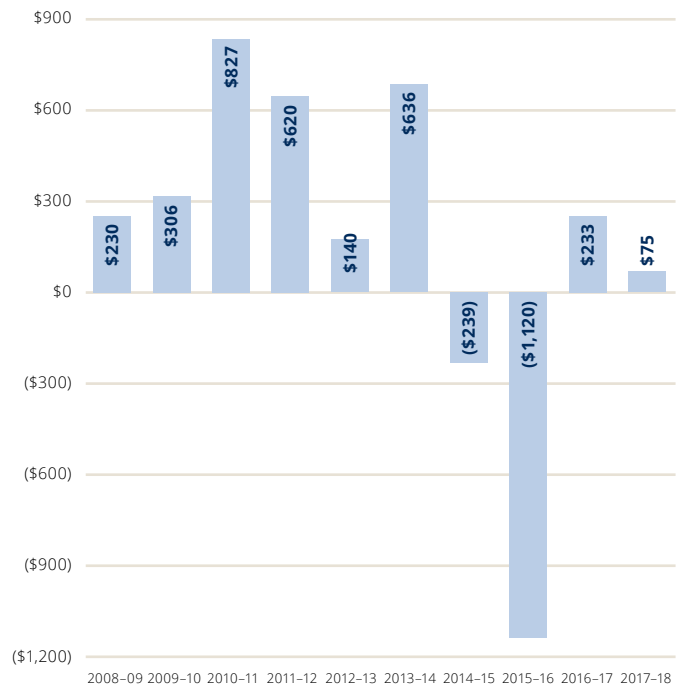
Underlying operating result

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 successfully attracted significant external grant funding in previous financial years.

Council's underlying result for 2017–18 is a surplus of \$75,000. This is an improvement of \$1,114,000 on the budgeted underlying deficit of (\$1,039,000) and is due to significant budget savings in 2017–18, coupled with lower than expected levels of completed carry forward works in 2017–18. 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 2017–18 (\$'000)

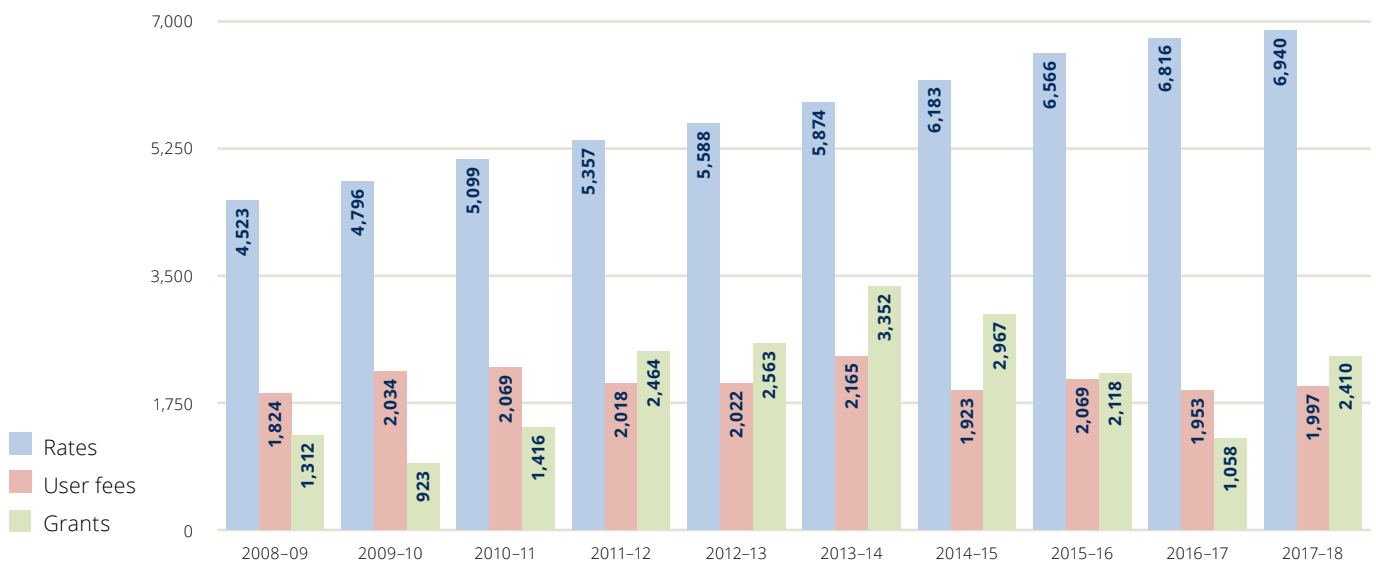


Revenue streams

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

Rates and charges remain the major source of income for Council. 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, with significant funds expected over multiple years for the Queenscliff Sport and Recreation Precinct and Destination Queenscliff projects.

Rates, user fees and grant income, 2008–09 to 2017–18 (\$'000)



Financial overview

Sustainable capital expenditure

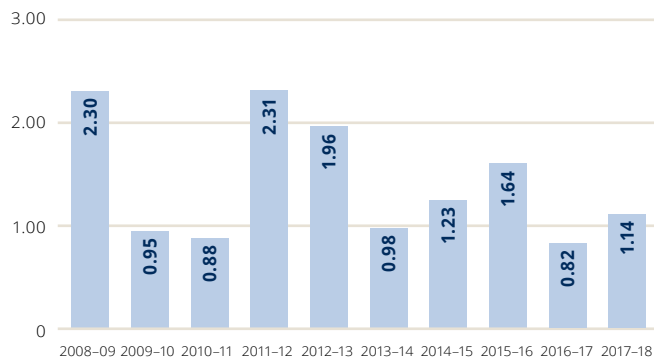
Council aims to ensure that our assets can be maintained at the expected levels while continuing to deliver services needed by our community. During 2017-18 a total of \$2,115,000 was spent on capital works across the Borough. This includes a total of \$1,342,000 on renewals/upgrades and \$773,000 on 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 1.14 for the 2017-18 year, noting some capital works projects are carried forward for planned completion over multiple years.

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, those with ratios between 0.5 and 1.0 as medium risk, and ratio outcomes below 0.5 as high risk, for this particular indicator of financial sustainability.

Queenscliffe is assessed as low risk with its ratio outcome of 1.14 in 2017-18, however the renewal gap ratio is a long-term indicator and is averaged over a number of years. With an average ratio outcome of 1.42 achieved over the last 10 years, Council continues to focus on its Asset Management Plan to ensure existing infrastructure, property, plant and equipment are renewed as required.

**Renewal Gap, 2008-09 to 2017-18
(Expenditure on Asset Renewal and Upgrade as a percentage of depreciation)**

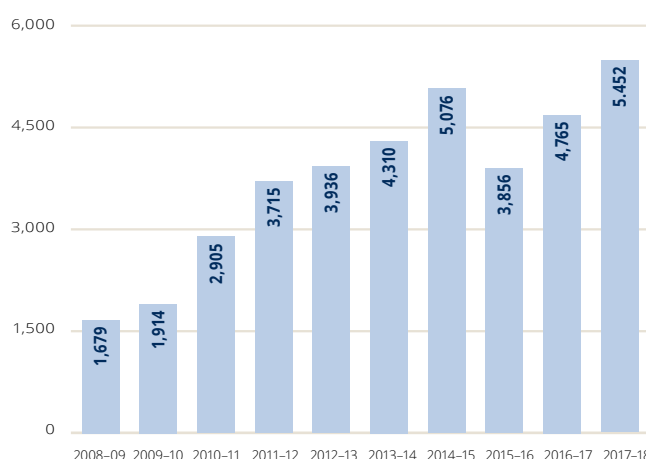


Council has been highly successful in attracting significant external funding to support renewal investment. Expenditure was again invested in assets during 2017-18, with significant projects (Queenscliff Sport and Recreation Precinct and Destination Queenscliff) planned over multiple years.

Cash holdings

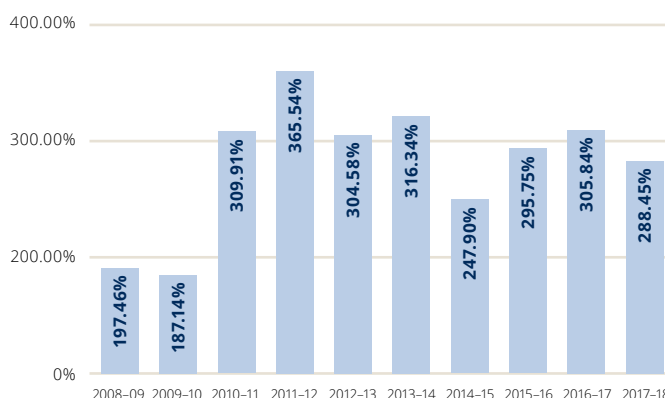
In total, holdings of cash and cash equivalents and financial assets have increased to \$5,452,000 during 2017-18. Included in total cash holdings is \$3,102,000 in reserve funds, \$2,474,000 of which is carried forward from previous years and earmarked for specific projects, \$569,000 set aside for Council to respond to future capital works opportunities, \$19,000 surplus funds for waste services set aside to meet future waste costs and \$40,000 to provide for future superannuation liability calls.

Cash holdings (\$'000), 2008-09 to 2017-18



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

Working capital (%), 2008-09 to 2017-18



Council's liquidity is once again assessed as low risk for the 2017-18 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 Queenscliff. Council's sound and active financial management and decision-making will see the achievement of long-term community service and asset management objectives.



Phillip Carruthers
General Manager, Organisational Performance
and Community Services



Outdoor learning at Queenscliff Kindergarten.

Events and milestones

In 2017–18 Council directly supported over 30 local events and activities, bringing a range of social, economic and cultural benefits to the community, and helping to promote the Borough as a tourism and leisure destination on a local, national and international scale. Additionally, a number of community organisations celebrated key milestones in 2017–18. These organisations are integral to the fabric of the Borough, and Council is very proud to acknowledge their achievements.

August 2017

Vietnam Veterans Day
Community Grants Reception
Queenscliff Maritime Museum's
Maritime Weekend

October 2017

Victorian Seniors Festival celebrations
Nippers Carnival
Queenscliffe Historical Museum
'Celebrating History'
50th anniversary book launch
Walk to School
Searoad Ferries 30th anniversary

November 2017

Point Lonsdale Surf Life Saving Club
70th anniversary
Point Lonsdale Board Riders
competitions

Queenscliff Music Festival 21st
anniversary

December 2017

Lighting of the Christmas Tree
Targa Florio Australian Tribute
Rip View Swim Classic

January 2018

Point Lonsdale Board Riders Sounds
of Summer
Sand Sculpture Contest
Queenscliff 180 Family Swim
Australia Day Awards and Community
Celebration

February 2018

Queenscliff Street Rodders
Peninsula Film Festival
Commonwealth Games 2018 Queens
Baton Relay
Rip to River Run

April 2018

Anzac Day services

May 2018

Mountain to Mouth
Sacrededge Festival
Probus Club of Queenscliff 20th
Anniversary
Queenscliffe Literary Festival
Volunteer Celebration

June 2018

Rotary Club of Queenscliffe –
Queenscliffe Bricks
Low Light Festival
Bellarine Film Festival



Key milestones

Point Lonsdale Surf Life Saving Club

In November 2017, the Point Lonsdale Surf Life Saving Club (PLSLSC) celebrated its 70th Anniversary. Established in 1947, the PLSLSC quickly developed a reputation as a highly successful organisation, accumulating many titles over the decades. The PLSLSC clubrooms were opened in 1964 and have since provided a special place for members of our community to gather and share their passion for the Borough's local beaches, as well as a base for the life guards who keep those beaches safe. Point Lonsdale back beach is officially rated by Life Saving Victoria as one of the four most dangerous beaches in Victoria and the PLSLSC plays an integral role in ensuring that both residents and visitors enjoy the region's famous coastline safely.

Queenscliffe Historical Museum

Following the 50th anniversary of the Queenscliffe Historical Museum in 2016, the Museum's patron, the Honourable Ted Baillieu, former Premier of Victoria, launched the book 'Celebrating History' in October 2017. In line with the anniversary year, 'Celebrating History' showcases 50 of the rarest and most significant items in the Museum's collection. The Museum provides a highly valuable service to the Borough's residents and visitors in the preservation of the region's history for the enjoyment of all.

Searoad Ferries

In October 2017 Searoad Ferries achieved 30 years of operation of the car and passenger ferry between Sorrento and Queenscliff. In the 2017-18 financial year, the service carried 882,672 passengers. This clearly demonstrates the ongoing success of the service, and emphasises the need for the proposed \$15 million upgrade to a new world class ferry terminal at the Queenscliff Harbour.

Queenscliff Music Festival

The Queenscliff Music Festival (QMF) celebrated its 21st birthday in 2017 with a sell-out event and a spectacular program of well-known artists and up and coming musical talents.

The QMF's coming of age is reflected in the enormous popularity this event continues to generate. Council congratulates the Queenscliff Music Festival Committee and volunteers on the QMF's milestone birthday and the continuing success of this iconic event. Their commitment has made the Festival the major annual event that it is today.

Queenscliff Probus Club

In another example of longevity and community contribution, the Probus Club of Queenscliff reached its 20th anniversary in May 2018. The friendships, insights, ideas and opportunities for further knowledge shared over this period are integral to the fabric of society in the Borough of Queenscliffe, and the longevity of the Probus Club demonstrates the significant value that the Club delivers in our community.

Low Light Winter Festival

Council was delighted to partner with the Queenscliff Music Festival and the State Government to present the first Low Light Winter Festival in 2018. Commencing in June, Low Light was staged over four consecutive weekends, with the aim of increasing visitation to the Borough in what is typically a quiet time of year for local businesses. The level of enthusiasm for Low Light demonstrated by the participation of our local business owners and members of the community was marvellous, and it was very satisfying to note that many events were booked out well in advance. Council looks forward to reporting on the overall success of our first Winter Festival in next year's Annual Report.





Clean up Australia Day 2018.

Borough of Queenscliffe Annual Report 2017-18





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Borough of Queenscliffe profile

Our vision

The Borough remains a safe haven defined by its unique heritage, rich culture and significant natural environment. It is a special and restorative place for an involved and caring community and our visitors.

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 sunset.

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' translates as 'the safest anchorage 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 2017 and Census 2016:

- There are 2,853 permanent residents, living in 2,802 dwellings, with an average household size of 2.00.
- The 55.9% of private dwellings unoccupied during the 2016 census is indicative of the large temporary population as many property owners only holiday or live part-time in the Borough.
- 58% of the permanent resident population live in Point Lonsdale.
- 50.5% of the population is aged over 60.
- The three largest ancestries are English, Australian, and Irish.
- 1,365 people (56%) have a tertiary qualification
- 1,078 people are employed. There is a high proportion of retirees and semi-retirees.
- 77.9% of homes in the Borough of Queenscliffe have an internet connection.

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

Age structure

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

The following table shows the breakdown in age structure for the Borough of Queenscliffe compared with the Victorian average in 2016.

| | Borough of Queenscliffe | Victorian average |
|-----------------------------------|-------------------------|-------------------|
| Babies and Pre-schoolers (0–4) | 2.7% | 6.3% |
| Children (5–17) | 11.9% | 15.5% |
| Adults (18–59) | 34.8% | 57.3% |
| Mature Adults and Seniors (60–84) | 45.3% | 18.8% |
| Elderly (85 and over) | 5.2% | 2.2% |

(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 main industry sectors by employment are:

- Accommodation and food (19%)
- Public administration and safety (17%)
- Health care and social assistance (11%)
- Retail (10%)

The Borough has a strong history of maritime and defence activities. Whilst tourism is a key economic activity in the Borough, the seasonal nature of tourism is challenging for many businesses and the local economy more generally through the non-peak tourism periods. Some 55.9% of private dwellings, for example, were unoccupied during the 2016 Census, indicative of the large temporary population.

Your Councillors

Council elections are held every four years. The last full election of Council was held on 22 October 2016. The following Councillors were elected for the 2016–2020 term:

Cr Helene Cameron, Cr Ross Ebbels, Cr Tony Francis, Cr Boyce Pizzey, Cr Susan Salter

Following the resignation of Cr Helene Cameron prior to taking office, **Cr Bob Merriman** was elected after a countback of votes was conducted.

Council Values

The following Values are embraced by Councillors and staff in our daily interactions and work processes to guide our behaviour and help us achieve our Vision.

- **Leadership** – underpinned by integrity, strategic thinking and innovation.
- **Balance** – in the way we listen to, engage with and make

decisions in the best interests of the whole community.

- **Professionalism** – by doing things well, always trying to improve and being accountable.
- **Collaboration** – demonstrated through working as a team and investing in internal and external relationships.
- **Flexibility** – by supporting workplace arrangements that sustain healthy and productive staff.



L–R: Cr Boyce Pizzey OAM (Deputy Mayor), Cr Ross Ebbels, Cr Susan Salter (Mayor), Cr Tony Francis, Cr Bob Merriman AM.

Cr Susan Salter (Mayor)

Cr Susan Salter was elected to Council in October 2012 and re-elected for a second term in October 2016. 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 retired maths teacher, having taught at Bellarine Secondary College, Drysdale Campus, and is known to many community members through her various roles at the College. Cr Salter was the president of the Queenscliff Neighbourhood House for 10 years. She has a particular interest in trees, especially historical and native, and has extensive experience in creating public gardens and managing public open spaces.

Portfolio: Community Wellbeing

Delegation to Council committees and reference groups:

- G21 Region Alliance Board
- G21 Education and Training Pillar
- Deputy Delegate to Geelong Regional Library Corporation Board
- BoQ Audit Committee
- Community Grants Advisory Group (Chair)
- Australia Day Awards Reference Group
- Governance and Finance Portfolio Reference Group
- Memorials and Plaques Reference Group
- CEO Performance Review Committee

Cr Boyce Pizzey OAM (Deputy Mayor)

Cr Boyce Pizzey was elected to Council in October 2016. Cr Pizzey, his wife Rhonda and their family have enjoyed their property in Queenscliff since the early 1980s. Cr Pizzey served as Director Historic Buildings Council Victoria (now Heritage Victoria) from 1976 to 1986 and as Deputy Director of the Museum of Victoria from 1986 to 1998. As the founding Director of Scienceworks, he was responsible for its conceptualisation, master planning, site development, collections, delivery and management. As a Deputy Director of Museum Victoria, Cr Pizzey was involved in planning the new Melbourne Museum. Since 1998, Cr Pizzey has consulted to private and public clients on all aspects of management planning of cultural and tourism resources, focusing on the integration of marketing, social and financial strategies. Cr Pizzey has also served on a number of public and private boards of management including the National Trust of Australia (Vic), Victoria's sesquicentenary and the History Council; and as a heritage specialist sessional member of the Victorian Civil and Administrative Tribunal. Cr Pizzey has recently retired as a sessional member of Planning Panels Victoria and remains on the Creative Victoria Grants Advisory Panel. He has been a member of the Queenscliffe Restoration Fund Committee and the Council's Heritage Portfolio Advisory Committee, and in 2014 he was awarded an Order of Australia Medal for his contribution to the Arts through development of cultural institutions and conservation of heritage.

Portfolio: Planning and Heritage

Delegation to Council committees and reference groups:

- G21 Region Arts and Culture Pillar
- G21 Economic Development Pillar
- G21 Planning Pillar
- Deputy Delegate to Municipal Association of Victoria (MAV)
- Heritage Reference Group

Cr Ross Ebbels

Cr Ebbels is married with two daughters who attended Queenscliff Kindergarten and Queenscliff Primary School (QPS). He served on the QPS Council including two years as Council President. As a business owner in the Borough it was important for Cr Ebbels to be part of the community. He and his wife, as owners of Athelstane House and McKenzie Ebbels Food Store, were always involved in the community. Cr Ebbels was a board member and inaugural Chairman of The Queenscliff Music Festival Inc., and represented the Bellarine Peninsula for 14 years on The Geelong Otway Tourism Board including six years as Chairman.

Portfolio: Local Economy

Delegation to Council committees and reference groups:

- Geelong Regional Library Corporation Board
- Tourism Greater Geelong and The Bellarine
- Tourism and Economic Development Advisory Committee
- Community Grants Advisory Group

Cr Tony Francis

Cr Tony Francis was elected to Council in October 2016 and appointed Mayor in November 2016. Cr Francis has been a resident or ratepayer in the Borough of Queenscliffe since 1993. Cr Francis is married with three children and has served as a police officer for 27 years, serving more than half of these years in the Geelong area. Cr Francis has been involved with many local sporting clubs and coached the Queenscliff Cricket Club Under-18s to a grand final in 2010. Cr Francis established the Local Business Chamber of Commerce and served as President from 2014 to 2016.

Portfolio: Environmental Sustainability

Delegation to Council committees and reference groups:

- Municipal Association of Victoria (MAV)
- Association of Bayside Municipalities
- Barwon South West Local Government Waste Forum
- Tourism and Economic Development Advisory Committee
- CEO Performance Review Committee

Cr Bob Merriman AM

Cr Bob Merriman was first elected to Council in November 2008, was re-elected for a second term in October 2012 and was again re-elected in October 2016. 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. Cr Merriman is a former chief of Cricket Australia, Councillor of Latrobe University and Trustee of the Bradman Foundation and Cats Foundation.

Portfolio: Governance and Performance

Delegation to Council committees and reference groups:

- Geelong Queenscliffe Coastal Adaptation Planning Project
- G21 Sport and Recreation Pillar
- Sea Level Rise Reference Group
- Borough of Queenscliffe Audit Committee



Primary school students celebrate the Gold Coast 2018 Queen's Baton Relay.



Our people

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Organisation summary

The *Local Government Act 1989* (the Act) states that 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.

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

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

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

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

Council's staff work across three teams as outlined in the table on the right hand side of this page.

The small team at the Borough of Queenscliffe comprises 63 people; however, the full-time equivalent is only 42.71 positions. The staff team is made up of:

- 24 full-time, 31 part-time and 8 casual staff
- 16 male and 47 female staff

Council and the local community also benefit from the services of approximately 30 volunteers at the Queenscliffe Visitor Information Centre and other volunteers who support Council events and activities.

| Directorate | Primary areas of responsibility |
|--|--|
| Executive Services | Mayor and councillor support Governance Communications Citizenship and civic events Community engagement Organisational development Strategic advocacy |
| Planning and Infrastructure | Animal management Building control Building maintenance 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 |
| Organisational Development and Community Services | Aged care services Arts, recreation and cultural services Caravan park management 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 |

People Plan

In 2017, the Borough of Queenscliffe staff commenced a journey toward the creation of an inclusive, inspiring workplace environment that is a great place to be. Staff participated in a series of Organisational Development Workshops and an All Staff Survey to develop a new People Plan for the Borough of Queenscliffe. The People Plan is designed to enable staff to shape and breathe life into the Council Plan, and includes strategies designed by staff, for staff, to create a workplace culture driven by strong values and a supportive environment where staff can thrive.

The People Plan focuses on staff development, celebration of what staff do well, and identification of opportunities for improvement. Implementation is well under way, with progress on Priority Actions including a new Employee Code of Conduct, improvements to internal communication, development of an annual training calendar, integration of key organisational committees, and staff recognition initiatives.

Executive Management Team

Council's Executive Management Team (EMT) is led by the Chief Executive Officer and includes the General Manager Planning and Infrastructure, General Manager Organisational Performance and Community Services and Executive Officer Community Engagement and Customer Service.

Chief Executive Officer – Lenny Jenner



Lenny Jenner was appointed to the position of Chief Executive Officer in October 2008. Lenny's qualifications include a Master of Arts (Social Policy), Bachelor of Education and Bachelor of Arts (Recreation). As Chief Executive Officer, Lenny has overall responsibility for ensuring that Council is fully informed on all operational matters, overseeing the governance structures and processes adopted by Council, and managing the full staff team. 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 of General Manager Planning and Infrastructure in November 2011. Phil's qualifications include a Master of Business Administration and a Certificate of Technology in Civil Engineering. Phil is responsible for overseeing the operations of the foreshore, strategic land use and statutory planning, engineering, local laws, building surveying, environmental health services and the sustainability functions of Council. In addition to the management of functions and resources, the General Manager Planning and Infrastructure role involves providing professional advice to Council on a range of statutory matters.

General Manager Organisational Performance and Community Services – Phillip Carruthers



Phillip Carruthers was appointed to the position of General Manager Organisational Performance and Community Services in July 2017. Phillip's qualifications include a Master of Business Administration and a Master of Commercial Law.

Phillip is responsible for several diverse portfolios including organisational development, risk management, governance, financial services, property services and leases, information technology and records management, as well as tourist parks, visitor services, economic development, aged care services, arts and community development.

Executive Officer Community Engagement and Customer Service – Jessica Chappell



Jessica Chappell was appointed to the position of Executive Officer Community Engagement and Customer Service in April 2014. Jessica's qualifications include a Master of Business Administration (Marketing) and an IAP2 Australasian Certificate in Engagement.

Jessica is responsible for overseeing customer service, community engagement and corporate communications, strategic advocacy, marketing and publications. This includes Council's digital assets such as websites, social media, videography and photography.

Staff profile

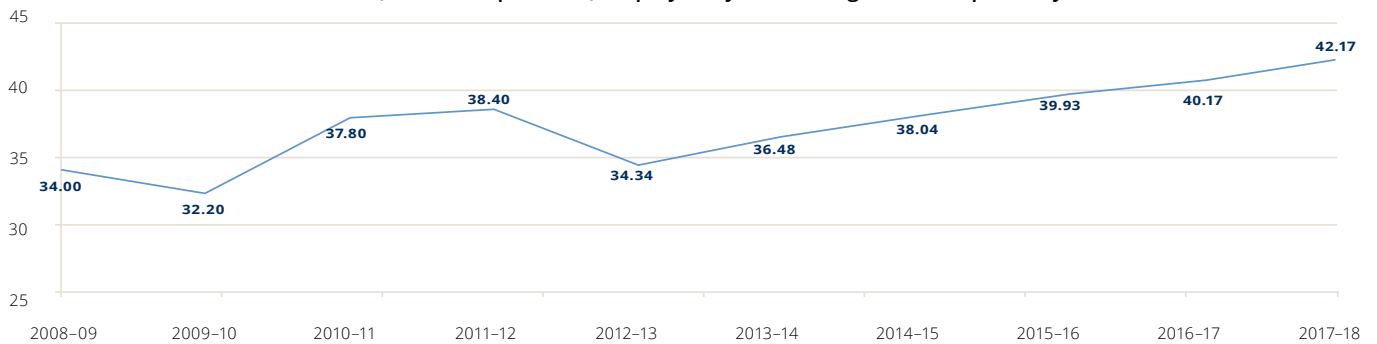
The Borough of Queenscliffe staff team comprises 63 people; however, the full-time equivalent is 42.71 positions.

| Type of Employment | Female | Male | TOTAL |
|-----------------------------|--------------|--------------|--------------|
| Full-time | 11 | 13 | 24 |
| Part-time | 30 | 1 | 31 |
| Casual | 6 | 2 | 8 |
| TOTAL | 47 | 16 | 63 |
| Full Time Equivalent | 27.89 | 14.28 | 42.71 |

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

| Type of Employment | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | 2016-17 | | 2017-18 | |
|-----------------------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
| | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | Male |
| Full-time | 10 | 8 | 10 | 8 | 10 | 9 | 11 | 10 | 11 | 11 | 11 | 13 |
| Part-time | 22 | 2 | 32 | 4 | 33 | 4 | 26 | 3 | 28 | 1 | 30 | 1 |
| Casual | 10 | 3 | 7 | 1 | 5 | 1 | 9 | 2 | 9 | 3 | 6 | 2 |
| Total | 42 | 13 | 49 | 13 | 48 | 14 | 46 | 15 | 48 | 15 | 47 | 16 |
| Full Time Equivalent | 34.34 | | 36.48 | | 38.04 | | 39.93 | | 40.71 | | 42.17 | |

Total staff (full time equivalent) employed by the Borough over the past 10 years



Queenscliff Pier with the Black Lighthouse in the distance.

Staff management and culture

Implementation of People Plan

The Chief Executive Officer formally endorsed the Borough of Queenscliffe 'People Plan' on 20 October 2017. The implementation is well under way, with the following Prioritised Actions progressed:

Employee Code of Conduct

The Employee Code of Conduct has been re-written to recognise staff's Shared Values and distributed to all staff and volunteers, accompanied by internal marketing materials including posters and phone cards. The new Code has generated positive uptake and discussion, thanks to strong support from Council's Executive Management Team and staff.

Improving the way we communicate

Internal communications have undergone a range of improvements, with a focus on improved sharing of information between different program areas, and inclusion of employees and volunteers based at locations separate to Council's main office, such as the Council-managed caravan parks and the Visitor Information Centre. Monthly All Staff meetings have been altered to better accommodate off-site and part-time staff, and an incorporated morning tea allows all staff to network with one another.

Annual Training Calendar

In-house and external training offerings have been consolidated into a single training calendar, which is available to all staff to help them proactively plan and participate in relevant training and professional development. Staff participated in a range of training activities in the first half of 2018, including anti-bullying and harassment training, conflict resolution training, and a Mindful in May program which included lunchtime yoga and mindfulness sessions.

Integration of all key organisational committees under an overall 'compliance' framework

Council has established a 'Compliance Committee' with a cross-section of staff who meet monthly to consider all legislative, policy and practice matters including:

- Occupational Health and Safety;
- Equal Opportunity;
- Risk Management; and
- Council's Staff Consultative Committee

Staff recognition

The Executive Management Team has reviewed an initial draft of a proposed 'Staff Recognition program'. A final draft is being prepared for review by the Compliance Committee.

Training and development

In 2017-18 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
- Report writing
- Information Technology
- Occupational Health and Safety (OHS)
- Human resources
- Legislation amendments
- Conflict of interest
- Professional conferences related to staff roles
- Special interest group meetings relevant to staff roles

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

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 2017-18. Three employees reached their five year anniversary, one employee reached their ten year anniversary and one employee reached a momentous 35 years of continuous service with the Borough of Queenscliffe.

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.

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 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;
- Consult on organisational matters affecting employees and their conditions of employment; and
- Consult on organisational OHS matters.

Staff flu vaccinations

Staff flu vaccinations were administered to 44 staff members under the Council's vaccination program. This was an increase from 22 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 2017–18 staff participated in several fundraising activities to raise money for local and national charities, including the Geelong Animal Welfare Society, Give Where You Live Foundation, Kids Plus Foundation, Pancare and the Royal Children's Hospital.

Surf Coast Trek

On Saturday 21 April 2018 a team of 12 staff from the Borough of Queenscliffe participated in the 40km Surf Coast Trek from Aireys Inlet to Torquay.

The Surf Coast Trek took the team of trekkers through a diverse range of landscapes including cliff scenery, scenic Ironbark bushland, and long sandy beaches, bringing together fitness, fun and fundraising for the Give Where You Live and Kids Plus Foundations.

Fundraising by the team took on many forms, including staff soup days, a second hand sale at the Belmont Market, raffles and donations from friends, family and colleagues.

The trek saw a significant increase in employee health and wellbeing within the workplace. Employees continue to actively participate in brisk walks around the Borough.

Staff changes and recruitment

Staff turnover in 2017–18 resulted in the following positions being recruited over the course of the financial year.

| | |
|--|---|
| General Manager, Organisational Performance and Community Services | Replacement due to resignation |
| Customer Service Officers (two casual positions) | Restructure of staffing to ensure service delivery when permanent staff unavailable |
| Organisational Change Coordinator | New (part-time) position |
| Graduate Accountant | Replacement due to resignation (career advancement) |
| Graduate Engineer | Replacement due to resignation (career advancement) |
| Senior Planner | Replacement due to resignation (career advancement) |
| Roads and Infrastructure Engineer | Replacement due to resignation (career advancement) |
| Visitor Information Centre Officers (two positions) | Replacement of casual staffing with permanent part-time positions |
| Executive and HR Assistant | Replacement due to resignation (career advancement) |
| Community Care Workers (two casual positions) | Restructure of staffing to ensure service delivery when permanent staff unavailable |
| Payroll and Accounts Officer | Replacement due to resignation |

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

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 (OHS) manual provides a clear framework with policies and procedures to guide the health, safety and welfare of all staff.

Council's internal Compliance Committee discusses matters relating to OHS. Ongoing OHS 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 required 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.

The number of work-related incidents reduced between the years 2016–17 and 2017–18.

Reported work-related incidents

| Severity of incident | 1 July 2017 – 30 June 2018 | 1 July 2016 – 30 June 2017 |
|---|----------------------------|----------------------------|
| Near miss | 0 | 0 |
| Dangerous occurrence | 0 | 0 |
| Injury – first aid treatment only required | 0 | 0 |
| Injury – medical treatment required | 2 | 3 |
| Injury – medical treatment as hospital inpatient required | 0 | 0 |
| Serious injury | 0 | 0 |
| Fatality | 0 | 0 |
| Totals | 2 | 3 |

Lost work days due to work-related incidents

| 1 July 2017 – 30 June 2018 | 1 July 2016 – 30 June 2017 |
|----------------------------|----------------------------|
| 0 | 13 |

WorkCover claims

| 1 July 2017 – 30 June 2018 | 1 July 2016 – 30 June 2017 |
|----------------------------|----------------------------|
| 0 | 1 |

Not included in the figures above are incidents where staff were subjected to verbal abuse from members of the public. Unfortunately, council staff are occasionally subjected to verbal abuse by members of the public. In 2017–18 there were two instances of verbal abuse of staff that were of such seriousness they were reported as a threat to the employee's health and safety. All staff are provided with appropriate support, including encouragement to access Council's Employee Assistance Program.

Enterprise Bargaining Agreement

The Borough's current Enterprise Bargaining Agreement No 9, 2016 was operational throughout 2017–18. It is due to expire on 15 January 2019. The Agreement, together with the National Employment Standards (NES), forms the terms and conditions of employment for staff (excluding the CEO and Senior Officers as defined by the Local Government Act 1989). The agreement is underpinned by the terms and conditions in the former Victorian Local Authorities Award 2001, which form part of the Agreement.

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.

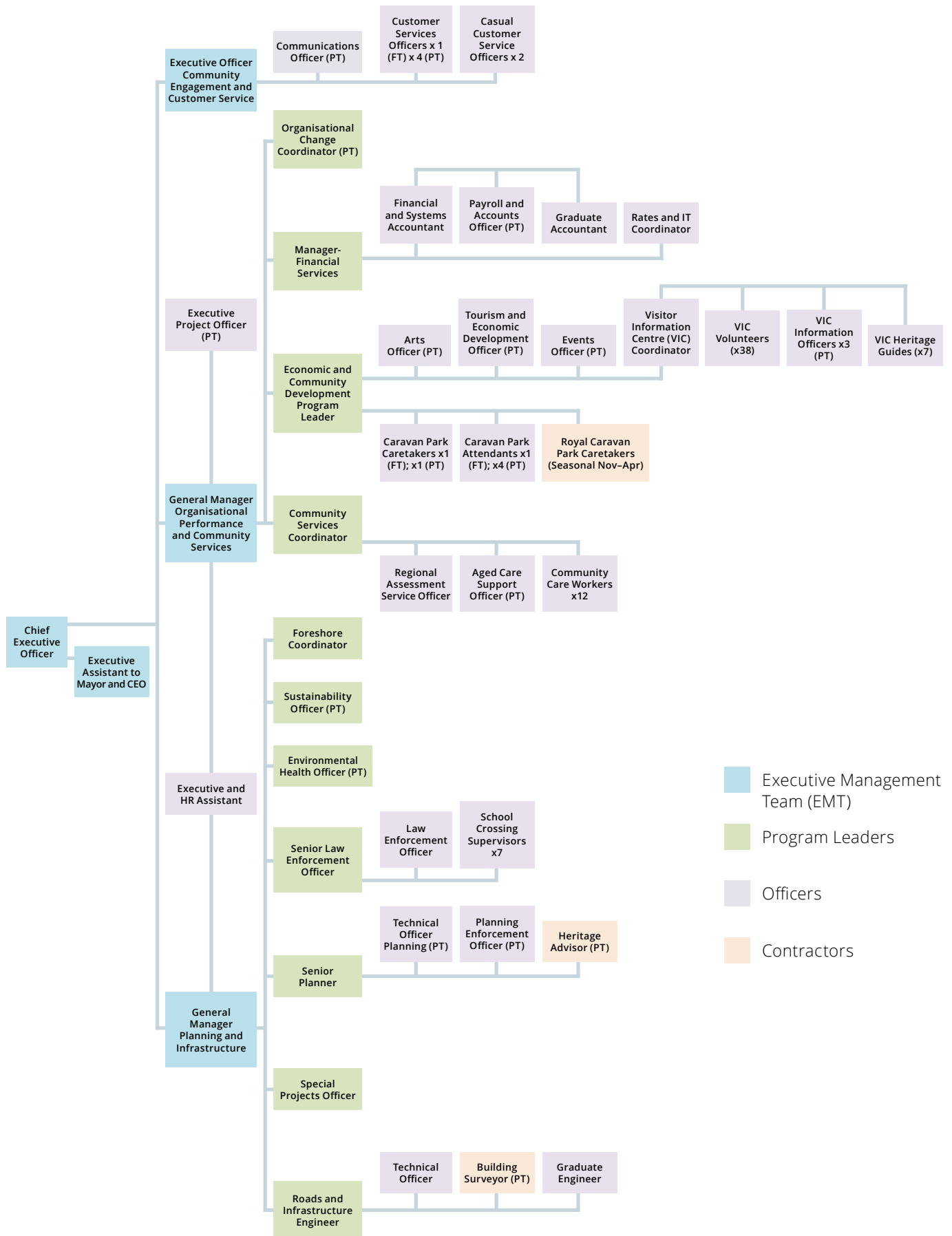
Selection of individuals for employment, promotion or advancement, training and staff development will be on the basis of the person's merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved.

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. Workplace initiatives have included:

- Placing recycling bins at each workstation;
- Printing draft documents on recycled paper;
- Having printers default to printing two-sided copies;
- Placing collection points in the staff room for mixed recyclable products (e.g. paper, cans, plastic bottles, soft plastics, etc.) and a chook bin for food products (e.g. 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 to appointments;
- Where possible, purchasing stationery and cleaning supplies through environmentally responsible products and organisations;
- Collecting all polystyrene from deliveries for recycling; and
- Using degradable, environmentally friendly dog poo bags.

Organisation chart



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. The results of the 2016 Census tell us that, in the Borough of Queenscliffe, 38% of people aged 15 or older are actively engaged in some form of volunteer work.

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 activities described below.

Visitor Information Centre

Volunteers at the Queenscliffe Visitor Information Centre (VIC) facilitate customer service and share local knowledge of the community and tourism experiences with visitors. The VIC offers volunteers a calendar of familiarisation tours, social functions, training opportunities and volunteer conferences. Currently there is a team of 25 Customer Service Volunteers and five Heritage Guides who attend to over 36,500 visitor enquiries, 364 days of the year.

The outstanding level of service provided at the VIC has been recognised twice in the 2017–18 financial year. In October 2017, the VIC won the Ricoh Australia Customer Service Award at the Victorian Regional Achievement and Community Awards, and in June 2018, the VIC was awarded a Certificate of Excellence by online travel booking and advice website, TripAdvisor.

The VIC also introduced Tuesday 'Walk Only' Heritage Walks in January 2018, building on the success of the Saturday Heritage Walk and afternoon tea.

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 2018.

Volunteer celebration

In conjunction with National Volunteers Week in May 2018, Council hosted a civic function to applaud volunteers from across the community. Over 100 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.

Conservation Volunteers Australia foreshore works

Between four and 10 volunteers from Conservation Volunteers Australia (CVA) visit the Borough of Queenscliffe twice a week to improve vegetation and environmental outcomes at foreshore areas in Queenscliff and Point Lonsdale.

In the 2017-18 financial year, 262 volunteers planted 390 trees, removed weeds from 58,700 square metres of foreshore area and collected 568 kilograms of rubbish over 40 volunteer days.

On many visits international volunteers are involved, and in June 2018 an elite group of American firefighters joined the Conservation Volunteers Australia team to complete vegetation work as part of a goodwill visit.

The next generation

Students from St Aloysius Catholic Primary School and members of the 1st Queenscliff Sea Scouts Cub group participated in separate litter collection events to contribute to Clean Up Australia 2018.

On 2 March, all St Aloysius students collected litter along King and Bethune Streets, as well as from their school grounds and parklands surrounding the Queenscliff Lonsdale Yacht Club, while on 20 February, 13 members of the Sea Scouts Cub group spent the evening collecting litter from the Borough's foreshores.

Starting from the Queenscliff Scout Hall, the Cubs worked their way around the foreshore, through lower Princess Park and around Shortland's Bluff, finishing at the Ocean View Car Park. The litter collected was made up of a variety of items that may otherwise have ended up in our waterways, including:

- Clothing and footwear (rubber thongs);
- Plastics (bags, food wrappers, coffee cups);
- Fishing line; and
- Recyclables (plastic drink bottles, newspaper, aluminium cans, sunscreen bottles).

Council congratulates the students and teachers from St Aloysius and the Cubs and their leaders on a job well done.



The 1st Queenscliff Sea Scouts map out their 2018 clean up event.

Awards and recognition

Our Coast project wins national award for Climate Adaptation

In March 2018, representatives from the Borough of Queenscliffe and City of Greater Geelong Councils accepted the Australian Coastal Councils' Climate Adaptation Award on behalf of the Our Coast project partners.

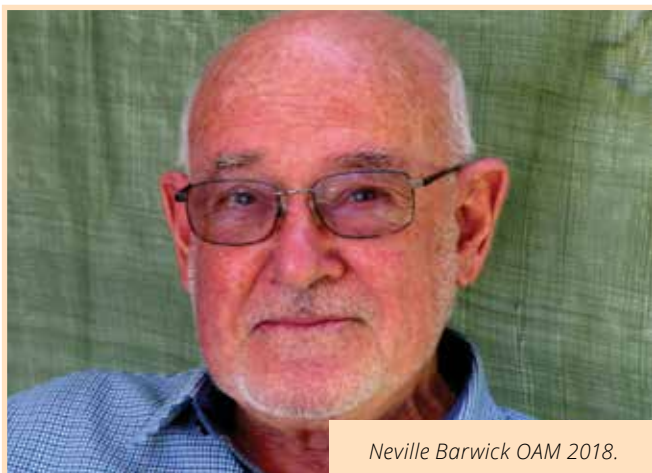
This joint initiative is made up of contributions from the City of Greater Geelong, the Borough of Queenscliffe, the Corangamite Catchment Management Authority, Barwon Coast Committee of Management Incorporated, Bellarine Bayside Foreshore Committee of Management and the State Government Department of Environment, Land, Water and Planning.

Our Coast is a real first, leading the way in identifying and addressing risks associated with sea level rise. It is a benchmark for approaches to land management in general and will be a reference point for many similar studies nationally. Extensive community participation and consultation were a key feature in the development of the project, providing well-researched climate adaptation options to assist the community to plan for the future.

2018 Queen's Birthday Honours List

Neville Barwick, former President of the Point Lonsdale and Queenscliff Probus Clubs and former Vice President of the Queenscliff Maritime Museum, was awarded a Medal of the Order of Australia (OAM) in the Queen's Birthday Honours List announced in June 2018.

The OAM acknowledges Neville's services to the community and to Australia-East Timor relations. Neville was Founder and Chair of the Australia East Timor Embassy Foundation, which raised more than \$3 million towards construction of the East Timor Embassy in Canberra, as well as holding a number of very senior leadership roles in both State and Federal Government Departments.



Neville Barwick OAM 2018.

Queenscliffe Visitor Information Centre awarded for customer service excellence

The Queenscliffe Visitor Information Centre (VIC) won the Victorian Regional Achievement and Community Awards 2017 Ricoh Australia Customer Service Award.

The award, a set of television airtime promotional placements on PRIME7, was presented at a Gala Presentation Ceremony at Flemington Racecourse in October 2017.

The VIC's outstanding level of customer service set the organisation apart in a strong field of high achieving nominees. VIC volunteers Judy Compton, Jackie Taylor and Karen Watt attended the Gala Presentation with Council's VIC Coordinator, Maree Greenwood.

The Ricoh Customer Service Award was sponsored by Ricoh Australia, PRIME7, The Weekly Times and Bank of Melbourne.



VIC volunteers with coordinator Maree Greenwood accept the Ricoh Customer Service Award.

Annual Reporting Awards

On 20 June 2018, the Borough of Queenscliffe Council received a Gold Award for its 2016-17 Annual Report at the Australasian Reporting Awards.

This is the fourth year in a row that Council has performed at such an exceptional level. Feedback from the judges indicated that the Annual Report was very well written, with excellent reporting on the financial statements, strategic objectives and volunteer contributions, as well as clear and appreciative reference to community involvement. Areas for improvement have been considered in shaping the 2017-18 Annual Report.

In particular, the transparency of Council's reporting of progress on Council Plan initiatives and performance was highlighted, and the judges' feedback also emphasised the outstanding quality of the photography in the 2016-17 Annual Report.

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



Professor Suresh Cuganesan, Australasian Reporting Awards Chair and Cr Susan Salter, Borough of Queenscliffe Mayor, with the ARA Gold Award.



THE ENGINESHED
 Built 1914 at outbreak WW1
 to provide power for 2 searchlights.



A few years of use for the H
 childrens camp it fell into neglect
 for over 30 years.

In 2014 the Point based
 Boardriders volunteers
 renovated the shed &
 now use it as its
 clubhouse.



Point Lonsdale Board Riders Club.



Our performance

| | |
|------------------------------|----|
| Community wellbeing | 46 |
| Environmental sustainability | 53 |
| Local economy | 58 |
| Planning and heritage | 61 |
| Governance and performance | 67 |

- David Ogilvie
- Graham Stone
- Mark Phillips
- Ian Duckworth
- Peta Goodwin
- Graeme Briggs
- Chris Lake
- Glenn Boltz
- Ann Ogilvie
- Jade Ogilvie
- Shayleigh Chapman
- Clive Robinson

Community wellbeing

| PRIMARY FOCUS AREAS | 2017-18 SUCCESSES |
|--|---|
| <ul style="list-style-type: none"> Maintain the Borough's standing as a safe place for residents and visitors. Protect, enhance and promote public health. Support older residents to live safely and independently. Increase participation in sport, recreation and life-long learning opportunities. Enhance opportunities for participation in arts and cultural activities. Support local clubs, community organisations and volunteers. Develop path and trail links that encourage walking and cycling and connections to neighbouring towns and the region. Support families, children and young people by facilitating access to services and community facilities. Promote shared use of community facilities. | <ul style="list-style-type: none"> Council maintained the zero waiting list status for access to Aged Care Services. 100% of local food businesses were inspected and comply with regulations. Implemented Council's Health and Wellbeing Action Plan, focussing on the areas of: <ul style="list-style-type: none"> Promoting active living and supporting healthy eating; Gender equality and respectful relations; and Improving mental wellbeing. Administration and allocation of the 2017-18 Community Grants program awarded 11 grants totalling \$18,357 to local community groups. Conducted several celebrations to formally recognise the extraordinary contribution of community volunteers. CCTV installed to improve safety at the JL Jordan Reserve Boat Ramp. |

| 2017-18 COUNCIL PLAN INITIATIVES | COUNCIL'S PERFORMANCE |
|--|-----------------------|
| Implement the Borough of Queenscliffe's Health and Wellbeing Action Plan 2017-2021 and meet Council's statutory responsibilities related to public health standards. | Completed |
| Provide an accredited, responsive aged support service with a 'zero waiting' list. | Completed |
| Investigate and respond to Federal Government policy changes to the Home and Community Care service. | In progress |
| Facilitate collaboration between local community and emergency service organisations in planning to improve safety in the Borough of Queenscliffe. | Completed |
| Provide 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 |
| Support planning for the future use of the Fisherman's Cooperative building. | Completed |
| Support and encourage planning for the future use of the Fishermen's Cooperation building. | Completed |
| Maintain a network of communication with the local community and emergency service organisations regarding safety issues in the Borough of Queenscliffe. | Completed |

The following statement provides information in relation to the services funded in the 2017–18 Budget and the persons or sections of the community who provided the service.

| SERVICE | DESCRIPTION | NET COST ACTUAL |
|---------------------------|--|-----------------|
| | | NET COST BUDGET |
| | | VARIANCE \$'000 |
| Aged Care Services | The Aged Care Services program provides care and assistance to older residents and carers requiring respite so that residents can live independently and remain safe in their homes. The program is focused on maximising the wellbeing, safety and health of frail older people and carers requiring respite. Through the Commonwealth Home Support Programme, support and maintenance services are provided to people living at home, whose capacity for independent living is at risk, or who are at risk of premature or inappropriate admission to long term residential care. | 158 |
| | | 162 |
| | | (4) |
| Active Communities | The Active Communities program promotes community wellbeing by supporting people and communities to be involved and active in sport, recreation, arts, culture and other community and civic activities. The program area is responsible for building the capacity of local clubs and community organisations and assisting these organisations to develop and implement projects that support social inclusion, access and equity within the Borough. | 139 |
| | | 214 |
| | | (75) |
| Community Events | The Community Events program promotes community wellbeing, celebrates the significance of the Borough and stimulates the local economy through conducting events directly or facilitating, supporting and administering a range of recreation, arts and cultural events planned and implemented by community organisations or commercial businesses. Council also plays a key role in promoting and acknowledging the significant roles played by volunteers in local organisations. | 119 |
| | | 101 |
| | | 18 |
| Maternal and Child Health | The Maternal and Child Health program (MCH) plays a key role in supporting and monitoring the health and wellbeing of local families and children from birth to school age. MCH is a primary health service which provides a comprehensive and focused approach for the promotion, prevention, early detection, and intervention of the physical, emotional or social factors affecting young children and their families. Council currently contracts the City of Greater Geelong to provide the Maternal and Child Health services in the Borough. | 5 |
| | | 20 |
| | | (15) |
| Kindergarten | The Kindergarten program is an important part of the Borough's early years services. Kindergarten assists in supporting the wellbeing of pre-school children and providing a safe learning environment to enable children to gain early life skills and knowledge and assist their smooth transition to primary school. Whilst the Queenscliff Kindergarten is operated independently of Council by a Committee of Management, Council manages the Kindergarten building, facilitates access to external grants and supports the Kindergarten Committee of Management as needs arise. | 1 |
| | | 0 |
| | | 1 |
| Environmental Health | The Environmental Health program monitors and maintains a safe environment for public health and wellbeing. This program is designed to meet Council's statutory obligations regarding public health notably under the Food Act 1984 and Public Health and Wellbeing Act 2008. Mandatory assessments of food safety, accommodation and beauty treatment premises are completed in accordance with the regulations and risk management frameworks. Tobacco control activities reduce the prevalence of smoking in the community. Nuisance complaint investigations remedy public health and amenity concerns and infectious disease investigations control and reduce the likelihood of notifiable disease. The Environmental Health program area also facilitates mosquito control activity. | 31 |
| | | 42 |
| | | (11) |

| SERVICE | DESCRIPTION | NET COST ACTUAL |
|--|--|-----------------|
| | | NET COST BUDGET |
| | | VARIANCE \$'000 |
| Asset Management and Appearance of Public Places | The Asset Management and Appearance of Public Places program ensures the safety, functionality and aesthetics of public places and infrastructure. This program promotes community wellbeing and encourages people to be active in public settings. The program ensures safe and efficient active transport settings, including the development of a network of connected walking and cycling routes, facilitates safe access to and use of community facilities, parks and gardens, sports ovals and local amenities. Responsibilities extend to include maintenance of local roads, kerb and channel, footpaths, shared use trails, drainage and street cleanliness. Council implements an asset renewal and maintenance program for infrastructure including roads, paths, drainage and all Council-owned and managed community buildings. It is also responsible for the maintenance, cleaning and renewal of 14 public toilets. | 962 |
| | | 1,030 |
| | | (68) |
| Local Laws, Safety and Amenity | The Local Laws, Safety and Amenity program promotes community wellbeing and safety in various settings and through monitoring public behaviour consistent with Council's Local Laws. This is achieved through management of school crossings, the provision of animal management services including animal registration and a dog and cat collection service, enforcement of local laws, issuing of local law permits, management of the boat ramp and enforcement of parking restrictions. This service is also the first Council respondent to out-of-hours emergencies. | 226 |
| | | 227 |
| | | (1) |
| Street Lighting | The Street Lighting program assists in the provision of a safe environment for motorists, pedestrians and cyclists. It involves the operation, maintenance, renewal and energy costs associated with the Borough's street lights. Importantly, Council has upgraded the streetlight infrastructure to achieve a high level of energy efficiency. | 179 |
| | | 45 |
| | | 134 |
| Powerline Safety | The Powerline Safety program assists in the provision of a safe environment and protection of the Borough's significant public and private assets and vegetation from fire by maintaining clear zones around powerlines to standards as set by legislation. | 65 |
| | | 60 |
| | | 5 |
| Library | The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting. Libraries can be restorative places and often a safe haven for people outside their own home. The public library service is provided in Queenscliff in a Council-owned building, and is operated by the Geelong Regional Library Corporation under a deed of agreement with Council. Council is one of four municipalities that make up the membership of the Corporation. | 210 |
| | | 208 |
| | | 2 |
| Recreation, Arts and Culture | The Recreation, Arts and Culture program promotes community wellbeing by supporting people and communities to be involved, healthy and active. Council plays a key role in directly managing or leasing community facilities to local organisations. Council also assists clubs with facility improvements and accessing external funding, and via various club development support programs. The program provides or supports an ongoing program of arts, cultural and reconciliation activities and events, helping to build local capacity, celebrate the rich culture, and enhance the Borough as a special and restorative place. This program also includes Council's allocation of an annual Community Grants program. | 23 |
| | | 29 |
| | | (6) |
| TOTAL | Actual | 2,117 |
| | Budget | 2,138 |
| | Variance | (21) |

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

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | Material Variations |
|--|--------------|------------------------------|------------------------------|---|
| Aged and Disability Services | | | | |
| Home and Community Care (HACC) | | | | |
| Timeliness | | | | |
| <i>Time taken to commence the HACC service</i> [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] | 8.06 | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Service standard | | | | |
| <i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100 | 94.44% | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Service cost | | | | |
| <i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service provided] | \$45.75 | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| <i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service provided] | \$61.46 | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| <i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service provided] | \$60.78 | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Participation | | | | |
| <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100 | 52.99% | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| <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 | 21.21% | Reporting Ceased 1 July 2016 | Reporting Ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| Maternal and Child Health (MCH) | | | | |
| Satisfaction | | | | |
| <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100 | 106.67% | 125.00% | 112.50% | 18 first MCH home visits, comprising of 16 birth notifications received in 2017-18 and two enrolments from outside the municipality that also accessed this service in the Borough. |

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | Material Variations |
|--|--------------|--------------|--------------|--|
| <p>Service standard</p> <p><i>Infant enrolments in the MCH service</i></p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</p> | 93.33% | 100.00% | 106.25% | Of the 16 birth notifications received in 2017–18, all 16 were enrolled in the maternal and child health service, as was one enrolment from outside the municipality that also accessed this service (2016–17: of the 16 birth notifications received, all 16 were enrolled in the service). |
| <p>Service cost</p> <p><i>Cost of the MCH service</i></p> <p>[Cost of the MCH service / Hours worked by MCH nurses]</p> | \$153.69 | \$112.64 | \$124.18 | A total of 396 hours worked by the maternal and child health nurse in the 2017–18 year (2016–17: 437 hours). |
| <p>Participation</p> <p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p> | 74.85% | 92.40% | 87.58% | 70 children attended the maternal and child health service at least once, of the 81 infants enrolled, in 2017–18 (2016–17: attended by 79, of 86 enrolled in the service). |
| <p>Participation</p> <p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p> | 0.00% | 0.00% | 100.00% | One Aboriginal child was enrolled in, and attended at least once, the maternal and child health service in 2017–18 (2016–17: no Aboriginal children enrolled in the service). |
| <p>Environmental Health</p> <p>Food Safety</p> <p>Timeliness</p> <p><i>Time taken to action food complaints</i></p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p> | 2.00 | 1.25 | 1.00 | Flexible working arrangements enable food complaints to be responded to on the same day, without having to increase part-time resources for this service. There was one complaint received in 2017–18, which was actioned in one day (2016–17: four complaints received, which took a total of five days to action). |
| <p>Service standard</p> <p><i>Food safety assessments</i></p> <p>[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</p> | 100.00% | 100.00% | 98.48% | Council inspected 65 of 66 food premises in 2017, noting three class 2 premises closed during the period, of which two had been inspected prior to closure and one had not. Council's statutory obligation is to complete an inspection during the 12 month registration period and the closure of premises prior to inspection is not within Council's control. |
| <p>Service cost</p> <p><i>Cost of food safety service</i></p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p> | \$646.75 | \$667.31 | \$609.76 | Cost reflects compliance rates and the standard of food safety service delivery. The outcome for 2017–18 is a lower cost than in prior years, with less time required of officers with respect to compliance matters, and a corresponding reduction in office costs. After collecting a registration fee of \$349 (Class 1 and 2), the average net cost to Council is \$261. |

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | Material Variations |
|--|--------------|--------------|--------------|---------------------|
| Health and safety | | | | |
| <i>Critical and major non-compliance outcome notifications</i> | 100.00% | 100.00% | 100.00% | |
| [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 | | | | |

Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2018. Award recipients in 2018 were as follows:

Citizen of the Year: Rob Hurley

Since taking up the position of Principal of the then Queenscliff High School in 1987, Rob Hurley has been a pillar of the Borough of Queenscliffe community. A resident of the Borough for more than 30 years, Rob was an inaugural member of the committee that established the Queenscliff Neighbourhood House and has been an active member of many community organisations, including the Queenscliff Community Association, Queenscliff Music Festival, Queenscliff Golf Club, Swan Bay Environment Area, Swan Bay Gardens for Wildlife, Bellarine Self-help Parkinson's Group and Trinity Aid for Refugees. As Principal from 1987 to 2001, Rob oversaw the evolution of the Queenscliff High School into the Bellarine Secondary College and introduced innovative education programs such as robotics, electronics and viticulture to the school, as well as dedicating many volunteer hours to cement the school's reputation as the one to beat at the annual Rock Eisteddfod Challenge. Since his retirement from the Department of Education in 2001, Rob's volunteer work has ensured that he remains an outstanding contributor to the social fabric of the Borough of Queenscliffe.

Young Citizen of the Year: Isabelle (Belle) Kidd and Alexandra Scorgie (joint winners)

Belle Kidd has been a member of the Point Lonsdale Surf Life Saving Club for over seven years. During that time Belle has attained a number of surf life saving qualifications including her Bronze Medallion, Certificate II Public Safety (Aquatic Rescue), Inflatable Rescue Boat (IRB) Certificate and Surf Rescue Certificate, as well as various awards that she earned during her time as a member of the Nippers program. Belle completed 39 hours of volunteer patrols during the 2016–17 Point Lonsdale Surf Life Saving Club season and 64 hours in the previous season. In the 2016–17 season Belle held the position of Junior Club Captain and her participation in the annual Cadet and Junior Bronze camps in recent years demonstrate her willingness to offer assistance across the Club. Belle is also a netball coach, badged umpire and senior netball player with the Queenscliff Football Netball Club, where her commitment and generosity make her a superb role model and mentor for the junior players. Belle played the leading

role in establishing, and captained, Queenscliff's first all-female football team (the Coutas) last season. Through her part-time employment at YMCA Camp Wyuna, Belle also volunteers her time to assist charity and not-for-profit organisations.

In 2017, Alexandra Scorgie became one of the youngest female players for Water Polo Australia Barbarians, a Victorian team consisting of club players in the National Water Polo League. As Captain of the Victorian Water Polo team, most valuable player in the Under-16 Victorian State Water Polo Championships, and highest goal scorer in the Under-16 Victorian State Water Polo Championships, Alexandra's reputation precedes her to the point that other clubs are quick to make use of her excellent skills and explosive scoring power whenever her home club, Richmond, is not competing. Alexandra has successfully balanced her training and playing commitments in Melbourne and interstate with her secondary studies at Kardinia International College. She is a National Identified Athlete on the Australian Winning Edge (AWE) list and a Train On VIS athlete with the Victorian Institute of Sport.

Community Event of the Year: Queenscliff Primary School 'Biggest Morning Tea'

The Queenscliff Primary School held its Biggest Morning Tea event for the third time in 2017, raising \$1,300 for Cancer Council Australia. This amount is almost six times the amount raised at their first event in 2015, an impressive increase that mirrors the school's remarkable growth in enrolments over the past 12 months. The 2017 Biggest Morning Tea brought the entire school and members of the wider community together in difficult circumstances to create a wonderful event that raised awareness, as well as funds, for Cancer Council Australia. Catering for the event was entirely provided by volunteers and donations from within the primary school and Borough of Queenscliffe community. The event provided students with an opportunity to showcase the skills gained in their fortnightly cooking classes as well as an additional transition activity for Queenscliff Kindergarten students in the lead up to their Foundation year.

Community Environment Project of the Year: Conservation Volunteers Australia

Conservation Volunteers Australia embarked on their relationship with Council in 2013. In the following years, Conservation Volunteers Australia have removed 210,000 square metres, or 20 tonnes, of weed across 12 work sites in the Borough and collected 1,325kg of rubbish and 60kg of seed over 180 project

days. The total amount of work put in equates to 1,200 days or a massive 8,400 hours of volunteer work, a priceless gift to Council and the community. But the benefits delivered by the relationship between the Borough of Queenscliffe Council and Conservation Volunteers Australia add up to much more than just cost savings. The removal of environmental and noxious weeds and the reestablishment of indigenous plant species have created safer tracks for walkers and improved habitat for local wildlife, and generally boosted the amenity and attractiveness of the Borough landscape. The outstanding results achieved by the volunteers have motivated other members of the community to participate in caring for the environment, created an atmosphere where friendships can flourish and provided volunteers with the necessary skills to seek paid employment in the field.

Achievements

Supporting local events

During 2017–18 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 | Queens Baton Relay | Anzac Day services | Vietnam Veterans Day
- **Arts and cultural events**
Seniors month celebrations | Queenscliffe Literary Festival | Bellarine Film Festival | Sacrededge Festival | Queenscliff Music Festival | Queenscliff Street Rodders | M to M | Low Light Festival | Peninsula Film Festival
- **Sporting activities**
Rip View Swim Classic | Rip to River Run | Nippers Carnival | Queenscliff 180 family swim | Walk to School
- **Community organisation events**
Rotary Club of Queenscliffe – Queenscliffe Bricks | Lighting of the Christmas Tree | Queenscliff Maritime Museum’s Maritime Weekend | Point Lonsdale Board Riders | Sand Sculpture Contest

Community Grants

Administration and allocation of the 2017–18 Community Grants program was completed in August 2017 with 11 grants totalling \$18,357.30 awarded to local Community Groups. The projects included support of community events, better equipment for events and enhanced facilities for local community groups.

Aged Care Services

Council has maintained a ‘zero waiting list’ to June for all aged care services within the Borough. In the 2017–18 financial year, the Aged Care Service has provided 9,530 hours of service.

Clients have accessed 384 hours for assessment and care coordination. 33 new clients were assessed for service, 7 clients departed (deceased) the service, 12 clients moved into permanent care and 5 clients moved out of the area.

Environmental health activities

Key activities undertaken in 2017–18 as part of Council’s environmental health service included the following:

- Council conducted a total of 126 food safety assessments and inspections.
- 21 food samples were submitted for analysis and statutory sampling numbers achieved.
- Council conducted 19 assessments of accommodation and beauty treatment services.
- The Department of Health and MAV cigarette sales to minors program ran successfully.
- 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 2017 to March 2018.
- A Council flu vaccination program was delivered.

Disappointments

Proposed Queenscliffe Hub

Council has applied for a number of Federal and State Government funding grants for the Queenscliffe Hub project. The outcome of these submissions is yet to be known.

Challenges

Aged Care reform

Keeping abreast of the Commonwealth Government’s aged care reform, while maintaining a ‘business as usual’ service, continues as Council closely monitors how other councils across Victoria are responding to these policy and program changes.

Proposed Queenscliffe Park

A suitable funding program has not been identified. Council resolved to implement a smaller stage one project in 2017–18 but this is yet to be implemented given other project management pressures. Council’s 2017–18 Budget includes an allocation to prepare a plan for an extended family-friendly park.

Year ahead

- Finalise construction of the Queenscliff Sport and Recreation Precinct Project.
- Complete a Pathways Strategy for Queenscliff and Point Lonsdale.
- Implement construction works at the Queenscliff Recreation Reserve Caravan Park.
- Complete Stage One of the Queenscliffe Park Project.

Environmental sustainability

| PRIMARY FOCUS AREAS | 2017-18 SUCCESSES |
|--|---|
| <ul style="list-style-type: none"> • Protect significant vegetation and continue revegetation of urban and open space areas. • Continue to eradicate the spread of noxious weeds. • Respond to the impacts of erosion and climate change on our beaches and the coast. • Lead by example and work with the community to reduce carbon emissions. • Increase and promote the use of renewable energy. • Enhance recycling and green waste and minimise waste to landfill. • Advocate for additional protection of significant wetlands within and adjacent to the Borough. • Actively participate in relevant regional, state and national environmental initiatives. | <ul style="list-style-type: none"> • The Geelong Queenscliff 'Our Coast' project was awarded the Climate Adaption Award from the Australian Coastal Council. • Replacement of 318 Council street lights suitable for light-emitting diode (LED) technology completed in February 2018. • Weed reduction activities, particularly at the Queenscliff front beach and Point Lonsdale Lighthouse Reserve. • 5,350 indigenous plants, shrubs and trees have been planted in coastal foreshore reserves, caravan parks and car parks. • 184 street trees planted (replacing 12 removed trees). • 229 tonnes of seaweed material was removed from beaches, creating compost for horticultural purposes. • Diversion of 652 tonnes of green waste from landfill – an increase of 10 tonnes from 2016–17. • 9,758 kilograms of e-waste was collected including televisions, computer equipment and household electrical appliances – an increase of 1,487 kilograms from 2016–17. |

| 2017-18 COUNCIL PLAN INITIATIVES | COUNCIL'S PERFORMANCE |
|---|-----------------------|
| Continue planning with the community to determine the future of the Borough's historic Avenue of Honour and how best to manage the replacement of trees along the Avenue. | Completed |
| Continue street tree and park planting programs that reflect the character of Queenscliff and Point Lonsdale. | Completed |
| Work 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 |
| Produce a Foreshore Plan to identify priority actions to enhance the amenity and use of the foreshore and beaches. | Yet to commence |
| Undertake beach cleaning activities for major public events and at the Queenscliff Front Beach in the summer, Easter and September school holiday periods. | Completed |
| Work with local and regional organisations and neighbouring councils to reduce waste and promote and increase recycling in the Borough and enhance the green waste disposal capacity of the region. | Completed |
| Continue to implement the Council's Corporate Carbon Neutral Action Plan. | Completed |
| Facilitate community participation in the Community Environment Alliance and promote new projects through implementing Council's small grants program. | Completed |
| Work with the Community Environment Alliance to identify opportunities to enhance alternative power supplies to the Borough of Queenscliffe. | Yet to commence |
| Work with the City of Greater Geelong and State Government partners to implement recommendations from the Geelong Queenscliff Coastal Adaptation Program. | Completed |
| Continue to advocate to the State Government for inclusion of Laker's Cutting into the Ramsar-listed Swan Bay site. | Completed |

The following statement provides information in relation to the services funded in the 2017–18 Budget and the persons or sections of the community who provided the service.

| SERVICE | DESCRIPTION | NET COST ACTUAL |
|---------------------------------------|--|-----------------|
| | | NET COST BUDGET |
| | | VARIANCE \$'000 |
| Environmental Sustainability | The Environmental Sustainability program sees the Borough playing its part in protecting the natural environment for future generations. This includes Council measuring, monitoring and reducing its carbon emissions as well as assisting the local community to implement various initiatives designed to reduce greenhouse gases through the Community Environment Alliance. Council plays a key role in responding to the challenges of climate change and sea level rise and, where possible, works with various Federal, State, regional and local organisations to inform and educate the community about practices that support environmental sustainability. | 98 |
| | | 201 |
| | | (103) |
| Coastal Protection | The Coastal Protection program seeks to preserve and enhance the Borough's globally significant, highly-valued coast as an iconic environmental asset for current and future generations. Under this program, Council implements State Government coastal management policy, manages environmental projects and works with State, regional and local services to enhance its management of coastal Crown Land. The program involves weed reduction initiatives and annual planting of trees, shrubs and grasses. | 257 |
| | | 621 |
| | | (364) |
| Waste Management and Recycling | The Waste Management and Recycling program seeks to involve the local community in protecting the environment for future generations by minimising waste. Council works with local and regional organisations, including the Barwon South West Waste and Resource Recovery Group, and neighbouring councils to increase community awareness and promote behaviours that reduce waste and promote recycling. In addition to regular kerbside waste collection and a hard rubbish collection, the program includes a recycling service, effective e-waste disposal and a green waste bin service for all residential and tourist accommodation properties. A range of public waste services are also provided, given the comparatively high level of tourist visitation. It is important to note that full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating Strategy. | 835 |
| | | 836 |
| | | (1) |
| TOTAL | Actual | 1,190 |
| | Budget | 1,657 |
| | Variance | (467) |

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

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | Material Variations |
|--|--------------|--------------|--------------|--|
| Waste Disposal 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 | 79.23 | 87.81 | 100.31 | The 2017-18 variance reflects 293 kerbside bin collection requests, compared with 255 requests in 2016-17. The variance is largely attributable to an increase in requests with respect to missed bins and the replacement of damaged, stolen or missing bins. |
| 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 | 3.51 | 4.21 | The 2017-18 variance reflects 128 kerbside collection bins missed, compared with 106 missed in 2016-17. |
| 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] | \$103.27 | \$98.61 | \$98.98 | The cost of disposal includes a State Government landfill disposal levy in addition to gate fees. While the volume of waste has reduced by 1.5% in the 2017-18 year, due to a continuing increase in green waste volumes, annual indexation and an increase in bins requiring replacement has resulted in a minor increase in the cost for 2017-18. |
| 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] | \$47.35 | \$47.62 | \$51.58 | The cost of disposal has been significantly impacted by the recent, well-publicised worldwide issues associated with recycling, which has resulted in Council having to pay \$11,840 for the four months from March to June 2018 to dispose of recyclable materials. Prior to this new era of having to pay to dispose of recyclables, Council received \$4,550 earlier in the 2017-18 year (2016-17: Council received \$19,786 from the sale of recyclable material). |
| Waste diversion <i>Kerbside collection waste diverted from landfill</i> | 46.38% | 54.20% | 54.98% | This result continues to improve, following the introduction of the new green waste service in 2015-16. |

Achievements

National Award for Coastal Adaptation

The 'Our Coast' program was awarded the national Climate Adaptation Award from the Australian Coastal Council. This is a joint project involving the City of Greater Geelong and the Borough of Queenscliffe and provides a 'best practice' example of coastal planning and adaptation in Victoria and Australia.

LED Street Light Replacement Program

A total of 318 Mercury Vapour street lights have been replaced with more efficient LED technology. This number covers all street lights in the municipality with the exception of lights where costs are shared with VicRoads (approximately 110 in number) and decorative lights in Hesse Street (6 in number). Council continues discussions with VicRoads to replace the shared cost lights and has been advised by Powercor that approved LED alternatives for the Hesse Street decorative lights are not available as yet.

Waste Management

Council's kerbside waste, recycling and green waste bin service showed continued improvements again in 2017–18. Weighbridge dockets show a reduction in waste to landfill for the third consecutive year. Green waste and recycling collection tonnages have also increased for the third consecutive year.

Waste to landfill totalled 997 tonnes in 2017–18, which is 35 tonnes less than in 2016–17. A total of 565 tonnes of recycling was collected through the kerbside bin in 2017–18, an increase of 10 tonnes on the previous year. Green waste composted through the kerbside bin in 2017–18 also increased by 10 tonnes on the 2016–17 weights.

Council hosted its annual e-waste drop-off event at the Ocean View carpark in May 2018. A total of 9,758 kilograms of e-waste was received including televisions, computer equipment and household electrical appliances. 22 kilograms of household batteries were removed from electronic equipment during the day and sent for recycling. The e-waste was recycled through ToxFree Australia. ToxFree's technologies and processes ensure that maximum e-waste recycling and recovery takes place in Australia.

Council has collected a total of 56,429 kilograms of e-waste since the introduction of the drop-off event in 2012.

Weed Reduction

Council continued its partnership in 2017–18 with the Corangamite Catchment Management Authority (CCMA) to undertake weed reduction and revegetation at 'The Narrows' in Queenscliff and also at the dune system fronting Ocean Road in Point Lonsdale.

Weed removal on 'The Narrows' road verge and other key locations utilised the labour resource available through the Department of Justice, Correctional Services program. This activity was undertaken through fortnightly working visits to key public areas in the Borough.

Conservation Volunteers Australia (CVA) visited on a weekly basis to clean up sites undertaken in past projects. Work sites during the year included Point Lonsdale foreshore, Queenscliff foreshore and the Dog Beach area.

The Federal Government approved Green Army programs for Point Lonsdale Lighthouse Reserve and the Queenscliff front beach area. The emphasis of these projects was to undertake vegetation and environmental projects at the selected sites with a focus on weed removal.

Carbon Neutral Action Plan

Actions implemented from Council's Carbon Neutral Action Plan included:

- Audits of random kerbside waste, recycling and green waste bins were completed in late May / June 2018. The audits were completed as part of a regional program with the nine member councils of the Barwon South West Waste and Resource Recovery Group. The audit results will be used to evaluate current education programs, construct behaviour change programs to improve resource recovery (with the goal to get more recyclable items out of the waste bin) and identify opportunities to divert food waste from the waste bin. Council will receive the final audit report in July 2018.
- Recycled a total 407 kilograms of household batteries during 2017–18 from collection containers located in businesses and schools across Queenscliff and Point Lonsdale. This is an increase of 38 kilograms on the 2016–17 collection figures. The program expanded in June 2018 with a collection container installed at the IGA Queenscliff.
- The program has recycled a total 1,381 kilograms of batteries since its introduction in 2012. Batteries are sent for recycling through the Detox your home program administered by Sustainability Victoria.
- The annual organisation and promotion of Council's annual hard waste and e-waste collection events.

Community Environment Alliance Grants Program

Council facilitated the development of a Community Environment Alliance grants program to assist community groups to reduce their impact on the environment. Council awarded a total of \$6,800 funding to three projects through the 2017–18 Community Environment Alliance (CEA) grants program, specifically:

- Queenscliffe and District Neighbourhood House: establishment of Boomerang Bags project to reduce the use of plastic bags in the community by providing reusable fabric bags through local businesses.
- St Aloysius Catholic Primary School: supporting the Kids Teaching Kids Local Conference, a one-day conference in which students from local and Geelong-based schools teach each other about sustainability initiatives and environmental issues such as waste management, litter, water conservation and coastal vegetation.

- Swan Bay Environment Association – expansion of the Gardens for Wildlife program, which provides residents with advice on improving the ecological value of their garden. Grant funding will be used to target private properties adjacent to three public sites where weeding and planting of indigenous species has taken place. Targeting these properties will ensure the public sites are not compromised by the spread of weeds from nearby gardens.

Disappointments

Swan Bay RAMSAR site

Council has written several letters to State politicians and the Department of Environment, Land, Water and Planning regarding inclusion of Laker’s Cutting into the RAMSAR listed Swan Bay. This remains a challenge and Council will continue its lobbying efforts into the future.

Challenges

Future recycling

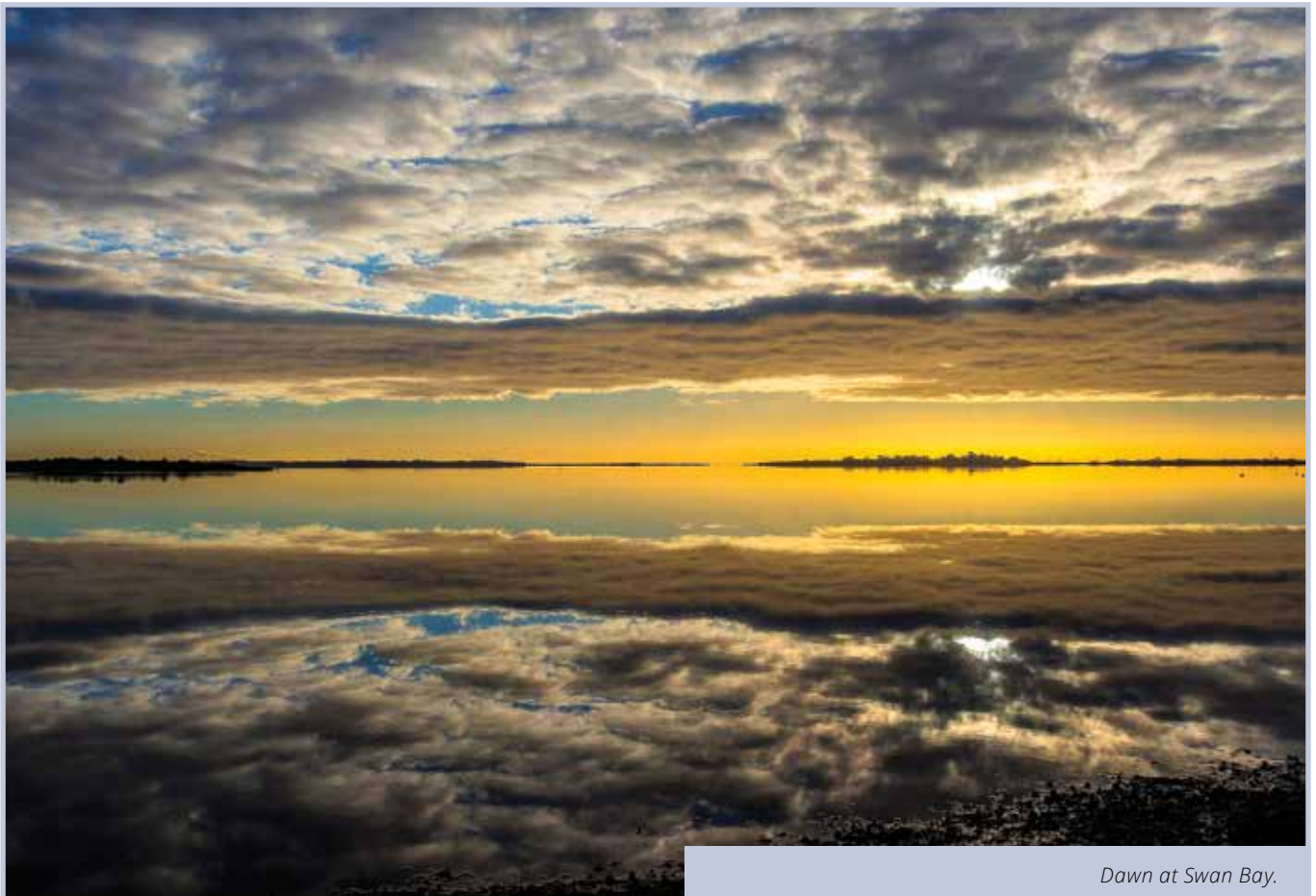
The global crisis in the recycling industry in early 2018 caused a destabilised market that impacted on Council’s recycling contracts. A significant fall in commodity prices no longer enabled Council to offset its costs of recycling with income received from processed recyclables.

Council will be required to renegotiate contracts to reflect current and future market conditions to ensure continuity of service and securing a price that is acceptable to our community.

Council has the lowest contamination rates in kerbside recycling and green waste bins across the Barwon South West region. An important measure of our community’s environmental performance is the amount of resources diverted from landfill. Council’s 2017–18 diversion rate was 55.3%, which is above the regional average of 51.7%. However, this figure only places Council third in diverting resources from landfill across the nine Barwon South West councils.

Year ahead

- Prepare a Consultancy Brief and appoint qualified consultants to undertake a feasibility study into alternative power supplies.
- Continue to work with regional Councils and the State Government to examine options to reduce waste to landfill from the kerbside hard waste service.
- Produce a Foreshore Plan to identify priority actions to enhance the amenity and use of the foreshore and beaches.
- Work with Barwon Water and the Corangamite Catchment Management Authority to develop an Integrated Water Management Plan to investigate stormwater reuse and improved stormwater management.



Dawn at Swan Bay.

Local economy

| PRIMARY FOCUS AREAS | 2017-18 SUCCESSES |
|---|---|
| <ul style="list-style-type: none"> • Diversify the local economy and increase employment opportunities for local residents. • Support local businesses' and new businesses' investment opportunities. • Encourage procurement practices that increase employment opportunities for local residents. • Market the Borough's unique features and provide a high-quality tourism information service. • Increase year-round tourism visitation by enhancing use of beaches and parks and supporting arts and cultural events. • Improve the quality of physical and technological infrastructure that connects local facilities and tourism attractions across the Borough. • Progress the implementation of priority projects related to Fort Queenscliff and the two Lighthouse Reserves. • Implement improvements to Council-managed caravan parks to achieve benefits for the whole community. • Implement the priority actions in Council's Economic Development Strategy. | <ul style="list-style-type: none"> • Queenscliffe Visitor Information Centre (VIC) was awarded a Certificate of Excellence for 2018 by TripAdvisor. • Inaugural Low Light Festival – more than 100 events held over four consecutive weekends in winter (June / July) hosted by 26 businesses and community groups. • In partnership with Tourism Greater Geelong and the Bellarine (TGGB), Council contributed to the 2018-19 Business Events Geelong Planners Guide, the new Official Visitor Guide, and in the development of destination-specific blogs. • Council joined in on the Worksafe Liveability Expo as part of the WorkSafe organisation and staff relocation program, and encouraged local real estate agents to provide housing options for promotion. • Council worked with partners to attract significant publicity with the BBC drama 'The Cry' being filmed in Queenscliff and Point Lonsdale and Foxtel's program 'Coast Australia' visiting Queenscliff to film a segment. • Volunteers contributed 4,650 hours of customer service at the VIC. • The VIC received the Customer Service Award at the Victorian Regional Achievement and Community Awards. |

| 2017-18 COUNCIL PLAN INITIATIVES | COUNCIL'S PERFORMANCE |
|--|-----------------------|
| Produce and implement the recommendations of the Borough of Queenscliffe Council's Economic Development Strategy. | Completed |
| Advocate to all levels of government to implement the Fort Queenscliff Tourism Master Plan. | Completed |
| Advocate for and seek funding from other levels of government to improve coastal infrastructure that enhances local amenity and improves community and visitor experiences. | Completed |
| Secure State Government funding to produce and promote a range of local stories about the history and heritage of Queenscliff and Point Lonsdale that can be readily accessed by the community and visitors. | Completed |
| Work with local businesses and community organisation, Tourism Greater Geelong and the Bellarine, and Visit Victoria to promote tourism experiences in Queenscliff and Point Lonsdale. | Completed |
| Support local organisations to plan and promote major public participation and tourism-related events in Queenscliff and Point Lonsdale. | Completed |
| Continue to seek advice on tourism and economic development priorities through Council's formal Advisory Committee and other stakeholders. | Completed |
| Provide an accredited Visitor Information Centre service through the active involvement of volunteers. | Completed |
| Work with local businesses and community organisations to implement a Winter Arts Festival. | Completed |
| Review Council's procurement policy and practices to enhance opportunities for local businesses. | Completed |
| Facilitate local businesses' access to information and professional development opportunities. | Completed |



The following statement provides information in relation to the services funded in the 2017–18 Budget and the persons or sections of the community who provided the service.

| SERVICE | DESCRIPTION | NET COST ACTUAL |
|----------------------------------|---|-----------------|
| | | NET COST BUDGET |
| | | VARIANCE \$'000 |
| Caravan parks and boat ramp | The Tourist Parks and Boat Ramp Services program ensures the Borough remains a special place for visitors, while increasing tourism's contribution to the local economy. The program includes management of three tourist parks and one boat ramp. It currently provides approximately 350 camping / caravanning sites and associated facilities, including maintenance of seven amenities blocks, and management of the Queenscliff Boat Ramp, which provides access to fishing opportunities in Port Phillip. While contributing significantly to the local economy, this program generates a net income result, which is used to fund improvements to and maintenance of community facilities, foreshore infrastructure and coastal protection activities on Crown land. | (899) |
| | | (700) |
| | | (199) |
| Visitor information centre | The Visitor Information Centre program promotes the Borough as a special place for visitors, and supports local tourism and related businesses through the dissemination of tourism information that plays a key role in supporting a diverse and vibrant local economy. This program manages a year-round state-accredited tourist information service, with paid staff and volunteers offering information and advice about the visitor experiences on offer across the Borough and through other parts of Victoria. | 183 |
| | | 196 |
| | | (13) |
| Tourism and Economic Development | The Tourism and Economic Development program seeks to build on the Borough's unique heritage, rich culture and significant natural environment to strengthen the diversity and vibrancy of the local economy. The program is integrated with the activities of state and regional tourism organisations. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and overnight visitors. The program's focus is informed by the Council's Economic Development Strategy and includes supporting local businesses and working with neighbouring municipalities, Tourism Greater Geelong and the Bellarine, G21 and the State Government to implement regional economic development and related infrastructure priorities. | 201 |
| | | 193 |
| | | 8 |
| TOTAL | Actual | (514) |
| | Budget | (311) |
| | Variance | (203) |

Achievements

Economic Development Strategy

Council adopted its Economic Development Strategy on 14 December 2017. The Strategy focuses on achieving a more diverse and vibrant local economy, guides and informs Council's economic development directions and priorities and identifies economic development opportunities for public and business investment. On 24 April 2018, Council officially launched the Strategy at its 'Borough After Five' event with more than 40 local business and community representatives in attendance. Following community consultation, key recommendations and priorities identified in the Economic Development Strategy have been included in Council's 2017–18 and 2018–19 Implementation Plans.

Weddings Promotional Plan

Council adopted a 'Weddings Promotional Plan' in 2017–18, which saw the abolishment of fees in 2018 for weddings in public spaces to encourage more weddings in the municipality. Local suppliers were invited to participate in an online wedding guide that highlighted wedding-related services such as venues, celebrants, hair and beauty and photography.

To date, a dedicated page on Council's website has generated 1,467 hits to the individual supplier pages and 694 hits to the location pages, in conjunction with 31 downloads of the PDF wedding guide. To complement the website, Instagram and Facebook pages were developed and have more than 300 followers, and an average reach of 253 unique accounts each week. Council continues to work with suppliers to promote Queenscliff and Point Lonsdale as a wedding destination.

Small Business Festival events and Small Business Victoria mobile service

Council hosted and promoted the 2017 Victorian Small Business Festival event in August. Council hosted three events during the Geelong Small Business Festival in August. The 'Borough Breakfast Series' was attended by more than 60 people over three weeks. The events included:

- **United We Succeed** – Getting Collaboration Right (hosted in conjunction with The Rip Chamber Inc);
- **Guest Ready** – Expectations of the Modern Day Guest; and
- **Bedsheets and Spreadsheets** – Start Your Home Business Today.

Developing an arts and cultural winter event

In 2016 the Borough of Queenscliffe Tourism and Economic Development Advisory Committee (TEDAC) explored the idea of development an arts and cultural event to be held during the winter months in Queenscliff. The Committee identified this type of event as a priority to stimulate the local economy and drive visitation in what is typically a quiet time of year. A working committee, with representatives from the local arts and business community, was created to further refine and stimulate ideas.

In December 2017, Council was successful in securing a \$30,000 grant from the Regional Victoria Events Fund to add to Council's contribution of \$59,000, and the Queenscliff Music Festival was contracted to curate, market and deliver the 2018 event.

As winter 2018 approached, the Borough of Queenscliffe launched the inaugural Low Light Festival, combining the international and local arts with culinary delights for a month-long celebration of the senses.

Over four consecutive weekends from 22 June to 15 July 2018, Queenscliff and Point Lonsdale's public spaces, galleries, cafes and restaurants played host to an array of art exhibitions, dinners, tastings, film screenings, literary readings and music performances.

Local events calendar

During 2017-18 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 page 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 2017-18 included:

- Servicing over 36,586 walk-in enquiries at the Centre, and 2,046 phone enquiries;
- Coordinating and conducting 58 Heritage Walks with 506 participants;
- Continued the Centre's partnership with Searoad Ferries to promote the services of the Visitor Information Centre. 324 tickets were sold for Searoad Ferries and an in-kind ticket service was provided to local community groups;
- Participating in a Volunteer Conference organised by Tourism Greater Geelong and the Bellarine;
- Participating in familiarisation tours to regional and local businesses; and
- Maintaining the regional electronic accommodation availability system.

Disappointments

Queenscliff Hub project

Council is yet to secure funding from State and / or Federal Governments for the Queenscliff Hub project.

Challenges

Low Light Festival

Securing further State Government funding for the Low Light Festival.

Year ahead

- Implement the Borough of Queenscliffe Economic Development Strategy.
- Continue to build on the success of the Low Light Festival.
- Complete detailed design and progress construction of Stage 1 improvements to the Point Lonsdale Lighthouse Reserve.
- Commence planning of the Hesse Street Revitalisation project.
- Finalise planning and progress construction of the Destination Queenscliff project.

Planning and heritage

| PRIMARY FOCUS AREAS | 2017-18 SUCCESSES |
|---|--|
| <ul style="list-style-type: none"> • Conserve the Borough's significant history, culture and heritage. • Maintain the Borough's unique features and neighbourhood character. • Continue to enhance the Queenscliff and Point Lonsdale town centres. • Enhance access to and the amenity and use of the Borough's parks and foreshore reserves. • Plan for the ongoing preservation and regeneration of the Borough's historic Avenue of Honour. • Engage the community in strategic land use planning. • Review and update the Queenscliffe Planning Scheme to achieve the Council's vision and strategic objectives. • Ensure high quality design and construction standards in new and upgraded community infrastructure. | <ul style="list-style-type: none"> • Statutory Compliance Officer appointed to ensure planning permit compliance. • Annual asset renewal programs completed. • Successfully promoted local heritage through Low Light Festival. |

| 2017-18 COUNCIL PLAN INITIATIVES | COUNCIL'S PERFORMANCE |
|--|-----------------------|
| Implement the priority recommendations of the 2017 Queenscliffe Planning Scheme Amendment (C27) by undertaking a review of the heritage provisions in the Queenscliffe Planning Scheme and the related amendment to the Planning Scheme. | In progress |
| Seek funding opportunities to support a future review of the Neighbourhood Character provisions in the Queenscliffe Planning Scheme. | In progress |
| Promote local heritage through arts, cultural and reconciliation activities and events. | Completed |
| Promote Council's Heritage Fund to facilitate conservation of privately owned significant heritage assets. | In progress |
| Facilitate pre-application planning between Council and applicants considering a planning permit application related to properties with significant heritage values. | Completed |
| Improve regulation of statutory planning compliance. | Completed |
| Implement Council's asset renewal and maintenance program to ensure the safe and effective use of Council-owned and managed community buildings, open space and other infrastructure. | Completed |
| Complete a risk assessment and produce a mitigation plan for gun emplacements near the Point Lonsdale Lighthouse Reserve. | Completed |

The following statement provides information in relation to the services funded in the 2017–18 Budget and the persons or sections of the community who provided the service.

| SERVICE | DESCRIPTION | NET COST ACTUAL |
|--------------------------------------|--|-----------------|
| | | NET COST BUDGET |
| | | VARIANCE \$'000 |
| Design and Project Management | The Design and Project Management program seeks to achieve excellence of design and delivery of projects that enhance the Borough as a special place. Specifically, the program manages project design, tendering and contract management activities, as well as the implementation and supervision of Council's annual capital works program. It also manages issues associated with private development activities such as building over easements, legal point of discharge, vehicle point of access and unit development infrastructure. | 239 |
| | | 179 |
| | | 60 |
| Land Use Planning | The Land Use Planning program ensures that the Borough conserves its unique heritage; that the built environment is enhanced by design excellence; and that local amenity is protected against inappropriate land use and development. The program implements Council's Planning Scheme and prepares major policy documents including the Municipal Strategic Statement. It maintains and processes amendments to the Queenscliffe Planning Scheme and carries out research on demographic, economic and social issues affecting Council. The program administers Council's statutory planning responsibilities, including the various processes associated with the assessment of planning permit applications and defence of Council decisions at the Victorian Civil and Administrative Tribunal. | 127 |
| | | 250 |
| | | (123) |
| Heritage Conservation Advice | The Heritage Conservation Advice program aims to retain the unique heritage and rich culture captured in the Borough's built form. It adds value to the Land Use Planning program by providing an external heritage expert to advise development applicants on how to respect and achieve compliance with heritage objectives, and to inform Council's assessment of planning permit applications in relation to heritage conservation. | 38 |
| | | 75 |
| | | (37) |
| Building Control | The Building Control program ensures that building construction and maintenance is such that the community remains safe. It provides statutory building services including processing of siting variation consent, emergency management responsibilities, building inspections, building safety audits, and investigation of complaints and illegal works. | 15 |
| | | 44 |
| | | (29) |
| TOTAL | Actual | 419 |
| | Budget | 548 |
| | Variance | (129) |

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

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | 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 | 283.33 | 442.86 | The higher than average number of requests is partly attributed to all local sealed roads being urban and no rural roads existing within the Borough of Queenscliffe. The 2017-18 variance reflects 186 sealed road requests, compared with 119 requests in 2016-17. The higher number of requests in 2017-18 generally reflects a large increase in the number of street sweeping / cleaning requests and the public awareness of tree / leaf litter and tourist litter in the Queenscliff precinct where most of the requests were generated. |
| 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% | 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 | \$31.39 | \$27.49 | The outcome for 2017-18 is a cost of \$27 per square metre, \$15 (55%) of which relates to design work for a Roads to Recovery project which will not be constructed until 2018-19. Remaining expenditure is with respect to major patching work performed at the corner of Stokes and Stevens Streets in Queenscliff, for which 1,100 square metres was reconstructed at a relatively low cost, compared with smaller areas reconstructed in prior years. |
| 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 | \$5.14 | \$9.86 | The 2017-18 outcome is skewed, with a significantly higher cost for resealing due to a smaller area of only 5,210 square metres (2016-17: 11,951 square metres) and a large number of reseat projects for VicRoads in the region, which resulted in a higher unit rate for smaller jobs. These works did go out to tender and the rate paid was the best that could be achieved in the current market. |
| 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 | 65.00 | Queenscliffe's result of 65 is above the small rural council group average of 49 and the statewide average of 53. |

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | Material Variations |
|---|--------------|--------------|--------------|---|
| 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] | 76.00 | 91.00 | 105.00 | Queenscliffe's result was impacted on by a number of complex applications. |
| 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 | 70.27% | 62.24% | 49.65% | Queenscliffe's result was impacted on by a number of complex applications. |
| Service cost | | | | |
| <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received] | \$1,560.73 | \$1,241.81 | \$1,664.91 | The outcome for 2017–18 is an increase in cost of \$278 per application, \$188 (68%) of which relates to additional costs associated with the employment of a consultant planner for several months while recruiting for a full-time senior planner and \$46 (17%) for additional town planning appeals compared with the previous year. There is also a reduction in the number of planning applications, from 137 in 2016–17 to 128 in 2016–17, with staff continuing to manage more complex applications and undertake strategic 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 | 0.00% | 66.67% | 40.00% | Five application decisions were subject to review by VCAT, of which two were upheld, and three set aside Council's decision in relation to planning applications. |
| 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 | 1.00 | |
| Service standard | | | | |
| <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100 | 100.00% | 89.19% | 88.10% | 42 animals collected during the year, of which 37 were reclaimed and five (kittens) were not claimed. |

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | Material Variations |
|--|--------------|--------------|--------------|---|
| <p>Service cost</p> <p><i>Cost of animal management service</i></p> <p>[Direct cost of the animal management service / Number of registered animals]</p> | \$106.80 | \$108.39 | \$114.99 | The increase in cost for 2017–18 includes annual indexation, additional dog waste bags and an increase in Geelong Animal Welfare Society impound fees introduced by the City of Greater Geelong. 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 more than doubles during peak holiday periods, which results in peak demand and additional resources allocated to animal management matters. Additional animal patrols are conducted during the summer season each year, with a focus on dogs on beaches compliance. Greater numbers of after-hours call outs also results in increased overtime payments. |
| <p>Health and safety</p> <p><i>Animal management prosecutions</i></p> <p>[Number of successful animal management prosecutions]</p> | 0.00 | 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. |
| <p>Library</p> <p>Libraries</p> <p>Utilisation</p> <p><i>Library collection usage</i></p> <p>[Number of library collection item loans / Number of library collection items]</p> | 3.52 | 3.41 | 3.44 | |
| <p>Resource standard</p> <p><i>Standard of library collection</i></p> <p>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</p> | 62.27% | 58.31% | 56.44% | |
| <p>Service cost</p> <p><i>Cost of library service</i></p> <p>[Direct cost of the library service / Number of visits]</p> | \$7.33 | \$7.92 | \$6.85 | Queenscliffe's outcome for 2017–18 has improved due to a reduction of \$16,971 (8%) in contributions required by the regional library. In addition, Council's share of the reduction in equity for the regional library investment is \$33 (2016–17: \$25,477). This indicator represents in-person visits only and does not capture the use of online resources by library users. |
| <p>Participation</p> <p><i>Active library members</i></p> <p>[Number of active library members / Municipal population] x100</p> | 38.42% | 39.70% | 39.98% | This indicator does not capture other library activity, for example: children and youth programs; digital literacy programs and literary events; the use of public internet and computers; the use of facilities such as meeting rooms or study areas; the use of services such as Wi-Fi; or the use of library collections. |

Achievements

Improved regulation of statutory planning compliance

In 2017–18 Council appointed a part time Statutory Compliance officer to investigate and enforce the Queenscliffe Planning Scheme requirements. As at 30 June 2018, planning compliance matters under investigation included 14 open investigations and five closed cases with 10 pending cases. This additional officer resource has allowed Council to achieve a higher level of planning permit compliance.

Asset Renewal

Council continued to review and action its annual renewal and maintenance programs for Council-owned and managed community buildings and open space.

Key Council building asset renewal works undertaken in the 2017–18 financial year include:

- Implementation of the Public Toilet Strategy 2015–25;
- External painting and gutter replacement at the Town Hall; and
- Painting of window frames at the Maritime Museum.

Key open space asset maintenance and renewal works completed in the 2017–18 financial year include:

- Road resealing completed in Anderson Street and Lawrence Road (service road), Point Lonsdale and Queen Street, Queenscliff;
- Kerb and channel renewal works scheduled for July to replace 200 metres of kerb along Point Lonsdale Road adjacent to the Point Lonsdale foreshore;
- Drainage renewal works completed in Little Hesse Street, Queenscliff and in Ganes Reserve, Point Lonsdale; and
- Continued renewal of foreshore and reserve infrastructure including park benches, picnic tables, bin stands and open space fencing.

Historic gun emplacements investigation

A risk assessment of all coastal historic defence structures was undertaken in 2017–18. Structures identified as high risk were referred to a structural engineer and a detailed assessment was undertaken, with remediation works recommended. As a result, the search light emplacement near the Point Lonsdale Lighthouse has been closed to public access and an application has been made to Heritage Victoria for funding to undertake remedial works.

Other

Council also supported the:

- Local History Week program created by the Historical Museum, Maritime Museum and Fort Museum as part of the Seniors Festival promotion; and
- Queenscliff Reconciliation group's afternoon of reconciliation and indigenous culture activities at the Point Lonsdale Primary School Hall on Saturday 26 May 2018.

Disappointments

Statutory Planning

Council received 128 planning permit applications in the 2017–18 year. 40% of applications were processed within 60 days. While this is a reduction from last year's 58%, the 2017–18 result reflects various matters, including:

- Recruitment of a new Senior Planner and reliance on external consultants for approximately four months during the recruitment period;
- The workload on Council's limited planning resources; and
- Various complex projects / applications.

Challenges

- Resourcing was a key challenge during the 2017–18 year, with the resignation of Council's Senior Planner in early August 2017. A replacement Senior Planner commenced in November 2017.

Year ahead

- Commence the Heritage and Urban Character Review.
- Renew kerb and channel assets in Hobson Street and upgrade the footpath and nature strip in Harbour Street in Queenscliff.

Governance and performance

| PRIMARY FOCUS AREAS | 2017-18 SUCCESSES |
|--|--|
| <ul style="list-style-type: none"> • Provide transparent and accountable governance and meet all legislative requirements. • Ensure the continuing financial sustainability and independence of the Borough. • Enhance communication and community engagement in decision-making across the 3225 postcode area. • Advocate on opportunities and issues of key concern to the local community to other levels of government. • Continually review and plan to meet corporate needs while enhancing organisational capacity and performance. • Maximise the return on Council assets and leverage external funding opportunities. • Strengthen and promote the Borough as a place to explore and implement innovative approaches to environmental, technological, social and economic initiatives. • Foster partnerships with community organisations, business, neighbouring councils and statutory organisations and other levels of government. | <ul style="list-style-type: none"> • Adopted rate increase of 2.0% complies with rate capping legislation • The 2018 Community Satisfaction Survey results highlight that the Borough of Queenscliffe scored higher than both the average of the small rural councils group and the statewide average. • Online self-service for rate enquiries and payments was introduced. • Community References Groups were established for the following projects: <ul style="list-style-type: none"> • Point Lonsdale Lighthouse Reserve Concept Plan; • Avenue of Honour Restoration Project; and • Queenscliff Sport and Recreation Project. |

| 2017-18 COUNCIL PLAN INITIATIVES | COUNCIL'S PERFORMANCE |
|---|-----------------------|
| Ensure that Councillor and Council officer behaviour complies with the respective Codes of Conduct. | Completed |
| Ensure adherence to guidelines on prudent management of debt, cash and asset renewal. | Completed |
| Effectively manage public and organisational risk and meet all legislative requirements. | Completed |
| Strengthen organisation development and workforce planning to more effectively meet community service expectations and statutory obligations. | 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 Council's 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 State Government legislative requirements. | Completed |
| Continue to meet Council's extensive Crown land management obligations. | Completed |
| Implement Council's 'Community Information and Engagement' policy to improve public participation in Council's decision making processes. | Completed |
| Enhance the provision of community information on Council's key decisions and the progress of priority projects. | Completed |
| Establish reference groups on major community projects as determined by Council. | Completed |
| Assess and report on community perceptions on Council's performance through the annual Local Government Community Satisfaction Survey. | Completed |
| Continue to improve Council's records management systems. | In progress |
| Enhance online services available on Council's website. | Completed |

The following statement provides information in relation to the services funded in the 2017–18 Budget and the persons or sections of the community who provided the service.

| SERVICE | DESCRIPTION | NET COST ACTUAL |
|--|--|-----------------|
| | | NET COST BUDGET |
| | | VARIANCE \$'000 |
| Governance | The Council's Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed municipal Council. The program is structured to meet all legislative requirements associated with the Local Government Act 1989 and any other applicable Act. It supports Council's compliance with the Councillor Code of Conduct and its key relationships and memberships with organisations such as the Municipal Association of Victoria and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program. | 247 |
| | | 265 |
| | | (18) |
| Organisational Performance and Compliance | The Organisational Performance and Compliance program supports the Chief Executive Officer and Executive Management Team to maintain a cohesive, well-managed and highly performing organisation. This includes supporting organisation development and statutory compliance, and seeking to ensure that the behaviour of all staff complies with the Staff Code of Conduct. Key outputs of the program are the preparation and / or review of the Council Plan, Strategic Resource Plan and long-term budget, annual Implementation Plan and Council's annual Budget. | 1,085 |
| | | 1,141 |
| | | (56) |
| Community Engagement and Customer Service | The Community Engagement and Customer Service program aims to facilitate community involvement in decision-making, and to deliver high quality customer service. It includes practical and strategic advice regarding Council's internal and external communications and issues management, and supports first point of contact to customers at the Council office. The program provides records management services in accordance with Council policy and procedures, administers the requirements of the privacy and freedom of information legislation, coordinates Council and Committee meetings, and provides other associated administrative support. | 411 |
| | | 547 |
| | | (136) |
| Financial and Risk Management | The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough of Queenscliffe. Council ensures sound financial management, and cohesiveness and performance of the organisation's operations, through the maintenance of appropriate systems. The service provides long-term financial planning, robust internal risk management, adherence to guidelines on prudent management of debt, cash and asset renewal, and reviews its assets to improve the return on Council's investments. The service predominantly includes management of Council's finances, the raising and collection of revenue, payment of salaries and wages to Council employees, procurement and contracting of services, management and maintenance of robust computer systems, fleet management, insurance and risk management systems. The program also includes the revaluation of properties for rating purposes, processing of supplementary rates and the administration of the State Government's Fire Services Property Levy. The depreciation expense for all Council assets is also included as part of this program. | 2,011 |
| | | 1,975 |
| | | 36 |
| TOTAL | Actual | 3,753 |
| | Budget | 3,928 |
| | Variance | (175) |

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

| Service/Indicator/Measure | Results 2016 | Results 2017 | Results 2018 | 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% | 6.51% | 11.63% | The increase in number of Council resolutions made at meetings closed to the public in 2017-18 is due to consideration of the award of a number of tenders where components of the tenders were commercial in confidence, on top of the usual consideration of recommendations for honours, grants, awards etc. |
| 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 | 58.00 | 56.00 | Queenscliffe's result of 56 is above the small rural council group average of 54 and the statewide average of 55. |
| 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% | 95.00% | 90.00% | Councillor attendance was 72 of a possible 80 instances (16 meetings x five Councillors) in 2017-18, compared with 76 of a possible 80 instances (16 meetings x five Councillors) in 2016-17. |
| Service Cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election] | \$32,817.60 | \$38,508.12 | \$37,332.00 | The outcome for 2017-18 includes annual indexation of Mayoral and Councillor allowances, meeting expenses and professional development. Additional expenditure in the 2016-17 year was due to induction costs following the election of Councillors in October 2016. |
| 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 | 58.00 | 53.00 | Queenscliffe's result of 53 is above the small rural council group average of 52 and below the statewide average of 54. The reduction in Queenscliffe's result during 2017-18 reflects a return to historic levels after a peak last year, and is largely attributable to a number of topical matters as the survey was being administered. |

Achievements

Increasing information and communication to residents

There was a significant increase in information to the community with 95 media releases issued and 80 Mayor's Columns published in local newspapers. 2017–18 saw the introduction of monthly listening posts, starting January 2018. The Community Listening Posts provide an opportunity for members of the public to communicate feedback and suggestions for Councillors in a relaxed forum.

In 2017–18, Council introduced online surveys and videos to improve the way the community is provided with information and, specifically, to promote opportunities for people to 'have a say' about matters that are of importance to them. Some of the engagement programs utilising this methodology included Destination Queenscliff, the Caravan Parks Master Plan, the Avenue of Honour, and the Customer Service Charter Review, to name a few.

Evaluating community satisfaction

The 2018 Community Satisfaction Survey results highlight that the Borough of Queenscliff scored higher than both the average of the small rural councils group and the statewide average. In particular, results on overall performance, advocacy and lobbying, and customer service, are significantly higher than the average ratings for small rural and statewide councils.

State and Federal grant revenue maximised

Total grant funding received by Council in 2017–18 was \$2,414,377.

Successful funding programs which are particularly noteworthy include:

- Capital grant for the Queenscliff Sport and Recreation Precinct Development of \$1,000,000; and
- Increase in funding for Community Aged Care Packages to \$141,294, up from \$73,280 in 2017–18.

Refer to page 86 for an overview of the grants and subsidies received.

Effective financial reporting

Council won a Gold Award for its 2016–17 Annual Report at 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 in all six of the financial sustainability indicators for the 2017–18 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 Queenscliff 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.

Disappointments

Rate capping

The Essential Services Commission (ESC) did not approve Council's application for a one-off higher rate cap of 4.5% in the 2017–18 rating year. Council made the application in early 2017 for a one-off higher rate cap in 2017–18 to address a number of long term financial challenges and to enable it to plan responsibly to achieve the aspirations and priorities identified by the Borough community and Council in the development of the Council Plan 2017–2021.

After considering the application, the ESC found that Council has the financial capacity to manage in the short term and noted that the level of community engagement was appropriate to the Borough's size and resources. However, the ESC found that Council's long-term planning framework is not yet extensive enough to provide sufficient evidence to meet the legislative criteria for a higher rate cap.

Challenges

Rate capping

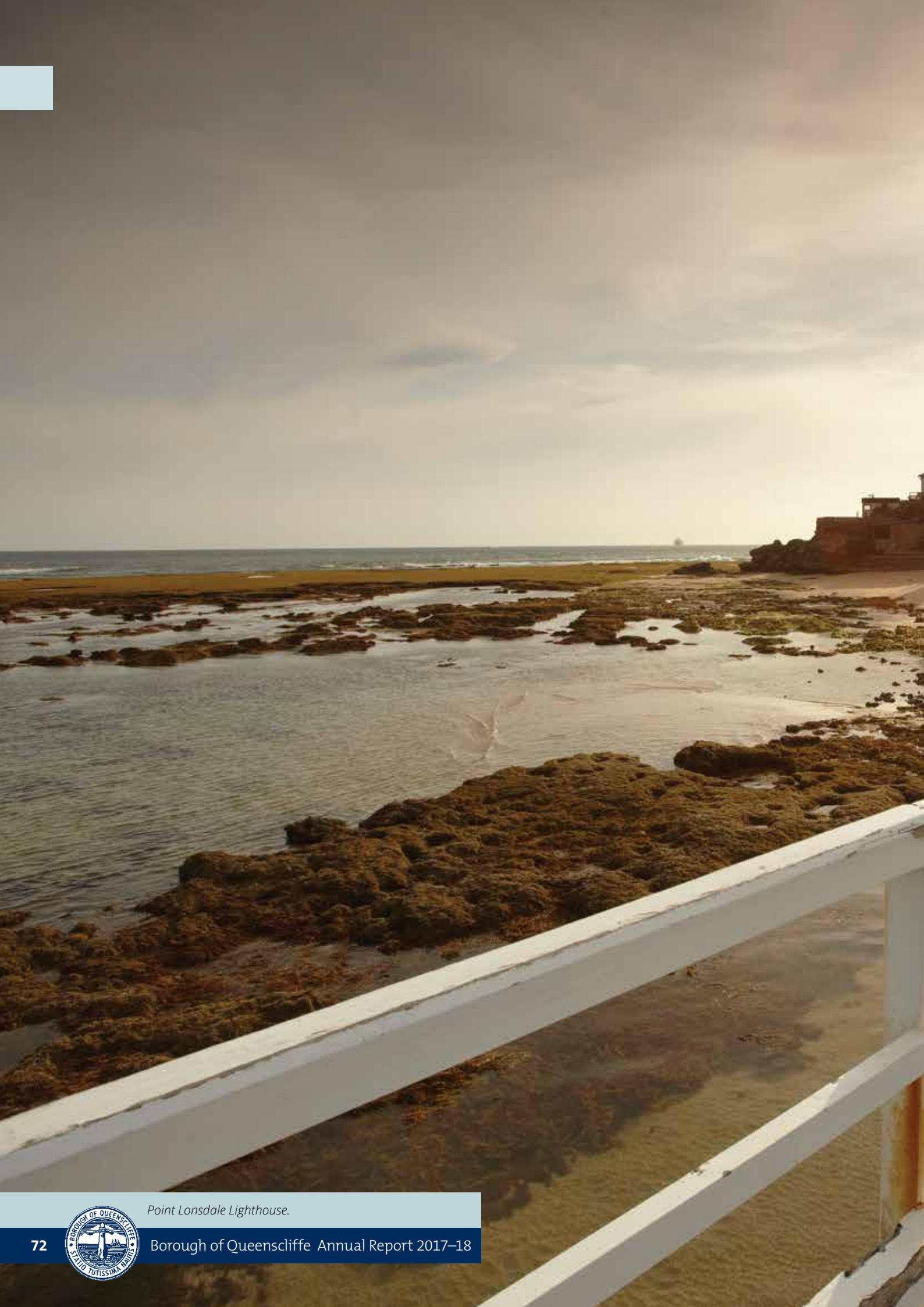
Preparing a financially sustainable Budget, following the State Government's introduction of a 2.0% cap on general rates, was a key challenge in 2017–18.

Year ahead


- Implement the 2017–2021 Council Plan.
- Review Council's Risk Management Framework.
- Continue to improve Council's records management systems.



Borough of Queenscliffe 2018 Australia Day celebrations.



Point Lonsdale Lighthouse.



Corporate governance

| | |
|-------------------------------------|----|
| Council governance | 74 |
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| Governance and Management Checklist | 90 |
| Community satisfaction | 93 |

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.

Good governance 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; and
 - 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; and
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 conflicts of interest.

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 22 October 2016. At the Borough of Queenscliffe elections, the following Councillors were elected:

- Councillor Susan Salter (second term)
- Councillor Boyce Pizzey
- Councillor Ross Ebbels
- Councillor Tony Francis
- Councillor Bob Merriman

Code of Conduct

Council has a Code of Conduct, which was last revised on 16 February 2017 in accordance with 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 meetings

Council conducts its business in open and transparent meetings which are publicly advertised. Ordinary Meetings are held once a month in the Queenscliff Town Hall.

Ordinary Meetings were held on:

Thursday 27 July 2017

Thursday 24 August 2017

Thursday 21 September 2017

Thursday 26 October 2017

Thursday 23 November 2017

Thursday 14 December 2017

Council meeting attendance

| Councillor | Number of Council and statutory meetings | | Number of special meetings | |
|--------------------------------|--|----------|----------------------------|----------|
| | Eligible to attend | Attended | Eligible to attend | Attended |
| Cr Susan Salter (Mayor) | 12 | 11 | 3 | 3 |
| Cr Boyce Pizzey (Deputy Mayor) | 12 | 12 | 3 | 3 |
| Cr Tony Francis | 12 | 11 | 3 | 3 |
| Cr Bob Merriman | 12 | 11 | 3 | 2 |
| Cr Ross Ebbels | 12 | 12 | 3 | 3 |

Wednesday 24 January 2018

Thursday 1 March 2018

Thursday 22 March 2018

Thursday 26 April 2018

Thursday 24 May 2018

Thursday 21 June 2018

In accordance with Section 71 of the *Local Government Act 1989*, at the Ordinary Meeting of Council held on 23 November 2017, Cr Susan Salter was elected as Mayor for a one-year term. At that Ordinary Meeting of Council, Cr Boyce Pizzey was also elected as Deputy Mayor for a one-year term.

During the 2017–18 year, an additional public meeting was held on Monday 7 May 2018 at the Queenscliff Town Hall for the purpose of providing information to the community on the draft Council Plan and draft Budget. A video presentation on the draft Council Plan and draft Budget was produced and uploaded to the Borough of Queenscliffe website.

Subsequently, a meeting was held on Thursday 31 May 2018 to formally hear submissions to the draft Council Plan and draft Budget.

During the 2017–18 year, three Special Meetings of Council were held to formally consider a number of matters. These meetings were held on:

- Thursday 10 August 2017
- Thursday 12 October 2017
- Wednesday 6 June 2018

Councillor allowances and expenses

Section 75 of the *Local Government Act 1989* provides for the reimbursement of necessary out-of-pocket expenses incurred

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

| Councillor | Allowance | Expenses | Total |
|-----------------|------------------|----------------|------------------|
| Cr Tony Francis | \$35,697 | \$0 | \$35,697 |
| Cr Susan Salter | \$43,020 | \$1,068 | \$44,089 |
| Cr Bob Merriman | \$22,032 | \$0 | \$22,032 |
| Cr Ross Ebbels | \$22,032 | \$323 | \$22,354 |
| Cr Boyce Pizzey | \$22,032 | \$0 | \$22,032 |
| TOTAL | \$144,812 | \$1,391 | \$146,203 |

while performing the duties of a councillor.

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

Interstate and overseas travel

The *Local Government Act 1989* requires Councillors to register their interstate and overseas travel and associated expenses. In the 2017–18 financial year the Mayor, Cr Susan Salter, registered travel expenses of \$1,513.62 to attend the G21 Regional Alliance Board Delegation to Canberra on 28–30 May 2018, and \$3,773.74 to attend the National General Assembly of Local Government in Canberra on 17–20 June 2018 and the Australasian Reporting Awards in Sydney on 20 June 2018.

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 Queenscliffe 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 2018 include:

- Australia Day Awards Selection Reference Group
- Community Grants Advisory Reference Group
- Governance and Finance Portfolio Reference Group
- Memorials and Plaques Reference Group
- Avenue of Honour Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group
- Sea Level Rise Reference Group
- Heritage Reference Group

New committees and reference groups are established as required.

Tourism and Economic Development Advisory Committee

Council's Tourism and Economic Development Committee (TEDAC) consisted of seven industry and / or skills based members: Matt McDonald, David Beaumont, Sean Blackwood, Katalin Blond, Lorraine Golightly, Mark Gingell, Matthew Waterson and Rick Rogerson, as well as the Mayor and one Councillor.

During the 2017-18 financial year the Committee met three times:

- 19 July 2017
- 15 August 2017
- 14 February 2018

Upon completion of the Committee's first term, and at the 14 December 2017 Ordinary Meeting of Council, Council resolved to change the name of the Tourism and Economic Development Advisory Committee to the Queenscliffe Economic Development Advisory Committee (QEDAC). The broadening of the committee title creates a working environment for the Committee to have scope for broader input and recognises that tourism is only one of many facets of the economic development of the Borough.

In February 2018 Council began a recruitment process to appoint external members to the Committee. In April 2018 Council confirmed its new members to the committee were Hugo T Armstrong, David Beaumont, Lorraine Golightly, Stacey Hunter, Barry Iddles, Matt McDonald, Robert Minty, Andrew Orvis and Arash Harandian, along with the Mayor, Cr Susan Salter and Cr Ross Ebbels. The Committee met for the first time on 12 June 2018.

The Queenscliffe Economic Development Advisory Committee will continue to progress the activities of Council's Tourism and Economic Development Advisory Committee, which held its final meeting in February 2018, and will work with Council on the implementation of its Economic Development Strategy and other identified priorities stemming from the 2017-2021 Council Plan.

Audit Committee attendance

| Member | Eligible to attend | Meetings attended | Sitting fees paid |
|----------------------------|--------------------|-------------------|-------------------|
| Mr Roland 'Barney' Orchard | 3 | 2 | \$1,000 |
| Mr Richard Bull | 3 | 3 | \$1,300 |
| Mr Graeme Phipps | 3 | 3 | \$1,200 |
| Mr David Shaw* | 2 | 1 | \$400 |
| Mr Peter Bollen* | 1 | 1 | \$400 |
| Cr Susan Salter | 3 | 2 | \$0 |
| Cr Bob Merriman | 3 | 3 | \$0 |
| Cr Tony Francis | 1 | 1 | \$0 |
| TOTAL | | | \$4,300 |

*Part year only

Audit Committee

The Audit Committee is an independent 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 advice and guidance on the effective conduct of Council's 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 Roland 'Barney' Orchard, Mr Richard Bull, Mr Graeme Phipps and Mr Peter Bollen, and two Councillors. Independent members are appointed for a three-year term, for 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 'Audit Committee attendance' table above.

Council officers (including the Chief Executive Officer, General Manager Organisational Performance and Community Services, and Manager Financial Services) 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 2017-18 financial year the Audit Committee met three times on the following dates:

- 11 September 2017
- 4 December 2017
- 4 June 2018

The meetings covered a number of standing items that evaluate and address Council's audit and risk functions. Audit reports presented to the Audit Committee meetings 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. The Audit Committee then considers whether the response is acceptable.

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. The Audit Committee makes recommendations to Council on a risk-based rolling internal audit program, delivered twice a year, that 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 2017–18 year include:

- Review of Occupational Health and Safety;
- Records Management;
- Review of Strategic Internal Audit plan 2017–2020;
- Review of Purchasing and Accounts Payable; and
- Review of Risk Management Framework.

External audit

Council is externally audited by VAGO. For the 2017–18 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 2016–17 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, Rating Strategy, Budget and associated presentations to the public;
- The year end Governance and Management Checklist prior to inclusion in the Annual Report; and
- Community satisfaction ratings and benchmarking results.

Other significant items received by the Committee included:

- Clauses with respect to Audit Committees in the *Local Government Act 1989* as well as the Exposure Draft Bill for proposed changes to the legislation;
- VAGO reports on investigations and emerging issues where Council officers provided comment on the implications for the Borough. The topics reviewed included ICT Disaster Recovery Planning, Managing Surplus Government Land, Local Government Economic Development, Fraud and Corruption Control, Protecting Victoria's Coastal Assets, Internal Audit Performance, follow up on selected Performance Audits and the results of the 2016–17 Local Government Audits;
- Revised Council policies covering Asset Management, Fraud Prevention, Investment of Available Funds, Asset Disposal, Local Government Performance Reporting Framework, Creditor Management, Residential Vacant Land Rate, Procurement, Rates Assistance, Waste Management, Borrowings and Discretionary Reserves; and
- The results of the 2017 LMI Insurance Compliance review report.

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 three to four incidents is reported each quarter and followed up in line with Council's risk management policies and procedures.

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

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

The standing agenda for the Compliance Committee comprises:

- Review of audit reports and actioning the recommendations of internal and external auditors as well as insurance audits; and
- 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 is continuously undertaken in the area of Business Continuity Management to ensure documentation is up to date and in line with current good practice guidelines and standards.

Business Continuity Management is essential in ensuring 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.

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); and
- Commercial crime (fidelity).

Insurance premiums have increased by 9.9% (\$17,000) compared with the 2016–17 year, factoring in the claims experience of Council.

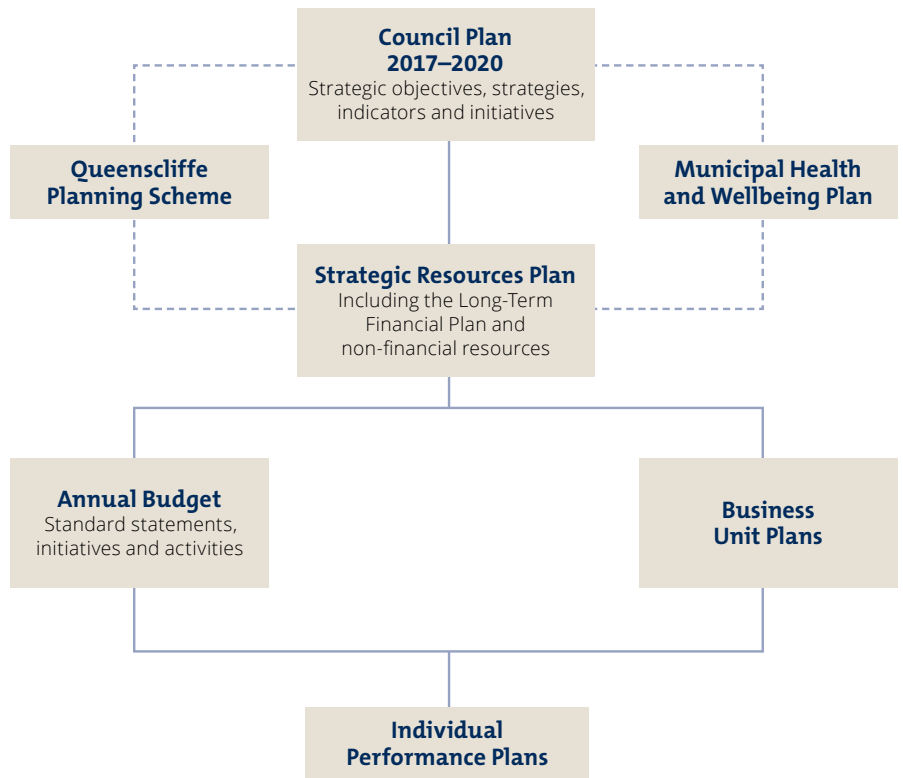
Officers continue to attend regular Best Practice Forums conducted by Council's insurance brokers and attended by other councils within the region. This is an important source of information in helping to manage Council's risks in the most appropriate manner.

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 2017–2021 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, extensive community consultation and consideration of statutory and contractual requirements.

The diagram at the top of the page depicts Council's strategic planning framework.



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

Policies, strategies and plans

The following strategies and key planning documents were reviewed and / or adopted by Council during 2017–18.

| Title | Date adopted |
|---|--------------|
| Council policy CP034 Business Continuity Management (revised) | 27/07/2017 |
| Council policy CP036 Fixed Assets Valuation and Revaluation (new) | 27/07/2017 |
| 2017–21 Council Plan | 10/08/2017 |
| 2017–18 Implementation Plan | 10/08/2017 |
| 2017–18 Budget | 10/08/2017 |
| Council policy CP003 Community Engagement (revised) | 27/10/2017 |
| 2016–17 Annual Financial Report | 21/09/2017 |
| Council policy CP002 Australia Day Awards | 21/09/2017 |

| Title | Date adopted |
|---|--------------|
| 2016–17 Annual Report | 26/10/2017 |
| Council policy CP031 Rates Assistance (revised) | 26/10/2017 |
| Council policy CP037 CCTV in Public Places (new) | 26/10/2017 |
| Council policy CP038 Waste Management Charges (new) | 26/10/2017 |
| Council policy CP039 Discretionary Reserves (new) | 26/10/2017 |
| Council policy CP040 Borrowings (new) | 26/10/2017 |
| Economic Development Strategy | 14/12/2017 |
| Rating Strategy | 01/03/2018 |
| Council policy CP001 Asset Management (revised) | 01/03/2018 |
| Council policy CP008 Fraud Prevention (revised) | 01/03/2018 |
| Council policy CP011 Investment (revised) | 01/03/2018 |
| Council policy CP030 Asset Disposal (revised) | 01/03/2018 |
| Council policy CP032 Local Government Performance Reporting Framework (revised) | 01/03/2018 |

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; and
- It may be lodged in person, online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. 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 2017–18.

Documents available for inspection

A range of public information that is available for public inspection under Regulation 12 of the *Local Government (General) Regulations 2015* 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, a prior appointment may be required.

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 2017–18 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 2017–18.

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 2013–17 was adopted by Council on 24 July 2013. It was prepared in

accordance with the requirements and responsibilities under the following legislation and guiding documents:

- *Domestic (Feral & 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 82 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 2015 – Update is in place and being revised on an ongoing basis awaiting further direction from the CFA.

Council's 2017–18 annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In 2017–18, 14 properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 100% compliance. 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 municipality is being reduced due to new home construction activity which has also impacted the numbers of notices issued.

Organisational governance

Best Value Principles

Section 208B of the *Local Government Act 1989* requires each Victorian council, 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.

Council recognises the need to support local industry and is committed to buying from local businesses where purchases may be justified on a value for money basis.

Benefits of buying local include:

- Retention of local employment;
- Increased local employment; and
- Increased activity and spend in the local economy with identifiable benefits.

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'.

Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2018. The revaluation was applied in the rating year 2018–19. The next revaluation is scheduled for 1 January 2019.

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; and
- 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; and
- Repeal any redundant local laws.

Infringements, registrations and permits issued

In 2017-18 a number of infringement notices, registrations and permits were issued under these local laws. These are summarised below:

| Infringement notices | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Parking infringements | 146 | 185 | 203 | 263 | 243 |
| Animal infringements | 13 | 6 | 4 | 1 | 4 |
| Local law infringements | 0 | 1 | 2 | 2 | 4 |
| Fire prevention | 0 | 0 | 0 | 0 | 0 |
| Planning | 0 | 1 | 0 | 0 | 0 |
| Total | 159 | 193 | 209 | 266 | 251 |

| Court briefs | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---------------------|----------------|----------------|----------------|----------------|----------------|
| Court briefs | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| Local law permits | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Consume alcohol | 13 | 7 | 16 | 17 | 10 |
| Weddings | 25 | 12 | 13 | 20 | 25 |
| Major events | 47 | 31 | 28 | 29 | 24 |
| Bulk rubbish bins | 8 | 11 | 5 | 12 | 9 |
| Disabled parking | 64 | 246 | 52 | 168 | 219 |
| Outdoor eating facilities | 10 | 21 | 20 | 14 | 12 |
| Goods for sale | 14 | 22 | 22 | 8 | 8 |
| A-frames | 21 | 54 | 39 | 25 | 25 |
| Residential parking | 0 | 0 | 0 | 0 | 0 |
| Boat ramp | 224 | 232 | 240 | 252 | 265 |
| Other | 27 | 30 | 42 | 39 | 38 |
| Total | 453 | 666 | 477 | 584 | 635 |

| Animal management | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Animals registered | 756 | 676 | 751 | 758 | 728 |
| • Dogs | 636 | 576 | 622 | 629 | 595 |
| • Cats | 120 | 100 | 129 | 129 | 133 |
| Impounded animals | 42 | 31 | 33 | 33 | 25 |
| Door knocks (streets) | 90 | 47 | 82 | 74 | 67 |
| Animal warning notices | 436 | 418 | 396 | 178 | 159 |
| Native animal responses | 32 | 53 | 47 | 39 | 29 |
| Total | 1356 | 1225 | 1309 | 1,082 | 1,008 |

| Notices | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---------------------------|----------------|----------------|----------------|----------------|----------------|
| Fire prevention | 14 | 13 | 16 | 11 | 11 |
| Non-compliance of notices | 0 | 0 | 0 | 0 | 0 |
| Total | 14 | 13 | 16 | 11 | 11 |

| Outside hours | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|
| After hours calls | 241 | 227 | 197 | 98 | 87 |
| After hours call-outs | 70 | 61 | 53 | 34 | 24 |
| Total | 311 | 288 | 250 | 132 | 111 |



Glassy conditions at Queenscliff Harbour.

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 2017–18 Council gifted a total of \$102,566.12 to the community, representing a substantial investment in our volunteers, the social fabric of this community.

| Recipient | Purpose of community grants and donations | 2017-18 | 2016-17 | |
|--|---|---|--------------------|------------|
| Community events | | | | |
| Queenscliff Music Festival (QMF) | Support of the event (cash donation and in-kind support) | \$16,841.00 | \$19,479.55 | |
| Australia Day | Australia Day celebrations | \$5,327.68 | \$4,941.12 | |
| Volunteer Day | Volunteer Day celebrations | \$4,281.36 | \$4,330.46 | |
| Point Lonsdale Christmas Tree | Point Lonsdale Christmas Tree festivities | \$3,961.65 | \$4,256.61 | |
| Senior Citizens Week | Senior Citizens Week activities | \$2,097.22 | \$2,850.80 | |
| Refugee Welcome Zone | Refugee welcome event | \$3,594.37 | \$2,602.32 | |
| Artists in Residence | Arts event | \$2,625.00 | \$2,023.29 | |
| Maritime Weekend | Maritime Weekend activities | \$2,000.00 | \$2,000.00 | |
| Sea of Words | Sea of Words event | \$11.82 | \$1,036.36 | |
| Other event support | Other event support including ANZAC Day Dawn Service, Remembrance Day, Victoria Remembers Minor Grant program and Peninsula Film Festival | \$4,073.11 | \$5,901.40 | |
| Sub Total : Community events | | \$44,813.21 | \$49,421.91 | |
| Contribution to operating costs | | | | |
| Life Saving Victoria | Lifeguard services | \$31,075.61 | \$30,317.67 | |
| Queenscliff Reconciliation Week | Reconciliation activities | \$- | \$2,200.00 | |
| Sub Total : Contribution to operating costs | | \$31,075.61 | \$32,517.67 | |
| Arts and Cultural Development Grants | | | | |
| | 2017-18 Year | 2016-17 Year | | |
| Point Lonsdale Board Riders Club | Sound system for clubhouse | Construction of a multipurpose deck at clubhouse | \$1,807.00 | \$2,000.00 |
| Queenscliff Literary Festival | | Literary Festival keynote speaker | \$- | \$2,000.00 |
| Queenscliffe Maritime Museum | | Projects associated with the preparation for first Museums Australia accreditation 2016 | \$- | \$2,000.00 |
| Rotary Club of Queenscliffe | | Rotunda community, history and tourism information panels | \$- | \$2,000.00 |
| Queenscliff Lonsdale Yacht Club | | Discover Sailing and Canoeing event kayaks and paddles | \$- | \$1,790.00 |
| Coast Guard Queenscliff | | Training equipment upgrade | \$- | \$1,569.00 |
| State Emergency Service Bellarine Unit | | Enhancing capacity to deal with fallen trees after storm events | \$- | \$1,541.05 |
| Queenscliffe Historical Museum | Upgrade of basement shelving and seating | Purchase library trolley station and television | \$1,610.00 | \$1,295.00 |
| Point Lonsdale Surf Life Saving Club | | Point Lonsdale Nippers – Youth Aquatic Education and Recreation Program | \$- | \$1,000.00 |

| Recipient | Purpose of community grants and donations | | 2017-18 | 2016-17 |
|---|--|--|---------------------|---------------------|
| Fort Queenscliff Museum | | Victoria Cross Garden plaque replacement | \$- | \$1,000.00 |
| Queenscliff Community Sports Club | | New website | \$- | \$1,000.00 |
| St. George and St. James Anglican Church | | Ceiling mounted digital projector | \$- | \$1,000.00 |
| Queenscliff Point Lonsdale RSL Sub Branch | ANZAC Day 2018 civic commemorations | ANZAC Day 2017 civic commemorations | \$2,000.00 | \$1,000.00 |
| Queenscliff and District Neighbourhood House | Knitting for Queenscliff's needy | Celebrating Queenscliffe Neighbourhood House | \$1,000.00 | \$500.00 |
| Point Lonsdale Primary School | Netball uniforms | | \$500.00 | \$- |
| Queenscliffe Lighthouse Theatre Group | New light mixer | | \$1,800.00 | \$- |
| Queenscliff Music Festival | Princess and Lower Princess Park preliminary power upgrade works | | \$2,000.00 | \$- |
| Queenscliff Kindergarten | Kinder explorer's program equipment - clothing, clothes line and wagon | | \$2,827.30 | \$- |
| The Rip Chamber Incorporated | Local shopping bags | | \$2,000.00 | \$- |
| Combined Probus Club of Queenscliff | Projector and screen projector | | \$813.00 | \$- |
| Lighthouse Arts Collective | Sound and digital equipment | | \$2,000.00 | \$- |
| Youth Cultural Program | Youth week | | \$820.00 | \$- |
| Sub Total: Arts and Cultural Development Grants | | | \$19,177.30 | \$19,695.05 |
| Education Awards | | | | |
| Bellarine Secondary College | Scholarship | | \$1,000.00 | \$1,000.00 |
| Point Lonsdale Primary School | Scholarship | | \$100.00 | \$- |
| St. Aloysius Primary School | Scholarship | | \$100.00 | \$100.00 |
| Sub Total: Education Awards | | | \$1,200.00 | \$1,100.00 |
| Community Environment Alliance Grants | | | | |
| Queenscliff and Neighbourhood House | To reduce the use of plastic bags in the community by providing reusable fabric bags | | \$2,000.00 | \$- |
| St Aloysius Primary School | To fund their contribution to the 'Kids Teaching Kids Local Conference 2018' | | \$2,000.00 | \$- |
| Swan Bay Environment Association | To extend the 'Gardens for Wildlife Program' | | \$2,300.00 | \$- |
| Sub Total: Community Environment Alliance Grants | | | \$6,300.00 | \$- |
| TOTAL GRANTS AND DONATIONS PAID TO LOCAL ORGANISATIONS | | | \$102,566.12 | \$102,734.63 |

Grants and subsidies received

In 2017-18 Council received a total of \$2,414,377.20 in grants and subsidies from external sources.

| Purpose | Type | Period | Funding | Source | 2017-18 | 2016-17 |
|---|-----------|---------------|---------|---|---------------------|---------------------|
| General Purpose | Operating | Recurrent | State | Victoria Grants Commission | \$228,580.00 | \$293,070.00 |
| Aged Care – Domestic Assistance | Operating | Recurrent | Federal | Department of Health | \$153,081.75 | \$150,235.79 |
| Aged Care – Community Aged Care Packages | Operating | Recurrent | Federal | Department of Health | \$141,294.17 | \$73,280.42 |
| Capital Roads – Roads to Recovery | Capital | Non-recurrent | Federal | Department of Infrastructure, Regional Development and Cities | \$86,480.00 | \$- |
| Aged Care – Personal Care | Operating | Recurrent | Federal | Department of Health | \$63,218.56 | \$63,215.38 |
| Local Roads | Operating | Recurrent | State | Victoria Grants Commission | \$56,719.00 | \$82,242.00 |
| Aged Care – Assessments | Operating | Recurrent | Federal | Department of Health | \$43,152.69 | \$43,152.68 |
| Aged Care – Home Maintenance | Operating | Recurrent | Federal | Department of Health | \$38,640.20 | \$38,640.06 |
| Aged Care – Respite Care | Operating | Recurrent | Federal | Department of Health | \$33,639.48 | \$33,643.14 |
| Community Development Officer | Operating | Recurrent | Federal | Department of Health | \$28,177.82 | \$33,171.80 |
| Senior Citizens Centre | Operating | Recurrent | Federal | Department of Health | \$14,515.85 | \$12,120.14 |
| Victorian Seniors Festival – Senior Citizens Week | Operating | Recurrent | Federal | Department of Health | \$2,700.00 | \$2,600.00 |
| Sub total: Federal funding | | | | | \$890,199.52 | \$825,371.41 |
| Queenscliff Sport and Recreation Precinct Development | Capital | Non-recurrent | State | Sport and Recreation Victoria – Department of Health and Human Services | \$1,000,000.00 | \$- |
| Fort Queenscliff Business case | Operating | Non-recurrent | State | Regional Development Victoria | \$118,000.00 | \$- |
| Point Lonsdale Lighthouse Reserve Stage 1 | Capital | Non-recurrent | State | Department of Economic Development | \$100,000.00 | \$- |
| Destination Queenscliff (Stage 2) Instalment 1 – RDV | Capital | Non-recurrent | State | Department of Economic Development | \$100,000.00 | \$- |
| Maternal and Child Health | Operating | Recurrent | State | Department of Education and Early Childhood Development | \$44,320.60 | \$40,920.00 |
| Fire Services Levy Implementation | Operating | Recurrent | State | State Revenue Office - Department of Treasury and Finance | \$38,022.00 | \$36,923.00 |
| School Crossing Supervisors | Operating | Recurrent | State | Department of Transport, Planning and Local Infrastructure | \$23,642.00 | \$17,199.00 |
| Tourism and Economic Development Strategy | Operating | Non-recurrent | State | Department of Economic Development, Jobs, Transport and Resources | \$20,000.00 | \$20,000.00 |

| Purpose | Type | Period | Funding | Source | 2017-18 | 2016-17 |
|--|-----------|---------------|---------|---|-----------------------|-----------------------|
| Low Light festival | Operating | Non-recurrent | State | Visit Victoria | \$15,000.00 | |
| Beach Cleaning | Operating | Recurrent | State | Department of Sustainability and Environment | \$13,449.55 | \$12,338.18 |
| Walk to School | Operating | Non-recurrent | State | Vic Health | \$10,000.00 | \$10,000.00 |
| ANZAC Day | Operating | Non-recurrent | State | Department of Veterans' Affairs | \$5,500.00 | \$- |
| Kerbside Waste Recycling | Operating | Non-recurrent | State | Department of Environment, Land, Water and Planning | \$5,430.00 | \$- |
| Bushfire Management Overlay Communications | Operating | Non-recurrent | State | Department of Environment, Land, Water and Planning | \$5,285.00 | \$- |
| Climate Resilient Communities of the Barwon South West Adaptation Planning Project | Operating | Non-recurrent | State | Victorian Adaptation and Sustainability Partnership (VASP) | \$4,000.00 | \$- |
| Supporting Queenscliff and Point Lonsdale to prepare for climate change | Operating | Non-recurrent | State | Department of Environment, Land, Water and Planning | \$3,000.00 | \$7,000.00 |
| Fort Queenscliff Development Plan | Operating | Non-recurrent | State | Department of Economic Development, Jobs, Transport and Resources | \$- | \$47,000.00 |
| King Street Bus Stop | Capital | Non-recurrent | State | Department of Economic Development, Jobs, Transport and Resources | \$- | \$10,000.00 |
| Village Park Upgrade | Capital | Non-recurrent | State | Sport and Recreation Victoria - Department of Health and Human Services | \$- | \$8,000.00 |
| Aged Care - Minor Works | Capital | Recurrent | State | Department of Health | \$- | \$2,500.00 |
| Community Environment Alliance | Operating | Non-recurrent | State | Department of Environment and Primary Industries | \$- | \$1,000.00 |
| Sub total: State funding | | | | | \$588,192 | \$1,693,724 |
| Tobacco Activity Program | Operating | Non-recurrent | Other | Municipal Association Victoria | \$18,528.53 | \$20,206.30 |
| Sub total : Other funding | | | | | \$18,528.53 | \$20,206.30 |
| Total grants and subsidies received by Council | | | | | \$2,414,377.20 | \$1,058,457.89 |

Memberships of organisations

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

| Organisation | Membership contribution | |
|---|-------------------------|-----------------|
| | 2017-18 | 2016-17 |
| Municipal Association of Victoria (MAV) - Membership | \$0 | \$7,660 |
| Municipal Association of Victoria (MAV) - Step Asset Management Program | \$6,400 | \$7,900 |
| 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 | \$2,292 | \$2,500 |
| Municipal Association of Victoria (MAV) - LG Information Communications Technology | \$239 | \$286 |
| Tourism Greater Geelong and the Bellarine - Membership | \$17,268 | \$16,765 |
| Tourism Greater Geelong and the Bellarine - Tourism Excellence Professional Development Program | \$2,000 | \$2,131 |
| Tourism Greater Geelong and the Bellarine - Caravan Parks Membership | \$0 | \$666 |
| Bellarine Catchment Network | \$11,520 | \$11,520 |
| G21 Regional Alliance | \$6,440 | \$6,313 |
| Association of Bayside Municipalities (ABM) | \$5,058 | \$4,942 |
| Victorian Caravan Parks Association (Vic Parks) | \$4,831 | \$3,920 |
| Local Government Professionals (LGPro) | \$2,299 | \$1,841 |
| CPA Australia | \$1,636 | \$1,773 |
| Victorian Tourism Industry Council - Membership | \$660 | \$650 |
| Victorian Tourism Industry Council - Tourism Accreditation Program | \$462 | \$455 |
| Revenue Management Association (RMA) | \$200 | \$400 |
| Local Government Finance Professionals (FinPro) | \$397 | \$391 |
| Environmental Health Professionals | \$703 | \$327 |
| School Crossings Victoria | \$95 | \$95 |
| ANSTAT | \$93 | \$88 |
| Total Membership Contributions | \$65,594 | \$73,623 |

Certification of the governance and management checklist

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

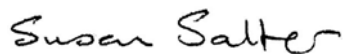


Leonard Jenner

Chief Executive Officer

Date: 20 September 2018

Queenscliff



Councillor Susan Salter

Councillor

Date: 20 September 2018

Queenscliff

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 | 2017-18 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 Next planned review in August 2018 | <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 Next planned review in August 2018 | <input checked="" type="checkbox"/> |
| 3 | Strategic Resource Plan (plan under section 126 of the <i>Local Government Act 1989</i> (the Act) outlining the financial and non-financial resources required for at least the next four financial years) | Plan adopted in accordance with section 126 of the Act Plan adopted by Council: 21/06/2018 | <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 Budget adopted by Council: 21/06/2018 | <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 and Facilities 18/09/2007 Open Space 16/09/2008 Urban Stormwater Drainage 16/09/2008 Recent review of asset management plans conducted, with formal Council resolution planned for Ordinary Council Meeting in September 2018. | <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: 01/03/2018 Next planned review in the 2018-19 financial year | <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 Next planned review in September 2018 | <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: 01/03/2018 Next planned review in March 2021 | <input checked="" type="checkbox"/> |
| 9 | Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> 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> : 11/02/2016 | <input checked="" type="checkbox"/> |
| 10 | Procurement policy (policy under section 186A of the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works) | Current policy in operation Date of operation of current policy: 24/05/18 Next planned review in May 2019 | <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 Next planned review in August 2018 | <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) | Current plan in operation Date of operation of current plan: 28/06/2017 Next planned review in August 2018 | <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 Next planned review in July 2018 | <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 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 | 2017-18 assessment | Tick |
|----|---|--|-------------------------------------|
| 15 | Internal audit (independent accounting professionals engaged by 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: 24/08/2017 | <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: 2016-17 Quarter 4 Council Plan Progress Report 21/09/2017 2017-18 Quarter 1 Council Plan Progress Report 26/10/2017 2017-18 Quarter 2 Council Plan Progress Report 01/03/2018 2017-18 Quarter 3 Council Plan Progress Report 26/04/2018 | <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: 2016-17 Quarter 4 Finance Report 21/09/2017 2017-18 Quarter 1 Finance Report 26/10/2017 2017-18 Quarter 2 Finance Report 01/03/2018 2017-18 Quarter 3 Finance Report 26/04/2018 | <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 All Council reports formally reported throughout the year include a section specifically addressing risk management. A range of Audit Committee agenda items also reference risk management, including Internal Audit Reports issued to Council in November 2017 and May 2018. Six monthly reports to the Audit Committee are planned in 2018. | <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 Dates of presentation of reports: 2016-17 Performance Report 21/09/2017 2017-18 YTD (six months) performance information included in 2017-18 Quarter 3 Finance Report 01/03/2018 | <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: 26/10/2017 | <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 of Conduct in accordance with section 76C of the Act: 16/02/2017 Next planned review in January 2020 | <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 Section 98(6) of the Act requires that delegations be reviewed within 12 months of a general election. Local government election held 22 October 2016. Date of review of delegations in accordance with section 98(6) of the Act: 21/09/2017 | <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"/> |



Geelong Street Rodders 'Hot Rods Show and Shine'.

Community satisfaction

The 2018 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.

The survey provides a valuable source of information regarding residents' feedback on Council performance in relation to specific areas of community service provision that play an important role in contributing to the health and wellbeing of the community. This included Elderly Support Services, Family Support Services, Recreation Facilities, Arts Centre and Libraries and Community and Cultural Activities. The specific scores for these services are included in this report.

Council performed best in waste management (81), public areas (75) and elderly support services (75).

| Service | 2018 BoQ score | 2018 statewide score | 2018 small shires score | 2018 BoQ comparative results |
|------------------------------------|----------------|----------------------|-------------------------|--|
| Overall performance | 62 | 59 | 56 | Higher than statewide and LGA grouping |
| Overall Council direction | 49 | 52 | 50 | Lower than statewide and LGA grouping |
| Community consultation | 56 | 55 | 54 | Higher than statewide and LGA grouping |
| Advocacy | 58 | 54 | 53 | Higher than statewide and LGA grouping |
| Making community decisions | 53 | 54 | 52 | Lower than statewide and higher than LGA grouping |
| Informing the community | 59 | 59 | 56 | Equal to statewide and higher than LGA grouping |
| Customer service | 74 | 70 | 69 | Higher than statewide and LGA grouping |
| Sealed local roads | 65 | 53 | 49 | Significantly higher than statewide and LGA grouping |
| Streets and footpaths | 64 | 58 | 57 | Higher than statewide and LGA grouping |
| Parking | 63 | 56 | 60 | Higher than statewide and LGA grouping |
| Traffic management | 65 | 57 | 65 | Higher than statewide and same as LGA grouping |
| Law enforcement | 63 | 64 | 63 | Slightly lower than statewide and same as LGA grouping |
| Family support services | 69 | 66 | 67 | Higher than statewide and LGA grouping |
| Elderly support services | 75 | 68 | 69 | Significantly higher than statewide and same as LGA grouping |
| Recreational facilities | 74 | 69 | 69 | Higher than statewide and LGA grouping |
| Public areas | 75 | 71 | 72 | Higher than statewide and LGA grouping |
| Arts centres and libraries | 73 | 74 | 73 | Slightly lower than statewide and same as LGA grouping |
| Community activities | 69 | 69 | 69 | Same as statewide and LGA grouping |
| Waste management | 81 | 70 | 69 | Significantly higher than statewide and LGA grouping |
| Business / development and tourism | 62 | 60 | 59 | Higher than statewide and LGA grouping |
| Town planning | 54 | 54 | 53 | Same as statewide and higher than LGA grouping |
| Planning and building permits | 51 | 52 | 51 | Slightly lower than statewide and same as LGA grouping |
| Environmental sustainability | 66 | 63 | 62 | Higher than statewide and LGA grouping |

The survey results focus attention on areas 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 in identifying the short-to-medium-term program or service interventions and improvements that can be achieved.



Ocean View lookout, Queenscliff.



Performance Statement

| | |
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| Understanding the Performance Statement | 96 |
| Certification of the Performance Statement | 97 |
| VAGO Independent Auditor's Report on the Performance Statement | 98 |
| Sustainable Capacity Indicators | 100 |
| Service Performance Indicators | 101 |
| Financial Performance Indicators | 103 |
| Other information | 105 |

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.

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

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

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

- A governance and management checklist (pages 90 to 91);
- Other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (pages 98 to 102); and
- 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 (pages 45 to 70).

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

What is the Performance Statement?

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

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

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

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

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

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 97 for the Certification of the Performance Statement and page 98 for the VAGO Independent Auditor's Report.

What is the Governance and Management Checklist?

The Governance and Management Checklist measures whether a council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision-making. It includes 24 qualitative measures against which Council is assessed each year. This checklist is included on pages 90 to 91 within the Report of Operations section of the annual report.

Snapshot of the Borough of Queenscliffe

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 1990s.

Population

In the 2016 Census, the Borough's permanent resident population was 2,853 (2011: 3,000), with 1,538 people residing in Point Lonsdale (2011: 1,596) and 1,315 in Queenscliff (2011: 1,404) as well as a significant non-residential population. The Borough's population increases to around 16,700 people over the summer period.

The estimated resident population as at 30 June 2017 was 2,934 (2016: 3,069). 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.

Ageing population

In the 2016 Census, the population aged 65 years and older was 40.4% (2011: 33.7%), compared with the Victorian average of 15.6% (2011: 14.2%). Our population is older than Victoria's, with 11.5% of the Borough's population aged between 0 and 15 (2011: 14.2%), compared to 18.3% for Victoria (2011: 18.7%). The median age is 60 (2011: 55).

The Borough's population aged 65 years and older is estimated to be 45% by 2031. For this reason, there is significant emphasis on the need to provide aged care services, although it is also acknowledged that age is not the sole determinant of the need for particular health services.

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

Births

New births in the Borough remain relatively low with 16 babies being born in 2017-18 (2016-17: 16 births).

Housing

In the 2016 Census, there are 2,802 dwellings (2011: 2,777) in the Borough of Queenscliffe, with an average household size of 2.0 (2011: 2.09)

Property values in the Borough are generally high with the top quartile averaging \$1,589,978 and the overall median house price being \$748,000.

Government grants

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

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*.



Andrew Hermes CPA

Principal Accounting Officer

Date: 20 September 2018

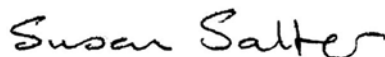
Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe for the year ended 30 June 2018 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 Susan Salter

Councillor

Date: 20 September 2018

Queenscliff



Councillor Ross Ebbels

Councillor

Date: 20 September 2018

Queenscliff



Leonard Jenner

Chief Executive Officer

Date: 20 September 2018

Queenscliff

Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

| | |
|--|---|
| Opinion | <p>I have audited the accompanying performance statement of Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Borough of Queenscliffe in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Councillors' responsibilities for the performance statement | <p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p> |
| Auditor's responsibilities for the audit of the performance statement | <p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p> |

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
24 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

Sustainable Capacity Indicators

For the Year Ended 30 June 2018

| <i>Indicator/measure</i> | Results 2014-15 | Results 2015-16 | Results 2016-17 | Results 2017-18 | Material Variations |
|--|----------------------------|----------------------------|----------------------------|----------------------------|---|
| Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population] | \$2,781 | \$2,964 | \$3,155 | \$3,199 | Rate revenue represents 67.5% of own source revenue in 2017-18. 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 | \$222 | \$322 | \$344 | Council's funding allocation from the Victoria Grants Commission (VGC) was \$272,000 for 2017-18 year, with 50% of this prepaid in the 2016-17 year. Note 50% of the 2018-19 VGC allocation was prepaid in June 2018. Queenscliffe receives the lowest VGC funding allocation in the State. |
| Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population] | \$3,569 | \$3,624 | \$3,440 | \$3,593 | Queenscliffe has a very small population base of 2,934. 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 | \$11,974 | \$12,187 | The 2017-18 result largely reflects increased investment in infrastructure assets relating to major projects either completed or underway. |
| <i>Population density per length of road</i> [Municipal population / Kilometres of local roads] | 71 | 70 | 68 | 68 | Queenscliffe's population has increased to 2,934 (2016-17: 2,904). Local roads remains at a total of 43 kilometres. |
| Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile] | 9 | 9 | 9 | 10 | Queenscliffe's relative socio-economic disadvantage has improved, from 9 at the 2011 Census to 10 in the 2016 Census. |

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*

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

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 2018

| Service/Indicator/measure | Results 2014-15 | Results 2015-16 | Results 2016-17 | Results 2017-18 | 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 | 58 | 53 | Queenscliffe's result of 53 is above the Small Rural council group average of 52 and below the State-wide average of 54. The reduction in Queenscliffe's result during 2017-18 reflects a return to historic levels after a peak last year, and is largely attributable to a number of topical matters as the survey was being administered. |
| 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% | 100% | 40% | Five application decisions were subject to review by VCAT, of which two were upheld and three set aside council's decision in relation to planning applications. |
| 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 | 65 | 65 | Queenscliffe's result of 65 is above the Small Rural council group average of 49 and the State-wide average of 53. |
| Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100 | 37% | 38% | 40% | 40% | This indicator does not capture other library activity, for example: children and youth programs; digital literacy programs and literary events; the use of public internet and computers; the use of facilities such as meeting rooms or study areas; the use of services such as Wi-Fi; or the use of library 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% | 54% | 55% | This result continues to improve, following the introduction of the new green waste service in 2015-16. |
| Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population] | N/A | N/A | 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 | 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. |

| Service/Indicator/measure | Results 2014-15 | Results 2015-16 | Results 2016-17 | Results 2017-18 | Material Variations |
|--|-----------------|-----------------|---------------------------------|---------------------------------|---|
| 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% | 100% | 100% | |
| 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% | Reporting ceased 1 July 2016 | Reporting ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| 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% | Reporting ceased 1 July 2016 | Reporting ceased 1 July 2016 | Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs. |
| 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 | 75% | 75% | 92% | 88% | 70 children attended the maternal and child health service at least once, of the 81 infants enrolled, in 2017-18 (2016-17: attended by 79, of 86 enrolled in the service). |
| 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% | 0% | 100% | One Aboriginal child was enrolled in, and attended at least once, the maternal and child health service in 2017-18 (2016-17: no Aboriginal children enrolled in the service). |

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 2018

| Dimension/indicator/ measure | Results 2014-15 | Results 2015-15 | Results 2016-17 | Results 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 | Forecast 2021-22 | Material Variations |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---|
| Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100 | (2%) | (2%) | 2% | 1% | (13%) | (5%) | (4%) | (3%) | Underlying surplus in 2017-18 reflects a number of projects, for which grant funding was received and/or Council budgets allocated, carried forward for completion in 2018-19. Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works. Redevelopment of the tourist parks is expected to result in a decline in user fees income over the short-term. |
| Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100 | 218% | 280% | 306% | 288% | 123% | 134% | 115% | 121% | The continuing high ratio outcome for 2017-18 mainly reflects a number of major projects carried forward for planned completion over multiple years. |
| Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100 | 84% | 90% | 0% | -52% | 101% | 104% | 87% | 92% | Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works. The minimal outcome for 2016-17 (and the negative outcome for 2017-18) is due to the bulk of cash reserves being held as other financial assets (investments with maturities exceeding 90 days) rather than cash and cash equivalents, given the nature and timing of projects for which funds are carried forward for planned completion over multiple years. |
| Obligations Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100 | 9% | 5% | 2% | 1% | 9% | 10% | 11% | 10% | Proposed new loan not drawn down in 2017-18, however it will be drawn down in 2018-19 as the Queenscliff Sport and Recreation Precinct including Netball Game Day Facility project is completed. The increasing forecast trend for this measure reflects planned further borrowings of \$450,000 in 2018-19 and indicative forecast borrowings of \$200,000 in 2019-20 and \$150,000 in 2020-21. |
| Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | 4% | 4% | 3% | 1% | 1% | 1% | 2% | 2% | One existing loan reached maturity and was repaid in full in 2017-18. Proposed new loan not drawn down in 2017-18, however it will be drawn down in 2018-19 as the Queenscliff Sport and Recreation Precinct including Netball Game Day Facility project is completed. The increasing forecast trend for this measure reflects planned further borrowings of \$450,000 in 2018-19 and indicative forecast borrowings of \$200,000 in 2019-20 and \$150,000 in 2020-21. |
| Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100 | 1% | 1% | 1% | 1% | 7% | 7% | 8% | 7% | Proposed new loan not drawn down in 2017-18, however it will be drawn down in 2018-19 as the Queenscliff Sport and Recreation Precinct project, including Netball Game Day Facility, is completed. The increasing forecast trend for this measure reflects planned further borrowings of \$450,000 in 2018-19 and indicative forecast borrowings of \$200,000 in 2019-20 and \$150,000 in 2020-21. |

| Dimension/indicator/ measure | Results 2014-15 | Results 2015-15 | Results 2016-17 | Results 2017-18 | Forecast 2018-19 | Forecast 2019-20 | Forecast 2020-21 | Forecast 2021-22 | Material Variations |
|--|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|--|
| Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100 | 81% | 137% | 52% | 81% | 381% | 47% | 81% | 53% | Significant asset renewal expenditure during 2017-18 is predominantly due to work continuing on the Queenscliff Sport and Recreation Precinct project. Carry forward asset renewal projects, including further significant works for the Destination Queenscliff project, are planned for the 2018-19 financial year. The forecast for future years is a return to lower levels of asset renewal, following a period of significant asset renewal. Council monitors this ratio over the longer-term (i.e. 10 years) to ensure assets are renewed as appropriate. |
| Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100 | 58% | 67% | 67% | 65% | 73% | 70% | 69% | 69% | Rates concentration is typically in excess of 60% of total income for Council, noting this depends on the success in attracting significant government grants. |
| Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | 0.27% | 0.28% | 0.27% | 0.28% | 0.26% | 0.27% | 0.27% | 0.28% | No material variations. |
| Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments] | \$3,572 | \$3,286 | \$3,249 | \$3,429 | \$3,638 | \$3,555 | \$3,657 | \$3,696 | 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. |
| Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments] | \$1,989 | \$2,063 | \$1,919 | \$2,033 | \$2,022 | \$2,062 | \$2,103 | \$2,146 | 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 <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 | 8% | 15% | 3% | 11% | 0% | 0% | 0% | 0% | Seven resignations of permanent staff positions were replaced during the year. Council does not forecast resignations; actual data is reported as incurred. |

For Financial Performance Indicators (previous page)

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

For the Year Ended 30 June 2018

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 21 June 2018 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.



Queenscliff Kindergarten students with Cr Susan Salter at the 'Recycle Your Toothbrush' program launch.

Financials

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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 (pages 95 to 103) and the Financial Report (pages 107 to 159).

The Financial Statements show how Council performed financially during the 2017-18 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 8 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. The 2017-18 result is a surplus of \$1,272,000 (2016-17: \$251,000 surplus).

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 2018. It shows what the Council controls as assets and what it owes as liabilities. The bottom line of this statement is net assets. This equates to the total equity (net worth) of Council, which has been built up over many years. The 2017-18 net assets is \$137.635m (2016-17: \$129.485m).

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

Statement of Changes in Equity

During the course of the year, the value of total equity as set out in the Balance Sheet changes. The Statement of Changes in Equity shows the 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 typically takes place in a staggered fashion every two years for land and building assets (land was revalued during the 2017-18 financial year which can be seen on the Statement of Changes in Equity as a \$6.879m increase). The next revaluation of buildings will take place in 2018-19. The revaluation of Council's road network, footpaths and cycle ways, drainage and off-street car park assets usually occurs every three years; and
- Prior period adjustments, where applicable (there were no prior period adjustments in 2017-18).

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).

Statement of Capital Works

The Statement of Capital Works breaks capital expenditure down, firstly by fixed asset class and secondly by the nature of the spend, that is whether the expenditure represents renewal or upgrade of existing assets, or new assets that may have been constructed during the period.

The three major fixed asset groups are property, plant and equipment, and infrastructure. Each of these is further broken down by individual asset class (e.g. property into land and buildings).

Capital expenditure tends to fluctuate from one year to the next, often depending on the level of government grants secured for

capital works, and also noting some projects occur over multiple years. Total capital expenditure is \$2.115m for the 2017–18 financial year (\$1.384m in 2016–17).

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 throughout the notes. 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.



Stand up paddle boarder at Point Lonsdale Beach.

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.

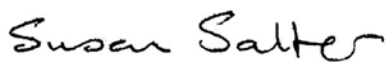


Andrew Hermes CPA
Principal Accounting Officer
Date: 20 September 2018
Queenscliff

In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2018 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 and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Councillor Susan Salter
Councillor
Date: 20 September 2018
Queenscliff



Councillor Ross Ebbels
Councillor
Date: 20 September 2018
Queenscliff



Leonard Jenner
Chief Executive Officer
Date: 20 September 2018
Queenscliff



Queenscliff Pier.

Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

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

- balance sheet as at 30 June 2018
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

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

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the financial report The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
24 September 2018



Tim Loughnan
as delegate for the Auditor-General of Victoria

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 surplus of \$75,000 for the period, which was an improvement of \$1,114,000 compared to the budgeted underlying deficit of (\$1,039,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet), additional income and operational savings achieved in 2017-18;
- Ended the financial year with a cash and short term investments balance of \$5,452,000; and
- Increased fixed assets (property, infrastructure, plant and equipment) by \$934,000 as a result of programmed renewal and grant-funded capital expenditure, less annual depreciation charges.

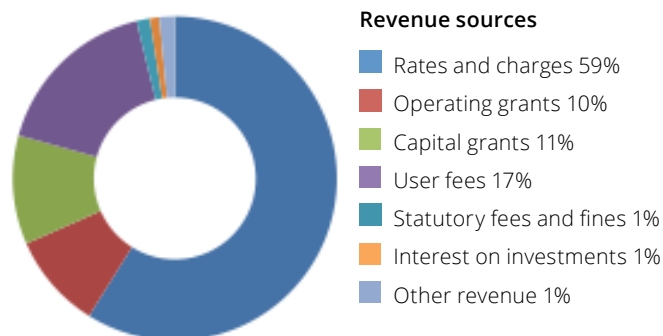
Underlying result

Council achieved an underlying surplus of \$75,000 for the 2017-18 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. The 2016-17 and 2017-18 years saw Council once again achieving underlying surpluses.

Revenue

Council's total revenue for the 2017-18 year was \$11,812,000 (up from \$10,266,000 in 2016-17). The increased income is due to more capital grant funding in 2017-18, compared with the 2016-17 year. The main contributor to this variance was \$1,000,000 of funding received for the Queenscliff Sport and Recreation Precinct project in 2017-18.

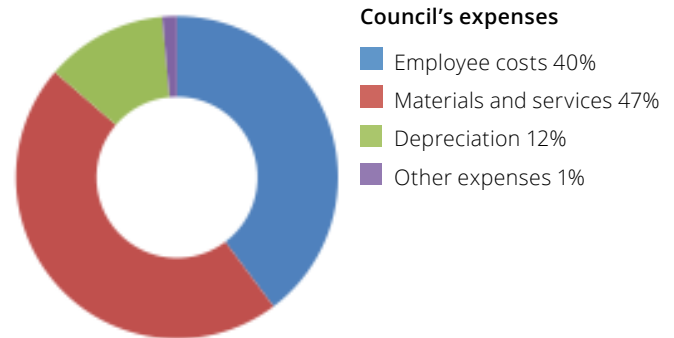
Council's revenue is sourced as follows:



Expenditure

Council's total expenses for the 2017-18 year was \$10,541,000 (up from \$10,014,000 in 2016-17). This increase in expenditure is mainly due to a \$475,000 increase in non recurrent operating projects such as the Streetlight to LED replacement project, which will significantly reduce the Borough's ongoing electricity consumption and carbon footprint, developing a business case for Fort Queenscliffe, implementation of an Economic Development Strategy and contributing to the Winter Arts Festival weekend.

Council's expenses are categorised as follows:



Assets

Council's total asset base is \$139,836,000 – an increase of \$8,510,000 over the previous year of which \$6,879,000 was due to a revaluation of Council owned and managed land.

The major components of assets are:

- Property, infrastructure, plant and equipment; and
- Cash and financial assets (cash investments with maturity dates between three to 12 months).

Together these asset categories account for 99.4% of all assets.

Property, infrastructure (including Crown Land assets), plant and equipment is valued at \$133,566,000.

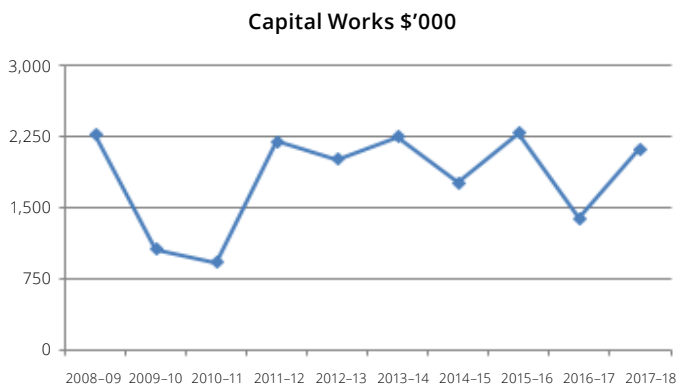
Capital works

During the financial year, Council invested \$2,115,000 (before annual depreciation charges) 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:

- Significant progress towards completion of the Queenscliff Sport and Recreation Precinct including the new netball game day facility;
- Continuation of coastal tender works at Ocean Road and The Narrows (a five year funded program);
- The installation of CCTV cameras at the Queenscliff boat ramp;
- Completed the implementation of the new finance system;
- Significant restoration of the Town Hall including the timber floor and toilet facilities; and
- Continuation of coastal tender works at Ocean Road and The Narrows (a five year funded program).

Capital works 10-year comparison, 2008–09 to 2017–18:

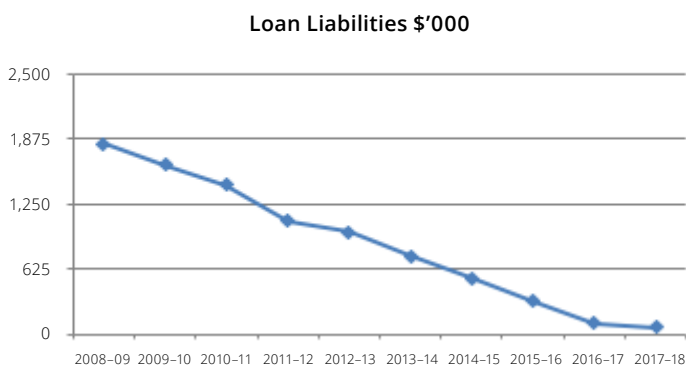


Liabilities

Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$2,201,000 as at 30 June 2018.

The overall level of liabilities has increased by \$360,000 from 2016–17 due to an increase in trade payables. Council had several large invoices for capital projects that were not yet due, and were therefore unpaid at balance date. This was somewhat offset by current interest bearing loans reducing to a 10 year low of \$63,000, these debt levels mean that Council is operating well within the Victorian Government prudential ratio limits.

Liabilities 10-year comparison, 2008–09 to 2017–18:



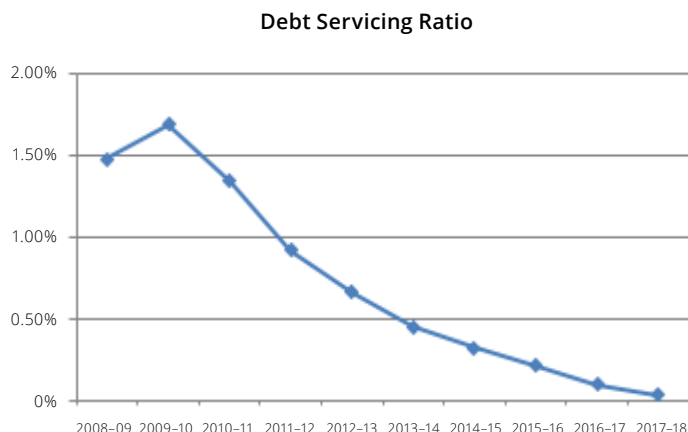
Financial indicators

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.

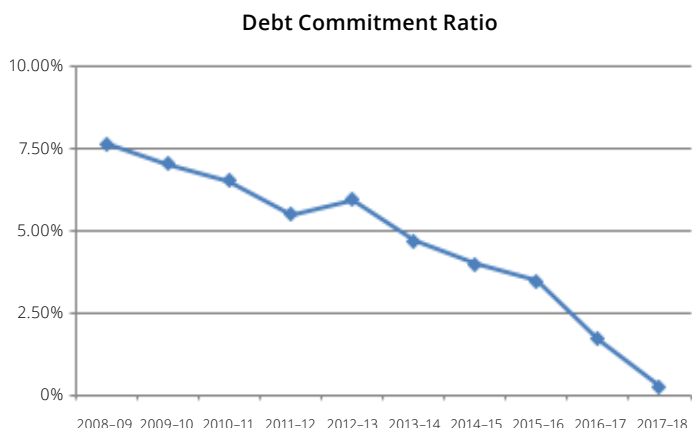
Debt Servicing Ratio 10-year comparison, 2008–09 to 2017–18:



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.

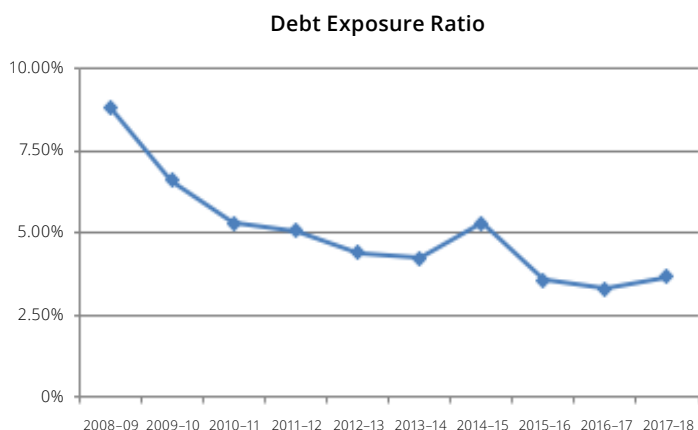
Debt Commitment Ratio 10-year comparison, 2008–09 to 2017–18:



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 increased in 2017–18 due to a revaluation of Council-owned and managed land.

Debt Exposure Ratio 10-year comparison, 2008–09 to 2017–18:



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 in all of the six financial sustainability indicators for the 2017–18 year.

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

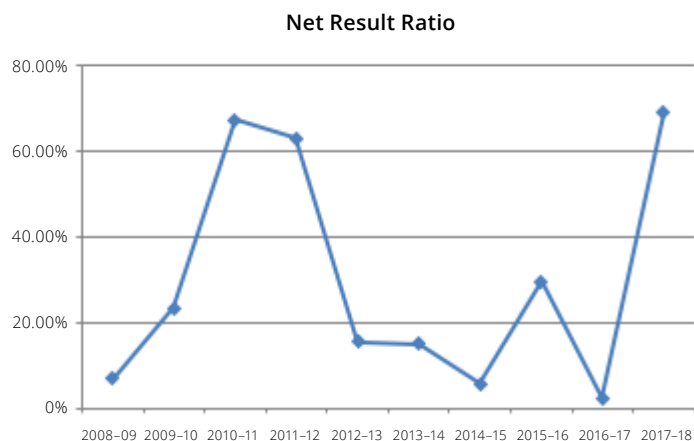
Council officers review the VAGO report and provide commentary to Council each year, discussing the above indicators and in some cases making adjustments to provide more relevant and meaningful indicators / results.

The following charts indicate the Borough's trend over the past ten years on the above financial sustainability indicators. Note that the 2017–18 results are those calculated by the Borough for each of these ratios, as the final VAGO figures are not expected to be reported to Parliament and subsequently released to the public until late in the 2018 calendar year.

Net Result Ratio

VAGO includes 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 10-year comparison, 2008–09 to 2017–18:



| Sustainability indicators | BOQ Result | Risk levels | | |
|---------------------------|------------|----------------------------|-------------------------------|-------------------|
| | | High | Medium | Low |
| Income | | | | |
| Net Result (%) | 69.01% | Negative 10% or less | Between negative 10% and zero | Greater than zero |
| Liquidity Ratio | 2.88 | Equal to or less than 0.75 | Between 0.75 and 1.0 | Greater than 1.0 |
| Indebtedness (%) | 1.07% | Greater than 60% | Between 40% and 60% | Less than 40% |
| Internal Financing (%) | 132.47% | Less than 75% | Between 75% and 100% | Greater than 100% |
| Capital Replacement Ratio | 1.79 | Equal to or less than 1.0 | Between 1.0 and 1.5 | Greater than 1.5 |
| Renewal Gap Ratio | 1.14 | Equal to or less than 0.5 | Between 0.5 and 1.0 | Greater than 1.0 |



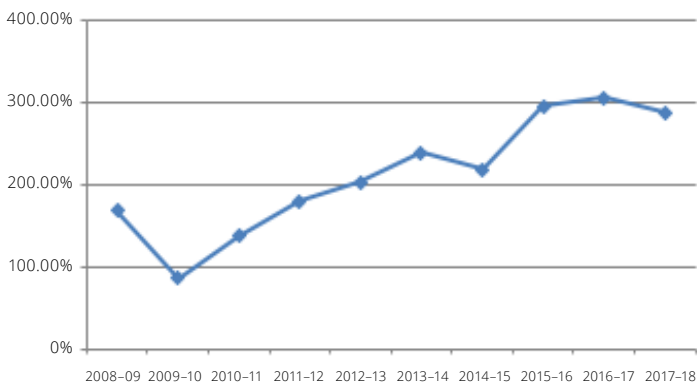
Liquidity Ratio

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 10-year comparison, 2008-09 to 2017-18:

Working Capital Ratio

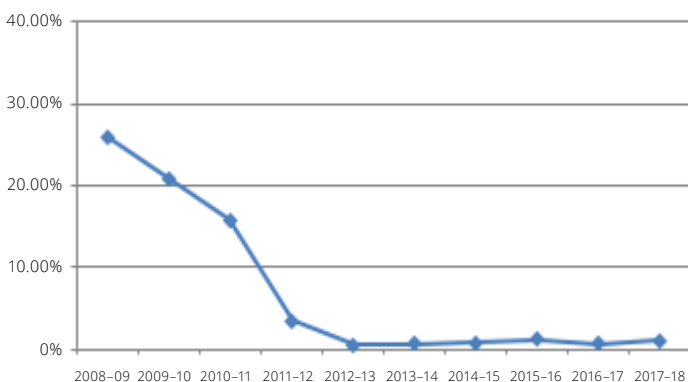


Indebtedness Ratio

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 10-year comparison, 2008-09 to 2017-18:

Indebtedness Ratio

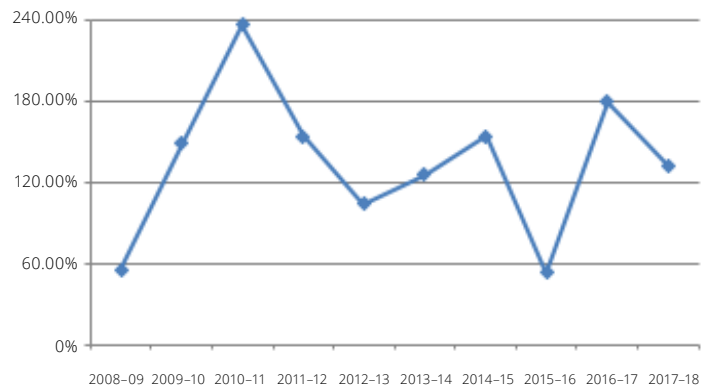


Internal Financing Ratio

VAGO includes 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. This ratio does not factor in cash flows for capital works received in prior financial years, held in reserves and carried forward to fund these works when they are completed.

Internal Financing Ratio 10-year comparison, 2008-09 to 2017-18:

Internal Financing Ratio

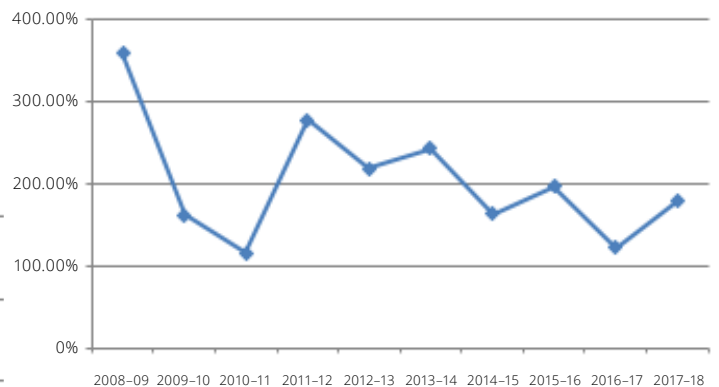


Capital Replacement Ratio

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. The outcome for 2017-18 and the long-term average result suggests that Council is at 'low' risk.

Capital Replacement Ratio 10-year comparison, 2008-09 to 2017-18:

Capital Replacement Ratio



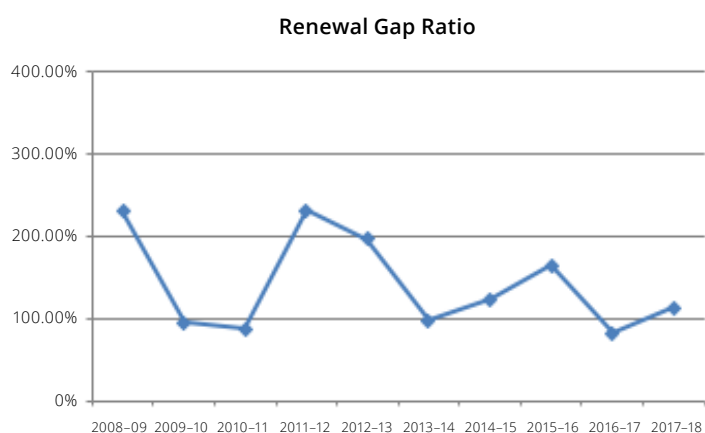
Whilst the above Capital Replacement Ratio may have some benefit in assessing financial sustainability, Council prefers to focus on the Renewal Gap Ratio (below), as it more clearly demonstrates Council's commitment to capital spending on asset renewal as compared to capital expenditure, including new 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 10-year comparison, 2008-09 to 2017-18:



In summary, the outcomes for the financial sustainability indicators in the 2017-18 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 all six financial sustainability indicators when VAGO's report is released for 2017-18.

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Comprehensive Income Statement

For the Year Ended 30 June 2018

| | Note | 2018 \$'000 | 2017 \$'000 |
|---|------|-----------------|-----------------|
| Income | | | |
| Rates and charges | 2.1 | 6,940 | 6,831 |
| Statutory fees and fines | 2.2 | 146 | 149 |
| User fees | 2.3 | 1,997 | 1,953 |
| Grants - operating | 2.4 | 1,127 | 1,037 |
| Grants - capital | 2.4 | 1,283 | 21 |
| Contributions - monetary | 2.5 | 13 | 19 |
| Other income | 2.6 | 291 | 254 |
| Net gain on disposal of property, infrastructure, plant and equipment | 2.7 | 15 | 3 |
| Total income | | 11,812 | 10,265 |
| Expenses | | | |
| Employee costs | 3.1 | (4,187) | (4,032) |
| Materials and services | 3.2 | (4,912) | (4,575) |
| Bad and doubtful debts | 3.3 | (3) | (4) |
| Depreciation | 3.4 | (1,181) | (1,134) |
| Borrowing costs | 3.5 | (3) | (10) |
| Other expenses | 3.6 | (254) | (234) |
| Share of net losses of an associate | 5.2 | (0) | (25) |
| Total expenses | | (10,540) | (10,014) |
| Surplus/(deficit) for the year | | 1,272 | 251 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to surplus or deficit in future periods:</i> | | | |
| Net asset revaluation increment / (decrement) | 5.1 | 6,879 | 0 |
| Total comprehensive result | | 8,151 | 251 |

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

Balance Sheet

As at 30 June 2018

| | Note | 2018 \$'000 | 2017 \$'000 |
|---|--------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4.1(a) | 1,114 | 1,581 |
| Other financial assets | 4.1(b) | 4,338 | 3,184 |
| Trade and other receivables | 4.1(c) | 258 | 328 |
| Inventories | 4.2(a) | 4 | 6 |
| Other assets | 4.2(b) | 342 | 230 |
| Total current assets | | 6,056 | 5,329 |
| Non-current assets | | | |
| Investment in an associate | 5.2 | 214 | 214 |
| Property, infrastructure, plant and equipment | 5.1 | 133,566 | 125,783 |
| Total non-current assets | | 133,780 | 125,997 |
| Total assets | | 139,836 | 131,326 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 4.3(a) | 876 | 543 |
| Trust funds and deposits | 4.3(b) | 75 | 52 |
| Provisions | 4.5 | 1,045 | 1,020 |
| Interest-bearing liabilities | 4.4 | 17 | 42 |
| Other liabilities | 4.6 | 87 | 85 |
| Total current liabilities | | 2,100 | 1,742 |
| Non-current liabilities | | | |
| Provisions | 4.5 | 55 | 36 |
| Interest-bearing liabilities | 4.4 | 46 | 63 |
| Total non-current liabilities | | 101 | 99 |
| Total liabilities | | 2,201 | 1,841 |
| Net Assets | | 137,635 | 129,485 |
| Equity | | | |
| Accumulated surplus | | 90,658 | 89,344 |
| Reserves | 8.1 | 46,977 | 40,141 |
| Total Equity | | 137,635 | 129,485 |

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

Statement of Changes in Equity

For the Year Ended 30 June 2018

| 2018 | Note | Total \$'000 | Accumulated Surplus \$'000 | Asset Revaluation Reserve \$'000 | Other Reserves \$'000 |
|---|--------|-----------------|----------------------------------|---|-----------------------------|
| Balance at beginning of the financial year | | 129,484 | 89,344 | 36,995 | 3,145 |
| Surplus / (deficit) for the year | | 1,272 | 1,272 | - | - |
| Net asset revaluation increment / (decrement) | 8.1(a) | 6,879 | - | 6,879 | - |
| Transfers to other reserves | 8.1(b) | - | (1,370) | - | 1,370 |
| Transfers from other reserves | 8.1(b) | - | 1,412 | - | (1,412) |
| Balance at end of the financial year | | 137,635 | 90,658 | 43,874 | 3,103 |

| 2017 | Note | Total \$'000 | Accumulated Surplus \$'000 | Asset Revaluation Reserve \$'000 | Other Reserves \$'000 |
|---|--------|-----------------|----------------------------------|---|-----------------------------|
| Balance at beginning of the financial year | | 129,234 | 89,081 | 36,995 | 3,157 |
| Surplus / (deficit) for the year | | 251 | 251 | - | - |
| Net asset revaluation increment / (decrement) | 8.1(a) | - | - | - | - |
| Transfers to other reserves | 8.1(b) | - | (1,264) | - | 1,264 |
| Transfers from other reserves | 8.1(b) | - | 1,276 | - | (1,276) |
| Balance at end of the financial year | | 129,485 | 89,344 | 36,995 | 3,145 |

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 2018

| | Note | 2018 Inflows/ (Outflows) \$'000 | 2017 Inflows/ (Outflows) \$'000 |
|---|--------|--|--|
| Cash flows from operating activities | | | |
| Rates and charges | | 7,037 | 6,832 |
| Statutory fees and fines | | 135 | 147 |
| User fees | | 2,021 | 1,987 |
| Grants - operating | | 998 | 1,063 |
| Grants - capital | | 1,283 | 1,062 |
| Contributions - monetary - operating | | 13 | 19 |
| Interest received | | 115 | 107 |
| Trust funds and deposits taken | | 55 | 13 |
| Other receipts | | 148 | 107 |
| Net GST (payment) / refund | | 15 | 7 |
| Total operating receipts | | 11,820 | 11,345 |
| Employee costs | | (4,143) | (3,917) |
| Materials and services | | (4,583) | (4,616) |
| Trust funds and deposits repaid | | (33) | (48) |
| Other payments | | (259) | (272) |
| Total operating payments | | (9,018) | (8,853) |
| Net cash provided by / (used in) operating activities | 8.2 | 2,802 | 2,492 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 5.1 | (2,115) | (1,387) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 43 | 26 |
| Payments for investments | | (1,152) | (836) |
| Net cash provided by / (used in) investing activities | | (3,224) | (2,197) |
| Cash flows from financing activities | | | |
| Finance costs | | (3) | (13) |
| Repayment of borrowings | | (42) | (209) |
| Net cash provided by/(used in) financing activities | | (45) | (222) |
| Net increase/(decrease) in cash and cash equivalents | | (467) | 73 |
| Cash and cash equivalents at the beginning of the financial year | | 1,581 | 1,508 |
| Cash and cash equivalents at the end of the financial year | 4.1(a) | 1,114 | 1,581 |

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 2018

| | Note | 2018 \$'000 | 2017 \$'000 |
|--|------|----------------|----------------|
| Property | | | |
| Land improvements | | 16 | 4 |
| Total land | | 16 | 4 |
| Buildings | | 439 | 394 |
| Heritage buildings | | - | - |
| Building improvements | | - | - |
| Leasehold improvements | | - | - |
| Total buildings | | 439 | 394 |
| Total property | | 455 | 398 |
| Plant and equipment | | | |
| Plant, machinery and equipment | | 122 | 52 |
| Fixtures, fittings and furniture | | 20 | - |
| Computers and telecommunications | | 43 | 221 |
| Total plant and equipment | | 185 | 273 |
| Infrastructure | | | |
| Roads | | 153 | 93 |
| Footpaths and cycleways | | 29 | 67 |
| Drainage | | 230 | 3 |
| Recreational, leisure and community facilities | | 306 | 456 |
| Parks, open space and streetscapes | | 617 | 75 |
| Off street car parks | | 118 | - |
| Other infrastructure | | 22 | 21 |
| Total infrastructure | | 1,475 | 713 |
| Total capital works expenditure | | 2,115 | 1,384 |
| Represented by: | | | |
| New asset expenditure | | 773 | 455 |
| Asset renewal expenditure | | 957 | 589 |
| Asset upgrade expenditure | | 385 | 340 |
| Total capital works expenditure | | 2,115 | 1,384 |

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 2018

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 (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

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 5.1);
- The determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 5.1);
- The determination of employee provisions (refer to note 4.5).

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.

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 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 10 August 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income 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*.

1.1 Income and Expenditure

| | Budget 2018 \$'000 | Actual 2018 \$'000 | Variance 2018 \$'000 | Ref |
|--|--------------------------|--------------------------|----------------------------|-----|
| Income | | | | |
| Rates and charges | 6,920 | 6,940 | 20 | |
| Statutory fees and fines | 128 | 146 | 18 | 1 |
| User fees | 1,975 | 1,997 | 22 | |
| Grants – operating | 747 | 1,127 | 380 | 2 |
| Grants – capital | 3,525 | 1,283 | (2,242) | 3 |
| Contributions – monetary – operating | 13 | 13 | 0 | |
| Other income | 234 | 291 | 57 | 4 |
| Net gain / loss on disposal of property, infrastructure, plant and equipment | – | 15 | 15 | |
| Total income | 13,542 | 11,812 | (1,730) | |
| Expenses | | | | |
| Employee costs | 4,078 | 4,187 | (109) | 5 |
| Materials and services | 5,535 | 4,912 | 623 | 6 |
| Bad and doubtful debts | 3 | 3 | 0 | |
| Depreciation | 1,195 | 1,181 | 14 | |
| Borrowing costs | 11 | 3 | 8 | 7 |
| Other expenses | 234 | 254 | (20) | |
| Share of net losses of an associate | – | – | 0 | |
| Total expenses | 11,056 | 10,540 | 516 | |
| Surplus / (deficit) for the year | 2,486 | 1,272 | (1,214) | |

Note 1 Performance against budget (continued)**1.1 Income and Expenditure (continued)****Explanation of material variations**

| Variance Ref | Item | Explanation |
|--------------|--------------------------|---|
| 1 | Statutory fees and fines | The net increase in income of \$18,000 is due to a \$24,000 increase in planning fees, and a reduction in legal fees recovered. |
| 2 | Grants – operating | The increase in income is due to unbudgeted grant funding for the Fort Queenscliff project and an increase in funding received for Community Aged Care packages. |
| 3 | Grants – capital | The reduction in income of \$2.242m is due to a shift in timing of grant funding associated with the Point Lonsdale Lighthouse Reserve and the Queenscliff Sport and Recreation precinct. |
| 4 | Other income | The net increase in income of \$57,000 is due to: 1) \$57,000 insurance claims paid out by insurer, noting this reimbursement offsets additional employee costs in 2017-18; and 2) (\$5,000) interest on rates, originally budgeted as other income, now within rates and charges income in line with recent changes to the Model Budget and Model Financial Report; and 3) \$4,000 increase in interest income. |
| 5 | Employee Costs | The increase in Employee Costs is due to: 1) \$45,000 increase in employee leave provisions; and 2) An increase in staff requirements, which is offset by a \$57,000 insurance claim from reference 4 above. |
| 6 | Materials and services | The net reduction in expenditure of \$623,000 mainly is due to: 1) Over \$420,000 in budget savings identified in 2017-18, including: \$48,000 utilities (electricity, gas and water); \$80,000 coastal vegetation management; \$40,000 Avenue of Honour tree replacement program; \$35,000 planning for heritage buildings; \$30,000 crown land public convenience maintenance; \$24,000 Tree inspection program; \$20,000 significant tree register; \$20,000 beach cleaning and amenity; \$20,000 tourist parks marketing and promotion; \$15,000 event security; \$13,000 landfill disposal levy; \$10,000 roads maintenance; and \$10,000 grounds maintenance; plus other small miscellaneous savings; 2) \$328,000 operating initiatives carried over to 2018-19, including: \$100,000 camping and caravan parks improvement fund; \$100,000 review of planning scheme (heritage provisions); \$70,000 in \$22,000 Social Media Strategy; \$16,000 records management; \$10,000 improve options for self-service on Council's website; \$10,000 Lakers Cutting into RAMSAR; and 3) (\$125,000) contract staff expenditure incurred, including: \$64,000 tourist park caretakers originally budgeted within employee costs; \$40,000 town planning costs associated with a vacancy for senior planner which took longer to recruit than expected; and \$21,000 for other specialist contract staff engaged to complete priority projects. |
| 7 | Borrowing costs | The reduction in expenditure of \$8,000 is due to the original budget assuming new borrowings of \$177,400 in 2017-18 for Streetlight replacement to LED, which is replaced by a new loan of \$150,000 for Queenscliff Sport and Recreation Precinct Variations, per Council resolution October 2017. Further, the new loan was budgeted to commence in January 2018, however it had not yet commenced at balance date. |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 1 Performance against budget (continued)

1.2 Capital works

| | Budget 2018 \$'000 | Actual 2018 \$'000 | Variance 2018 \$'000 | Ref |
|--|--------------------------|--------------------------|----------------------------|-----|
| Property | | | | |
| Land improvements | 77 | 16 | 61 | 1 |
| Buildings | 1,245 | 439 | 805 | 2 |
| Total property | 1,322 | 455 | 866 | |
| Plant and equipment | | | | |
| Plant, machinery and equipment | 208 | 122 | 85 | 3 |
| Fixtures, fittings and furniture | 5 | 20 | (15) | |
| Computers and telecommunications | 30 | 43 | (13) | 4 |
| Total plant and equipment | 243 | 185 | 57 | |
| Infrastructure | | | | |
| Roads | 451 | 153 | 297 | 5 |
| Footpaths and cycleways | 64 | 29 | 35 | 6 |
| Drainage | 67 | 230 | (163) | 7 |
| Recreational, leisure and community facilities | 831 | 306 | 525 | 8 |
| Parks, open space and streetscapes | 1,391 | 617 | 775 | 9 |
| Off street car parks | 26 | 118 | (92) | |
| Other infrastructure | 263 | 22 | 241 | 10 |
| Total infrastructure | 3,093 | 1,475 | 1,618 | |
| Total capital works expenditure | 4,658 | 2,115 | 2,543 | |
| Represented by: | | | | |
| New asset expenditure | 1,695 | 773 | 922 | 11 |
| Asset renewal expenditure | 1,793 | 957 | 836 | 12 |
| Asset upgrade expenditure | 1,171 | 385 | 785 | 13 |
| Total capital works expenditure | 4,658 | 2,115 | 2,543 | |

Note 1 Performance against budget (continued)**1.2 Capital works (continued)****(i) Explanation of material variations**

| Variance | | |
|----------|--|--|
| Ref | Item | Explanation |
| 1 | Land improvements | The reduction of \$61,000 in capital expenditure is due to the subdivision of land costing \$25,000 in 2017-18, compared to the original budget of \$77,000, with no carry forward funds required. |
| 2 | Buildings | The reduction of \$805,000 in capital expenditure is largely due to funds for Queencliff Cultural Hub identified for carry over to 2018-19, with the balance relating to budget savings declared with respect to the renewal of building assets in 2017-18. |
| 3 | Plant, machinery and equipment | The reduction of \$84,000 in capital expenditure is largely due to \$76,000 reduction in motor vehicle asset replacement in 2017-18, following a review of the motor vehicle management policy which has resulted in vehicles being held for longer periods before turn-over. In addition, budget savings of \$5,000 declared in 2017-18 with respect to the replacement of washing machines at the tourist parks. |
| 4 | Computers and telecommunications | The increase of \$13,000 in capital expenditure is due to I.T. project budgets carried over from the prior year, including \$12,000 for implementation of Technology One. |
| 5 | Roads | The reduction of \$297,000 is predominantly due to capital expenditure relating to the Roads to Recovery program being carried forward to be spent in 2018-19. |
| 6 | Footpaths and cycleways | The reduction of \$35,000 in capital expenditure is largely due to \$20,000 footpath strategy identified for carry over to 2018-19, with the balance relating to minor budget savings declared with respect to the renewal of footpaths and cycleways assets in 2017-18. |
| 7 | Drainage | The increase of \$163,000 in capital expenditure is due to drainage renewal budgets carried over from the prior year and completed in 2017-18. Drainage works include: Little Hesse Street and King Street / Hesse Street drainage renewal, Ganes Reserve wetlands, Murray Road open drain and Bay Street drain replacement / clearing. |
| 8 | Recreational, leisure and community facilities | The reduction of \$805,000 in capital expenditure is largely due to funds for the Queencliff Recreation Reserve and the Sport and Recreation Precinct identified for carry over to 2018-19. |
| 9 | Parks, open space and streetscapes | The reduction of \$775,000 in capital expenditure is due to: 1) \$295,000 Point Lonsdale Lighthouse Reserve, for which the timing of both grant funding and capital expenditure has been revised, noting this project is to be carried out over three financial years to 2019-20; 2) \$180,000 for Queencliff Park Stage 1 improvements project identified for carry over to 2018-19; and 3) \$40,000 budget savings declared with respect to the renewal of open space assets in 2017-18. |
| 10 | Other infrastructure | The net reduction of \$241,000 in capital expenditure is due to: 1) \$177,000 Street light replacement (LED) was expensed, as it was deemed not to have been capital expenditure; 2) (\$20,000) path lighting project carried over from prior years, with funds transferred from reserve to match expenditure incurred in 2017-18; and 3) \$10,000 less expenditure required for street sign replacement than originally budgeted. |
| 11 | New asset expenditure | The net decrease of \$922,000 in capital expenditure is largely due to \$295,000 Point Lonsdale Lighthouse Reserve and \$180,000 Queencliff Park Stage 1 carried over to 2018-19. |
| 12 | Asset renewal expenditure | The net decrease of \$836,000 in capital expenditure is largely due to \$170,000 budget savings declared in 2017-18 with respect to the renewal of infrastructure and property assets, \$107,000 motor vehicle replacement revised following recent review of the motor vehicle management policy and (\$44,000) renewal of IT and drainage assets for which funds were carried over from prior year for completion in 2017-18. |
| 13 | Asset upgrade expenditure | The net decrease of \$785,000 in capital expenditure is largely due to \$368,000 in projects identified for carry forward to 2018-19, including \$100,000 for Queencliff Cultural Hub and \$40,000 for Hesse Street Streetscape. Budget savings of \$52,000 were declared with respect to the subdivision of land. This is offset by (\$75,000) expenditure for completion of the Queencliff Sport and Recreation Precinct which was originally budgeted in 2016-17 and funds carried over to 2017-18. |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 2 Funding for the delivery of our services

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| 2.1 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 2017-18 was \$2,487 million (2016-17: \$2,457 million). | | |
| General rates | | |
| Residential | 5,056 | 4,936 |
| Residential vacant land | - | - |
| Tourist accommodation | 675 | 628 |
| Commercial | 380 | 376 |
| Total general rates | 6,111 | 5,940 |
| Waste management charges | | |
| Kerbside waste | 408 | 436 |
| Public waste | 297 | 296 |
| Green waste | 102 | 104 |
| Additional bins | 17 | 15 |
| Total waste management charges | 824 | 851 |
| Other rates and charges | | |
| Interest on rates and charges | 12 | 14 |
| Cultural and recreational charges – in lieu of rates | 4 | 4 |
| Supplementary rates and charges | 9 | 42 |
| Less: additional pensioner concession offered by Council | (15) | (16) |
| Less: rebate for properties of environmental interest | (5) | (5) |
| Total other rates and charges | 5 | 39 |
| Total rates and charges | 6,940 | 6,830 |
| The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016 and the valuation was first applied in the rating year commencing 1 July 2016. | | |
| Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued. | | |
| 2.2 Statutory fees and fines | | |
| Town planning fees | 114 | 99 |
| Infringements and costs | 17 | 21 |
| Permits | 13 | 18 |
| Fines Victoria court recoveries | (3) | 5 |
| Land information certificates | 5 | 6 |
| Total statutory fees and fines | 146 | 149 |
| 2.3 User fees | | |
| Tourist park fees | 1,679 | 1,671 |
| Boat ramp parking fees – ticket machines | 111 | 95 |
| Aged services | 74 | 75 |
| Registration and other permits | 60 | 54 |
| Valuation fees / supplementary charges | 5 | (4) |
| Building services | 21 | 17 |
| Tourism | 11 | 12 |
| Recycling disposal income | 5 | 20 |
| Other fees and charges (< \$10,000 each) | 31 | 13 |
| Total user fees | 1,997 | 1,953 |

Note 2 Funding for the delivery of our services (continued)

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| 2.4 Funding from other levels of Government | | |
| Grants were received in respect of the following: | | |
| Summary of grants | | |
| Commonwealth funded grants | 889 | 825 |
| State funded grants | 1,503 | 213 |
| Other grants | 19 | 20 |
| Total grants received | 2,410 | 1,058 |
| (a) Operating grants | | |
| <i>Recurrent – Commonwealth Government</i> | | |
| Aged services | 518 | 450 |
| Financial Assistance Grants | 285 | 375 |
| <i>Recurrent – State Government</i> | | |
| Maternal and child health | 44 | 41 |
| Fire Services Property Levy administration | 38 | 37 |
| School crossing supervision | 24 | 17 |
| Beach cleaning | 13 | 12 |
| Total recurrent operating grants | 922 | 932 |
| <i>Non-recurrent – State Government</i> | | |
| Tourism and economic development | 153 | 67 |
| Waste management and recycling | 5 | - |
| Local laws, safety and amenity | 5 | - |
| Sustainability and environment | 7 | 8 |
| Community development | 16 | 10 |
| <i>Non-recurrent – Other</i> | | |
| Environmental health | 19 | 20 |
| Total non-recurrent operating grants | 205 | 105 |
| Total operating grants | 1,127 | 1,037 |
| (b) Capital grants | | |
| <i>Recurrent – Commonwealth Government</i> | | |
| Roads to Recovery Program | 86 | - |
| <i>Recurrent – State Government</i> | | |
| Aged services | - | 3 |
| Total recurrent capital grants | 86 | 3 |
| <i>Non-recurrent – State Government</i> | | |
| Recreation, leisure and community facilities | 1,000 | 8 |
| Parks, open space and streetscapes | 197 | - |
| Other infrastructure | - | 10 |
| Total non-recurrent capital grants | 1,197 | 18 |
| Total capital grants | 1,283 | 21 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 2 Funding for the delivery of our services (continued)

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| 2.4 Funding from other levels of Government (continued) | | |
| (c) Unspent grants received on condition that they be spent in a specific manner | | |
| Balance at start of year | 1,017 | 1,434 |
| Received during the financial year and remained unspent at balance date | 843 | 215 |
| Received in prior years and spent during the financial year | (400) | (632) |
| Balance at year end | 1,460 | 1,017 |

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

2.5 Contributions

| | | |
|----------------------------|-----------|-----------|
| Monetary - operating | 13 | 19 |
| Total contributions | 13 | 19 |

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

2.6 Other income

| | | |
|---|------------|------------|
| Interest - investment of surplus cash | 110 | 106 |
| Other rent - lease of Crown Land properties | 81 | 53 |
| Other rent - lease of Council properties | 46 | 46 |
| Reimbursements | 52 | 49 |
| Donation Income | 2 | - |
| Total other income | 291 | 254 |

Interest is recognised as it is earned.

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, including reimbursements, 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.

2.7 Net gain on disposal of property, infrastructure, plant and equipment

| | | |
|--|-----------|----------|
| Proceeds of sale | 43 | 26 |
| Written down value of assets disposed | (28) | (23) |
| Total net gain on disposal of property, infrastructure, plant and equipment | 15 | 3 |

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

Note 3 The cost of delivering services

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| 3.1 (a) Employee costs | | |
| Wages and salaries | 3,389 | 3,324 |
| Superannuation | 333 | 321 |
| Annual leave and long service leave | 231 | 161 |
| Overtime | 125 | 111 |
| Workcover premium | 53 | 59 |
| Fringe benefits tax | 56 | 57 |
| Total employee costs | 4,187 | 4,032 |
| (b) Superannuation | | |
| Council made contributions to the following funds: | | |
| Defined benefit fund | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 19 | 29 |
| Total employer contributions to defined benefit fund | 19 | 29 |
| Accumulation funds | | |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 166 | 195 |
| Employer contributions – other funds | 129 | 86 |
| Total employer contributions to accumulation funds | 295 | 280 |
| Employer contributions payable at reporting date | 30 | 30 |
| Refer to note 8.3 for further information relating to Council's superannuation obligations. | | |
| (c) Total superannuation | | |
| Employee costs – superannuation (Note 3.1(a)) | 333 | 321 |
| Property, infrastructure, plant and equipment – capitalised superannuation | 12 | 19 |
| Total superannuation paid /payable to superannuation funds (Note 3.1(b)) | 345 | 340 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 3 The cost of delivering services (continued)

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| 3.2 Materials and services | | |
| General service delivery | 1,001 | 920 |
| Contract payments | 884 | 887 |
| Waste management | 858 | 837 |
| Non-recurrent operating projects (rates funded) | 120 | 40 |
| Non-recurrent operating projects (grant funded) | 132 | 74 |
| Labour contracts (information technology, building surveyor, heritage advisor and specialist backfill) | 300 | 274 |
| Building, works, plant and equipment maintenance | 400 | 295 |
| Utilities | 242 | 228 |
| Contribution to Geelong Regional Library Corporation | 210 | 226 |
| Foreshore and open space maintenance | 245 | 236 |
| Office administration | 163 | 171 |
| Information technology software and maintenance agreements | 167 | 118 |
| Insurance | 190 | 181 |
| Local government election costs | - | 86 |
| Total materials and services | 4,912 | 4,575 |
| 3.3 Bad and doubtful debts | | |
| Parking fine debtors | 2 | 3 |
| Other debtors | 1 | 1 |
| Total bad and doubtful debts | 3 | 4 |
| Movement in provision for doubtful debts | | |
| Balance at the beginning of the year | 8 | 8 |
| New provisions recognised during the year | 3 | 4 |
| Amounts already provided for and written off as uncollectible | (5) | (4) |
| Balance at end of year | 6 | 8 |
| Provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified. | | |
| 3.4 Depreciation | | |
| Property | 422 | 421 |
| Plant and equipment | 160 | 137 |
| Infrastructure | 599 | 576 |
| Total depreciation | 1,181 | 1,134 |
| 3.5 Borrowing costs | | |
| Interest – Borrowings | 3 | 10 |
| Total borrowing costs | 3 | 10 |

Note 3 The cost of delivering services (continued)

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| 3.6 Other expenses | | |
| Councillors' allowances | 145 | 134 |
| Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals | 40 | 38 |
| Auditors' remuneration – Internal | 24 | 12 |
| Operating lease rentals | 23 | 34 |
| Other | 22 | 16 |
| Total other expenses | 254 | 234 |

Note 4 Our financial position**4.1 Financial assets****(a) Cash and cash equivalents**

| | | |
|--|--------------|--------------|
| Cash on hand | 2 | 2 |
| Cash at bank | 1,109 | 556 |
| Money market at call accounts | 3 | 3 |
| Term deposits | – | 1,021 |
| Total cash and cash equivalents | 1,114 | 1,581 |

(b) Other financial assets

| | | |
|-------------------------------------|--------------|--------------|
| Term deposits – current | 4,338 | 3,184 |
| Total other financial assets | 4,338 | 3,184 |

| | | |
|-------------------------------|--------------|--------------|
| Total financial assets | 5,452 | 4,765 |
|-------------------------------|--------------|--------------|

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 4.3(b)) | 75 | 52 |
| Total restricted funds | 75 | 52 |
| Total unrestricted cash and cash equivalents | 1,039 | 1,529 |

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 8.1(b)) | 1,395 | 1,181 |
| – Cash held to fund carried forward operating projects (Note 8.1(b)) | 807 | 948 |
| – Cash held to fund future asset replacement requirements (Note 8.1(b)) | 840 | 930 |
| – Cash held to fund future calls on the defined benefits superannuation fund (Note 8.1(b)) | 40 | 40 |
| – Cash held to fund future waste management costs (Note 8.1(b)) | 19 | 46 |
| Total funds subject to intended allocations | 3,101 | 3,145 |

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.

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

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 4 Our financial position (continued)

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| (c) Trade and other receivables | | |
| <i>Current</i> | | |
| Statutory receivables | | |
| Rates debtors | 103 | 194 |
| Pensioner rebate | 22 | 24 |
| Parking infringement debtors | 8 | 12 |
| Provision for doubtful debts - parking infringements | (6) | (8) |
| Non-statutory receivables | | |
| Other rent - lease of ties | 6 | 19 |
| Other debtors | | |
| Other debtors | 64 | 12 |
| Net GST receivable | 61 | 75 |
| Total current trade and other receivables | 258 | 328 |
| Total trade and other receivables | 258 | 328 |

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

i) Ageing of receivables

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

| | | |
|--|-----------|-----------|
| Current (not yet due) | 38 | 9 |
| Past due by up to 30 days | 24 | 9 |
| Past due between 31 and 180 days | 10 | 15 |
| Past due between 181 and 365 days | 1 | 1 |
| Past due by more than 1 year | - | 1 |
| Total trade and other receivables | 73 | 35 |

ii) 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 \$6,124 (2017: \$7,668) were impaired. The amount of the provision raised against these debtors was \$6,124 (2017: \$7,668). 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 |
| Past due by more than 1 year | 6 | 7 |
| Total trade and other receivables | 6 | 8 |

Note 4 Our financial position (continued)

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| 4.2 Non-financial assets | | |
| (a) Inventories | | |
| Inventories held for sale | 4 | 6 |
| Total inventories | 4 | 6 |
| 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. | | |
| (b) Other assets | | |
| <i>Current</i> | | |
| Prepayments | 131 | 117 |
| Accrued income | 211 | 113 |
| Total other assets | 342 | 230 |
| 4.3 Payables | | |
| (a) Trade and other payables | | |
| Trade payables | 648 | 311 |
| Accrued expenses | 143 | 146 |
| Accrued wages and salaries | 85 | 86 |
| Total trade and other payables | 876 | 543 |
| (b) Trust funds and deposits | | |
| Retention amounts | - | 8 |
| Other refundable deposits | 75 | 44 |
| Total trust funds and deposits | 75 | 52 |

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. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

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.

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 4 Our financial position (continued)

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| 4.4 Interest bearing liabilities | | |
| <i>Current</i> | | |
| Borrowings - secured | 17 | 42 |
| Total current loans and borrowings | 17 | 42 |
| <i>Non-current</i> | | |
| Borrowings - secured | 46 | 63 |
| Total non-current loans and borrowings | 46 | 63 |
| Total loans and borrowings | 63 | 105 |

Borrowings are secured by the general rates of Council as contemplated in Section 148(1) of the *Local Government Act 1981* (the Act). The maturity profile for Council's borrowings is:

| | | |
|---|-----------|------------|
| Not later than one year | 17 | 42 |
| Later than one year and not later than five years | 46 | 63 |
| Total loans and borrowings | 63 | 105 |

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.

Note 4 Our financial position (continued)**4.5 Provisions**

| | Annual leave \$'000 | Long service leave \$'000 | Accrued days off \$'000 | Total \$'000 |
|---|------------------------|------------------------------|----------------------------|-----------------|
| 2018 | | | | |
| Balance at beginning of the financial year | 305 | 728 | 23 | 1,056 |
| Additional provisions | 87 | 145 | 14 | 246 |
| Amounts used | (62) | (130) | (9) | (201) |
| 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 | 329 | 743 | 28 | 1,100 |
| 2017 | | | | |
| Balance at beginning of the financial year | 255 | 673 | 23 | 951 |
| Additional provisions | 83 | 79 | 8 | 170 |
| Amounts used | (32) | (24) | (8) | (64) |
| Increase 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 | 305 | 728 | 23 | 1,056 |

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| Employee provisions | | |
| Current provisions expected to be settled within 12 months | | |
| Annual leave | 132 | 104 |
| Long service leave | 40 | - |
| Accrued days off | 28 | 23 |
| Total current provisions expected to be wholly settled within 12 months | 200 | 127 |
| Current provisions expected to be settled after 12 months | | |
| Annual leave | 197 | 201 |
| Long service leave | 648 | 692 |
| Total current provisions expected to be settled after 12 months | 845 | 893 |
| Total current provisions | 1,045 | 1,020 |
| Non-current | | |
| Long service leave | 55 | 36 |
| Total non-current provisions | 55 | 36 |
| Aggregate carrying amount of employee provisions | | |
| Current | 1,045 | 1,020 |
| Non-current | 55 | 36 |
| Total aggregate carrying amount of employee provisions: | 1,100 | 1,056 |

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 the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 4 Our financial position (continued)

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a 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.

| | 2018 | 2017 |
|------------------|----------|----------|
| Key assumptions: | | |
| - index rate | 1%-1.5% | 1%-1.5% |
| - discount rate | 0%-2.70% | 0%-2.74% |
| - inflation rate | 3.875% | 3.813% |

| | 2018 \$'000 | 2017 \$'000 |
|--------------------------------|----------------|----------------|
| 4.6 Other liabilities | | |
| Income received in advance | 87 | 85 |
| Total other liabilities | 87 | 85 |

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| 4.7 Financing arrangements | | |
| The Council has the following funding arrangements in place as at 30 June 2018: | | |
| Bank overdraft | 5 | 5 |
| Credit card facilities | 29 | 29 |
| Loan facilities | 63 | 105 |
| Total facilities | 97 | 139 |
| Used facilities | 70 | 111 |
| Unused facilities | 27 | 28 |

Note 4 Our financial position (continued)

4.8 Commitments

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

| 2018 | 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 | | | | | |
| Garbage collection | 506 | 517 | 527 | - | 1,550 |
| Roads, parks and reserves maintenance | 793 | - | - | - | 793 |
| Powerline and sundry tree clearance | 62 | 16 | - | - | 78 |
| Information systems and technology | 41 | 41 | 36 | - | 118 |
| Cleaning contract for amenities blocks and BBQs | 68 | - | - | - | 68 |
| Cleaning contract for Council buildings | 40 | - | - | - | 40 |
| Provision of valuation services | 35 | - | - | - | 35 |
| Print services | 14 | 8 | - | - | 22 |
| Design services for Civil Works: Destination Queenscliff | 560 | 145 | - | - | 705 |
| Planning for the future of Council managed tourist parks | 13 | - | - | - | 13 |
| Pedestrian, Cyclist and Road safety strategy (footpath) | 40 | - | - | - | 40 |
| Internal Audit | 21 | 21 | - | - | 42 |
| Point Lonsdale Lighthouse reserve landscape improvements detail design | 23 | - | - | - | 23 |
| Total operating commitments | 2,216 | 748 | 563 | - | 3,527 |
| Capital | | | | | |
| Queenscliff Recreation Reserve Sport Precinct Civil Construction | 544 | - | - | - | 544 |
| Netball Game Day Facility Construction | 507 | - | - | - | 507 |
| Fort Queenscliff Business Case | 70 | - | - | - | 70 |
| Total capital commitments | 1,121 | - | - | - | 1,121 |
| Total commitments | 3,337 | 748 | 563 | - | 4,648 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 4 Our financial position (continued)

4.8 Commitments (continued)

| 2017 | 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 | | | | | |
| Garbage collection | 494 | 506 | 1,025 | - | 2,026 |
| Roads, parks and reserves maintenance | 773 | 793 | - | - | 1,566 |
| Powerline and sundry tree clearance | 61 | 60 | 52 | - | 173 |
| Information systems and technology | 41 | 42 | 87 | - | 170 |
| Cleaning contract for amenities blocks and BBQs | 67 | 68 | - | - | 135 |
| Cleaning contract for Council buildings | 43 | 44 | - | - | 87 |
| Provision of valuation services | 69 | - | - | - | 69 |
| Print services | 14 | 14 | 7 | - | 36 |
| Design services for Civil Works: Queenscliff Sports and Recreation Precinct Development | 29 | - | - | - | 29 |
| Planning for the future of Council managed tourist parks | 22 | - | - | - | 22 |
| Building surveyor | 16 | - | - | - | 16 |
| Finance system | 10 | - | - | - | 10 |
| Total operating commitments | 1,639 | 1,528 | 1,172 | - | 4,339 |
| Capital | | | | | |
| Town Hall gutter replacement | 30 | - | - | - | 30 |
| AFL goal netting QRR | 27 | - | - | - | 27 |
| Street sign replacement | 15 | - | - | - | 15 |
| Queenscliff community hall kitchen upgrade | 6 | - | - | - | 6 |
| Total capital commitments | 78 | - | - | - | 78 |
| Total commitments | 1,717 | 1,528 | 1,172 | - | 4,417 |

2018 2017

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 | 23 | 21 |
| Later than one year and not later than five years | 11 | 32 |
| Total operating lease commitments | 34 | 53 |

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.

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 5 Assets we manage (continued)

5.1 Property, infrastructure, plant and equipment (continued)

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 |

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

Note 5 Assets we manage (continued)
5.1 Property, infrastructure, plant and equipment (continued)

| (a) Property | Land - specialised \$'000 | Land - non specialised \$'000 | Land improvements \$'000 | Total Land \$'000 | Buildings - specialised \$'000 | Buildings - non specialised \$'000 | Building improvements \$'000 | Total Buildings \$'000 | Work in progress \$'000 | Total Property \$'000 |
|--|------------------------------|----------------------------------|-----------------------------|----------------------|-----------------------------------|---------------------------------------|---------------------------------|---------------------------|----------------------------|--------------------------|
| At fair value 1 July 2017 | 70,213 | 20,799 | - | 91,012 | 21,699 | 2,726 | - | 24,425 | 345 | 115,782 |
| Accumulated depreciation at 1 July 2017 | - | - | - | - | (8,799) | (763) | - | (9,563) | - | (9,563) |
| Written down value at 1 July 2017 | 70,213 | 20,799 | - | 91,012 | 12,899 | 1,963 | - | 14,861 | 345 | 106,219 |
| Movements in fair value | | | | | | | | | | |
| Additions | - | - | - | - | 98 | 18 | - | 116 | 339 | 455 |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Revaluation | 5,089 | 1,790 | - | 6,879 | - | - | - | - | - | 6,879 |
| Disposal | - | - | - | - | - | - | - | - | - | - |
| Write-off | - | - | - | - | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | 27 | - | - | 27 | (27) | - |
| Total movements in fair value | 5,089 | 1,790 | - | 6,879 | 125 | 18 | - | 143 | 312 | 7,334 |
| Movements in accumulated depreciation | | | | | | | | | | |
| Movements in accumulated depreciation | - | - | - | - | (375) | (47) | - | (422) | - | (422) |
| Depreciation | - | - | - | - | - | - | - | - | - | - |
| Revaluation | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation of disposals | - | - | - | - | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Total movements in accumulated depreciation | - | - | - | - | (375) | (47) | - | (422) | - | (422) |
| At fair value 30 June 2018 | 75,302 | 22,588 | - | 97,890 | 21,824 | 2,744 | - | 24,568 | 657 | 123,116 |
| Accumulated depreciation at 30 June 2018 | - | - | - | - | (9,174) | (810) | - | (9,985) | - | (9,985) |
| Written down value at 30 June 2018 | 75,302 | 22,588 | - | 97,890 | 12,650 | 1,934 | - | 14,582 | 657 | 113,131 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 5 Assets we manage (continued)

5.1 Property, infrastructure, plant and equipment (continued)

| (b) Plant and Equipment | Plant, machinery and equipment \$'000 | Fixtures, fittings and furniture \$'000 | Computers and telecom- munications \$'000 | Work in Progress \$'000 | Total Plant and Equipment \$'000 |
|--|--|---|--|-------------------------------|---|
| At fair value 1 July 2017 | 486 | 322 | 279 | 268 | 1,355 |
| Accumulated depreciation at 1 July 2017 | (227) | (239) | (250) | - | (716) |
| Written down value at 1 July 2017 | 258 | 83 | 29 | 268 | 639 |
| Movements in fair value | | | | | |
| Additions | 122 | 20 | 43 | - | 185 |
| Disposal | (81) | (1) | - | - | (82) |
| Write-off | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - |
| Transfers | - | - | 268 | (268) | - |
| Total movements in fair value | 41 | 18 | 311 | (268) | 103 |
| Movements in accumulated depreciation | | | | | |
| Depreciation | (88) | (30) | (42) | - | (160) |
| Accumulated depreciation of disposals | 53 | 1 | - | - | 54 |
| Impairment losses recognised in operating result | - | - | - | - | - |
| Transfers | - | - | - | - | - |
| Total movements in accumulated depreciation | (36) | (28) | (42) | - | (106) |
| At fair value 30 June 2018 | 527 | 340 | 590 | - | 1,459 |
| Accumulated depreciation at 30 June 2018 | (262) | (267) | (292) | - | (822) |
| Written down value at 30 June 2018 | 265 | 73 | 298 | - | 636 |

Note 5 Assets we manage (continued)
5.1 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 |
|--|---------------|-------------------------|---------------|--|------------------|-------------------------------------|----------------------|----------------------|------------------|----------------------|
| (c) Infrastructure | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| At fair value 1 July 2017 | 16,854 | 1,557 | 4,436 | 2,464 | 221 | 1,561 | 784 | 290 | 470 | 28,637 |
| Accumulated depreciation at 1 July 2017 | (5,467) | (599) | (2,119) | (885) | (72) | (225) | (256) | (89) | - | (9,712) |
| Written down value at 1 July 2017 | 11,387 | 958 | 2,317 | 1,579 | 149 | 1,336 | 528 | 201 | 470 | 18,925 |
| Movements in fair value | | | | | | | | | | |
| Additions | 69 | - | 69 | 3 | - | 38 | - | 16 | 1,280 | 1,474 |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Revaluation | - | - | - | - | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - | - | - | - | - |
| Write-off | - | - | - | - | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | 14 | 3 | - | - | 5 | - | - | (21) | - |
| | 69 | 14 | 72 | 3 | - | 42 | - | 16 | 1,259 | 1,474 |
| Movements in accumulated depreciation | | | | | | | | | | |
| Depreciation | (268) | (32) | (45) | (111) | (18) | (95) | (13) | (17) | - | (599) |
| Revaluation | - | - | - | - | - | - | - | - | - | - |
| Accumulated depreciation of disposals | - | - | - | - | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Total movements in accumulated depreciation | (268) | (32) | (45) | (111) | (18) | (95) | (13) | (17) | - | (599) |
| At fair value 30 June 2018 | 16,923 | 1,571 | 4,507 | 2,467 | 221 | 1,603 | 784 | 306 | 1,729 | 30,111 |
| Accumulated depreciation at 30 June 2018 | (5,736) | (630) | (2,163) | (996) | (90) | (320) | (269) | (106) | - | (10,311) |
| Written down value at 30 June 2018 | 11,187 | 940 | 2,344 | 1,472 | 131 | 1,283 | 515 | 200 | 1,729 | 19,800 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 5 Assets we manage (continued)

5.1 Property, infrastructure, plant and equipment (continued)

(d) Fixed asset policy

Acquisition

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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.

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.

(e) Asset valuations

Valuation of land and buildings

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

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

In addition, Council has a policy of undertaking 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. Council intends to review this policy during the 2018-19 financial year. Buildings were not revalued in 2017-18 because the carrying value did not differ materially from the fair value at balance date.

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

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Date of Valuation |
|--|-------------------|-------------------|-------------------|----------------------|
| Freehold land | - | 22,588 | - | March 2018 |
| Crown land (specialised land) | - | - | 59,065 | March 2018 |
| Land under roads (specialised land) | - | - | 16,237 | March 2018 |
| Buildings | - | 1,934 | - | June 2016 |
| Buildings (specialised) | - | - | 12,650 | June 2016 |
| Total | - | 24,522 | 87,952 | |

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 drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, during 2015-2016. All other infrastructure assets are currently based at cost.

The date of the current valuation of infrastructure assets is detailed in the following table. A full revaluation of these assets will be conducted in 2018-19.

The valuation is at fair value based on the cost approach which utilises the current replacement cost, less accumulated depreciation and 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.

Note 5 Assets we manage (continued)

5.1 Property, infrastructure, plant and equipment (continued)

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Date of Valuation |
|-------------------------|-------------------|-------------------|-------------------|----------------------|
| Roads | - | - | 11,187 | June 2016 |
| Footpaths and cycleways | - | - | 940 | June 2016 |
| Drainage | - | - | 2,344 | June 2016 |
| Off street car parks | - | - | 515 | June 2016 |
| Total | - | - | 14,987 | |

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 years to 108 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.

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| Reconciliation of specialised land | | |
| Crown land | 59,065 | 55,315 |
| Land under roads | 16,237 | 14,898 |
| Total specialised land | 75,302 | 70,213 |

5.2 Investment in an associate

| | Budget 2018 \$'000 | Actual 2017 \$'000 |
|---|--------------------------|--------------------------|
| Investment in an associate accounted for by the equity method is: | | |
| - Geelong Regional Library Corporation | 214 | 214 |
| 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 audited financial statements for the year ended 30 June 2018. Council's share of the net assets (1.81%) 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 | 214 | 214 |
| Council's share of accumulated surplus | | |
| Council's share of accumulated surplus at start of year | 145 | 170 |
| Reported deficit for year | - | (25) |
| Council's share of accumulated surplus at end of year | 145 | 145 |
| Movement in carrying value of investment | | |
| Carrying value of investment at start of year | 214 | 240 |
| Share of deficit for year | - | (25) |
| Carrying value of investment at end of year | 214 | 214 |

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.

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 6 People and relationships

6.1 Council and key management remuneration

(a) Related Parties

Parent entity

Borough of Queenscliffe is the parent entity.

Associates

Interest in an associate is detailed in note 5.2 above.

| | 2018 No. | 2017 No. |
|---|-------------|-------------|
| (b) Key Management Personnel | | |
| Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are: | | |
| Councillors | | |
| Councillor Susan Salter | 1 | 1 |
| Councillor Tony Francis | 1 | 1 |
| Councillor Bob Merriman | 1 | 1 |
| Councillor Ross Ebbels | 1 | 1 |
| Councillor Boyce Pizzey | 1 | 1 |
| Councillor Helene Cameron | - | 1 |
| Councillor Sue Wasterval | - | 1 |
| Councillor Peter Russell | - | 1 |
| Total Number of Councillors | 5 | 8 |
| Chief Executive Officer and other Key Management Personnel | 3 | 3 |
| Total Key Management Personnel | 8 | 11 |
| (c) Remuneration of Key Management Personnel | | |
| Total remuneration of key management personnel was as follows: | | |
| Short-term benefits | 829 | 729 |
| Long-term benefits | 112 | 149 |
| Termination benefits | - | - |
| | 941 | 878 |
| The numbers of key management personnel whose total remuneration from Council and any related entities fall within the following bands: | | |
| \$0 - \$9,999 | - | 2 |
| \$10,000 - \$19,999 | - | 4 |
| \$20,000 - \$29,999 | 3 | 1 |
| \$30,000 - \$39,999 | 1 | 1 |
| \$40,000 - \$49,999 | 1 | - |
| \$60,000 - \$69,000 | 1 | - |
| \$140,000 - \$149,999 | - | 1 |
| \$150,000 - \$159,999 | 1 | - |
| \$160,000 - \$169,999 | 1 | 1 |
| \$240,000 - \$249,999 | - | 1 |
| \$250,000 - \$259,999 | 1 | - |
| | 9 | 11 |

Note 6 People and relationships (continued)**6.1 Council and key management remuneration (continued)****(d) Senior officer remuneration**

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$145,000 (2016–17: \$142,000).

The number of Senior Officers are shown below in their relevant income bands:

| | 2018 No. | 2017 No. |
|-----------------------|-------------|-------------|
| Income Range: | | |
| \$120,000 – \$129,999 | 1 | 1 |
| | 1 | 1 |

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| Total Remuneration for the reporting year for Senior Officers included above amounted to: | 126 | 122 |

| | 2018 \$ | 2017 \$ |
|--|------------|------------|
|--|------------|------------|

6.2 Related party disclosure**(a) Transactions with related parties**

Other than remuneration payments and / or the reimbursement of approved expenses, Council entered into the following transactions with related parties during the reporting period.

| | | |
|-------------------------------------|---|-----|
| Laguna Pastoral – catering services | – | 208 |
|-------------------------------------|---|-----|

(b) Outstanding balances with related parties

No balances are outstanding at the end of the reporting period in relation to transactions with a related party (2016–17: nil).

(c) Loans to / from related parties

No loans have been made, guaranteed or secured during the reporting period by Council to a related party (2016–17: nil).

(d) Commitments to / from related parties

No commitments are in existence at balance date that have been made, guaranteed or secured during the reporting period by Council to a related party (2016–17: nil).

Note 7 Managing uncertainties**7.1 Contingent assets and liabilities**

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| (a) Contingent assets | | |
| 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 | 126 | 119 |
| Later than one year and not later than five years | 525 | 480 |
| Later than five years | 819 | 999 |
| Total operating lease receivables | 1,470 | 1,598 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 7 Managing uncertainties (continued)

7.1 Contingent assets and liabilities (continued)

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 8.3. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists.

There were \$Nil contributions outstanding and \$Nil loans issued from or to the defined benefit superannuation scheme as at 30 June 2018 (30 June 2017: \$Nil).

(c) Guarantees for loans to other entities

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

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

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Financial Instruments – Disclosures (AASB 7) (applies 2018–19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed

Financial Instruments (AASB 9) (applies 2018–19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

Revenue from contracts with customers (AASB 15) (applies 2019–20 for the Local Government sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known, however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016–17) (applies 2019–20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019–20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest rate method, which will result in a gradual reduction of interest expense over the lease term.

Council has one operating lease that will be impacted as a result of this change. This will see assets and liabilities of approximately \$52,875 recognised.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019–20)

This Standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable the not-for-profit entity to further its objectives.

Councils will be required to recognise volunteer services if they would have been purchased if not provided voluntarily and the fair value of those services can be measured reliably. BOQ relies heavily on volunteers to contribute towards the direct provision of services at its Visitor Information Centre. Effective from the 2019–20 financial year, Council will recognise the value of volunteers within its financial report by increasing the value of both income (community contributions) for the time provided by volunteers and expenditure (employee costs) to report the value of this work which may otherwise have been paid by Council.

7.3 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 the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Note 7 Managing uncertainties (continued)

7.3 Financial Instruments (continued)

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings 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 rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- Diversification of investment product;
- Monitoring of return on investment; and
- Benchmarking of returns and comparison with budget.

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

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

(c) Credit Risk

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

- Has a practice for establishing credit limits for the entities Council deals with;
- May require collateral where appropriate; and
- Only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when Council

provides a guarantee for another party. Details of Council's contingent liabilities are disclosed in note 7.1(b) and guarantees made by Council are disclosed at note 7.1(c).

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 statements. Council does not hold any collateral.

(d) Liquidity risk

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

To help reduce these risks, Council:

- 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;
- Monitors 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 4.4.

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

(e) Sensitivity disclosure assessment

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 -0.2% in market interest rates (AUD) from year-end rates of 1.50%.

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 2018

Note 7 Managing uncertainties (continued)

7.4 Fair value measurement

Fair value hierarchy

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

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

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.

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. 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.

Impairment of assets

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

7.5 Events occurring after balance date

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

Note 8 Other matters**8.1 Reserves**

| <i>(a) Asset revaluation reserves</i> | Balance at beginning of reporting period | Increment (decrement) | Balance at end of reporting period |
|---|--|--------------------------|--|
| 2018 | \$'000 | \$'000 | \$'000 |
| Property | | | |
| Land | | | |
| • Freehold land | 19,133 | 1,790 | 20,923 |
| • Crown land | 914 | 3,750 | 4,664 |
| • Land under roads | 1,790 | 1,339 | 3,129 |
| Buildings | 9,790 | - | 9,790 |
| Total property | 31,627 | 6,879 | 38,506 |
| Infrastructure | | | |
| Roads | 4,667 | - | 4,667 |
| Footpaths and cycleways | 192 | - | 192 |
| Drainage | 509 | - | 509 |
| Total infrastructure | 5,368 | - | 5,368 |
| Total asset revaluation reserves | 36,995 | 6,879 | 43,874 |
| 2017 | \$'000 | \$'000 | \$'000 |
| Property | | | |
| Land | | | |
| • Freehold land | 19,133 | - | 19,133 |
| • Crown land | 914 | - | 914 |
| • Land under roads | 1,790 | - | 1,790 |
| Buildings | 9,790 | - | 9,790 |
| Total property | 31,627 | - | 31,627 |
| Infrastructure | | | |
| Roads | 4,667 | - | 4,667 |
| Footpaths and cycleways | 192 | - | 192 |
| Drainage | 509 | - | 509 |
| Total infrastructure | 5,368 | - | 5,368 |
| Total asset revaluation reserves | 36,995 | - | 36,995 |

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 2018

Note 8 Other matters (continued)

8.1 Reserves (continued)

| (b) Other reserves | Balance at beginning of reporting period | Transfer from accumulated surplus | Transfer to accumulated surplus | Balance at end of reporting period |
|--|--|---|---------------------------------------|--|
| 2018 | \$'000 | \$'000 | \$'000 | \$'000 |
| Asset Replacement Reserve – Allocated | 481 | 92 | (302) | 271 |
| Asset Replacement Reserve – Unencumbered | 449 | 359 | (237) | 571 |
| Future Calls on Defined Benefits Superannuation | 40 | – | – | 40 |
| Funds carried forward to future years | | | | |
| Grant funding not yet expended – Operating | 390 | 233 | (234) | 389 |
| Grant funding not yet expended – Capital | 626 | 143 | (54) | 716 |
| Incomplete works – Operating | 558 | 168 | (308) | 418 |
| Incomplete works – Capital | 555 | 368 | (243) | 679 |
| Total funds carried forward to future years | 2,129 | 912 | (839) | 2,202 |
| Waste management reserves | | | | |
| Kerbside waste | 39 | – | (33) | 6 |
| Public waste | 4 | – | (1) | 3 |
| Green waste | 3 | 7 | – | 10 |
| Total waste management reserves | 46 | 7 | (34) | 19 |
| Total other reserves | 3,145 | 1,370 | (1,412) | 3,103 |
| 2017 | \$'000 | \$'000 | \$'000 | \$'000 |
| Asset Replacement Reserve – Allocated | 299 | 220 | (38) | 481 |
| Asset Replacement Reserve – Unencumbered | 191 | 273 | (15) | 449 |
| Future Calls on Defined Benefits Superannuation | 40 | – | – | 40 |
| Funds carried forward to future years | | | | |
| Grant funding not yet expended – Operating | 246 | 205 | (61) | 390 |
| Grant funding not yet expended – Capital | 1,188 | 10 | (572) | 626 |
| Incomplete works – Operating | 606 | 198 | (246) | 558 |
| Incomplete works – Capital | 587 | 313 | (345) | 555 |
| Total funds carried forward to future years | 2,627 | 726 | (1,224) | 2,129 |
| Waste management reserves | | | | |
| Kerbside waste | – | 39 | – | 39 |
| Public waste | – | 4 | – | 4 |
| Green waste | – | 3 | – | 3 |
| Total waste management reserves | – | 46 | – | 46 |
| Total other reserves | 3,157 | 1,265 | (1,277) | 3,145 |

Note 8 Other matters (continued)

8.1 Reserves (continued)

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 \$20,000 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 2017–18 financial year (2016–17: \$Nil).

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 5.1, 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 2.4(c).

Waste management reserves (kerbside, public and green waste) represent the net surplus waste charges collected from ratepayers, compared with the actual waste costs incurred by Council. The adopted rating strategy provides for full cost recovery of waste management services and an annual reconciliation is completed, with the surplus / (deficit) outcome to be adjusted against these waste management reserves held by Council.

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| 8.2 Reconciliation of cash flows from operating activities to surplus / (deficit) | | |
| Surplus / (deficit) for the year | 1,272 | 251 |
| Depreciation | 1,181 | 1,134 |
| Profit / (loss) on disposal of property, infrastructure, plant and equipment | (15) | (3) |
| Borrowing costs | 3 | 10 |
| Change in assets and liabilities: | | |
| (Increase) / decrease in trade and other receivables | 70 | 54 |
| (Increase) / decrease in inventories | 2 | (1) |
| (Increase) / decrease in prepayments | (14) | (28) |
| (Increase) / decrease in accrued income | (98) | 1,010 |
| (Increase) / decrease in regional library equity | - | 25 |
| Increase / (decrease) in trade and other payables | 336 | (114) |
| Increase / (decrease) in accrued expenses | (3) | 54 |
| Increase / (decrease) in accrued wages | (1) | 20 |
| Increase / (decrease) in trust funds and deposits | 23 | (35) |
| Increase / (decrease) in income received in advance | 1 | 8 |
| Increase / (decrease) in provisions | 43 | 106 |
| Net cash provided by operating activities | 2,801 | 2,492 |

Notes to the Financial Report

For the Year Ended 30 June 2018

Note 8 Other matters (continued)

8.3 Superannuation (continued)

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 MySuper / 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 2018, 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 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 6.5% p.a.

Salary information 3.5% p.a.

Price inflation (CPI) 2.5% p.a.

Vision Super has advised that the VBI at 30 June 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category

at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016-17). This rate will increase in line with any increases in the Superannuation Guarantee 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.

2017 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million;
- A total service liability surplus of \$193.5 million; and
- A discounted accrued benefits surplus of \$228.8 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 2017.

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.

2018 interim actuarial investigation

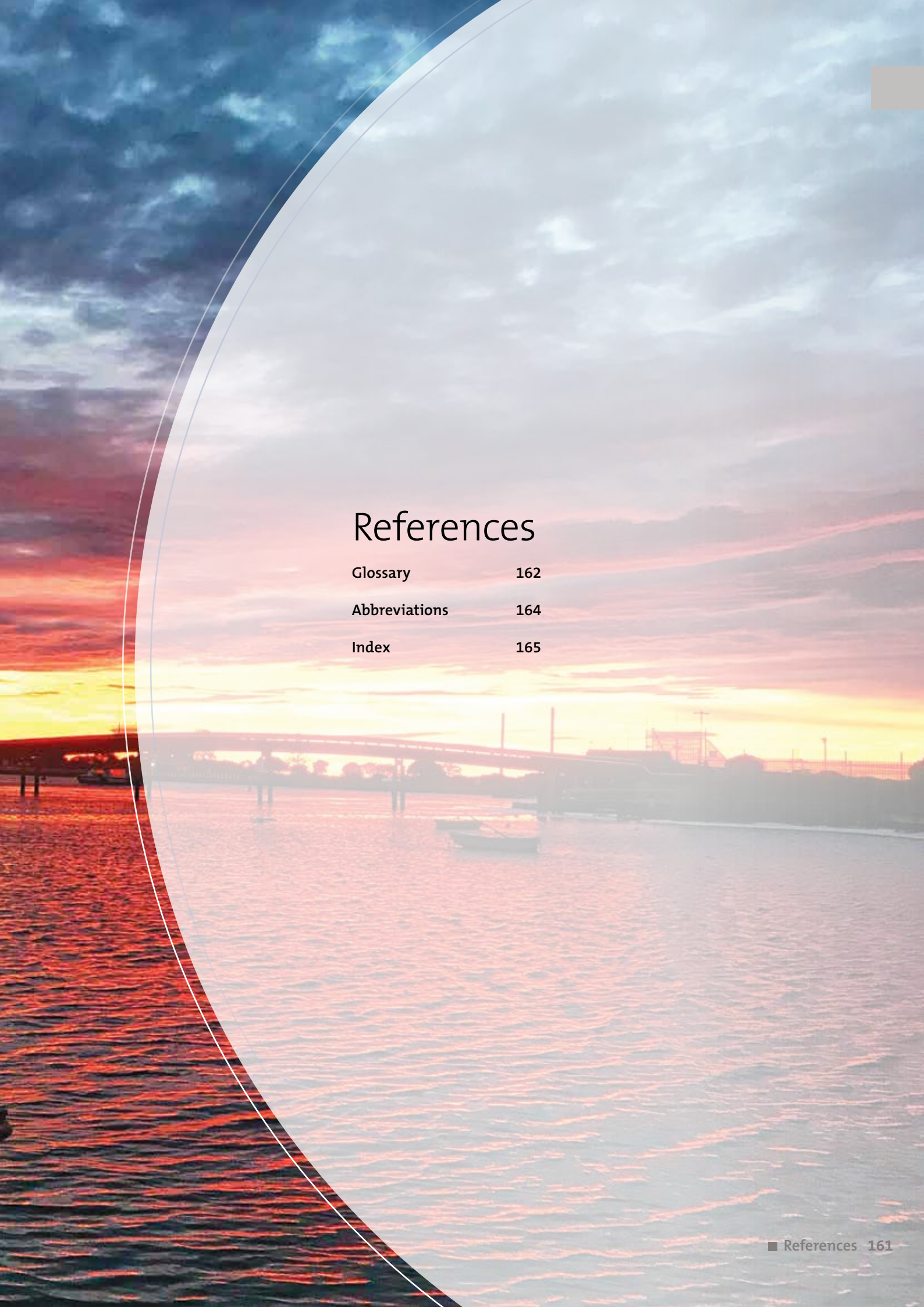
An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.



Fort Queenscliff's Black Lighthouse.



Swan Bay sunrise.



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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, caravan park debtors and sundry debtors. |
| Balance sheet | A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity. |
| Borrowing costs | Interest incurred on loan borrowings. |
| Cash and cash equivalents assets | Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments. |
| Contributions income | Contributions received by Council for the purpose of providing and improving public open space, provision / improvement of the drainage system and in relation to specific projects. |
| 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. |
| Current assets | Assets for which Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. |
| Current liabilities | Liabilities for which Council expects to 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. |
| Equity method | A method of assessing profits earned by joint venture investments. The reported income value is based on Council's share of joint venture assets. |
| Expense | An outgoing payment made by Council. |
| Financial Performance Indicator | A prescribed indicator measuring the effectiveness of financial management in Council covering operating position, liquidity, obligations, stability and efficiency. |
| Fixed assets | See Property, infrastructure, plant and equipment. |
| G21 Regional Alliance | A formal alliance of government, business and community organisations working together to improve the lives of people within the Geelong region across five member municipalities – Colac Otway Shire Council, Golden Plains Shire Council, City of Greater Geelong, Borough of Queenscliffe and Surf Coast Shire Council. |
| Governance and Management Checklist | An outline of Council's performance against a set of policies, plans and strategies (e.g. annual Budget, community engagement policy, disaster recovery plan). |
| Grants – recurrent income | Grant income received on a regular basis (e.g. quarterly or annually) and granted to Council by another entity for specific or general purposes. |
| Indicator | A measure to demonstrate Council's performance across a variety of areas. |
| Interest 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. |
| Land – non specialised | Includes freehold land, where Council is the owner of the land. |
| Land – specialised | Includes Crown land assets, where Council is the Committee of Management, and land under roads, where Council has operational control of the land. |
| Liabilities | Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events. |
| Materials and services expenditure | Expenditure incurred in relation to contract payments and trade services, building maintenance, general maintenance, plant and equipment maintenance, utilities, consultants, office and administration, insurance, financial and legal costs and information technology costs. |
| Measure | A unit or set of units against which to determine whether Council has achieved set targets. |
| Movement in equity for the period | The change in the net surplus (deficit), asset revaluation increments (decrements) and movement in other reserves. This is also equal to the change in equity. |

| | |
|---|--|
| Net assets | The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity. |
| Net asset revaluation 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 gain (loss) on disposal of property, plant and equipment, infrastructure | The net income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year. |
| Non-current assets | Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date. |
| Non-current assets classified as held for sale | Non-current assets that Council intends to sell within the next twelve months. |
| Non-current liabilities | Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date. |
| Other expenses | Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses and asset write-offs. |
| Other income | Income received from investment property rental, other rental income, interest income and reimbursements. |
| 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. |
| Prepayments | Payments made by Council in advance of receiving the goods or services. |
| Property, infrastructure, plant and equipment assets | Often referred to as Fixed Assets, this is the largest component of Council's asset base or worth. It represents the value of all land, buildings, roads, footpaths, drains, vehicles, plant and equipment and so on, which are recorded on Council's asset register. |
| Provisions | Includes accrued long service leave, annual leave, time in lieu and rostered days off owing to employees at reporting date. |
| Ramsar Convention | Also known as the Convention on Wetlands of International Importance. It is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources. |
| Rate cap | An annual limit set each year by the Minister for Local Government. The rate cap applies to general rate increases for all councils during a particular financial year. It does not apply to waste management charges or the Fire Services Property Levy. The rate cap for 2017-18 was 2.0%. |
| Rates and charges | Income received from ratepayers in relation to general rates, waste management charges and special rate schemes. |
| Reserves | Includes the asset revaluation reserve and 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 | The amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers. |
| Service performance indicator | A prescribed indicator measuring the effectiveness and efficiency of Council services covering appropriateness, quality, cost and service outcomes. |
| Statutory fees and fines income | Includes parking infringements and costs, Infringement Court recoveries, town planning fees, land information certificates, etc. |
| Surplus (deficit) | Represents the difference between total revenues, 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. |
| 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. |

Abbreviations

| | |
|----------------|--|
| AASB | Australian Accounting Standards Board |
| ABM | Association of Bayside Municipalities |
| ABS | Australian Bureau of Statistics |
| ASU | Australian Services Union |
| AUD | Australian dollars |
| BCN | Bellarine Catchment Network |
| BoQ | Borough of Queenscliffe |
| CA | Chartered Accountants |
| BRWMG | Barwon Regional Waste Management Group |
| CCMA | Corangamite Catchment Management Authority |
| CEEP | Community Energy Efficiency Program |
| CEO | Chief Executive Officer |
| CFL | Compact fluorescent lamps |
| CIV | Capital Improved Value |
| CNAP | Carbon Neutral Action Plan |
| CPA | Certified Practising Accountant |
| Cr | Councillor |
| CVA | Conservation Volunteers Australia |
| DEPI | Department of Environment and Primary Industries |
| 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 | Local Government Finance Professionals |
| GIS | Geographic information system |
| GST | Goods and services tax |
| HACC | Home and Community Care |
| IASB | International Accounting Standards Board |
| LASF | Local Authorities Superannuation Fund |
| LGAs | Local Government Associations |
| LGPRF | Local Government Performance Reporting Framework |
| LGPro | Local Government Professionals |
| MAV | Municipal Association of Victoria |
| NA | Not applicable |
| OHS | Occupational Health and Safety |
| RSL | Returned and Services League of Australia |
| SES | State Emergency Service |
| TGGB | Tourism Greater Geelong and The Bellarine |
| VAGO | Victorian Auditor-General's Office |
| VCAT | Victorian Civil and Administrative Tribunal |
| VIC | Visitor Information Centre |
| VLGA | Victorian Local Government Association |

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Sandcastles on the beach.



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