



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

Annual Report 2019–20





RECYCLABLES

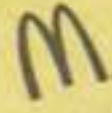
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Statio Tutissima Nautis

“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, featuring ecological values of global significance, our rich architectural heritage and our 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.’

Our Values

The following values guide Councillors and staff in our daily interactions and the ways we work together to achieve our vision and serve our community.

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.

The Borough of Queenscliffe respectfully acknowledges the traditional custodians of our community, the Wadawurrung people, one of some 25 clans that form part of the Kulin nation.

We pay respect to their Elders past, present and emerging, and extend this respect to all Aboriginal and Torres Strait Islander peoples.





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A woman with short brown hair, wearing a tan corduroy jacket with a shearling collar and blue jeans, is kneeling in a garden. She is smiling and looking towards the camera. The background is a wooden fence covered in green ivy. In the foreground, there are green plants with small yellow flowers. The overall scene is bright and natural.

Our “Gardens for Wildlife” program is now its fourth year of operation. Council’s cooperation has been crucial to its success, helping us with mailing lists and grants. The initiative continues to grow year on year, and we look forward to seeing it continue in the future.

Felicity Thyer
Swan Bay Environment Association

About this Annual Report

The Borough of Queenscliffe Annual Report 2019–20 highlights Council’s performance against the final year of the Council Plan 2017–2021 and the 2019–20 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 2019–20 year, as well as an outline of Council services and operations. It also provides a comprehensive and externally audited Performance Statement and Financial Report.

As a document, the 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.

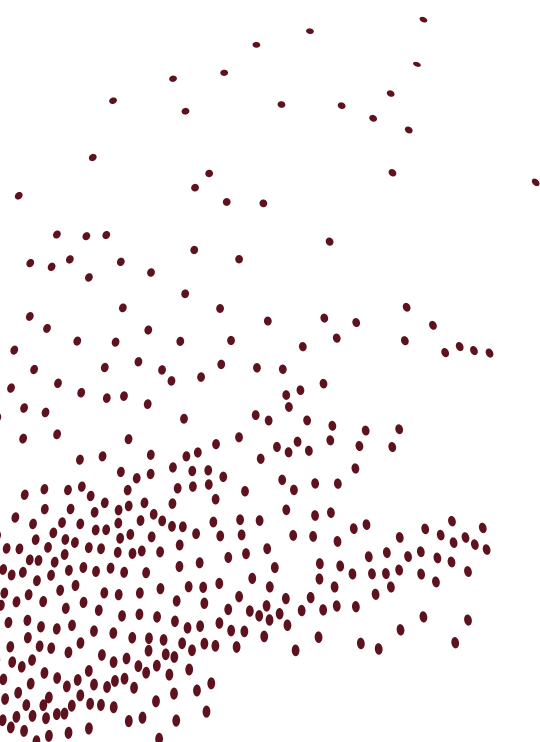
Feedback or questions relating to the Annual Report are welcome.

Email: info@queenscliffe.vic.gov.au

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

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

*Cover image: Lonsdale bowling club aerial sunset
Photographer: Lachlan Manley*



From the Mayor and Chief Executive Officer

The 2019–20 financial year has seen great change and many challenges for the Borough of Queenscliffe. A new CEO and Mayor, significant work on a list of major projects, and challenging economic conditions resulting from a global pandemic have combined to make this financial year one of the most consequential for Council in recent history.

Despite these challenges, much of Council's work this year has focused on long-term planning. From declaring climate change to be an urgent priority, to implementing the requirements of the *Local Government Act 2020*, Councillors and staff have continued to develop plans that prepare the Borough of Queenscliffe for the future.

New leadership

Council farewelled its CEO of more than a decade, Lenny Jenner, at the start of this financial year. Mr Jenner's significant work improving the sustainability of Council, providing valuable strategic oversight and securing funding for a number of major projects has left a lasting legacy for the Borough. Council thanks Mr Jenner for his outstanding contribution.

The subsequent appointment of a new CEO and a new Mayor has provided an opportunity for a fresh perspective on many of our community's most pressing challenges. Council has made use of the opportunity to renew relationships across the Borough with community groups, traders, and other important stakeholders. As a tight-knit community, close relationships across the Borough are critical to the success of any project, and this has been an early priority for both the CEO and Mayor.

Projects come to a conclusion

With the approaching end of a Councillor term in October 2020, Council has focused on bringing some of its many open projects to a conclusion over the course of this financial year.

Council's work developing a renewal strategy for the Avenue of Honour has finally concluded after almost a decade of consultations, expert advice and community reference groups. After settling on a replacement species and planting schedule, Council planted the first new Monterey cypress trees in the Avenue in June 2020. The Avenue of Honour is a much-loved piece of our community's character, and seeing new trees planted after such a long period of consultation is a satisfying conclusion to an extensive engagement process.

Destination Queenscliff, an ongoing project to revitalise and renew the Ocean View precinct on the Queenscliff waterfront, has been placed on an indefinite hold in mutual agreement with the Commonwealth Government. Following increasing challenges meeting funding timelines and financial pressure from the coronavirus pandemic, Council came to the conclusion that the project could not reasonably proceed at this time. While a disappointing outcome to an important project, Council has retained the final set of concept plans for the project, and intends to revisit the project in the future when conditions improve.

Work on a number of other projects has continued to progress, with the Queenscliffe Hub approaching the end of the design stage, and the Point Lonsdale Lighthouse Reserve redevelopment undergoing an analysis of the site's Wadawarrung heritage for incorporation into the plan.

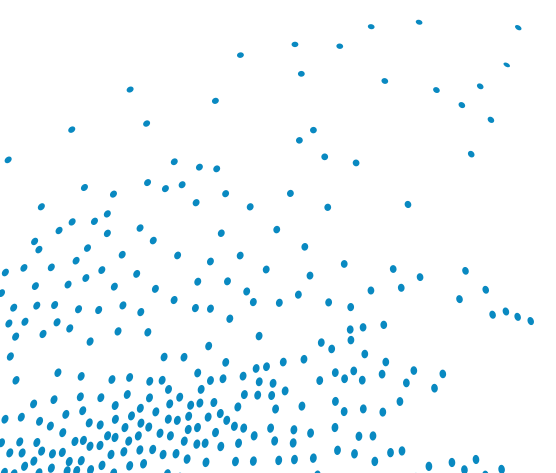
Navigating a global pandemic

The coronavirus pandemic in the second half of the year resulted in some of the most challenging economic and social conditions in recent history. Local governments, which sit on the front lines of community service delivery, have been significantly affected by the pandemic's impacts.

Council had to substantially adjust its projected revenues and expenses to account for the economic effects of the pandemic. Reduced income (primarily from the closure of Council's caravan parks) and increasing expenses (including a Council stimulus package of more than \$309,000 to assist traders and residents facing financial distress) have had a negative effect on Council's financial position. While these adjustments are financially challenging, previous years of prudent financial planning, including operating consistent surpluses, have left the Borough well prepared to manage its budget without long-term negative consequences.

Multiple Council events, including the Low Light Festival, Queenscliff Literary Festival and Anzac Day ceremonies had to be modified or severely limited to comply with increasingly restrictive health directives. Some Council services also had to be temporarily altered, including suspending in-person consultation and face-to-face customer service in favour of online methods. Council is continuing to adapt to provide essential services to our community while protecting public health.

On a positive note, it has been heartening to see how our community has come together during this difficult period. Local businesses, community groups and families have found innovative ways to stay in touch while staying safe in a way that exemplifies the very best of the Borough.



Accelerating our response to climate change

Council has a long history of taking action to minimise our impact on the environment and protect our natural landscapes. This year, our residents let us know that they wanted us to place an even greater priority on this work, and Council responded by declaring a climate emergency. This declaration recognises Council's important role in helping our community to become more sustainable, and that taking actions to minimise the Borough's carbon emissions is a top priority for our residents.

Our response to climate change will be guided by a climate response plan developed alongside our residents. Council is in the process of developing an engagement plan that will allow members from across our community to share their ideas on how we can reduce emissions. While the rollout of project workshops has been delayed by the onset of the coronavirus pandemic, we're looking forward to starting work on this project as soon as possible.

This new partnership will build on the existing work Council has done to become more environmentally sustainable. Council's emissions data for 2018–19 saw another fall in our emissions, adding up to a reduction of 34.5% in the last four years. This is a substantial reduction in such a short period of time, and our environmental team are constantly on the lookout for ways to reduce this number even further.

A more engaged community

In response to disappointing results in last year's Community Satisfaction Survey, Council made a number of radical changes to its communications and consultation program to improve the way it engaged with residents.

As a result, Council has rolled out a number of new engagement initiatives in this financial year, including launching a new Facebook page, significantly expanding consultation for its 2020–21 budget, implementing a large number of project-based consultations, and making major improvements to its digital communications offerings. Through these initiatives, Council has not only engaged with more residents, but with a broader section of our community.

As a result of these initiatives, the Borough of Queenscliffe has substantially improved community sentiment towards Council, with this year's Community Satisfaction Survey showing marked increases in perception of Council's direction, consultation and ability to make decisions in partnership with the community.

Council will seek to use these results as a starting point to implement further improvements, and we're grateful to every resident who has taken the time to share their ideas and thoughts with us this financial year.

Local government reforms

After years of planning, the Victorian Government introduced the *Local Government Act 2020* this year. This legislation incorporates the most significant reforms the local government sector has seen since the Act it supersedes was adopted more than thirty years ago. Many changes involve a substantial amount of additional work for Councils, including conducting training for election candidates, greatly expanding consultation requirements, and additional service expectations.

The Borough of Queenscliffe spent much of this financial year in consultation processes for the Act, including meeting with the Minister for Local Government directly, to share our perspective on the draft legislation. While much of the Act is a welcome modernisation of old legislation, Council is concerned that many of the reforms will disenfranchise voters or create substantial additional administrative requirements for small, rural Councils such as the Borough.

With a number of Council's projects this year directly resulting from Victorian Government direction, including the development of a Coastal Management Plan and a requirement to register residential pools, the additional burdens of this legislation have already begun creating financial and staffing challenges for the Borough of Queenscliffe. Council will continue to advocate alongside other local governments for a better balance between the bureaucratic requirements of the Victorian Government and the needs of our community.



This financial year is also the last full year of the current Council's term. We want to thank the contributions of all Councillors who have served on Council, including previous mayors Cr Tony Francis, Cr Susan Salter and Cr Bob Merriman. The strong working relationships between the Councillors have helped ensure this term of Council has been a productive one.

Navigating a challenging year is also only possible with an excellent team of staff. Council has had the fortune of congratulating several staff on more than a decade of continuous service this year, and the professionalism of Council's team is a key component of our ability to preserve and build on everything that makes the Borough such a special place. We thank them for their significant contributions throughout the year.

Councillor Ross Ebbels
Mayor
Date: 19 September 2020
Queenscliff

Martin Gill
Chief Executive Officer
Date: 19 September 2020
Queenscliff



Getting a pair of 24/7 defibrillators installed in the Borough has been a real community effort, from raising funds to receiving an enterprise grant. Council's assistance in creating community signage and promoting the locations of these life-saving devices has been crucial, and the cooperation from IGA has also been extremely positive.

David Jarman
Point Lonsdale resident

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Our year in review

About our Borough

A safe haven for locals and visitors alike; where history, culture and the natural environment meet in ways that delight and surprise; an involved and caring community – these are the features that make the Borough of Queenscliffe a special, restorative place for everyone.

Located at the eastern tip of Victoria's Bellarine Peninsula, the Borough of Queenscliffe is unique in many ways.

Geographically, it sits opposite Point Nepean at Port Phillip Heads and is bordered by water on three sides: Port Phillip, Swan Bay and Bass Strait. The Borough's only land border is the City of Greater Geelong to its west.

In size, it covers a mere 10.83 square kilometres, making it Victoria's smallest local government area. Formed by the seaside villages of Queenscliff and Point Lonsdale, as well as Swan Island, it is the only Borough in Victoria – and Australia.

Historically, the Borough of Queenscliffe was created in May 1863, making it more than 150 years old and the only local government area that was not subject to amalgamation. The Queenscliff township was built first and foremost for government purposes, providing postal, customs, health and telegraph services, lighthouse and signal services, military and defence establishments and the sea pilot's service.

The Borough is located approximately 105km south-west of Melbourne and 35km east of Geelong.

Key features

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

Perched above the point where Port Phillip 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 the municipality's 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.

What's in a name?

Queenscliff spelt without an 'e' on the end refers to the township of Queenscliff, named by Lieutenant Governor La Trobe in 1853 in honour of Queen Victoria. Queenscliffe with the 'e' refers to the Borough of Queenscliffe municipality, proclaimed by the Victorian Parliament in 1863 under the Municipal Consolidation Act.

Designed in 1864, the original corporate seal incorporated the Latin text 'Statio Tutissima Nautis', which translates as 'the safest anchorage for seafarers'. More than 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.

Demographic profile

The Borough of Queenscliffe has a unique demographic profile of permanent residents. The following data is sourced from the ABS ERP 2019, Census 2016, and .id Demographic Resources:

- There are **2,940 permanent residents**, living in 2,801 dwellings, with an average household size of 2.0.
- The **53.7 per cent 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.
- Of the permanent resident population, **58 per cent live in Point Lonsdale**.
- **49.9 per cent** of the population is **aged over 60**.
- The three largest ancestries are **English, Australian, and Irish**.
- **1,365 people** (56%) have a **tertiary qualification**.
- **1,193 people are employed**. There is a high proportion of retirees and semi-retirees.
- **83.5 per cent of homes** in the Borough of Queenscliffe have an **internet connection**.

Age structure

The age of a community's residents is an important indicator of its 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

Social and economic profile

The Borough's permanent population of around 3,000 takes advantage of well-planned streetscapes and infrastructure including local schools, sports clubs, community and health care services, as well as a range of quality retail providers.

There are numerous opportunities for employment in the local area, including retail, tourism and hospitality, and professional services such as medical, accounting, legal and real estate.

Commerce and recreation have coexisted from the very early days and, while it is by no means the only industry, tourism is an integral part of the local economy. During peak holiday periods, the influx of non-permanent residents and visitors boosts the population to more than 17,100.

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 (11%).

Urban character

One of the area's most striking contrasts is between old and new. The rich historical character of Queenscliff, with its grand old buildings, is offset by a vibrant and contemporary cultural scene. Stately Victorian façades conceal a range of contemporary art galleries, award-winning restaurants and quality retail outlets.

Modern architecture, such as the Queenscliff Harbour precinct, is the new expression of a traditional maritime theme, combining steel angles and extensive glazing with solid timber reminiscent of the old piers. It provides a unique dining, retail and community space.

Cultural heritage

The Borough has a rich history of Aboriginal and European activity and settlement, which contributes to its cultural and historical significance. In the spirit of reconciliation, Council acknowledges the Wadawurrung people who have lived in harmony with the land and the waterways of this area for many centuries.

Natural environment

Surrounded by coastal foreshore on three sides, the Borough's Port Phillip and Bass Strait coastlines 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 Shortland's 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 Crown land management, with 27 foreshore reserves totalling around 104 hectares, or 8 per cent of the municipality, under its land management – the highest proportion of any Council 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, our Corporate Carbon Neutral Action Plan and the Community Environment Alliance.

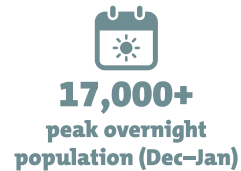
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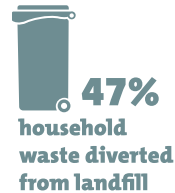


Fast facts 2019–2020

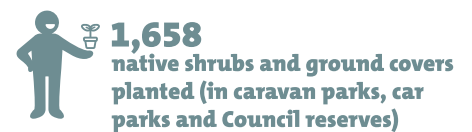
Population



Operating revenue, operating expenses, roads, rubbish



Environment and planning



People and services



Year at a glance

Strategic Direction: Community Wellbeing

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> ▪ Council maintained the zero waiting list status for access to aged care services. ▪ Continuation of the Community Grants Program, allocating \$16,262 to 12 local organisations in 2019–20. ▪ Maintained a high standard of compliance and response to public health regulation. ▪ Diverted significant resources into assisting the community through the COVID-19 pandemic. ▪ Maintained high level of engagement with local sporting clubs and community organisations. ▪ Introduced a financial hardship policy to assist members who struggled during the pandemic. ▪ Installed a number of new footpaths around the Borough to promote healthy living and accessibility. 	<ul style="list-style-type: none"> ▪ The redirection of effort into responding to the COVID-19 pandemic has meant that some projects have experienced resourcing challenges. ▪ Due to increasing compliance issues and the small number of services held, Council made the difficult and unfortunate decision to exit the Home Care Packages Program. 	<ul style="list-style-type: none"> ▪ The Commonwealth Government’s aged care reforms prompted Council to consider the nature of the service it delivers. ▪ The COVID-19 pandemic and its constant unpredictability required a rapid response to the way Council provided its aged care services, balancing client welfare with staff safety. 	<ul style="list-style-type: none"> ▪ Conduct an aged care review.



Strategic Direction: Environmental Sustainability

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> ▪ Declared a Climate Emergency at the December 2019 Ordinary Meeting of Council. ▪ Coordinated the 'Save the Bay' event participated in by members of local primary schools. ▪ Continued the Community Environment Alliance grants program. ▪ Planted 1,658 native shrubs and ground covers within caravan parks, car parks and Council reserves. ▪ Planted 478 street trees in road reserves. ▪ Diverted 47% of household waste from landfill. ▪ Composted over 709 tonnes of green waste through the kerbside bin service. 	<ul style="list-style-type: none"> ▪ The financial collapse of Council's recycling contractor, SKM Industries, in July 2019 decimated the capacity within Victoria to process the contents of the kerbside yellow-lid bin. ▪ Due to the COVID-19 pandemic, Council's annual e-waste drop-off event (normally held in May) was cancelled. 	<ul style="list-style-type: none"> ▪ Council has worked collaboratively with neighbouring councils across the G21 region to secure facilities within the region to accept the contents of the yellow-lid bin for recycling. 	<ul style="list-style-type: none"> ▪ Work with our community to develop a Climate Emergency Response Plan.

Strategic Direction: Local Economy

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> ■ Contributed to local employment via our preference for the engagement of local providers in Council's procurement policy. ■ Regularised the production of our business e-news bulletin, providing up-to-date information and opportunities to local businesses. ■ Hosted a Geelong Small Business Festival event with a day-long program of guest speakers and workshops. ■ Provided specialised and tailored business support throughout the COVID-19 pandemic. ■ Integrated businesses into the production of the Low Light Festival. ■ Received stronger support from the business community for the 'After 5' networking event series. ■ Created a successful '3225 Love Local Shop Local' campaign promoting local businesses during the COVID-19 pandemic. ■ Allocated new sponsorships to The Great Outdoor Cinema and the Queenscliffe Twilight Market, while further committing sponsorship to the Queenscliff Music Festival. 	<ul style="list-style-type: none"> ■ The COVID-19 pandemic caused the cancellation of a number of significant annual events that bring in significant tourism and revenue to the township. ■ In April 2020, we unfortunately had to place the Destination Queenscliff project on indefinite hold due to complications around funding timelines, work restrictions and the financial challenges posed by the COVID-19 pandemic. 	<ul style="list-style-type: none"> ■ The devastation that the COVID-19 pandemic caused to the local economy made it challenging for business owners and introduced both financial and emotional stress. ■ Council is continuing to play an important role in supporting local businesses through stimulus and promotional measures. 	<ul style="list-style-type: none"> ■ Continue to operate the Visitor Information Centre under an amended service during the construction of the Queenscliffe Hub by basing support out of a temporary location, a temporary location. ■ Install and promote the 'Q Code' project, a digital history walk through the Borough. ■ Work with businesses to plan for post-COVID-19 recovery support. ■ Relaunch the Searoad Ferries tourism promotion.

Strategic Direction: Planning and Heritage

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> Commenced preparation of the Coastal and Marine Management Plan for the Borough of Queenscliffe. Secured additional resources to complete strategic work in planning. Processed a greater number of planning applications within 60 days. Gained approvals for the Queenscliff Ferry Terminal. Repaired the sea wall at Point Lonsdale Front Beach. Achieved state and national recognition of important heritage sites within the Borough of Queenscliffe: Shortland's Bluff, and the Point Lonsdale Lighthouse Reserve. 	<ul style="list-style-type: none"> The complexity and resources required to gain approval for a number of key sites along the foreshore, including Shortland's Bluff and Point Lonsdale Lighthouse Reserve, proved a sticking point throughout the year. There was some difficulty in conveying the sensitive character elements of the Borough's heritage and character at the Victorian Civil and Administrative Tribunal (VCAT). The increase in the number of exemptions for native vegetation removal corresponds to a detrimental impact on coastal settlements, including the Borough. 	<ul style="list-style-type: none"> Managing a team through the COVID-19 pandemic was a testing experience, and one that we continue to explore and improve upon as the crisis continues. Meeting community expectations on key policy initiatives in a low resources/ high complexity environment. 	<ul style="list-style-type: none"> Incorporate the revised Heritage Review into the Queenscliffe Planning Scheme. Translate the Local Planning Policy Framework (a project being undertaken by DELWP). Continue work on the Bellarine Distinctive Areas and Landscapes project being run by DELWP. Increase links with the Wadawurrung, providing greater recognition of Indigenous heritage.



Strategic Direction: Governance and Performance

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> ▪ Participated in the development of the new <i>Local Government Act</i>. ▪ Completed a rigorous audit program, concentrating on areas of greatest risk and return. ▪ Appointed a new Chief Executive Officer following a thorough recruitment process. ▪ Increased community engagement and consultation, resulting in improved Community Satisfaction Survey metrics. ▪ Won a sixth consecutive Gold Award in the Australasian Reporting Awards. ▪ Remained in a sound financial position according to VAGO's long-term financial sustainability indicators. 	<ul style="list-style-type: none"> ▪ The unexpected financial impact of the COVID-19 pandemic following the consultation meant that Council was unable to fund many suggested budget measures. 	<ul style="list-style-type: none"> ▪ The implementation of the <i>Local Government Act 2020</i> imposed a significant burden on the governance resources of the Borough in the last few months of the financial year, with a raft of reforms being required to be developed by councils within six months of the introduction of the Act. 	<ul style="list-style-type: none"> ▪ Continued actions for implementation of the new <i>Local Government Act</i>.

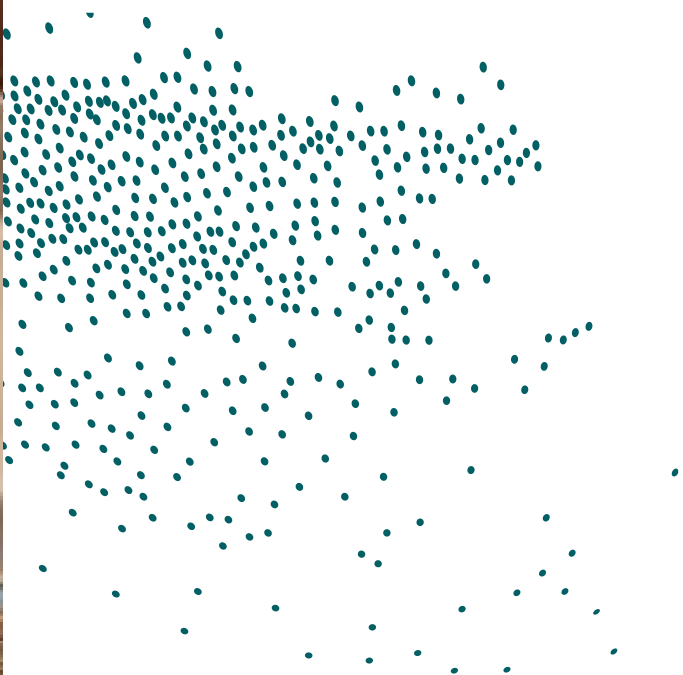


Sustainability

Council's sustainability achievements in 2019–20 were highlighted by the declaration of a climate emergency at the December 2019 Ordinary Meeting of Council. Significant community support backed by a petition signed by thousands prompted Councillors to firstly affirm Council's commitment to meeting the challenge of preventing and preparing for climate change, and then furthermore, to declare a climate emergency. Council is now focused on working alongside community members to develop a Climate Emergency Response Plan.

Unfortunately, household recycling was impacted by the financial collapse of Council's recycling contractor SKM in July 2019, and this affected kerbside recycling processing for some months before a new supplier was found. Council's annual e-waste drop-off day, which prior to this year had collected more than 61,000 kilograms of e-waste, was unfortunately cancelled due to the COVID-19 pandemic.

To learn more about Council's sustainability achievements, visit page 66 of this report.



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 2019–20. The continued focus on maximising efficiencies has enabled Council to maintain service standards despite the financial impact of COVID-19.

The following is an overview of our financial results for 2019–20.



Operating Revenue

\$11.2 million

Including 66 per cent from rates and charges, and 15 per cent from user fees. 16 percent of income from tourist parks was lost due to COVID-19 restrictions.



Capital Expenditure

\$2.1 million

Made up of 79 per cent renewal/upgrade of existing assets, and 21 per cent new assets.



Operating Expenses

\$11.8 million

Made up of 37 per cent employee costs, 42 per cent materials and services, and 11 per cent depreciation.



Net Assets

\$141.3 million

This is a \$1.3 million increase on the previous year.



Underlying Deficit

\$0.4 million

Largely driven by \$870,000 worth of asset write-offs during the year. The underlying result indicates whether Council generates a surplus in the ordinary course of business after taking into account recurrent capital grants.



Cash and Investments

\$7.8 million

Including \$2.1 million subject to external restrictions, and \$3.8 million subject to intended allocations.



Loans and Borrowings

\$0.03 million

This current loan is to be paid down in full by September 2021.



Capital Income

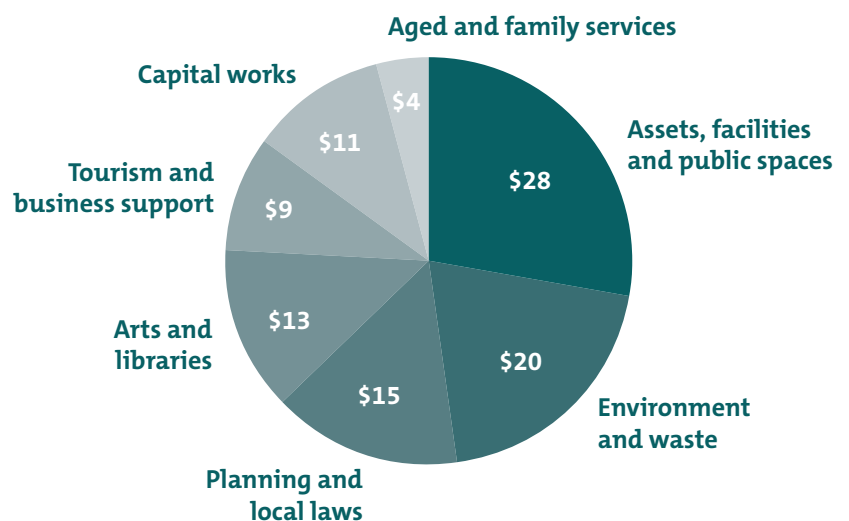
\$1.1 million

Made up of 83 per cent non-recurrent capital grants, and 17 per cent recurrent capital grants.

Where \$100 of rates income is spent by Council

Council remains heavily dependent on rates as its major revenue source, with ratepayers contributing more than 58% of Council's operating revenue in 2019–20.

For full details, please refer to the Annual Financial Report beginning on page 118.



Engaging with our stakeholders

Stakeholder engagement is vital to Council's capacity to understand the diverse needs of our local community and to make decisions and advocate on its behalf.

Our stakeholder engagement approach is underpinned by:

- The *Local Government Act 1989*, and specifically Council's role pertaining to acting as a representative government for the local community, advocating its interests to other communities and governments, and encouraging active participation in civic life
- Our Councillor Code of Conduct, and specifically the principles and behaviours relating to Councillors performing their community engagement and advocacy roles
- Our community engagement policy, that outlines how and when we engage and consult with our community and other stakeholders
- Guidelines relevant to various engagement activities, such as our monthly Councillor listening posts.

Engaging with our stakeholders enables Council to gain valuable knowledge, build understanding, share views and respond to the opportunities and issues important to our community. Council achieves this through the use of workshops, 'drop-in' days, listening posts and online surveys, as well as taking and responding to public questions at monthly Ordinary Council Meetings.



Current legislative requirements

Community participation in the development of the Council Plan, annual Budget and any application for an exemption to the rate cap is a statutory requirement under the *Local Government Act 1989* for all Victorian councils.

In 2019–20, we encouraged community involvement in the development of our 2020–21 Budget and implementation plan, rating strategy and long-term financial plan. Draft documents were presented at a public information session, publicly advertised and the community invited to provide feedback via written submission. This feedback was considered by Council and as resolved incorporated into the final documents adopted by Council in June 2020.

Public question time at the start of monthly Ordinary Council Meetings provides another forum for community participation. Questions are formally lodged before each meeting. Questions asked and responded to during the meeting are recorded in the minutes.

During 2019–20, Council received 47 public questions raised at the monthly Ordinary Meetings, and responded to 46 of those. One question was rejected on defamatory grounds as per Protocol 9 of Council's Public Question Time Guidelines.

Destination Queenscliff

In July 2019, Council presented a reimagined Destination Queenscliff project to the public for further consultation. Plans for the site had undergone significant changes in response to community feedback, which included updates to the kiosk, bull ring, and accommodation. Residents, traders and ratepayers were encouraged to share their thoughts by taking part in an online survey, open house session, and four separate workshops with different community groups.

More than 3,000 pieces of feedback made up July's consultation process, and the design team spent the months following by further refining the site plan. The updated plan was presented to the public in February 2020 via letterbox drops, newspaper advertising, social media posts and a targeted email campaign.

In April 2020, Council unfortunately had to place the Destination Queenscliff project on indefinite hold due to complications around funding timelines, work restrictions and the financial challenges posed by the COVID-19 pandemic. Council therefore worked with the Commonwealth Government to agree to a mutual termination of the funding agreement for the project at the end of the 2019–20 financial year. We intend to revisit the project in future when the timing is right.



Community budget survey

Council's most ambitious and wide-ranging community consultation took place from October 2019 to May 2020, when residents and ratepayers of the Borough of Queenscliffe were given the opportunity to provide detailed suggestions on all aspects of the 2020–21 Draft Budget.

Focusing on clear communication and more accessible consultation activities, we broke down our annual financial spend into colour-coded categories and asked residents whether they wanted to increase or decrease spending in each category via a sophisticated online survey and guided lesson plans with local students.

The result of the extensive consultation was a detailed dataset that showed where residents felt funding priorities should change, and which projects should be prioritised in the coming financial year. Council officers used this feedback to create a more community-minded budget and to focus communication on projects and categories residents were most interested in.

The project came to a conclusion in May 2020, when Council's draft budget presentation was streamed live to residents on the Borough's social media channels. Pivoting the scope of the evening due to the COVID-19 pandemic preventing in-person attendance, the live stream included an interactive Q&A with residents and journalists where viewers could submit questions in real time.

Queenscliffe Hub

Council implemented a multi-stage consultation process for the planned Queenscliffe Hub building throughout the first half of 2020. The Hub is a multi-million dollar construction project that will combine the Queenscliff Library, Historical Museum and Visitor Information Centre under the one roof.

Following the recommendation of the Hub's Project Control Group, residents were asked to present their initial thoughts and suggestions on the make-up of the Hub via an online survey and two community drop-in sessions held in January 2020. A follow-up survey released a month later was structured around this initial feedback and asked how specific suggestions could be expanded on.

Stage three of the consultation process took place in May 2020 and saw the design plans released to the public. Feedback was restricted to online surveys or written feedback due to the COVID-19 pandemic preventing any drop-in sessions. The final stage of consultation was scheduled to continue in the 2020–21 financial year.

Gellibrand Street crossing

After undertaking research around driver and pedestrian habits in Queenscliff, in January 2020, Council embarked on a small consultation exercise for the installation of traffic calming features on Gellibrand Street. An online survey, completed by 96 people, asked participants what type of infrastructure they would like to see and what specific safety features could complement the installation.

Due to the small number of residents living on Gellibrand Street, we were able to doorknock each resident to individually discuss their particular concerns around the project, in addition to letterboxing each home. Residents in the wider area were also made aware of the consultation via social media and email.

The feedback provided gave Council a clear path forward on what option to progress with, however, any installation will be dependent on grant funding.

Social media and targeted emails

Council introduced a social media presence in January 2020 as part of our commitment to greater community consultation and communication. Feedback received in the 2019 Community Satisfaction Survey suggested that residents were increasingly preferring electronic updates as opposed to traditional newspaper or advertising supplements.

The Facebook page created by Council serves as a way to update residents and ratepayers on news, projects, consultations and alerts. It also promotes Council-operated or sponsored events, shares various landscape photography of locations throughout the Borough, and takes a look back at the vast history of the twin towns. Reach and engagement far outweighed initial expectations and goals, with the page attracting more than 2,500 followers in its first six months of operation.

We also increased our usage of direct targeted emailing via the MailChimp platform. Cultivation of the online database allowed emails to go to specific user groups based on their involvement in certain consultations. Council officers also received external training on MailChimp throughout the year.

Stakeholders are important to Council because they...

Stakeholder: Residents

Use and provide feedback about Council services, facilities and infrastructure. They also give us information about issues that are most important to them.

Stakeholder: Ratepayers

Provide funding for Council services. They also use and provide feedback about Council services, infrastructure and local issues.

Stakeholder: Local businesses

Create local jobs and provide goods and services for residents of and visitors to the Borough. They are key to our local economy.

Stakeholder: Community groups and volunteers

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.

Stakeholder: Government – State, Federal and other councils

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 stakeholders because we...

Stakeholder: Residents

Provide local services, facilities and infrastructure; support many community building activities and events that improve wellbeing; and provide information in response to enquiries.

Stakeholder: Ratepayers

Provide local services, facilities and infrastructure; support many community building activities and events that improve wellbeing; and provide information in response to enquiries.

Stakeholder: Local businesses

Support professional development for local businesses; facilitate tourism activity; provide support and resources for local events; and assess and issue permits.

Stakeholder: Community groups and volunteers

Provide information, resources and support for many community building activities and events that improve wellbeing; build community connections and enhance the environment.

Stakeholder: Government – State, Federal and other councils

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 these stakeholders via...

Stakeholder: Residents

Listening posts; Council meetings; community consultation and surveys; Council website; social media; publications; Annual Report; mail-outs; customer service; face-to-face meetings; and telephone contact.

Stakeholder: Ratepayers

Rates notices; community forums, including listening posts; publications; Council website; social media; Annual Report; mail-outs; community consultation and surveys; customer service; face-to-face meetings; and telephone contact.

Stakeholder: Local businesses

Listening posts; Council meetings; community consultation and surveys; Advisory Committee; Council website; social media; publications; Annual Report; mail-outs; customer service; face-to-face meetings; and telephone contact.

Stakeholder: Community groups and volunteers

Meetings with clubs and community organisations; reference groups; workshops and forums; face-to-face meetings with committee members; social media; and online.

Stakeholder: Government – State, Federal and other councils

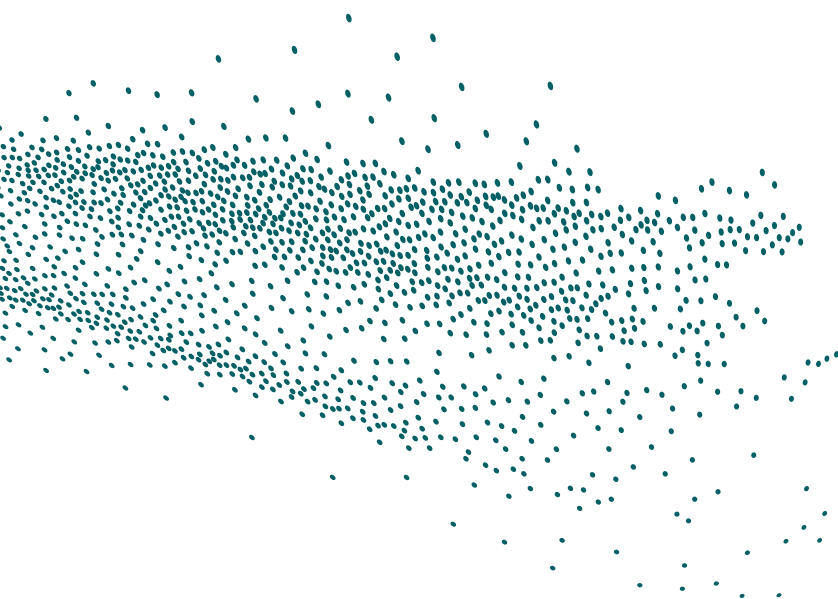
Formal legislative reports; partnerships; meetings; briefings; networking events; and formal correspondence.

Events and milestones

In 2019–20, Council supported nearly a dozen 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. This was a significant reduction on our usual output, as unfortunately, a number of annual events and festivals had to be postponed or cancelled due to the COVID-19 pandemic.

The key events that took place from July 2019 through February 2020 included the following:

- Small Business Festival
- Queenscliff Music Festival
- Lighting of the Christmas Tree
- Point Lonsdale Nippers Carnival
- Queenscliffe Community Twilight Market
- New Year's Eve at the Harbour
- Great Outdoor Cinema Point Lonsdale
- Rip View Classic
- Cottage by the Sea Annual Fair
- Australia Day celebrations
- Geelong Street Rodders Show 'n' Shine & Cruise.





Council's funding got us started with the Boomerang Bags project – reusable fabric bags, all stitched together by volunteers from the Queenscliffe Neighbourhood House. We've made over 1500 bags and give them away for free, and in a way that's with thanks to the grant we got from Council. The community response has been fantastic.

Jane Rodwell
Boomerang Bags 3225



Our Council, our people

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Councillors

Council elections are held every four years. On 22 October 2016, this Council was elected for the 2016–20 term. As of November 2019, Cr Tony Francis was no longer eligible to be a Councillor of the Borough of Queenscliffe. His extraordinary vacancy was filled via a countback in December 2019 where Cr Rob Minty was elected to the role.



Cr Ross Ebbels (Mayor)

P: 0427 448 160

E: ross.ebbels@queenscliffe.vic.gov.au

First elected 2016. Mayor 2019–current.

Cr Ross Ebbels has a long and varied involvement with the local community as the co-owner (with his wife) of two local businesses, Athelstane House and McKenzie Ebbels Food Store. He has also served as inaugural Chair and board member of Queenscliff Music Festival, and represented the Bellarine Peninsula for 14 years on the Geelong Otway Tourism Board, including six years as Chair.

The father of two daughters, both former Queenscliff Kindergarten and Queenscliff Primary School students, he has previously served on the school council, including two years as President.

Portfolio

- Local Economy

Delegate

- Geelong Regional Library Corporation Board
- Tourism Greater Geelong and the Bellarine Board
- Municipal Association of Victoria
- Rural Councils Victoria
- G21 Region Alliance Board
- G21 Arts, Culture and Heritage Pillar

Representative

- Queenscliffe Economic Development Advisory Committee
- Borough of Queenscliffe Audit Committee
- CEO Performance Review Committee

Reference Groups

- Community Grants Advisory Reference Group
- Governance and Finance Reference Group



Cr Boyce Pizzey OAM (Deputy Mayor)

P: 0428 291 207

E: boyce.pizzey@queenscliffe.vic.gov.au

First elected 2016.

Cr Boyce Pizzey OAM and his family have enjoyed their Queenscliff property since the early 1980s. His community involvement has included membership of the Queenscliffe Restoration Fund Committee and Council's Heritage Portfolio Advisory Committee.

Professionally, Cr Pizzey has held executive roles with the Historic Buildings Council Victoria (now Heritage Victoria), Museum Victoria and Scienceworks. Since 1998, he has provided consultancy services related to all aspects of management planning of cultural and tourism resources.

Cr Pizzey has served on several boards, including the National Trust of Australia (Vic), and held sessional panel memberships, his current one being with the Creative Victoria Grants Advisory Panel.

Portfolio

- Planning and Heritage

Delegate

- G21 Economic Development Pillar
- G21 Planning Pillar
- Geelong Heritage Centre Collection Advisory Committee

Reference Groups

- Avenue of Honour Reference Group



Cr Bob Merriman AM

P: 0400 062 967

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

First elected 2008; re-elected 2012 and 2016.
Mayor 2008–12, 2018–19.

Cr Bob Merriman AM is actively involved in the local community, particularly through his association with sporting clubs and organisations across the Borough.

He is a former Australian Industrial Relations Commissioner whose professional background includes the vehicle, building, electrical and civil construction industries. Other roles include former chairman of Cricket Australia, Councillor of Latrobe University and Trustee of the Bradman Foundation and Cats Foundation.

Portfolio

- Governance and Performance

Delegate

- Geelong Queenscliffe Coastal Adaptation Planning Project
- Bellarine Community Safety Group
- G21 Sport and Recreation Pillar
- Association of Bayside Municipalities

Representative

- Borough of Queenscliffe Audit Committee
- CEO Performance Review Committee

Reference Groups

- Governance and Finance Reference Group
- Sea Level Rise Reference Group



Cr Rob Minty

P: 0418 931 508

E: rob.minty@queenscliffe.vic.gov.au

First elected 2019 via extraordinary vacancy.

Cr Robert Minty and his family built a house in Point Lonsdale almost 30 years ago after holidaying in the Borough for many years. He is a member of the Point Lonsdale Civic Association and was the president until November 2019. He is also a member of Probus, the RSL and is a social member of Point Lonsdale Bowls Club.

Cr Minty holds a Masters Degree in Business Administration and professionally has held senior roles in the travel and tourism industry across Australia and the United States, and in the consumer imaging industry throughout the Asia-Pacific region. He also volunteered in the Victorian Government's Small Business Mentoring Service.

Portfolio

- Environmental Sustainability

Delegate

- Barwon South West Local Government Waste Forum
- G21 Environment Pillar

Representative

- Queenscliffe Economic Development Advisory Committee



Cr Susan Salter

P: 0428 398 966

E: susan.salter@queenscliffe.vic.gov.au

First elected 2012; re-elected 2016. Mayor 2017–18.

Cr Susan Salter has lived in Queenscliff for over 36 years and has been actively involved in various community organisations and groups. She served as President of the Queenscliffe Neighbourhood House for 10 years.

Professionally, Cr Salter taught maths at Bellarine Secondary College (Drysdale Campus) before retiring from paid work. Many community members first met her through her various roles at the college.

Cr Salter 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

Delegate

- G21 Education and Training Pillar
- Geelong Regional Library Corporation Board (Deputy)

Representative

- Borough of Queenscliffe Audit Committee

Reference Groups

- Community Grants Advisory Reference Group
- Australia Day Awards Reference Group (Chair)
- Memorials and Plaques Reference Group
- Avenue of Honour Reference Group (Chair)



Cr Tony Francis

First elected 2016. Mayor 2016–17. Resigned November 2019.

A Borough of Queenscliffe resident from 1993–2019, Cr Tony Francis was actively involved in many local sporting clubs, including coaching the Queenscliff Cricket Club's Under-18 team to a grand final in 2010. He also established the Local Business Chamber of Commerce and served as President from 2014 to 2016.

Cr Francis has served as a police officer for 27 years, working in the Geelong area for more than half these years. He is married with three children. After the sale of his business in 2019, Cr Francis was no longer eligible to be a Borough of Queenscliffe Councillor, and his position was vacated in November 2019.

Portfolio (until November 2019)

- Environmental Sustainability

Delegate (until November 2019)

- Association of Bayside Municipalities
- Barwon South West Local Government Waste Forum

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 clarity about the legislation and regulations under which we operate along with the 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 our community's behalf.

Decision-making

Council decisions are made in one of two ways:

1. By resolution at Council meetings and special committees of Council, or
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 organisation's day-to-day operations.

Code of Conduct

Council has a Councillor Code of Conduct, which was adopted 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.

Local Laws

Council has two local laws that aim to protect and enhance the community's general way of life and wellbeing. 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. They are currently under review.

Local Law No. 1 (2010) – Process of Municipal Government pertains to the governance of Council in terms of Mayoral elections, meetings, community participation and the like.

Specifically, 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 pertains to maintaining peace and order across the Borough. Its objectives 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.

This section of the Annual Report covers outcomes arising from Local Law No. 1 – Process of Municipal Government during 2018–19. Refer to Legislative Compliance for specific outcomes of Local Law No. 2 – Community Amenity for the year.



Council meetings 2018–19

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.

During the reporting period, ordinary meetings were held on:

- Thursday 25 July 2019
- Thursday 22 August 2019
- Thursday 19 September 2019
- Thursday 24 October 2019
- Thursday 28 November 2019
- Thursday 19 December 2019
- Thursday 23 January 2020
- Thursday 27 February 2020
- Thursday 26 March 2020
- Thursday 23 April 2020
- Thursday 21 May 2020, and
- Thursday 18 June 2020.

In accordance with Section 71 of the *Local Government Act 1989*, at the Ordinary Council Meeting held on 28 November 2019, Cr Ross Ebbels was elected Mayor and Cr Boyce Pizzey re-elected Deputy Mayor; both for one-year terms.

On Monday 2 December 2019, the Victorian Electoral Commission completed a countback to fill the extraordinary vacancy made with the resignation of former Councillor Tony Francis. The countback resulted in the appointment of Mr Robert Minty to the position of Councillor. On Thursday 5 December 2019, Cr Minty took the Affirmation of Office, in accordance with the Act and Part 2 of the *Oaths and Affirmations Act 2018*.

A public information session took place on the evening of Monday 4 May 2020 to inform the community about Council's draft 2020–21 Budget and Implementation Plan. This was conducted as an interactive online presentation, with the video streamed live via Council's Facebook page due to restrictions on public gatherings caused by the COVID-19 pandemic.

The Budget and Implementation Plan were subsequently approved by Council at the Ordinary Meeting conducted on Thursday 18 June 2020.

Council also conducted Special Meetings on the following dates:

- Tuesday 16 July 2019, to appoint an independent member of the CEO selection committee
- Thursday 15 August 2019, to appoint a new Chief Executive Officer
- Monday 16 March 2020, to discuss the sale of Council-owned land at 61-75 Murray Road, Queenscliff, and
- Thursday 14 May 2020, to discuss the Hesse Street South reconstruction.



Council meeting attendance

Councillor	Number of Council and Statutory Meetings		Number of Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr Ross Ebbels (Mayor)	12	12	4	4
Cr Boyce Pizzey (Deputy Mayor)	12	9	4	3
Cr Tony Francis	4	4	2	2
Cr Bob Merriman	12	12	4	4
Cr Rob Minty	7	7	2	2
Cr Susan Salter	12	12	4	3

Conflict of interest

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

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

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

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



Council meeting date (or date conflict of interest nominated)		Councillor/Officer	Conflict of interest
2019	25 July	Cr Ross Ebbels	Queenscliff Music Festival
	22 August	Lenny Jenner (CEO)	CEO contract of employment
2020	27 February	Cr Bob Merriman	Planning Permit Applications 2020/002 & 2020/005, 118 Hesse Street, Queenscliff
	27 February	Martin Gill (CEO)	CEO contract of employment
	16 March	Cr Ross Ebbels	Council-owned land at Murray Road
	26 March	Cr Bob Merriman	Planning Permit Applications 2020/002 & 2020/005, 118 Hesse Street, Queenscliff
	23 April	Cr Bob Merriman	Planning Permit Applications 2020/002 & 2020/005, 118 Hesse Street, Queenscliff
	14 May	Cr Bob Merriman	Contract 2020/02: reconstruction Hesse Street South, Queenscliff
	21 May	Cr Ross Ebbels	Planning Permit application queenC33, rezone of the land at 81 Nelson Road, Queenscliff.
	21 May	Cr Bob Merriman	Planning Permit Applications 2020/002 & 2020/005, 118 Hesse Street, Queenscliff
	18 June	Cr Ross Ebbels	Planning Permit application queenC33, rezone of the land at 81 Nelson Road, Queenscliff.
	18 June	Cr Bob Merriman	Planning Permit Applications 2020/002 & 2020/005, 118 Hesse Street, Queenscliff
	18 June	Cr Bob Merriman	Planning Permit Application 2020/029, 34 Stevens Street, Queenscliff



Policies, strategies and plans

Council reviewed and/or adopted the following significant policies, strategies and plans during 2019–20. These documents are available on Council's website, as are all Council policies and key planning documents.

Title	Date adopted
2018/19 Annual Financial Statement and 2018/19 Annual Performance Statement	19/09/2019
Council Policy CP014 Public Art (revised)	19/09/2019
Council Policy CP016 Reimbursement of Expenses for Councillors & Members of Council Committees (revised)	19/09/2019
Council Policy CP021 Election Caretaker Period (revised)	19/09/2019
Council Policy CP023 Information Technology (revised)	19/09/2019
2018–19 Annual Report	24/10/2019
Council Policy CP049 Social Media (new)	19/12/2019
Council Policy CP036 Fixed Assets: Valuation and Revaluation (revised)	26/03/2020
Council Policy CP025 Public Interest Disclosures (revised; previously titled Protected Disclosures)	26/03/2020
Council Policy CP048 COVID-19 Financial Hardship (new)	23/04/2020
Council Policy CP013 Procurement (revised)	18/06/2020
Council Policy CP033 Creditor Management (revised)	18/06/2020
2020–21 Implementation Plan	18/06/2020
2020–21 Budget (including Strategic Resource Plan and Long Term Financial Plan)	18/06/2020

Councillor allowances

All councillors are entitled to an allowance while performing their duty. The Minister for Local Government approved an annual adjustment of two per cent to take effect from 1 December 2019.

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

Councillor	Allowance (\$)
Cr Ross Ebbels (Mayor)	44,759
Cr Bob Merriman	37,719
Cr Boyce Pizzey	23,111
Cr Susan Salter	23,111
Cr Rob Minty	13,484
Cr Tony Francis (resigned 30 Nov 2019)	8,159
Total	150,344

All figures in this table are GST free.

Councillor expenses

Section 75 of the Local Government Act 1989 provides for the reimbursement of necessary out-of-pocket expenses incurred while performing the duties of a Councillor.

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

The following table breaks down the expenses by category, in accordance with the Local Government (Planning and Reporting) Regulations 2014.

Councillor	Expense Type					Total
	Travel	Car mileage	Childcare	ICT	Conference and training	
Cr Ross Ebbels (Mayor)	\$13	—	—	\$496	\$664	\$1,173
Cr Boyce Pizzezy (Deputy Mayor)	—	—	—	\$425	—	\$425
Cr Tony Francis	—	—	—	\$202	—	\$202
Cr Bob Merriman	\$1,036	—	—	\$618	—	\$1,654
Cr Rob Minty	—	—	—	\$258	\$600	\$858
Cr Susan Salter	—	—	—	\$562	\$20	\$582
TOTAL	\$1,049	0	0	\$2,561	\$1,284	\$4,894

Interstate and overseas travel

The *Local Government Act 1989* requires Councillors to register their interstate and overseas travel and associated expenses. In the 2019–20 financial year, Cr Bob Merriman, who was the Mayor at that time, registered travel and associated expenses of \$1,036.03 to attend the G21 Region Alliance Board Delegation to Canberra from 15 to 17 October 2019.

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: the Queenscliffe Economic Development Advisory Committee and the Audit Committee.

Council also has a number of reference groups who provide advice and direction on specific projects. These reference groups consist of community members, Councillors and Council staff. Reference groups as at 30 June 2020 included:

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

Audit Committee

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

Its 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, appointed for a three-year term for a maximum of three terms, and two councillors. The chair is elected from among the independent members.

Following the resignation of Mr Peter Bollen from the Borough of Queenscliffe's Audit Committee with effect from 14 June 2019, Council at its Ordinary Council Meeting on Thursday 24 October 2019, resolved to appoint Ms Helen Butteriss to the Borough of Queenscliffe Audit Committee for a three-year term.

Independent members are paid a sitting fee for each meeting attended. The table adjacent provides details of the Audit Committee's membership during 2019–20.

Audit Committee Attendance

Member	Eligible to Attend	Meetings Attended	Sitting Fees Paid
Roland 'Barney' Orchard (Chair)	3	3	\$1,500
Richard Bull	3	3	\$1,200
Graeme Phipps	3	3	\$1,200
Helen Butteriss	2	2	\$800
Cr Ross Ebbels	2	2	0
Cr Susan Salter	3	3	0
Cr Bob Merriman	3	3	0
TOTAL	19	19	\$4,700

Council officers (including the Chief Executive Officer, General Manager Organisational Performance and Community Services, and Manager Financial Services) attend meetings but are not members of the Committee. Recommendations from each Audit Committee meeting are reported to and considered by Council.

During the 2019–20 financial year, the Audit Committee met three times on the following dates:

- 9 September 2019
- 2 December 2019, and
- 9 June 2020.

Meetings cover a number of standing items that evaluate and address Council's audit and risk functions. Audit reports are 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 if the response is acceptable.

Internal audit

The internal audit function provides independent and objective assurance to the Audit Committee and Council that appropriate processes and controls are in place. The Audit Committee makes recommendations to Council on a risk-based rolling internal audit program, delivered twice a year.

This is revised annually to ensure internal audit resources remain focused on appropriate areas. The internal auditor attends 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 during 2019–20 included:

- Review of Capital Works Framework
- Review of Business Continuity Planning and Disaster Recovery
- Review of Human Resources Management
- Review of the Management of Caravan Parks, Reserves and Foreshore, and
- Review of Strategic Procurement.

Internal audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO). The external auditor's representative attends 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.

- The annual external audit of Council's Performance Statement and Annual Financial Report was conducted by VAGO's representative. Council officers presented the audited documents to the Audit Committee prior to 'in-principle' adoption by Council and sign-off by VAGO.

Governance

The following documents prepared by Council officers were presented to the Audit Committee, during meetings held in 2019–20, for scrutiny:

- Annual Financial Report 2018–19
- Performance Statement 2018–19
- Year-end governance and management checklist prior to inclusion in the Annual Report
- Quarterly financial reports
- Draft annual Council Plan implementation, Budget and associated presentations to the public
- Updated risk register
- A position paper, summarising the impact of the new accounting standards on the Borough's financial statements
- Impact of recommendations mentioned in applicable performance audit reports issued by the Victorian Auditor-General's Office (VAGO), and
- Financial impact of COVID-19.

Queenscliffe Economic Development Advisory Committee

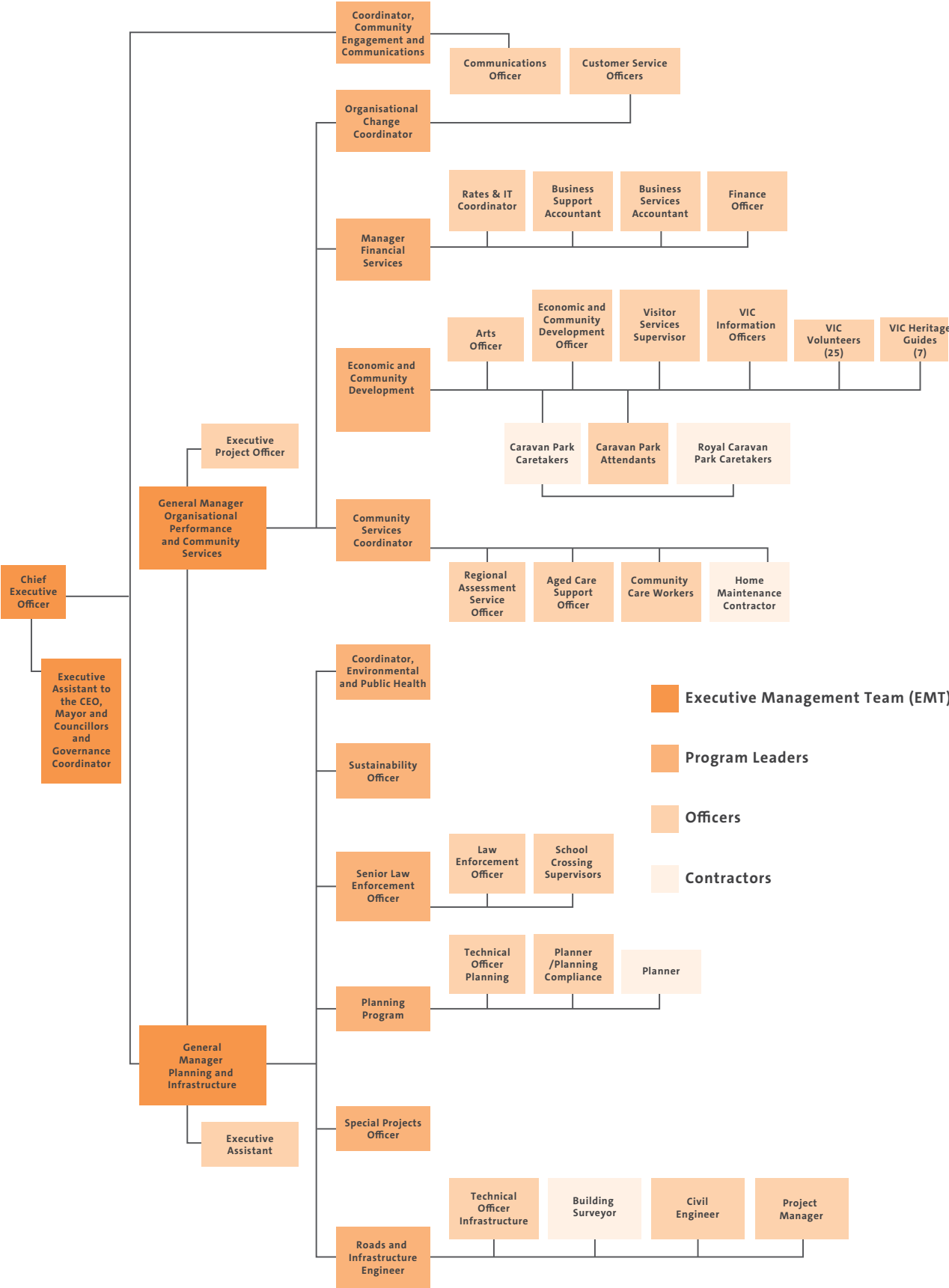
The Queenscliffe Economic Development Advisory Committee provides strategic advice to Council on opportunities and issues related to economic development in the Borough. Its membership comprises industry and/or skills-based members, the Mayor, and one Councillor.

At 30 June 2020, members were:

- Sue Beeton
- Robyn Birrell
- Michael Grout
- Arash Harandian
- Stacey Hunter
- Andrew Orvis
- Cr Ross Ebbels (Mayor), and
- Cr Rob Minty.

During 2019–20, the committee met once on 4 June 2020.

Organisation Chart



Organisation overview

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 to:

- 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.

The small team at the Borough of Queenscliffe comprises 68 people; however, the full-time equivalent is only 42.25 positions. The staff team is made up of:

- 23 full-time, 28 part-time and 17 casual staff, and
- 20 male and 48 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	<ul style="list-style-type: none"> • Mayor and Councillor support • Governance • Communications • Citizenship and civic events • Community engagement • Organisational development • Strategic advocacy
Planning and Infrastructure	<ul style="list-style-type: none"> • Animal management • Building control • Building maintenance • Coastal and Crown land management • Contract management • Emergency management • Engineering • Environmental health • Heritage advice • Local law enforcement • Power line clearance • Public amenities • Road maintenance and works • School crossings • Strategic and statutory planning • Street lighting • Sustainability and environment • Waste management
Organisational Performance and Community Services	<ul style="list-style-type: none"> • 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

Executive team

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

Mr Lenny Jenner, having advised Council of his resignation in April 2019, departed the role of Chief Executive Officer on 22 September 2019. His replacement, Mr Martin Gill, commenced in the position from 7 October 2019.



**Chief Executive Officer
Martin Gill**

Martin Gill commenced in the position of Chief Executive Officer in October 2019 after a thorough search for candidates. He has extensive experience in local government in both Victoria and Tasmania. He was previously with the Meander Valley Council in Tasmania for seven years with three of those as General Manager, and prior to that with the Bass Coast Shire Council. Martin has formal qualification in Architecture and Fine Arts.

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



**General Manager Planning and Infrastructure
Johann Rajaratnam**

Johann Rajaratnam was appointed in February 2019. His qualifications include a Master of Social Science (Environment and Planning) and a Bachelor of Science (Zoology and Archaeology). He is also a graduate of the Australian Institute of Company Directors.

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

He also provides professional advice to Council on a range of statutory matters.



**General Manager Organisational Performance and Community Services
Phillip Carruthers**

Phillip Carruthers was appointed in July 2017. His 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.

Staff profile

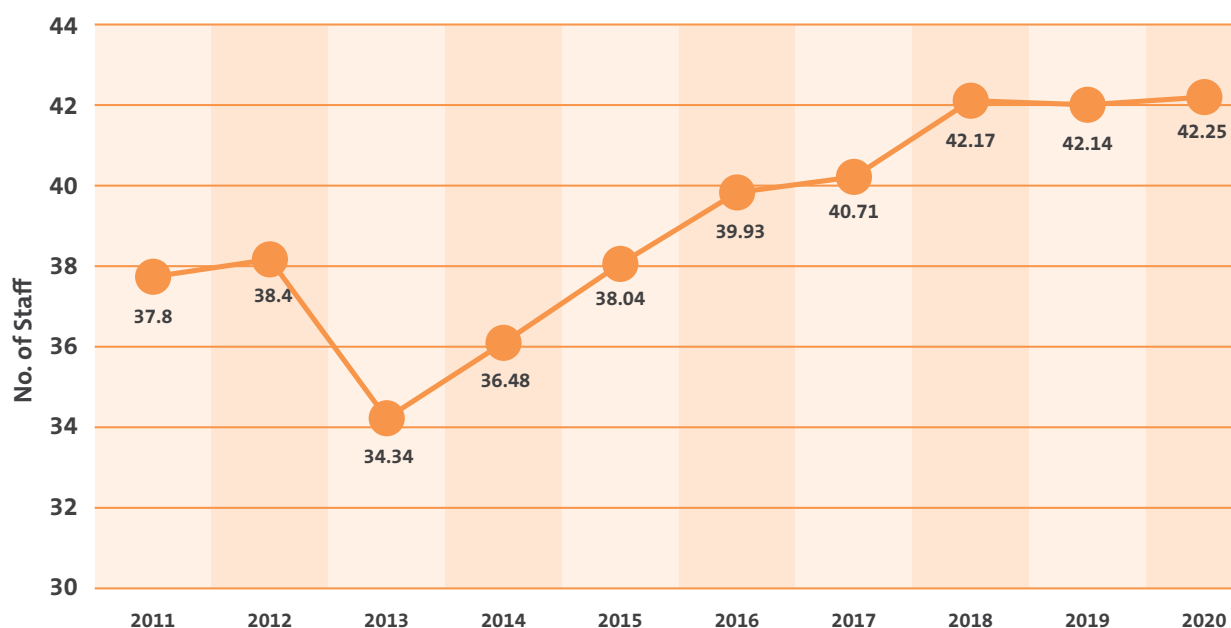
The Borough of Queenscliffe staff team comprises 68 people; however, the full-time equivalent is 42.14 positions.

Type of Employment	Female	Male	Total
Full Time	9	14	23
Part Time	26	2	28
Casual	13	4	17
TOTAL	48	20	68
Full Time Equivalent	26.34	15.81	42.25

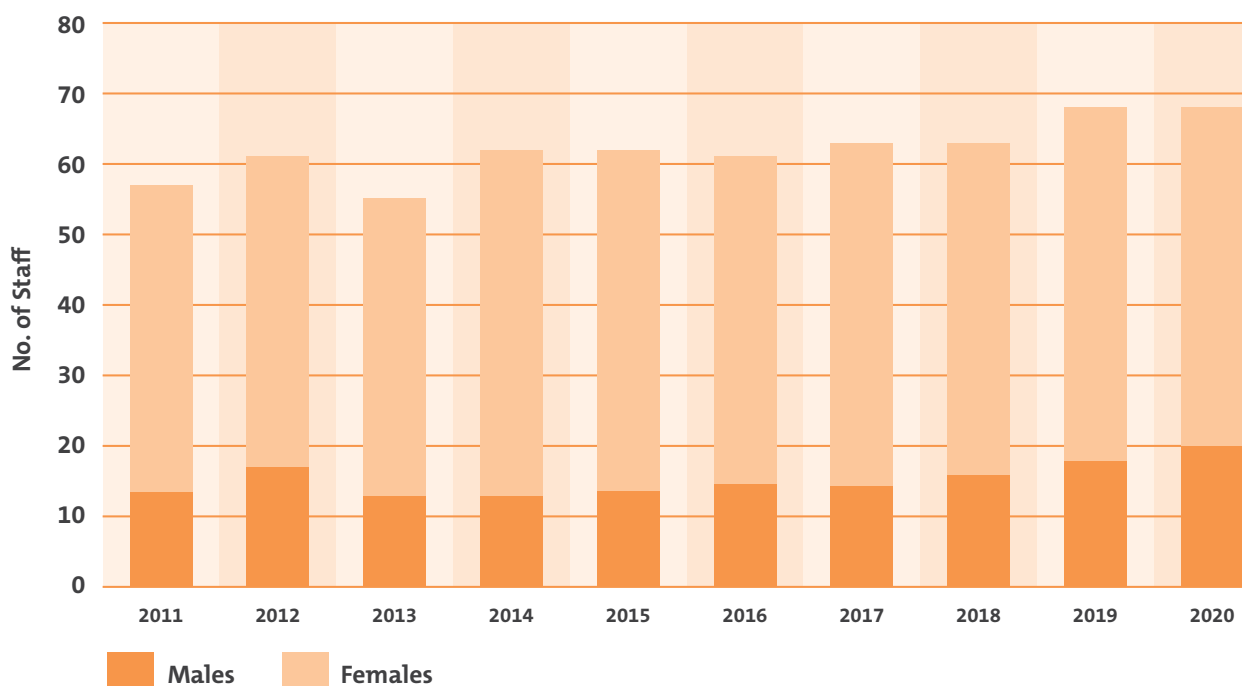
Trends over the past six years indicate a gradual rise in full-time equivalent positions. Gender balances have remained relatively constant, with a slight increase in male employees.

Type of Employment	2015		2016		2017		2018		2019		2020	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Full Time	10	9	11	10	11	11	11	13	10	12	9	14
Part Time	33	4	26	3	28	1	30	1	29	2	26	2
Casual	5	1	9	2	9	3	6	2	11	4	13	4
TOTAL	48	14	46	15	48	15	47	16	50	18	48	20
Full Time Equivalent	38.04		39.93		40.71		42.17		42.14		42.25	

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



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



Staff management and culture

People Plan

Staff members continue to live by the Borough of Queenscliffe 'People Plan', which was formally endorsed by the Chief Executive Officer on 20 October 2017. The following actions remain a priority:

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 activities including anti-bullying and harassment training, conflict resolution training and resilience training.

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.

Training and development

In 2019–20, 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
- Human resources
- Legislation amendments
- Conflict of interest
- Professional conferences related to staff roles, and
- 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.

A number of employees reached service milestones with the Borough of Queenscliffe in 2019–20. One staff member reached their ten-year anniversary, one staff member reached their fifteen-year anniversary and two staff members reached their twenty-year anniversary 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, acknowledge achievements and identify where improvements can be made.

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 occupational health and safety matters.

Staff flu vaccinations

Staff flu vaccinations were administered to 69 staff members, Councillors and volunteers under the Council's vaccination program in 2019–20. Vaccinations were administered in the Town Hall under strict social distancing measures due to the COVID-19 pandemic.

Some staff members also received a flu vaccine at their own medical clinic rather than through the Council vaccination program.

Contributions to charity

During 2019–20, staff participated in several fundraising activities to raise money for local and national charities.

Movember

Two staff members participated in Movember and provided all staff great amusement with spectacular facial hair sculpture and designs throughout November while raising awareness of men's health issues, such as prostate cancer, testicular cancer, and men's suicide. The Movember fundraising was very popular and over \$1300 was raised.

The fundraising hair theme continued in May when one staff member said they were going to shave their head to raise money for the Andrew Love Cancer Centre. Council's CEO, Martin Gill, upped the ante by saying he would also shave his head if staff donations reached \$1200. This was swiftly managed, and on a cold May day many staff tuned in via video conference to watch not one, but two heads being shaved. A total of \$1580 was raised by staff for the Andrew Love Cancer Centre.

Some staff members were also in training for the 2020 Surf Coast Trek, but this was unfortunately cancelled due to COVID-19. However, staff still raised over \$500 for Give Where You Live and Kids Plus Foundation despite the Trek not going ahead.

Casual Dress Fridays

Each Friday, staff have the option of wearing casual clothes for a donation to a chosen charity.

During 2019–20, charities benefitting from donations included:

Since then, the following charities have been the beneficiary of donations:

- Australian Red Cross Disaster Appeal;
- Feed Me Bellarine;
- Geelong Animal Rescue;
- Rural Aid;
- Beyond Blue; and
- Cottage by the Sea.

Staff changes and recruitment

Staff turnover in 2019–20 resulted in the following positions being recruited over the course of the financial year.

Position	Reason for vacancy
Manager Financial Services	Position vacant
Communications Officer	New (full-time) position following restructure due to resignation
Chief Executive Officer	Position vacant
Visitor Services Supervisor	Position vacant
Caravan park attendant (casual) x 2	Restructure of staffing to ensure service delivery
Project Manager	New temporary (full-time) position
Planner / Planning Compliance Officer	Position vacant
Business Support Accountant	New (part-time) position following restructure of finance team due to resignation and expiry of temporary employment contract
Finance Officer	New (full-time) position following restructure of finance team due to resignation and expiry of temporary employment contract
Law Enforcement Officer (casual)	Restructure of staffing to ensure service delivery
Executive Assistant to the CEO, Mayor & Councillors	Position vacant

Positions were advertised in accordance with Council's recruitment procedure. Positions may be advertised online at sites such as Seek, and in print in newspapers such as the *Geelong Advertiser* and *The Age*. All externally advertised positions appear on the Borough of Queenscliffe website. Extensive interview and selection processes were undertaken for all positions, with successful candidates being recruited to each position.

Staff were deeply saddened by the passing of colleague and friend Karen Howard on 16 January 2020, at the age of 53. Karen worked in the Aged Care team for over 12 years. Her dedication, humour and bright personality made her a favourite with both staff and clients alike. Karen is greatly missed.

Occupational health and safety

The Borough of Queenscliffe is committed to providing a safe and healthy workplace for our staff, Councillors, contractors, volunteers and visitors. Council's occupational health and safety (OHS) procedures provide a clear framework to guide the health, safety and welfare of all staff. Council's internal Compliance Committee discusses matters relating to OHS. Ongoing OHS training and OHS inspections are key elements 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 has increased over recent years following the increased focus on reporting every OHS incident as it occurs and general increased awareness of OHS matters.

Reported work-related incidents

Severity of incident	1 July 2019 to 30 June 2020	1 July 2018 to 30 June 2019
Near miss	0	0
Dangerous occurrence	0	0
Injury – first aid treatment only required	4	3
Injury – medical treatment required	5	4
Injury – medical treatment as hospital inpatient required	0	0
Serious injury	0	0
Fatality	0	0
Totals	9	7

Lost work days due to work-related incidents

1 July 2019 to 30 June 2020	1 July 2018 to 30 June 2019
26	0

WorkCover claims

1 July 2019 to 30 June 2020	1 July 2018 to 30 June 2019
2	0

Enterprise Bargaining Agreement

The Fair Work Commission approved the Borough's current Enterprise Bargaining Agreement No. 10, 2019 on 16 September 2019. This Agreement, together with the National Employment Standards (NES) in the *Fair Work Act (2009)*, forms the terms and conditions of employment for staff (excluding the CEO and Senior Officers as defined by the *Local Government Act (1989)*). The new Agreement saw improvements in staff entitlements to parental leave and family violence leave, as well as introducing a provision for staff to request a career break, ideally for the purposes of secondment with another Council.

Equal employment opportunity

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program, which is designed 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, sex, marital status, parental status, disability, age, religious or political belief, gender identity and sexual orientation. Council has a strong commitment to promoting a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability. Council is committed to upholding equal employment opportunity principles in all its activities.

In all Council policies and practices there shall be no discrimination relating to age; disability; sex; sexual orientation; race; employment activity; gender identity; lawful sexual activity; marital status; industrial activity; political belief or activity; physical features; breastfeeding; pregnancy; parental status or status as a carer; religious belief or activity; and personal association with a person who is identified by reference to any of these attributes.

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.

The *Gender Equality Act 2020* was enacted on 25 February 2020. This Act aims to improve workplace gender equality across the Victorian public sector, universities and local councils. Under this Act the Borough will be required, among other things, to develop a Gender Equality Action Plan every four years and conduct gender workplace audits.

Commitment to the Corporate Carbon Neutral Action Plan

Council employees are committed to upholding the principles of the Corporate Carbon Neutral Action Plan through proactively recycling and minimising energy use within 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 recycling bins in the staff room for mixed recyclable products (e.g. paper, cans, plastic bottles) and soft plastics, and a chook bin for food products
- Having lights set to turn off after a period of inactivity within different areas 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.

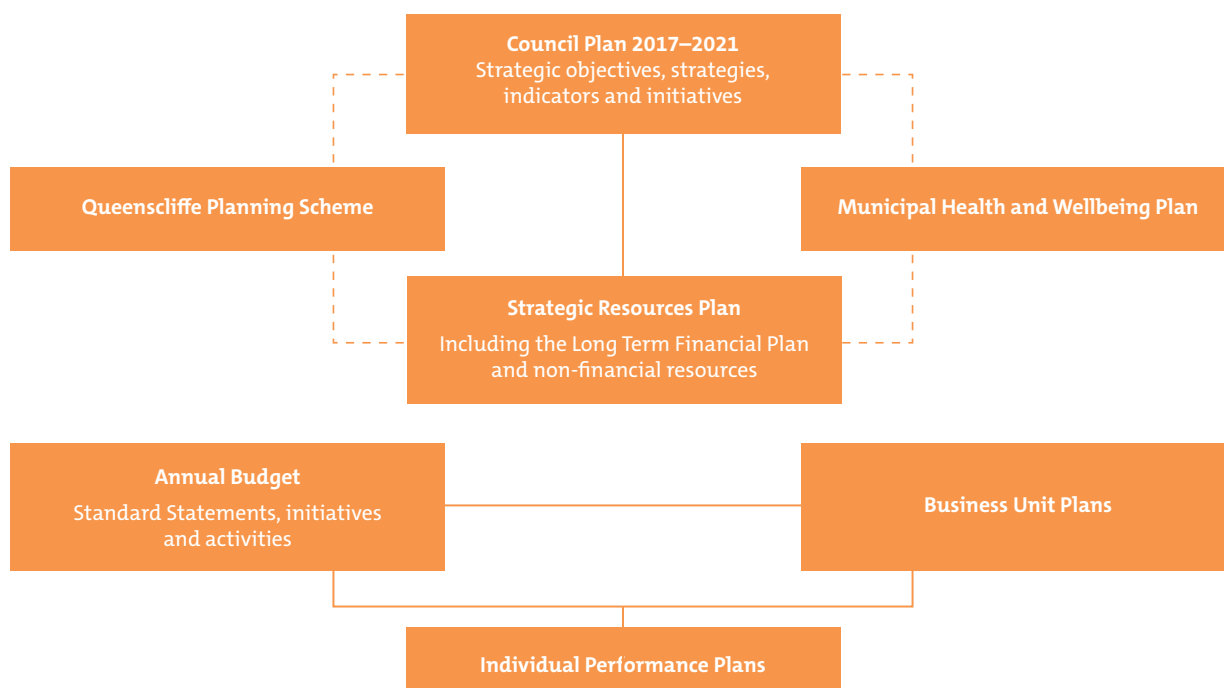
Corporate governance

Planning framework

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 our community’s current and future growth and welfare, inputs from Councillors and Council staff, extensive community consultation and consideration of statutory and contractual requirements.

As depicted in the strategic planning framework below, the Council Plan is the key strategic document guiding the Council’s direction for its elected term. It is available on Council’s website.

The timing of each framework component is critical to Council achieving its planned outcomes. The Council Plan, including the Strategic Resources Plan, is required to be completed by 30 June in the year following Council elections. The plan is reviewed each year to inform the annual Budget, which provides the basis for setting annual business unit and individual performance plans.



The timing of each framework component is critical to Council achieving its planned outcomes. The Council Plan, including the Strategic Resources Plan, is required to be completed by 30 June in the year following Council elections. The plan is reviewed each year to inform the annual Budget, which provides the basis for setting annual business unit and individual performance plans.

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 the organisation's risk plan and where potential liability is identified or incidents occur, these are referred to our 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 risk management policies and procedures.

Our internal Compliance Committee meets regularly to ensure the organisation's risk management practices operate within appropriate frameworks, relevant legislation and Council strategy. The committee reports on risk management activities to each meeting of Council's Audit Committee.

The standing agenda for the Compliance Committee meetings includes:

- 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

Business continuity management is essential in ensuring the organisation's resilience and capability 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.

The organisation works continuously to ensure documentation is up to date and in line with current good practice guidelines and standards as part of our business continuity management approach.

Council's business continuity plan and the disaster recovery plan were reviewed and updated in October 2019. The Business Continuity Committee met at least weekly from March 2020 onwards in response to the global COVID-19 pandemic.

Insuring our risks

JLT Municipal Asset Protection Plan Discretionary Trust (JMAPP) provides Council's building and contents insurance. 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)
- Cyber liability, and
- Commercial crime (fidelity).

Insurance premiums for 2019–20 increased by 12.6% compared with the 2018–19 year, of which 2.3% is due to a new insurance cover obtained during the year (cyber liability). Overall claim experience of the local government sector has had an impact on the insurance premium, though Council's claims experience to date has been satisfactory.

Officers continued to attend regular best practice forums conducted by our insurance brokers for councils within the region. These provided an important source of information in helping to manage the organisation's risks in the most appropriate manner.

Best value and procurement

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

- Understanding the needs of both customers and the community
- Agreeing on what's required with the resources available
- Delivering what's required through effective management in an economical manner, and
- Continually evaluating and improving the service as per the best value principle of 'continuous improvement' defined in the Act.

Procurement

Procurement of goods, services and works must be done in a way that is beyond reproach. Our procurement policy (available on our website) articulates the core principles that guide all procurement decisions, including entering into contracts with suppliers.

The policy requires all employees to perform their duties and conduct themselves in a manner that ensures 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 can 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.

Volunteers

The Borough boasts more than 60 community organisations. In giving their time, volunteers enrich our community and the lives of everyone they interact with.

We're very proud of the high rate of volunteerism within the Borough of Queenscliffe. According to the 2016 census, 38 per cent of locals aged 15 or older are actively engaged in some form of volunteer work, which is 14 per cent above the average for regional Victoria.

Volunteering plays a central role in developing and maintaining a connected community, which, in turn, adds to our overall sense of wellbeing.

Local volunteers care for our landscapes, our buildings, our arts and culture, our sporting clubs and our people – residents and visitors alike. They are the fabric of our community. Without them, the Borough would be a very different place to live in and visit.

Volunteering to help visitors

The welcoming manner and local knowledge of our Queenscliffe Visitor Information Centre (VIC) volunteers enhance many visitors' experiences of the Borough and surrounding region.

During 2019–20, the team of 25 Customer Service Volunteers and six Heritage Guides responded to more than 24,615 walk-in enquiries and 1,089 phone enquiries. These numbers are a marked decrease from the previous year due to the economic downturn and forced closure of the VIC building caused by the COVID-19 pandemic. Despite this, the team's combined efforts represented more than 5,400 volunteer hours.

In December 2019, seven VIC volunteers were presented with certificates acknowledging their various service milestones, ranging from five years right up to 20 years of service. The occasion also provided an opportunity to commend all VIC volunteers for the role they play in helping tourists to get the most from their stay in our region.

An ongoing program of training opportunities, familiarisation tours, volunteer conferences and social functions ensures all VIC volunteers are actively engaged and fully equipped to perform their vital role.

Cubs again lead the way with Borough clean up event

During the week leading up to Clean Up Australia Day in March 2020, members of the 1st Queenscliff Sea Scouts, Cub Scouts, their leaders and parents spent a productive evening collecting litter from foreshore areas.

Starting from Lovers Walk at the Dog Beach and finishing at the Point Lonsdale Promenade shops, the group collected over ten bags of litter and recyclables that could have ended up in our waterways. Items ranged from the usual suspects – plastic bottles and food packaging, glass, aluminium cans, paper products, cigarette butts and the like – to a rusted-out bike frame.

A huge thank you to the group for its efforts to reduce the spread of litter into our coastal woodlands and marine environment.

Celebrating local volunteers

Council ordinarily hosts an annual function to celebrate our hard-working volunteers and acknowledge their generosity and service to the local community. Unfortunately, due to the COVID-19 pandemic, an in-person gathering was not possible, but Council has endeavoured to show its gratitude to its volunteers through other means.

Awards and recognition

Australia Day Awards 2019

Our annual Australia Day Awards provides an opportunity for Council to identify and recognise a broad cross-section of local people and organisations who go out of their way to contribute for the benefit of others.

A devoted coast guard, a surf life saving wunderkind and a charitable sports club were just some of the local citizens and organisations to be recognised in the 2020 Australia Day Awards held during the Borough of Queenscliffe's annual community celebrations.

On 26 January 2020, Mayor Ross Ebbels presented awards to:

- **Gary Tomlins** (*Citizen of the Year*) for his 43 years of continuous service to the local maritime community. Tomlins, who is a member of the Queenscliff Coast Guard, is on-call for marine rescue tasks 24 hours a day, seven days a week, and is estimated to have assisted more than 1,000 vessels in difficulty over his four-decade career. Gary is also a member of the Borough's Municipal Emergency Management Planning Committee.
- **Jessica Robinson** (*Young Citizen of the Year*) for her involvement with the Point Lonsdale Surf Life Saving Club and unmatched enthusiasm towards keeping beachgoers safe and educated. Jess won a litany of awards throughout the 2019 calendar year, most notably the 2019 Victorian Youth Lifesaver of the Year Award.
- **Queenscliff Football Netball Club** (*Community Organisation of the Year*) for their 'Sons of the Sea' calendar, a cheeky initiative that saw senior footballers bare all at various locations around the Borough to highlight awareness and raise money for mental health services, in memory of teammate Lucas Niven who took his life in September 2018.

- **SacredEdge Festival** (*Community Event of the Year*) for its successful sixth annual event annual event that provides an opportunity to nurture connections with people from diverse backgrounds by hosting an array of musicians, poets, storytellers and artists from Indigenous, refugee and LGBTIQ communities.
- **Queenscliff Music Festival** (*Community Environment Project of the Year*) for its internationally renowned waste strategy that saw a massive 95% of waste generated at the event diverted from landfill, becoming the first festival of its size to go fully reusable.

Queen's Birthday Honours List 2020

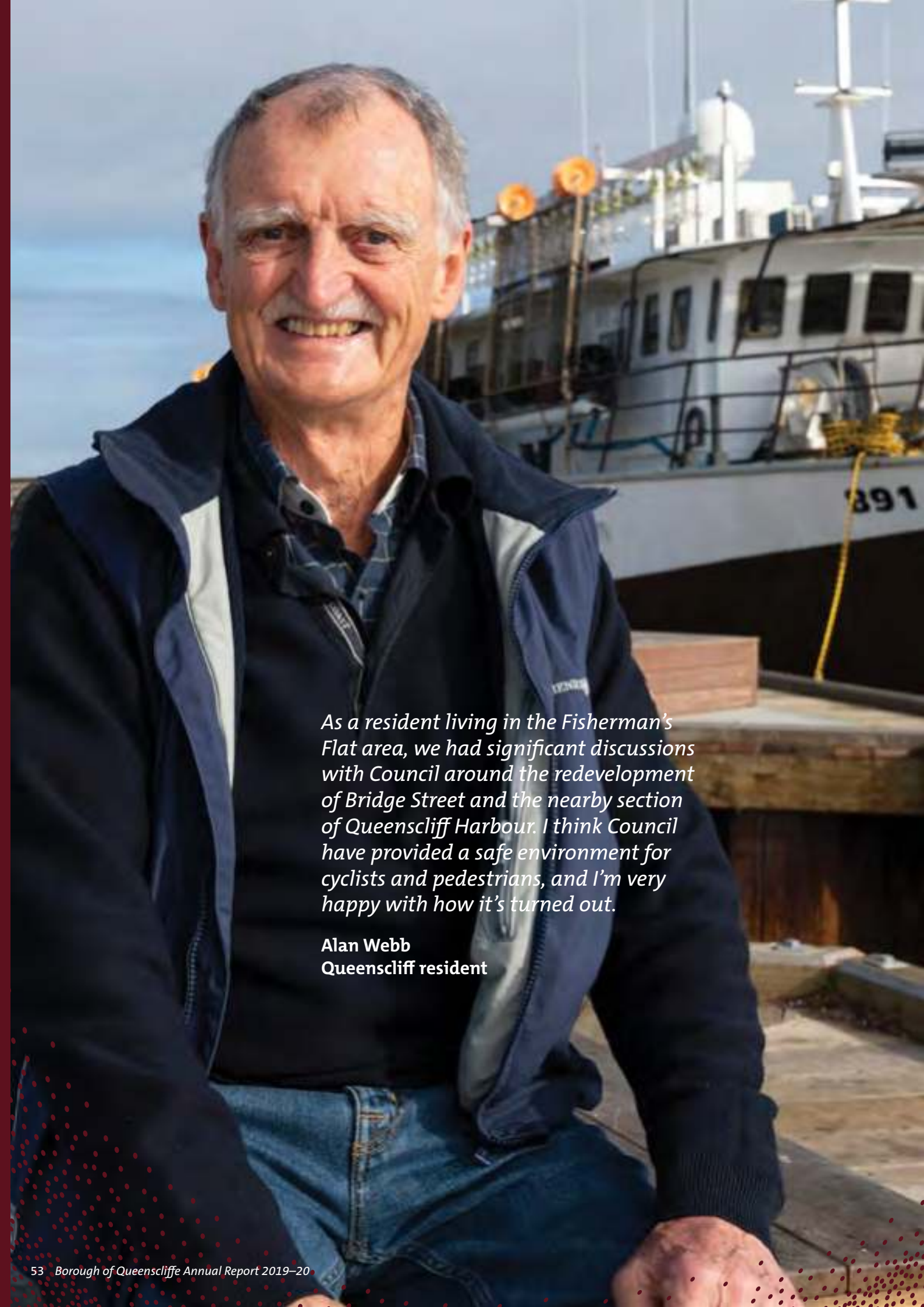
The 2020 Queen's Birthday Honours List included two names well known to Borough locals. Husband-and-wife team Bill and Rosemary Brown each received a Medal of the Order of Australia for services to the community of Queenscliff. The pair moved to the Borough in the early 90s and have been volunteers at the Queenscliffe Historical Museum since 1999, with Rosemary currently in the position of vice-president.

More gold for Annual Report

For the sixth year in a row, the Borough's Annual Report attained Gold in the 2019 Australasian Reporting Awards (ARA).

To receive Gold, a report must demonstrate overall excellence in annual reporting and provide high quality coverage of most aspects of ARA criteria, full disclosure of key aspects of core business, and outstanding disclosures in major areas. Achieving Gold standard provides a model for other organisations to follow.

Council's ongoing participation in the annual awards demonstrates the organisation's commitment to continually improving its approach to annual reporting.

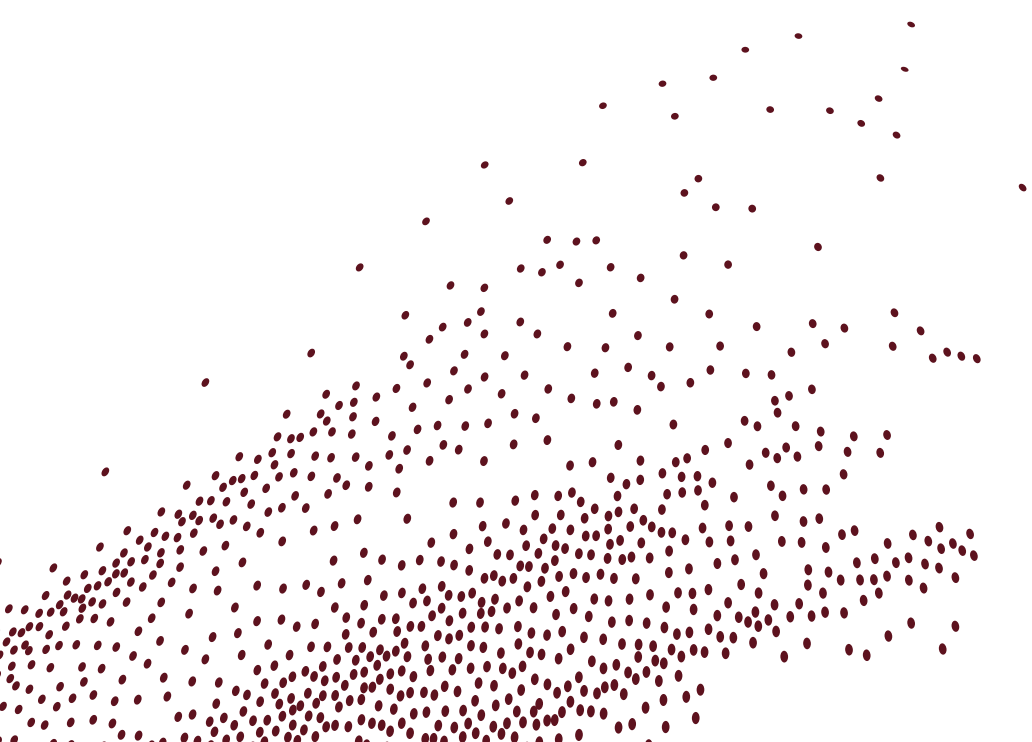


As a resident living in the Fisherman's Flat area, we had significant discussions with Council around the redevelopment of Bridge Street and the nearby section of Queenscliff Harbour. I think Council have provided a safe environment for cyclists and pedestrians, and I'm very happy with how it's turned out.

Alan Webb
Queenscliff resident

Our performance

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Community wellbeing

Primary focus areas

- 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.

2019–20 successes

- Council maintained the zero waiting list status for access to aged care services.
- Continuation of the Community Grants Program, allocating \$16,262 to 12 local organisations in 2019–20.
- Maintained a high standard of compliance and response to public health regulation.
- Diverted significant resources into assisting the community through the COVID-19 pandemic.
- Maintained high level of engagement with local sporting clubs and community organisations.
- Introduced a financial hardship policy to assist members who struggled during the pandemic.
- Installed a number of new footpaths around the Borough to promote healthy living and accessibility.

2019–20 Council Plan Initiatives

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
Continue to investigate and respond to the 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

The following statement provides information in relation to the services funded in the 2019–20 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Aged Services	The Aged 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.	Actuals	(65)
		Budget	(233)
		Variance	168
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.	Actuals	(145)
		Budget	(239)
		Variance	94
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.	Actuals	(105)
		Budget	(108)
		Variance	3
Maternal and Child Health (MCH)	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.	Actuals	(11)
		Budget	(25)
		Variance	14
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.	Actuals	(6)
		Budget	(2)
		Variance	(4)
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 <i>Food Act 1984</i> and <i>Public Health and Wellbeing Act 2008</i> . 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.	Actuals	(66)
		Budget	(67)
		Variance	1

Service area	Description of services provided		\$'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.	Actuals Budget	(1,035) (996)
		Variance	(39)
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.	Actuals Budget	(226) (253)
		Variance	27
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.	Actuals Budget	(31) (36)
		Variance	5
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.	Actuals Budget	(48) (64)
		Variance	16
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.	Actuals Budget	(190) (220)
		Variance	30
Total	Actuals		(1,929)
	Budget		(2,243)
	Variance		314

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

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Maternal and Child Health (MCH)					
Indicator: Service standard Measure: Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	106.25%	100.00%	100.00%	13 birth notifications received and all enrolled in the MCH service.
Indicator: Service cost Measure: Cost of MCH service [Cost to Council of the MCH service / Hours worked by MCH nurses]	\$113	\$124	\$171	\$182	
Indicator: Participation Measure: Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	92.40%	87.58%	71.50%	63.98%	52 children attended the MCH service at least once, of the 81 infants enrolled in 2019–20 (2018–19: attended by 55 of 76 enrolled in the service).
Indicator: Participation Measure: Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0.00%	100.00%	100.00%	100.00%	One Aboriginal child enrolled and participated in 2019–20.
Indicator: Satisfaction Measure: Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	New in 2020	100.00%	13 birth notifications received and 13 4-week Key Age and Stage visits made in 2019–20.
Indicator: Satisfaction Measure: Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	125.00%	112.50%	100.00%	Retired in 2020	This measure was replaced by participation in 4-week key age and stage visit indicator above from 1 July 2019.

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Environmental Health - Food Safety					
Indicator: Timeliness Measure: Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.25	1.00	1.00	0.50	Only two complaints were received in 2019–20.
Indicator: Participation Measure: Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	100.00%	98.48%	100.00%	39.34%	Annual food safety assessment period is from 1st January to 31st December. The low number reflected as the majority of inspections occur from January to June each year and the current pandemic has impacted the inspection program. All pending assessments will be completed by the end of 2020.
Indicator: Service cost Measure: Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$667	\$610	\$682	\$585	The decrease in the cost reflects fewer resources allocated to food safety services due to business closures resulting from COVID-19 restrictions.
Indicator: Health and safety Measure: Critical and major non-compliance notifications [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	100.00%	100.00%	100.00%	100.00%	

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Asset Management and Appearance of Public Places - Roads					
Indicator: Satisfaction of use Measure: Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	283.33	442.86	319.05	397.62	The higher than average requests is partly attributed to all local sealed roads being urban and no rural roads existing within the Borough of Queenscliffe.
Indicator: Condition Measure: Sealed local roads maintained to condition standards [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%	100.00%	
Indicator: Service cost Measure: Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$31	\$27	\$163	\$580	Higher result in 2019–20 due to the road construction work carried out under the Fixing Local Roads program.
Indicator: Service cost Measure: Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5	\$10	\$28	\$0	No resealing work carried out in 2019–20.
Indicator: Satisfaction Measure: Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	65	65	65	66	Slight increase and consistent with previous years.

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Local Law Enforcement - Animal Management					
Indicator: Timeliness Measure: Time taken to action animal requests [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	1.00	Cumulative gross number of 24-hour days. If a request is responded to in less than 24 hours, time taken is counted as one day.
Indicator: Service standard Measure: Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	97.56%	88.10%	80.00%	100%	Council's policy of 'first ride home' for straying animals results in a greater emphasis on education.
Indicator: Service standard Measure: Animals rehomed [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	New in 2020	0.00%	All animals collected reclaimed by owners.
Indicator: Service cost Measure: Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	New in 2020	New in 2020	\$27	
Indicator: Health and safety Measure: Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	0.00%	Zero prosecutions. Council's policy of 'first ride home' for straying animals results in a greater emphasis on education.
Indicator: Service cost Measure: Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$108	\$115	\$106	Retired in 2020	This measure was replaced by cost of animal management service per population indicator above from 1 July 2019.
Indicator: Health and safety Measure: Animal management prosecutions [Number of successful animal management prosecutions]	0	0	0	Retired in 2020	This measure was replaced by animal management prosecutions indicator above from 1 July 2019

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Library - Libraries					
Indicator: Utilisation Measure: Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	3.41	3.44	3.43	2.93	2019–20 results indicate the impact of restrictions on library usage due to the current pandemic.
Indicator: Resource standard Measure: Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	58.31%	56.44%	58.19%	62.33%	
Indicator: Participation Measure: Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	39.70%	39.98%	36.92%	36.72%	This Indicator does not capture other library activities for examples children and youth programs, digital literacy programs and literary events, the use of public internet PCs, using facilities such as meeting rooms or study areas, or using services such as Wi-Fi, or in library use of collections.
Indicator: Service cost Measure: Cost of library service per population [Direct cost of the library service / Population]	New in 2020	New in 2020	New in 2020	\$76	
Indicator: Service cost Measure: Cost of library service [Direct cost of the library service / Number of visits]	\$8	\$7	\$7	Retired in 2020	This measure was replaced by cost of library service per population indicator above from 1 July 2019.

Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2020. Award recipients in 2020 were as follows:

Citizen of the Year: Gary Tomlins

Gary Tomlins has served the community continuously for 43 years. He first joined the Coast Guard in Geelong in 1976 then transferred to the Queenscliff Flotilla in 1983 where has served the boating community of the Bellarine to this day. Gary is 'on call' for marine rescue tasks 24 hours a day, 7 days a week. He participates in the staffing of the Queenscliff Coast Guard HQ at weekends and on public holidays.

Each year the Queenscliff Flotilla of Coast Guard undertake approximately 60 marine rescues. It is estimated that Gary either participates in or leads more than 50% of these incidents. Consequently, over the period of his service at Queenscliff, it is conservatively estimated that he has assisted more than 1000 vessels in difficulty. In addition, he frequently gives presentations on boating safety to local clubs and community organisations.

A significant example of Gary's contribution is that on approximately 10 occasions while celebrating Christmas Day with his family, he has been on duty at the Queenscliff Coast Guard HQ when boat operators have ended up in trouble and Gary has responded. To support him, his family have chosen to celebrate with an ad-hoc Christmas lunch at the Coast Guard HQ. This willingness to give up a very special family day in order to protect members of the boating community demonstrates his exceptional commitment and dedication.

Young Citizen of the Year: Jessica Robinson

Jess Robinson has been heavily involved with the Point Lonsdale Surf Lifesaving Club since she was a young nipper and competitor. Jess's enthusiasm towards surf lifesaving and her commitment to keep beach goers safe is unmatched, always happy to help and educate those on the beach.

Jess is currently the Junior Club Captain and takes her responsibilities very seriously. She understands that as much as lifesaving is about technical proficiency and ability, it is also about engaging with other club members and the broader community. Over the past 12 months, Jess has achieved a litany of awards, most notably the 2019 Westpac Youth Lifesaver of the Year Award in Victoria.

Jess was the best Open Female Club Competitor, the winner of the Bernie Cook Handicap Surf Race and completed 58 hours of patrol. The impact and benefit that Jess has had on the surf club and members, Point Lonsdale and Queenscliff community and everyday beach goers has been profound, and she has achieved all this by the age of 18 years.

Community Organisation of the Year: Queenscliff Football Netball Club – 'Sons of the Sea' calendar

Queenscliff footballers bared all for charity following the sudden passing of a teammate in 2018. This cheeky initiative from the Coutas aims to highlight awareness of mental health and all proceeds raised from sales of the 2020 calendar goes to charitable organisations Beyond Blue & Read the Play as a tribute to their mate.

Earlier in 2019, Queenscliff had already raised more than \$12,000 for youth mental health to honour former teammate Lucas Niven. The calendar has been a rebounding way to raise money for mental health awareness and the playing group responded enthusiastically to the call-out to bare all for the worthy cause.

These caring young sportsmen turned this tragedy into 'what could we do' to help the family of the young lad whilst working through their own sadness. Some of the most recognisable locations around Queenscliff have been used including the pier and the Queenscliff Brewhouse, along with various workplaces around the area featuring the teammates in 'tradie' pose.

Achievements

Community Event of the Year: SacredEdge Festival

Presented by Queenscliff Uniting Church, the sixth SacredEdge Festival was held during May over three days with the theme of 'Open Doors to Diversity'. This annual event provides an opportunity to nurture connections with people from diverse backgrounds by hosting an array of musicians, poets, storytellers and artists from Indigenous, refugee and LGBTIQ communities, together with carers for the earth and ocean and those who seek to nurture mental health.

These are voices from the edge, where people are vulnerable and not normally heard – in 2019, the festival hosted 45 such voices. Said one attendee: "We always come away changed and enlightened and in awe of how you assemble such a remarkable array of wisdom... Without exception the presenter spoke with enormous integrity, insight and courage and we are indebted to them".

Community Environment Project of the Year: Queenscliff Music Festival waste strategy

Queenscliff Music Festival, formed in 1997, is a not-for-profit community organisation dedicated to adding value to the cultural development of the community. It is an event that has risen to national prominence, carrying the Australian Tourism title of "Most Significant Festival and Event".

In recent years, QMF undertook an extensive review of its waste practises and have fundamentally changed their way of handling waste. This has enabled QMF to provide real leadership within the community and to the broader events industry, both nationally and internationally, around waste minimisation implementation. These events include the Falls Festival in Lorne, Coachella Valley Music and Arts Festival in California and Glastonbury Festival in Somerset, England.

In 2019, QMF diverted a massive 95% of waste generated at the event from landfill. Just 178kg of waste – the equivalent of 6½ 240 litre wheelie bins – was collected at the festival and sent to landfill, becoming the first festival of its size to go fully reusable. Vendors served on reusable crockery, cups and cutlery, resulting in a 58% reduction in the amount of organic waste generated. Many of the materials collected will be repurposed into furniture and building materials used at the 2020 festival.

Supporting local events

During 2019–20, Council supported a range of community, sporting and cultural events. Unfortunately, a number of annual events and festivals had to be postponed or cancelled due to the COVID-19 pandemic. The key events that took place from July 2019 through February 2020 included the following:

- Small Business Festival
- Queenscliff Music Festival
- Lighting of the Christmas Tree
- Point Lonsdale Nippers Carnival
- Queenscliffe Community Twilight Market
- New Year's Eve at the Harbour
- Great Outdoor Cinema Point Lonsdale
- Rip View Classic
- Cottage by the Sea Annual Fair
- Australia Day celebrations
- Geelong Street Rodders Show 'n' Shine & Cruise.

Community Grants Program

Administration and allocation of the 2019–20 Community Grants Program was completed in August 2019, with 12 grants totalling \$16,262 awarded to local community groups. The projects included kindergarten play equipment, a defibrillator, and new doors for the Point Lonsdale engine shed

Aged care services

Council has maintained a 'zero waiting list' to June 2020 for all aged care services within the Borough. In the 2019–20 financial year, the aged care service provided 7,988 hours of service. As of 30 June 2020, 200 active clients utilised a range of services including domestic/personal care assistance, lawn and home maintenance, in-home respite, social support and assisted transport. 83 clients were assessed for service, 14 clients departed (deceased) the service, 5 clients moved into permanent care and 1 client moved out of the area.

Despite the unexpected challenges caused by the COVID-19 pandemic, Council's Community Care workers maintained a high level of service, providing a contact for older services users and their families, who were unable to visit due to lockdowns. Community Care workers also assisted Cottage by the Sea to distribute essential care packages to vulnerable members of the community during the pandemic.

Environment and public health activities

Key activities undertaken in 2019–20 as part of Council’s environmental and public health service included the following:

- Participation in 16 Days of Activism, ‘unconscious bias’ training and ‘active bystander’ training, rolled out with Women’s Health and Wellbeing South West.
- Maintained a high standard of compliance and response to food safety regulation.
- Successful grant application for the This Girl Can campaign through VicHealth, engaging with organisations within the Borough to promote women’s participation in physical activity.
- Assisting Council and the community with information and guidance during the COVID-19 pandemic.
- 52 food safety assessments and inspections were conducted (excluding temporary and mobile premises).
- 10 public health assessments at accommodation providers and beauty treatment facilities.
- 24 food samples were submitted for analysis and statutory sampling numbers achieved.
- 6 assessments of registered caravan parks, accommodation and beauty treatment services were also conducted.
- The Department of Health and MAV Tobacco Activity Program resulted in a successful cigarette sales to minors program, along with 31 tobacco compliance activities.
- 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 to March.
- A Council flu vaccination program was delivered.

Assisting the community through COVID-19

Council diverted significant resources into assisting the community through the COVID-19 pandemic. In addition to the initiatives which directly assist private and business ratepayers, Council also participated in local and regional emergency planning, working closely with community groups and other councils to ensure that if cases emerged in the Borough, that the community is protected.

In particular, Council was active in directly supporting volunteer and not-for-profit organisations by providing support such as meals and in-home services. The cooperative contributions from Bellarine Community Health and Cottage By The Sea were also enormous.

Disappointments

Impact of COVID-19 on projects

The redirection of effort into responding to the COVID-19 pandemic has meant that some projects have had a reduced effort. While this has been kept to a minimum, there have been some minor delays.

Exiting the Home Care Packages Program

Due to increasing compliance issues and the small number of services held, and following reforms by the Commonwealth Government, Council made the difficult and unfortunate decision to exit the Home Care Packages Program.

Challenges

Commonwealth aged care reforms

The aged care reforms prompted Council to consider the nature of the service it delivers. Council was in the process of engaging consultants with aged care expertise to advise on this when the COVID-19 pandemic emerged. Council then put that work on hold to ensure the stability of the service provided to the community during the crisis.

Impact of COVID-19 on aged care

The COVID-19 pandemic and its constant unpredictability required a rapid response to the way Council provided its aged care services, balancing client welfare with staff safety. Working from home while still maintaining close contact with service users was an ongoing challenge, particularly during Council’s office shutdown. Self-isolation also impacted on the mental health of both clients and staff.

Year ahead

- Conduct an aged care review.

Environmental sustainability

Primary focus areas

- 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.

2019–20 successes

- Declared a Climate Emergency at the December 2019 Ordinary Meeting of Council.
- Coordinated the 'Save the Bay' event participated in by members of local primary schools.
- Continued the Community Environment Alliance grants program.
- Planted 1,658 native shrubs and ground covers within caravan parks, car parks and Council reserves.
- Planted 478 street trees in road reserves.
- Diverted 47% of household waste from landfill.
- Composted over 709 tonnes of green waste through the kerbside bin service.

Initiatives	Council's performance
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
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 examine options for reducing hard waste to landfill.	In progress
Continue to implement Council's Corporate Carbon Neutral Action Plan.	In progress
Facilitate community participation in the Community Environment Alliance and promote new projects through implementing Council's small grants program.	Completed
Continue to advocate with the City of Greater Geelong to State and Federal Government partners to seek funding to implement recommendations from the Geelong Queenscliff Coastal Adaptation Program.	In progress
Continue to advocate to the State Government for inclusion of Laker's Cutting into the Ramsar listed Swan Bay site.	In progress
Conduct an organic food waste pilot.	In progress
Review Council's current hard waste service.	In progress

The following statement provides information in relation to the services funded in the 2019–20 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'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 working with various federal, state, regional and local organisations to inform and educate the community about practices that support environmental sustainability.	Actuals	(122)
		Budget	(152)
		Variance	30
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.	Actuals	(135)
		Budget	(511)
		Variance	376
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.	Actuals	(48)
		Budget	(21)
		Variance	(27)
Total	Actuals		(305)
	Budget		(684)
	Variance		379

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

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Waste Management and Recycling - Waste Collection					
Indicator: Satisfaction Measure: Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	87.81	100.31	155.19	167.65	The 2019–20 variance reflects 482 kerbside bin collection requests, compared with 444 requests in 2018–19.
Indicator: Service standard Measure: Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.51	4.21	4.37	4.88	The 2019–20 variance reflects 148 kerbside collection bins missed, compared with 131 missed in 2018–19.
Indicator: Service cost Measure: Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$99	\$99	\$106	\$106	
Indicator: Service cost Measure: Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$48	\$52	\$58	\$72	The cost has been significantly impacted by the issues associated with the recycling processor in the region during the first half of the financial year and the increased cost of recycling.
Indicator: Waste diversion Measure: Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.20%	54.98%	52.68%	46.92%	Issues associated with the recycling processor in the region during the first half of the financial year resulted in Council having to dispose of recyclable materials into landfill.

Achievements

Climate Emergency declaration

At its final ordinary meeting of the calendar year in December 2019, Council endorsed a motion declaring a climate emergency to a packed gallery of more than one hundred onlookers. Queenscliffe Mayor Cr Ross Ebbels declared that Council is reaffirming its commitment to meet the challenge of preventing and preparing for climate change.

Over the past five years, the Borough has reduced its emissions by a third, run community solar bulk-buys, and taken a leading role in assessing and preparing for sea level rise. December's declaration also built on a Council motion moved unanimously in October, in which Council reaffirmed its commitment to action on climate change.

The motion passed by Council calls on Council officers to develop a climate response plan that builds on the achievements Council has already made in reducing emissions and caring for our local environment.

Save the Bay waste clean-up event

Primary school students from across the Borough of Queenscliffe joined forces in November 2019 for an environmental clean-up with a twist. Pupils at Queenscliff Primary School coordinated the 'Save the Bay' event on 19 and 20 November and were joined by students from Point Lonsdale Primary School and Queenscliff Kindergarten to also take part in beautifying the Borough. Together, students collected discarded rubbish from around the Borough to help protect our unique natural environment.

Council provided gloves and bags to participants, and disposed of all waste collected during the event. Councillor Ross Ebbels also joined the students on Tuesday morning to kick off the two-hour blitz. The students were able to achieve their unique goal of arranging plastic waste collected from across the town to create the shape of a swan on the school oval, representing nearby Swan Bay and Queenscliff Primary School's emblem, with a view to reducing the size of the swan in the years proceeding through good waste disposal habits.

Community Environment Alliance Grants Program

In 2020, Council received and funded one grant application through the Community Environment Alliance (CEA) Grants Program, submitted by the Queenscliffe Neighbourhood House, for \$3,150. Their water-saving project will include the purchase and installation of a 3,000 litre water tank at the premises to harvest rainwater for use on the garden, house maintenance and toilet amenities. The project aims to save water and promote a water-wise culture through community engagement and awareness about saving and conserving water.

The three grant recipients from 2019's CEA Grants Program each delivered their projects during the 2019–20 financial year:

- Queenscliffe Uniting Church's "Beyond the Water Bottle" project held at the SacredEdge Festival saw 400 people attend over three days. 960 litres of food waste and food packaging was collected and composted, alongside 480 litres of recyclables. All soft plastics were also recycled through RedCycle drop-off points.
- Point Lonsdale Primary School's reusable coffee mug 'tree' proved a popular addition to the Point Lonsdale Community Market, receiving strong support from visitors with all mugs used. Project organisers are hoping to extend the project to the Queenscliff Community Market in the future.
- The Swan Bay Environment Association's "Gardens for Wildlife" project was expanded in 2019–20, encouraging residents to improve biodiversity in the garden to attract wildlife. A total of 20 garden visits were completed and a survey of program participants showed an increase in residents' knowledge about local vegetation and attracting more wildlife. Unfortunately, COVID-19 restricted garden inspections during the autumn months, which is the prime time for planting.

Disappointments

Temporary collapse of recycling industry

The financial collapse of Council's recycling contractor, SKM Industries in July 2019 decimated the capacity within Victoria to process the contents of the kerbside yellow-lid bin. The Borough of Queenscliffe and its four G21 partner councils, who share a common kerbside recycling contract, sought alternative recycling options. Due to the scale of the closures, no alternative options were available. Disappointingly, Council was forced to divert recyclables from its kerbside service to landfill from August to mid December 2019.

Cancellation of e-waste event

Due to the COVID-19 pandemic, Council's annual e-waste drop-off event (normally held in May) was cancelled.

Challenges

Securing recycling facilities into the future

Council has worked collaboratively with neighbouring councils of the G21 region to secure facilities within the region to accept the contents of the yellow-lid bin for recycling. Council has secured services to process recyclable material from December 2019 into the immediate future. Council continues to work in collaboration with neighbouring councils to secure services past 1 July 2021.

Year Ahead

- Work with our community to develop a Climate Emergency Response Plan.



Local economy

Primary focus areas

- 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.

2019–20 successes

- Contributed to local employment via our preference for the engagement of local providers in Council's procurement policy.
- Regularised the production of our business e-news bulletin, providing up-to-date information and opportunities to local businesses.
- Hosted a Geelong Small Business Festival event with a day-long program of guest speakers and workshops.
- Provided specialised and tailored business support throughout the COVID-19 pandemic.
- Integrated businesses into the production of the Low Light Festival.
- Received stronger support from the business community for the 'After 5' networking event series.
- Created a successful '3225 Love Local Shop Local' campaign promoting local businesses during the COVID-19 pandemic.
- Allocated new sponsorships to The Great Outdoor Cinema and the Queenscliffe Twilight Market, while further committing sponsorship to the Queenscliff Music Festival.

Initiatives	Council's performance
Continue beach cleaning activities for major public events and at the Queenscliff Front Beach in the Summer, Easter and September School Holiday periods.	Completed
Continue beach cleaning activities for major public events and at the Queenscliff Front Beach in the Summer, Easter and September School Holiday periods.	In progress
Produce a Foreshore Plan to identify priority actions to enhance the amenity and use of the foreshore and beaches and include the introduction of beach huts.	Completed
Implement Council's procurement policy and practices to enhance opportunities for local businesses.	On hold
Advocate to all levels of Government to implement the Fort Queenscliff Tourism Master Plan.	Completed
Work with Queenscliff Music Festival, local businesses and community organisations to implement and enhance the Queenscliffe Winter Arts Festival.	Completed
Enhance Council's sponsorship of local and public events.	Completed
Seek advice on economic development priorities through Council's formal Advisory Committee and other stakeholders.	Completed
Facilitate local businesses access to information and professional development opportunities.	In progress

Initiatives	Council's performance
Advocate for and seek funding from other levels of Government to improve coastal infrastructure that enhances the local amenity and improves community and visitor experiences.	Completed
Work with local businesses and community organisations, Tourism Greater Geelong and the Bellarine and Visit Victoria to promote tourism experiences in Queenscliff and Point Lonsdale.	Completed
Provide an accredited Visitor Information Centre service through the active involvement of volunteers.	Completed
Receive and consider a 20 year Vision for the Borough of Queenscliffe from the Queenscliffe Economic Development Advisory Committee (QEDAC).	Completed

The following statement provides information in relation to the services funded in the 2019–20 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Tourist Parks and Boat Ramp Services	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.	Actuals	685
		Budget	824
		Variance	(139)
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.	Actuals	(169)
		Budget	(179)
		Variance	10
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 & the Bellarine, G21 and the State Government to implement regional economic development and related infrastructure priorities.	Actuals	(148)
		Budget	(268)
		Variance	120
Total	Actuals		368
	Budget		377
	Variance		(9)

Achievements

Local business support

Maintaining strong and positive relationships with local businesses and traders is a key role of the Economic Development team. These connections were furthered throughout 2019–20 with the continued production of monthly e-news business bulletins, keeping shopkeepers and small business owners ‘in the loop’ with local happenings and promoting free training workshops.

When the magnitude of the COVID-19 pandemic’s impact on local businesses became clear, Council was able to secure access for affected businesses to access the City of Greater Geelong’s Business Support Package, providing a greater level of comfort to traders.

Christmas shopping collaboration

Council collaborated with business group PLonQ (Point Lonsdale & Queenscliff Inc.) to promote shopping locally for Christmas 2019. The exercise saw traders in both towns open for extended hours on the final two Friday evenings before Christmas, which also featured a surprise visit from Santa Claus.

Celebration of Mullagh Wills story

Council was able to officially recognise the significance of Queenscliff in the Australian Aboriginal cricket team’s 154-year-old story when the Mullagh Wills Foundation Trophy was competed for at the Queenscliff Recreation Reserve in February 2020. A ceremony took place prior to the B-grade match between Queenscliff and Anglesea, where Wotjobaluk Elder Richard Kennedy joined Queenscliff Mayor Cr Ross Ebbels to present a message book to Council.

Kennedy’s great-great-grandfather Yangendyinyanyuk (Dick-a-Dick) was a member of the famous cricket team that departed from Queenscliff bound for England back in October 1867, where they eventually played a mammoth 47-match tour over six months. The story adds another layer to the rich Indigenous history dating back tens of thousands of years in the Wadawurrung region.

Local events calendar

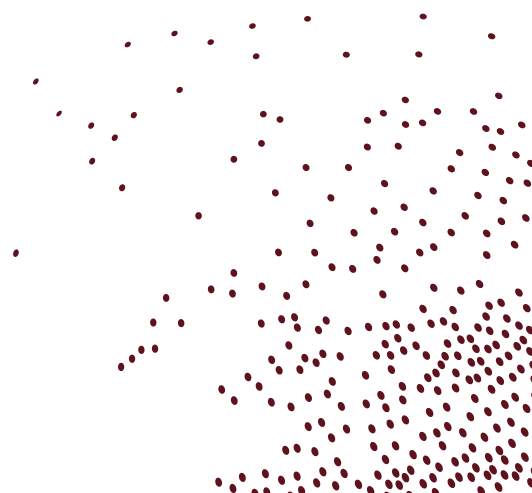
During 2019-20, Council improved and promoted the calendar of events via:

- Social media – the introduction of a Facebook page specific to the Borough of Queenscliff at the beginning of 2020 allowed Council to promote major events via regular posting and targeted advertising. This was particularly evident for the ‘hot rods’ weekend in February, which attracted overwhelming online engagement.
- Borough of Queenscliff website – event content was regularly updated and the use of an improved searchable calendar of events was continued.
- Industry communication – regular event details were provided to local businesses via email and in the monthly e-business bulletin.

Queenscliff Visitor Information Centre

The accreditation status of the Queenscliff Visitor Information Centre through the Australian Tourism Accreditation Programme has been maintained. Key activities at the Visitor Information Centre in 2019-20 included:

- Servicing 24,615 walk-in enquiries at the Centre, and 1,089 phone enquiries
- Coordinating and conducting 43 Heritage Guided Walks with 468 participants
- Continued the Centre’s partnership with Searoad Ferries to promote the services of the Visitor Information Centre. 42 tickets were sold for Searoad Ferries and an in-kind ticket service was provided to local community groups for: Low Light Festival; Winter Wonderland; Nonsense (QCLTG); Seekers; The Fort; Vivaldi; Aladdin; and VOX Choir.



Disappointments

Cancellations and postponements due to COVID-19

The COVID-19 pandemic caused the cancellation of a number of significant annual events that bring in significant tourism and revenue to the township, including: the Queenscliffe Literary Festival, Low Light Festival, SacredEdge Festival, and the Bellarine Lighthouse Film Festival. Additionally, we also had to cancel an After 5 business networking function due to the pandemic, and an autumn/winter tourism marketing campaign with Searoad Ferries was postponed.

Indefinite postponement of Destination Queenscliff

In April 2020, Council unfortunately had to place the Destination Queenscliff project on indefinite hold due to complications around funding timelines, work restrictions and the financial challenges posed by the COVID-19 pandemic. Council therefore worked with the Commonwealth Government to agree to a mutual termination of the funding agreement for the project at the end of the 2019–20 financial year. We intend to revisit the project in future when the timing is right.

Challenges

Difficulties for businesses due to COVID-19

Unsurprisingly, the devastation that the COVID-19 pandemic caused to the local economy made it challenging for business owners and introduced both financial and emotional stress. There was also an increase in administration work by having to plan, adapt or cancel events due to the pandemic.

Council is continuing to support local businesses and ratepayers through stimulus measures and promotional activities.

Year ahead

- Continue to operate the Visitor Information Centre under an amended service during the construction of the Queenscliffe Hub by basing support of out of a temporary location, the former Vic Hotel / Tavern on Hesse Street.
- Install and promote the 'Q Code' project, a digital history walk through the Borough.
- Work with businesses to plan for post-COVID-19 recovery support.
- Relaunch the Searoad Ferries tourism promotion.

Planning and heritage

Primary focus areas

- 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 Queenscliff Planning Scheme to achieve the Council's vision and strategic objectives.
- Ensure high quality design and construction standards in new and upgraded community infrastructure.

2019–20 successes

- Commenced preparation of the Coastal and Marine Management Plan for the Borough of Queenscliff.
- Secured additional resources to complete strategic work in planning.
- Processed a greater number of planning applications within 60 days.
- Gained approvals for the Queenscliff Ferry Terminal.
- Repaired the sea wall at Point Lonsdale Front Beach.
- Achieved state and national recognition of important heritage sites within the Borough of Queenscliff: Shortland's Bluff, and the Point Lonsdale Lighthouse Reserve.

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
Complete the review of the heritage provisions in the Queenscliff Planning Scheme and the related amendment to the Planning Scheme.	In progress
Implement the priority recommendations of the 2017 Queenscliff Planning Scheme Amendment (C27) by undertaking a review of the Neighbourhood Character provisions in the Queenscliff 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.	Completed
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
Implement the Action Plan for historic coastal defence structures In Queenscliff and Point Lonsdale.	Completed

The following statement provides information in relation to the services funded in the 2019–20 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Design and Project Management	The Design and Project Management program seeks to achieve excellence of design and delivery of projects which 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.	Actuals	(392)
		Budget	(211)
		Variance	(181)
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.	Actuals	(241)
		Budget	(291)
		Variance	50
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.	Actuals	(22)
		Budget	(62)
		Variance	40
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.	Actuals	(2)
		Budget	(17)
		Variance	15
Total	Actuals		(657)
	Budget		(581)
	Variance		(76)

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

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Land Use Planning - Statutory Planning					
Indicator: Timeliness Measure: Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	91.00	105.00	75.00	62.00	Increased resources allowed for the better turnaround in planning applications in 2019–20.
Indicator: Service standard Measure: Planning applications decided within 60 days [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	62.24%	49.65%	65.83%	85.85%	Increased resources allowed decisions to be made within 60 days for 91 applications out of 106 received for 2019–20.
Indicator: Service cost Measure: Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,387	\$1,665	\$1,922	\$2,144	Cost of increased resources to improve service standards of statutory planning services.
Indicator: Decision-making Measure: Council planning decisions upheld at VCAT [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	100.00%	40.00%	50.00%	0.00%	One planning decision was referred to VCAT and Council's decision was not upheld.

Achievements

Commenced preparation of the Coastal and Marine Management Plan

The Coastal and Marine Management Plan is an important document for the Borough of Queenscliffe as it sets out how Council will guide the future use and management of our precious coastal foreshore areas. The Plan is guided by the legislative changes established in the Marine and Coastal Act 2018, which introduced more stringent requirements for all Crown land managers. The budget funding allocated in 2019–20 towards the progression of the plan has been largely retained for next year as the plan continues to be worked on.

More efficient internal performance

Securing additional resources throughout the 2019–20 financial year to complete strategic work in planning allowed Council officers to plan and prioritise tasks with greater efficiency than in recent years. This was reflected with another significant reduction in the median number of days taken to decide a planning application, which in turn allowed for a massive increase in the number of planning applications decided within 60 days.

Heritage recognition for key site

Achieving expanded state and national recognition the Point Lonsdale Lighthouse Reserve allows this important heritage site to be protected for generations to come. The updated Heritage Act 2017 allows for objects integral to a registered place to be included in its heritage listing – placing the collection of wartime emplacements, foghorn shed, P1 huts and Buckley’s Cave alongside the already listed lighthouse building in terms of importance. Council campaigned in November 2019 for this amendment to its listing in Heritage Victoria’s register, and was successful. This follows on from the expanded heritage recognition of Shortland’s Bluff the previous year and secures the protection of both historic landmarks long into the future.

Disappointments

Complexity of approvals for key sites

The complexity and resources required to gain approval for a number of key sites along the foreshore, including Shortland’s Bluff and Point Lonsdale Lighthouse Reserve, proved a sticking point throughout the year.

A number of delays and disagreements unfortunately led to the withdrawing of Commonwealth Government funding towards the Destination Queenscliff project, ultimately forcing its indefinite postponement.

Misalignment with VCAT decision

There was some difficulty in conveying the sensitive character elements of the Borough’s heritage and character at the Victorian Civil and Administrative Tribunal (VCAT). In 2019–20, just one planning decision was referred to VCAT, but Council’s decision was unfortunately not upheld.

Increase in exemptions

The increase in the number of exemptions for native vegetation removal corresponds to a detrimental impact on coastal settlements, including the Borough.

Challenges

Dealing with COVID-19

Managing a team through the COVID-19 pandemic was a testing experience, and one that we continue to explore and improve upon as the crisis continues.

Meeting community expectations

Meeting community expectations on key policy initiatives in a low resources/high complexity environment. Further community consultation around educating the community on the role of the planning department will be considered in response.

Year ahead

- Incorporate the revised Heritage Review into the Queenscliffe Planning Scheme.
- Translate the Local Planning Policy Framework (a project being undertaken by DELWP).
- Continue work on the Bellarine Distinctive Areas and Landscapes project being run by DELWP.
- Increase links with the Wadawurrung, providing greater recognition of Indigenous heritage.

Governance and performance

Primary focus areas

- 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.

2019–20 successes

- Participated in the development of the new Local Government Act.
- Completed a rigorous audit program, concentrating on areas of greatest risk and return.
- Appointed a new Chief Executive Officer following a thorough recruitment process.
- Increased community engagement and consultation, resulting in improved Community Satisfaction Survey metrics.
- Won a sixth consecutive Gold Award in the Australasian Reporting Awards.
- Remained in a sound financial position according to VAGO's long-term financial sustainability indicators.

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 and in accordance with statutory timeframes.	Completed
Complete an annual review of Council's Strategic Resource Plan and long term (10 year) financial plan 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

Initiatives	Council's performance
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 on-line services available on Council's website.	Completed
Implement the recommendations of the I.T. Strategy focussed on provision of service to the community and on internal efficiencies.	In progress
Continue to advocate to the State government on a boundary change.	In progress
Recruit a property officer to manage the lease of Council and Crown land properties.	Completed
Conduct an independent review of targeted Council programs.	Completed
Conduct a review of the Borough of Queenscliffe's Local Law No. 1, 2010 (Processes of Municipal Government) and Local Law No. 2 (Community Amenity).	In progress

The following statement provides information in relation to the services funded in the 2019–20 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Council 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 MAV and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program.	Actuals Budget	(220) (233)
		Variance	13
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.	Actuals Budget	(721) (1,252)
		Variance	531
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.	Actuals Budget	(558) (692)
		Variance	134

Service area	Description of services provided		\$'000
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.	Actuals	4,325
		Budget	4,419
		Variance	(94)
Total	Actuals		2,826
	Budget		2,224
	Variance		584

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

	Result 2017	Result 2018	Result 2019	Result 2020	Material variations and other general comments
Council Governance - Governance					
<p>Indicator: Transparency</p> <p>Measure: Council decisions made at meetings closed to the public</p> <p>[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</p>	6.51%	11.63%	10.97%	13.09%	Council resolutions made at meetings closed to the public in 2019–20 are due to the consideration and awarding of a number of tenders where components of the tenders were commercial in confidence. Other confidential items related to the awarding of honours, grants and awards.
<p>Indicator: Consultation and engagement</p> <p>Measure: Satisfaction with community consultation and engagement</p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	58	56	51	59	This result reflects a significant improvement in Council's community consultation and engagement activities.
<p>Indicator: Attendance</p> <p>Measure: Councillor attendance at Council meetings</p> <p>[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</p>	95.00%	90.00%	93.85%	95.00%	Councillor attendance was 76 of a possible 80 instances (16 meetings x 5 councillors) in 2019–20, compared with 61 of a possible 65 instances (13 meetings x 5 councillors) in 2018–19.
<p>Indicator: Service cost</p> <p>Measure: Cost of elected representation</p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$38,508	\$37,332	\$36,299	\$36,996	
<p>Indicator: Satisfaction</p> <p>Measure: Satisfaction with Council decisions</p> <p>[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]</p>	58	53	49	54	Improvement is a result of significant improvement in community consultation and engagement activities.

Achievements

Participating in development of new Act

The creation and introduction of the new *Local Government Act 2020* is one of the biggest changes to the local government sector in more than 30 years. Council participated in the development of the Act after having engaged in extensive advocacy during the previous financial year. The Borough, with support from other councils and the Municipal Association of Victoria, was able to influence the representation elements of the new Act, particularly in regard to the initial preference of the State Government for single-member ward representation.

Completing rigorous audit program

Council completed a rigorous audit program throughout 2019–20, concentrating on areas of greatest risk and return. These audits included:

- Review of Capital Works Framework
- Review of Human Resource Management
- Review of Business Continuity Planning and Disaster Recovery
- Review of the Management of Caravan Parks, Reserves and Foreshore, and
- Review of Strategic Procurement.

Appointment of new CEO

After a lengthy recruitment process that involved multiple rounds of interviews and dozens of applicants to the role, at its August 2019 Special Meeting, Council unanimously resolved to appoint Mr Martin Gill to the position of CEO. Martin commenced employment on 7 October 2019 following the resignation of Mr Lenny Jenner, who spent more than 11 years in the role.

Increased community engagement and consultation

An increase in the scope and quality of community engagement and consultation across 2019–20 resulted in a pleasing increase of key metrics in Council’s Community Satisfaction Survey. Council focused heavily on transparency, engaging with the community at the early stages of planned or contemplated projects via new mediums such as targeted emails, letterbox drops and social media posts.

Effective financial reporting

Council won a Gold Award for its 2018–19 Annual Report at the Australasian Reporting Awards. This is the sixth consecutive year that the Borough of Queenscliffe has been awarded with the highest accolade at the annual awards.

Long-term financial sustainability

Applying the seven indicators of financial sustainability assessed by VAGO each year, Council remains in a sound financial position and is considered ‘low’ risk in all but one of the seven financial sustainability indicators for the 2019–20 year.

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

1. **Net result margin (%)** – Net result as a percentage of total revenue
2. **Adjusted underlying result (%)** - Adjusted underlying surplus (or deficit) as a percentage of adjusted underlying revenue
3. **Liquidity** – Current assets as a percentage of current liabilities
4. **Indebtedness** – Non-current liabilities as a percentage of own-sourced revenue
5. **Internal financing** – Net operating cash flows as a percentage of net capital expenditure
6. **Capital replacement** – Cash outflows for property, infrastructure, plant and equipment as a percentage of total depreciation, and
7. **Renewal gap** – Renewal and upgrade expenditure as a percentage of total depreciation.

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

More details about the VAGO financial sustainability indicators are provided in the section “Summary of Financial Performance”.

Disappointments

COVID-19 limiting budget consultation response

Council significantly expanded its consultation for this financial year's budget, asking for ideas and suggestions from members across our community. The consultation was highly successful, with almost one in nine residents taking part. Unfortunately, the unexpected financial impact of the COVID-19 pandemic following the consultation meant that Council was unable to fund many suggested budget measures. Council has retained the consultation results and is hoping to refer to them again after the effects of the pandemic have lessened.

Challenges

Implementing the new Local Government Act

The implementation of the *Local Government Act 2020* imposed a significant burden on the governance resources of the Borough in the last few months of the financial year, with a raft of reforms being required to be developed by councils within six months of the introduction of the Act. This diverted resources from other tasks.

Year Ahead

- Continued actions for implementation of the new Local Government Act.

Legislative compliance

Best Value

During 2019–20, the organisation continued its Best Value Program in accordance with legislative requirements. Our annual Budget and business planning processes encompassed best value principles and continuous improvement, enabling us to review, learn and improve.

This approach was also applied to the ongoing review of Council services to ensure they continue to deliver best value for our community. The procurement requirements of the *Local Government Act 1989* together with our procurement policy underpinned all procurement decisions made during the year.

Documents available for inspection

In accordance with Regulation 12 of the Local Government (General) Regulations 2015, the following documents are available for inspection at the Council offices (50 Learmonth Street, Queenscliff) during normal business hours.

Some of these can also be accessed via our website (www.queenscliffe.vic.gov.au).

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.

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 report on its implementation in the annual report.

The Domestic Animal Management Plan 2017–21 is a reissued edition of the Plan 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 and Nuisance) Animals Act 1994*
- *Impounding of Livestock Act 1994*
- Borough of Queenscliff Local Law No. 2, 2010 – Community Amenity, and
- Relevant Council policies.

The domestic animal management plan identifies a number of key issues including the importance of the provision of information and education to encourage responsible pet ownership, the value of microchipping and desexing pets, and the need for a strategic approach to manage domestic animals in the community.

Domestic animal management statistics for the past five years appear in the tables on page 88.

Fire prevention

Under the *Country Fire Authority Act 1958*, Council is required to have a Municipal Fire Prevention Plan and to report on its implementation in its annual report. Council's Fire Prevention Plan is in place and being revised on an ongoing basis awaiting further direction from the CFA.

Council's 2019–20 annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In 2019–20, 11 properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 100% compliance. This figure remains consistent across the last five years and is likely 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.

Freedom of Information Act

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

Our Freedom of Information Statement outlines the organisation's role, key services, functions and reports, and how a person can access the information required.

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 Council's possession may be obtained through written request to the Freedom of Information Officer 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. search and photocopying charges). Further information regarding Freedom of Information can be found at www.ovic.vic.gov.au and on Council's website.

During 2019-20, Council received 5 valid requests for information.

Local laws

Council's Local Law No. 2 (2010) – Community Amenity aims to maintain peace and order across the municipality. Outcomes for the past five years are reported in the tables on page 88.

Details related to Local Law No.1 (2010) – Process of Municipal Government appear in the Council Governance section of this report.

Privacy and Data Protection Act

Council is committed to protecting the personal privacy of residents and ratepayers. We 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*. Our information privacy policy is available on the 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 the organisation's Privacy Officer on 5258 1377 or via email: privacy@queenscliffe.vic.gov.au.

Information and records management

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

Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2020. The revaluation was applied for the rating year 2020–21. The next revaluation is scheduled for 1 January 2021.



Public Interest Disclosure Act

In accordance with the *Public Interest Disclosure Act 2012* (formerly known as the *Protected Disclosure Act 2012*), Council must include information in the annual report 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 public interest disclosure complaints investigated during the financial year.

The Act's main objective is to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and by providing protection for people who make disclosures.

The Act provides protection from detrimental action to any person affected by a public interest 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 2019–20, no disclosures were made to the Borough of Queenscliffe or to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act

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. We received no such ministerial directions during 2019–20.

Infringements, registrations and permits issued 2016–2020

The following tables report the infringement notices, registrations and permits issued under Local Law No. 2 (2010) – Community Amenity over the past five years.

Infringement notices	2020	2019	2018	2017	2016
Parking infringements	27	109	146	185	203
Animal infringements	5	4	13	6	4
Local law infringements	2	3	0	1	2
Fire prevention	0	0	0	0	0
Planning	0	0	0	1	0
Total	34	116	159	193	209

Court briefs	2020	2019	2018	2017	2016
Court briefs	0	0	0	0	0
Total	0	0	0	0	0

Local law permits	2020	2019	2018	2017	2016
Consume alcohol	15	13	13	7	16
Weddings	12	15	25	12	13
Major events	34	44	47	31	28
Bulk rubbish bins	8	3	8	11	5
Disabled parking	328	53	64	246	52
Outdoor eating facilities	21	23	10	21	20
Goods for sale	21	22	14	22	22
A-frames	54	60	21	54	39
Residential parking	0	0	0	0	0
Boat ramp	11	204	224	232	240
Other	23	48	27	30	42
Total	517	485	453	666	477

Animal management	2020	2019	2018	2017	2016
Animals registered	769	753	756	676	751
- Dogs	648	635	636	576	622
- Cats	121	118	120	100	129
Impounded animals	19	19	42	31	33
Door knocks (streets)	172	112	90	47	82
Animal warning notices	449	464	436	418	396
Native animal responses	39	58	32	53	47
Total	1,448	1,406	1,356	1,225	1,309

Notices	2020	2019	2018	2017	2016
Fire prevention	11	15	14	13	16
Non-compliance of notices	0	0	0	0	0
Total	11	15	14	13	16

Outside hours	2020	2019	2018	2017	2016
After hours calls	43	238	241	227	197
After hours call-outs	6	75	70	61	53
Total	49	313	311	288	250

Grants and donations to local organisations

In 2019–20, Council gifted a total of \$104,824.39 to support local community groups and organisations in undertaking various cultural, recreational, environmental and community support projects and activities.

Community events

Recipient	Purpose of community grants and donations	2020 (\$)	2019 (\$)
Queenscliff Music Festival (QMF)	Support of the event (cash donation and in-kind support)	17,000	6,412
Walk to School	To promote active travel and educate about healthy choices at all three local primary schools	12,532	-
Australia Day	Australia Day celebrations	5,696	6,014
Senior Citizens Week	Senior Citizens Week activities	3,373	5,630
Point Lonsdale Christmas Tree	Point Lonsdale Christmas Tree festivities	2,719	3,979
Artists in Residence	Arts event	2,513	1,650
ANZAC Day	Event support including ANZAC Day events	109	16,911
Volunteer Day	Volunteer Day celebrations	100	867
Refugee Welcome Zone	Refugee welcome event	-	2,088
Sub Total: Community events		44,042	43,550

Contribution to operating costs

Recipient	Purpose of community grants and donations	2020 (\$)	2019 (\$)
Life Saving Victoria	Lifeguard services	32,649	31,853
Sub Total: Contribution to operating costs		32,649	31,853

Arts & Cultural Development Grants

Recipient	Purpose of community grants and donations		2020 (\$)	2019 (\$)
	2020	2019		
Queenscliff Kindergarten Inc.	Active kids play equipment	Sound and visual equipment	2,814	-
Queenscliff Community Sports Club	Defibrillator machine	Primary Colours of the Borough	2,000	2,000
Queenscliff and District Neighbourhood House	Shade solutions	Safety and identity coloured vests	2,000	1,240
Point Lonsdale Board Riders Club	New Doors for the Engine Shed		2,000	636
Compassionate Hearts on the Bellarine	Establishment costs of Compassionate Hearts on the Bellarine		2,000	-
Australian Volunteer Coast Guard Association	Provision of 2 Ipads with military grade covers		1,613	-
Victoria State Emergency Service	Pelican light		1,453	-
1st Queenscliff Sea Scout Group	Camping shelter replacement		920	-
Queenscliff and District Neighbourhood House	Creating warm garments for those in need		500	-
Combined Probus Club of Queenscliff	Purchase of wool for knee rugs		500	-

Recipient	Purpose of community grants and donations		2020 (\$)	2019 (\$)
	2020	2019		
Queenscliff/Point Lonsdale RSL	Purchase of original music on behalf of Ecumenical choir performances		270	-
Queenscliff Kindergarten		Kitchen upgrade	-	2,528
Bellarine Community Health		'Bounce back' post-natal weekly exercise group	-	2,000
Queenscliff Golf Club		Replacement of damaged flooring	-	2,000
Queenscliffe Lighthouse Theatre Group		Shelving for storage shed	-	2,000
Point Lonsdale Tennis Club		Tennis Court maintenance	-	1,511
Queenscliff Lonsdale Yacht Club		Discover sailing and canoeing family days	-	1,377
State Emergency Service Bellarine Unit		Purchase of a defibrillator	-	1,800
Victorian Fisheries		Marine Discovery Rangers	-	1,818
Sub Total : Arts & Cultural Development Grants			16,070	18,910

Sponsorship Program

Recipient	Purpose of community grants and donations	2020 (\$)	2019 (\$)
Great Outdoor Cinema	Free community event designed to enhance the region and retain visitors and locals alike over the summer season	5,000	-
Queenscliffe Community Market	Sponsorship of a road closure for the twilight market to ensure public safety	3,500	-
YMCA Youth Camp	2 youth students to participate in YMCA's Eco camp	700	-
Sub Total : Sponsorship Program		9,200	-

Education Awards

Recipient	Purpose of community grants and donations	2020 (\$)	2019 (\$)
Bellarine Secondary College	Scholarship	-	1,000
Point Lonsdale Primary School		-	-
St. Aloysius Primary School		-	-
Sub Total : Education Awards		-	1,000

Community Environment Alliance Grants

Recipient	Purpose of community grants and donations	2020 (\$)	2019 (\$)
Queenscliff and District Neighbourhood House	Supply and installation of a water tank	2,864	-
Swan Bay Environment Association	Gardens for Wildlife Program	-	2,050
Uniting Church Queenscliff / Point Lonsdale	Host workshops in household waste minimisation	-	1,197
Point Lonsdale Primary School	Promoting reusable cup's	-	465
Sub Total : Community Environment Alliance Grants		2,864	3,712

TOTAL GRANTS AND DONATIONS PAID TO LOCAL ORGANISATIONS	104,824	99,025
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Grants and subsidies received

In 2019–20, Council received a total of \$2,951,763.79 in grants and subsidies from external sources.

Purpose	Type	Period	Funding	Source	2020 (\$)	2019 (\$)
General Purpose	Operating	Recurrent	Federal	Department of Environment, Land, Water and Planning - VGC	663,286	203,890
Roads to Recovery	Capital	Recurrent	Federal	Department of Infrastructure	190,894	144,794
HACC - Domestic assistance	Operating	Recurrent	Federal	Department of Health	172,542	171,620
Aged Care - Domestic Assistance	Operating	Recurrent	Federal	Department of Health	166,840	229,211
Aged Care - Personal Care	Operating	Recurrent	Federal	Department of Health	66,763	64,995
Community Development Officer	Operating	Recurrent	Federal	Department of Health	60,122	-
Local Roads	Operating	Recurrent	Federal	Department of Environment, Land, Water and Planning - VGC	59,745	60,120
Aged Care - Assessments	Operating	Recurrent	Federal	Department of Health	43,153	43,153
Aged Care - Respite Care	Operating	Recurrent	Federal	Department of Health	35,114	34,595
Aged Care - Home Maintenance	Operating	Recurrent	Federal	Department of Health	20,163	39,729
Victorian Seniors Festival - Senior Citizens Week	Operating	Recurrent	Federal	Department of Health	2,600	2,600
Senior Citizens Centre	Operating	Recurrent	Federal	Department of Health	-	43,695
Sub Total: Federal funding					1,481,221	1,038,403
Fixing Local Roads - Stage 2	Capital	Non-recurrent	State	VicRoads	542,735	361,823
Cultural Hub Living Libraries Program	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	290,000	450,000
Seawall and Rock revetment at Pt Lonsdale	Operating	Non-recurrent	State	Department of Environment Land Water and Planning	151,485	-
Better Boating Program	Operating	Non-recurrent	State	Department of Transport	115,000	-
Maternal and Child Health	Operating	Recurrent	State	Department of Education & Early Childhood Development	54,921	46,681
Lawrence Road Shared Path Connection	Capital	Non-recurrent	State	Department of Transport	40,000	-
Fire Services Property Levy	Operating	Recurrent	State	State Revenue Office	39,947	-
Infrastructure and Building block grant	Capital	Non-recurrent	State	Department of Education and Training	35,000	-
DHHS Community Activation and Social Isolation	Operating	Non-recurrent	State	Department of Health and Human Services	33,860	-
School Crossing Supervisors	Operating	Recurrent	State	Department of Transport, Planning & Local Infrastructure	30,870	30,205
Pick my project outdoor gym equipment	Capital	Non-recurrent	State	Department of Premier and Cabinet	24,245	92,364
Fort Queenscliff Business case	Operating	Non-recurrent	State	Regional Development Victoria	18,824	-
Beach Cleaning - Seaweed	Operating	Recurrent	State	Department of Environment Land Water and Planning	18,747	9,909
This Girl Can - Local Area Marketing	Operating	Non-recurrent	State	VicHealth	14,200	-
Kerbside Waste Recycling	Operating	Non-recurrent	State	Department of Environment, Land, Water and Planning	13,614	5,334
Beach Cleaning	Operating	Recurrent	State	Department of Sustainability & Environment	11,792	10,458
Point Lonsdale Lighthouse Reserve Stage 1	Capital	Non-recurrent	State	Department of Economic Development	9,000	-
ANZAC Day	Operating	Non-recurrent	State	Department of Veteran Affairs	7,150	5,500
Aged Care- Service System Resourcing	Operating	Recurrent	State	Department of Health and Human Services	4,391	-
Natural Disaster Funding	Operating	Non-recurrent	State	Department of Treasury and Finance	438	25,000

Purpose	Type	Period	Funding	Source	2020 (\$)	2019 (\$)
Aged Care - Workforce Support	Operating	Recurrent	State	Department of Health and Human Services	50	-
Queenscliff Sports & Recreation Precinct Development	Capital	Non-recurrent	State	Sport & Recreation Victoria - Department of Health & Human Services	-	1,035,000
Destination Queenscliff (Stage 2) Instalment 1 - RDV	Capital	Non-recurrent	State	Department of Economic Development	-	886,227
Fixing Local Roads - Bowen Road widening	Capital	Non-recurrent	State	Regional Roads Victoria	-	360,000
Point Lonsdale Tennis Club	Capital	Non-recurrent	State	Department of Health and Human Services	-	225,000
Fixing Local Roads - Rail trail connection	Capital	Non-recurrent	State	VicRoads	-	90,000
PLLR search light emplacement structure	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	-	81,000
Fixing Local Roads - Milne Court sealing	Capital	Non-recurrent	State	VicRoads	-	30,000
Fixing Local Roads - Murray Road	Capital	Non-recurrent	State	VicRoads	-	15,000
Point Lonsdale Cenotaph upgrades	Capital	Non-recurrent	State	Department of Premier and Cabinet	-	6,600
Open Space Strategy	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	-	615
Fire Services Levy Implementation	Operating	Recurrent	State	State Revenue Office - Department of Treasury & Finance	-	38,973
Walk to School	Operating	Recurrent	State	VicHealth	-	15,000
2018 Rates Annual Valuations - reimbursement	Operating	Non-recurrent	State	State Revenue Office	-	26,868
Low Light festival	Operating	Non-recurrent	State	Visit Victoria	-	15,000
Kindergarten Capacity	Operating	Non-recurrent	State	Department of Education and Training	-	15,000
Avenue of Honour Tree Replacement Program	Operating	Non-recurrent	State	Department of Premier and Cabinet	-	8,485
Signage Upgrade	Operating	Non-recurrent	State	Department of Environment Land Water and Planning	-	3,150
Aged Care - Community Development and Assistance	Operating	Non-recurrent	State	Department of Education and Training	-	774
Tourism & Economic Development Strategy	Operating	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	-	-10,000
Sub total : State funding					1,456,269	3,883,116
Tobacco Activity Program	Operating	Non-recurrent	Other	Municipal Association Victoria	12,774	6,390
Gender-Based Violence Campaign	Operating	Non-recurrent	Other	Municipal Association Victoria	1,500	-
Sub total : Other funding					14,274	6,390
Total Grants and Subsidies Received by Council					2,951,764	4,927,908

* The total grants and subsidies balance will not match the face of the income statements due to adjustments for grants received in advance.

Membership of organisations

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

Organisation	Membership Contribution	
	2020 (\$)	2019 (\$)
Municipal Association of Victoria (MAV) - Membership	19,495	8,189
Tourism Greater Geelong and the Bellarine - Membership	18,142	17,786
Bellarine Catchment Network	11,520	11,520
G21 Regional Alliance	6,750	6,585
Association of Bayside Municipalities (ABM)	5,058	5,058
Victorian Caravan Parks Association (Vic Parks)	4,495	4,280
Construction Supplier Register	3,930	-
Local Government Professionals (LGPro)	3,029	2,573
Municipal Association of Victoria (MAV) - Small Rural Councils of Victoria	3,000	3,000
Tourism Greater Geelong and the Bellarine - Tourism Excellence Professional Development Program	2,000	1,818
CPA Australia	1,836	1,762
Tourism Greater Geelong and the Bellarine - Caravan Parks Membership	1,386	782
Victorian Tourism Industry Council - Membership	700	700
Revenue Management Association (RMA)	600	600
Infrastructure Design Association	500	3,000
Energy and Water Ombudsman	362	-
Australian Institute of Company Directors	184	-
Local Government Finance Professionals (FinPro)	136	408
Volunteering Geelong	132	38
ANSTAT	96	-
Municipal Association of Victoria (MAV) - Step Asset Management Program	-	6,450
Municipal Association of Victoria (MAV) - Australian Standards Sector-Wide Access Program	-	2,500
Victorian Tourism Industry Council - Tourism Accreditation Program	-	432
Mainstreet Australia	-	500
International association for public participation - Australasian membership	-	180
Environmental Health Professionals	-	70
School Crossings Victoria	-	-
Municipal Association of Victoria (MAV) - LG Information Communications Technology	-	-
Total Membership Contributions	83,349	78,229

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 Item		Required	YES NO	Commentary
GC1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	YES	Current policy in operation Date of operation of current policy: 24/09/2014 Currently under review. Estimated completion end of 2020
GC2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	Current policy in operation Date of operation of current policy: 24/09/2014 Currently under review. Estimated completion end of 2020
GC3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act	YES	Plan adopted in accordance with section 126 of the Act, on 18/06/2020
GC4	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	YES	Budget adopted in accordance with section 126 of the Act, on 18/06/2020
GC5	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	YES	Current plans in operation Date of adoption of current plans: Roads, Footpath and Kerb Assets 20/06/2019 Building Assets 20/06/2019 Open Space Assets 20/06/2019 Urban Stormwater Drainage 20/06/2019
GC6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	YES	Current strategy in operation Date of operation of current strategy: 20/06/2019 Next planned review in the 2020/21 financial year
GC7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	Current policy in operation Date of operation of current policy: 13/12/2018 Next planned review in December 2020

Governance and Management Item		Required	YES NO	Commentary
GC8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	Current policy in operation. Date of operation of current policy: 01/03/2018 Next planned review in March 2021
GC9	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 Emergency Management Act 1986	YES	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> : 22/01/2019
GC10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act	YES	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i> , on 18/06/2020
GC11	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	YES	Current plan in operation Date of operation of current plan: 30/10/2019
GC12	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	YES	Current plan in operation Date of operation of current plan: 30/10/2019
GC13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	Current framework in operation Date of operation of current framework: 13/12/2018 Next planned review in December 2020
GC14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act	YES	Committee established in accordance with section 139 of the Act on 30/10/2013

Governance and Management Item	Required	YES NO	Commentary
GC15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES Internal auditor engaged Date of engagement of Internal auditor: 24/08/2017
GC16	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	YES Current framework in operation Date of operation of current framework: 04/06/2014
GC17	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)	Current report	YES Dates of performance reporting review: 2018/19 Quarter 4 Council Plan Progress Report 19/09/2019 2019/20 Quarter 1 Council Plan Progress Report 28/11/2019 2019/20 Quarter 2 Council Plan Progress Report 27/02/2020 2019/20 Quarter 3 Council Plan Progress Report 23/04/2020
GC18	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	YES Dates of quarterly statements presented to Council in accordance with section 138(1) of the Act: 2018/19 Quarter 4 Finance Report 19/09/2019 2019/20 Quarter 1 Finance Report 28/11/2019 2019/20 Quarter 2 Finance Report 27/02/2020 2019/20 Quarter 3 Finance Report 23/04/2020
GC19	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	YES Dates of presentation of reports: Updated risk register presented to the Audit committee 9/09/2019 Updated risk register presented to the Audit committee 9/06/2020

Governance and Management Item		Required	YES NO	Commentary
GC20	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	YES	Dates of presentation of reports: 2018/19 Performance Report 19/09/2019 2019/20 YTD (6 months) Performance information included in 2019/20 Quarter 2 Finance Report 27/02/2020
GC21	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	YES	Annual report considered at a meeting of Council in accordance with section 134 of the Act. Date considered; 24/10/2019 Ordinary Council Meeting.
GC22	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	YES	Code of conduct reviewed in accordance with section 76C of the Act Date of review of code in accordance with section 76C of the Act: 16/02/2017 Next planned review in January 2021
GC23	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	YES	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 (reviewed again on 07/05/19)
GC24	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	YES	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

Certification of the governance and management checklist

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



Martin Gill
Chief Executive Officer
Date: 17 September 2020
Queenscliff



Councillor Ross Ebbels
Mayor
Date: 17 September 2020
Queenscliff

Community satisfaction

The annual Local Government Community Satisfaction Survey provides valuable feedback on Council’s performance in core performance and service-related areas.

The table below summarises the Borough’s results for the past three years and compares 2020 core performance scores against state-wide and small rural shire averages. These provide the Borough with an opportunity to benchmark its performance against other councils and to identify areas where service delivery improvements are needed.

Core Performance Measures	Queenscliffe 2018	Queenscliffe 2019	Queenscliffe 2020	Small Rural 2020	State-wide 2020
Overall performance	62	58	61	56	58
Community consultation	56	51	59	54	55
Lobbying	58	55	56	52	53
Making community decisions	53	49	54	53	53
Sealed local roads	65	65	66	51	54
Customer service	74	73	72	70	70
Overall council direction	49	45	63	50	51


In 2020, the Borough performed above the state-wide and small rural average core performance scores across all seven measures, a significant achievement and a marked increase from 2019. Apart from a minor downturn in customer service – which still remains Council’s highest-rated measure – all other categories increased upon last year’s results. This encouraging trend reinforces the decision by Council to engage more frequently and thoroughly with its community, which is reflected by exponential jumps in the overall Council direction and community consultation measures.

The index score of 63 for overall Council direction skyrocketed 18 points higher than last year, and is Council’s best result in this measure since surveying began in 2012. Similarly, the increase of eight points in community consultation reversed a long-term decline in this category and indicates a sudden and significant improvement in community sentiment.

This also indicates that many changes Council has made to improve consultation have been well received by the community.

Across service-related areas, elderly support services continue to be the area where Council performs best. Council also performs strongly on the appearance of public areas, art centre and libraries, waste management, community and cultural activities, and recreational facilities. Areas for improvement include building and planning permits, town planning, and community decisions.

Despite the positive sentiment overall, Council notes that there is always more work to be done and we hope to build on these promising results in next year’s survey by continuing to deliver to the Queenscliffe community.

A woman with blonde hair, wearing a white long-sleeved shirt and a rainbow lanyard, is smiling and holding onto a blue metal railing of a playground structure. In the background, two young children are playing on the same structure. The setting appears to be an outdoor playground with a wooden roof structure overhead.

Our kindergarten used funding from Council's Community Grants Program to purchase outdoor play equipment. The new equipment allows the children to challenge their gross motor skills and develop them in a safe and fun environment, and they absolutely love it!

Heidi Volders-Boyd
Queenscliff Kindergarten



Performance Statement

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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 Council's 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 94–97)
- Other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (pages 107–115)
- 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 54–84).

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 103 for the Certification of the Performance Statement and pages 105-106 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 within the 'Our Performance' section of the Annual Report (pages 94–97).

Snapshot of the Borough of Queenscliffe

The Borough of Queenscliffe is located 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

On the night of 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 17,000 people over the summer period.

The estimated resident population as at 30 June 2019 was 2,940 (2018: 2,982). 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

On the night of 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 years (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 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 and prides itself on maintaining a 'zero waiting list' for aged care services.

Births

New births in the Borough remain relatively low, with 13 babies being born in 2019–20 (2018–19: 15 births).

Housing

On the night of the 2016 Census, there were 2,802 dwellings (2011: 2,777) in the Borough of Queenscliffe, with an average household size of 2.0 persons (2011: 2.09).

Property values in the Borough are generally high, with the top quartile averaging \$1,711,855 and the overall median house price being \$695,000.

Government grants

Council has continued to attract significant levels of government grant funding. 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 Statement

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



Gihan Kohobange CA, CPA, FCCA
Principal Accounting Officer

Date: 17 September 2020
Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe for the year ended 30 June 2020 fairly presents 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.

As at the date of signing, we are not aware of any circumstances which 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 statements in its final form.



Councillor Ross Ebbels
Mayor

Date: 17 September 2020
Queenscliff



Councillor Bob Merriman
Councillor

Date: 17 September 2020
Queenscliff



Martin Gill
Chief Executive Officer

Date: 17 September 2020
Queenscliff



VAGO Independent Auditor’s Report on the Performance Statement



Independent Auditor’s Report

To the Councillors of Borough of Queenscliffe

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none"> • snapshot of the Borough of Queenscliffe for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<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>
<p>Councillors' responsibilities for the performance statement</p>	<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>
<p>Auditor’s responsibilities for the audit of the performance statement</p>	<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</p>

VAGO Independent Auditor's Report on the Performance Statement

Engagements 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 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 the 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
28 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

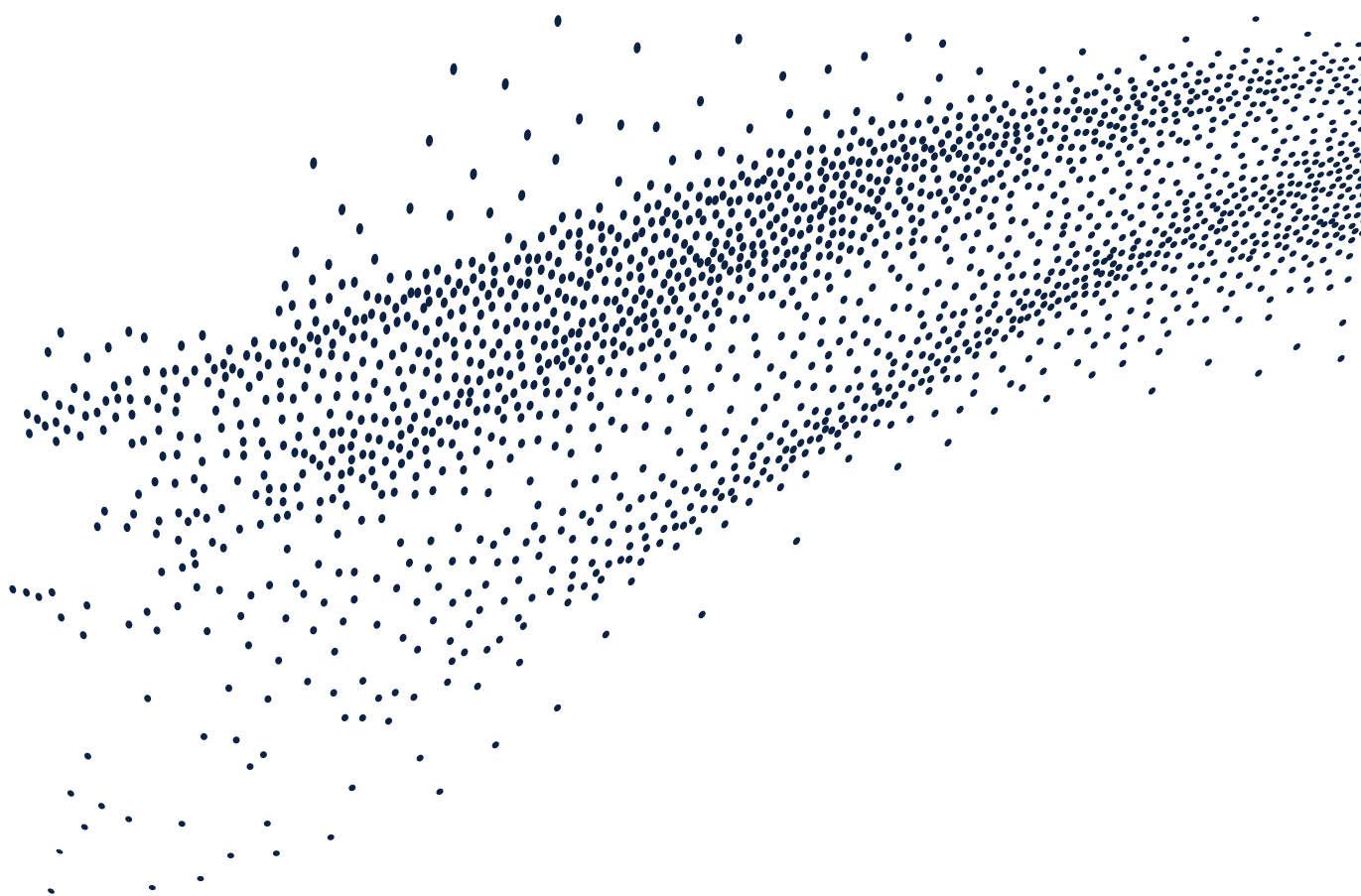
Sustainable Capacity Indicators

For the Year Ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Indicator: Population					
C1 Measure: Expenses per head of municipal population [Total expenses / Municipal population]	\$3,440	\$3,593	\$3,705	\$4,018	Queenscliffe has a very small population base of 2,940 when compared to other municipalities. Over 55% of rateable properties in Queenscliffe are non-permanent residences that are not considered in this indicator.
C2 Measure: Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$11,974	\$12,187	\$12,038	\$12,565	
C3 Measure: Population density per length of road [Municipal population / Kilometres of local roads]	67.53	68.23	69.35	68.37	Queenscliffe has a comparatively low population (the smallest in the state) and a comparatively low length of road.
Indicator: Own-source revenue					
C4 Measure: Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$3,155	\$3,199	\$3,264	\$3,258	The Borough's own source revenue includes municipal rates, and a comparatively high level of user fees and charges income, particularly with respect to fees from tourist parks.
Indicator: Recurrent grants					
C5 Measure: Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$322	\$344	\$403	\$563	Council's recurrent grant funding largely consists of the allocation of the Financial Assistance Grant (FAG) program and grant funding for Aged Services. Though there has been an increase in the FAG allocation, Queenscliffe still receives the lowest FAG funding allocation in the State.
Indicator: Disadvantage					
C6 Measure: Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	9	10	10	10	Queenscliffe's relative socioeconomic disadvantage has improved, from 9 at the 2011 Census to 10 in the 2016 Census.
Indicator: Workforce turnover					
C7 Measure: Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	3.23%	11.11%	16.82%	15.38%	

Definitions

- **Adjusted underlying revenue:** 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 points (a) and (b).
- **Infrastructure:** non-current property, plant and equipment excluding land.
- **Local road:** a sealed or unsealed road for which Council is the responsible road authority under the Road Management Act 2004.
- **Non-recurrent grant:** 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 Council's Strategic Resource Plan.
- **Own-source revenue:** adjusted underlying revenue other than revenue that is not under the control of Council (including government grants).
- **Population:** the resident population of a municipality as estimated by the Australian Bureau of Statistics (ABS).
- **Recurrent grant:** a grant other than a non-recurrent grant.
- **Relative socio-economic disadvantage:** the disadvantage of the area in which the municipality is located according to the Socio-Economic Index for Areas, published by the ABS.



Service Performance Indicators

For the Year Ended 30 June 2020

Service/indicator/measure		Results 2017	Results 2018	Results 2019	Results 2020	Comments
Aquatic Facilities						
AF6	Indicator: Utilisation Measure: Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	N/A	N/A	N/A	N/A	Queenscliffe does not provide this service.
Animal Management						
AM7	Indicator: Health and safety Measure: Animal management prosecutions [Number of successful animal management prosecutions]	New in 2020	New in 2020	New in 2020	0%	Zero prosecutions. 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 a reduced likelihood of penalties being issued.
Food Safety						
FS4	Indicator: Health and safety Measure: Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	100.00%	100.00%	
Governance						
G5	Indicator: Satisfaction Measure: Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	53	49	54	Improvement is a result of significant improvement in community consultation and engagement activities.
Libraries						
LB4	Indicator: Participation Measure: Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	39.70%	39.98%	36.92%	36.72%	This Indicator does not capture other library activities for examples children and youth programs, digital literacy programs and literary events, the use of public internet pcs, using facilities such as meeting rooms or study areas, or using services such as wifi, or in library use of collections.

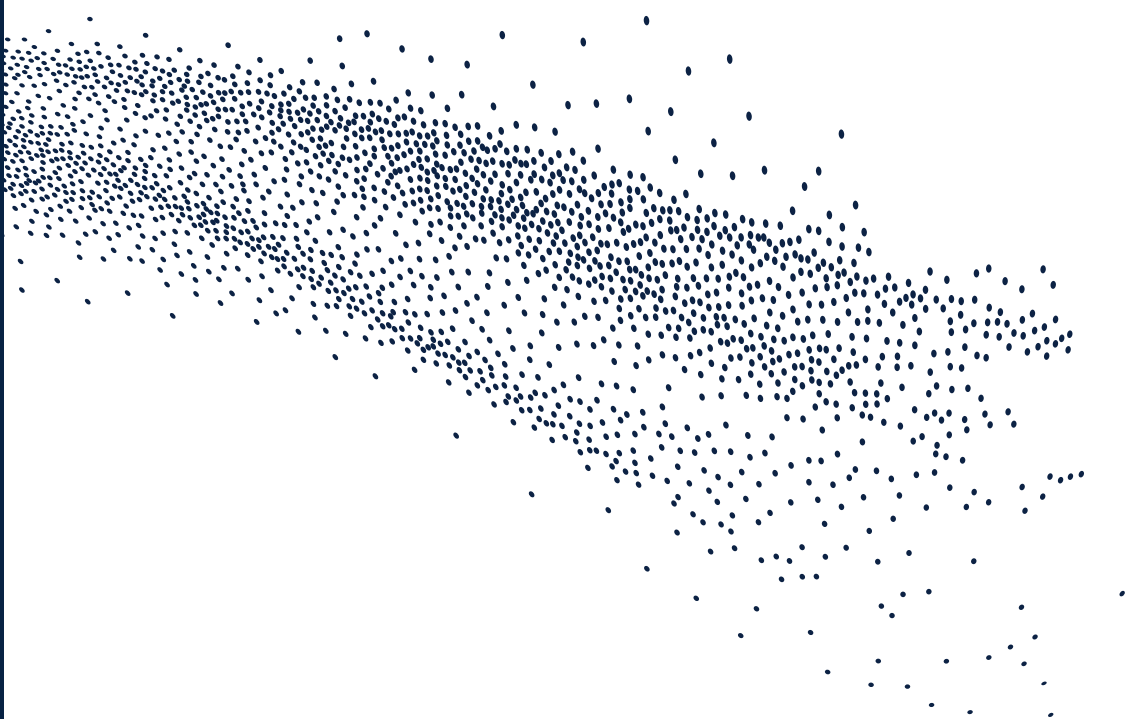
Service Performance Indicators

For the Year Ended 30 June 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments	
Maternal and Child Health (MCH)						
MC4	Indicator: Participation Measure: Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	92.40%	87.65%	71.50%	63.98%	52 children attended the MCH service at least once, of the 81 infants enrolled in 2019–20 (2018–19: attended by 55 of 76 enrolled in the service).
MC5	Indicator: Participation Measure: Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0.00%	100.00%	100.00%	100.00%	One Aboriginal child enrolled and participated in 2019-20.
Roads						
R5	Indicator: Satisfaction Measure: Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65	65	65	66	Slight increase and consistent with previous years.
Statutory Planning						
SP4	Indicator: Decision making Measure: Council planning decisions upheld at VCAT [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	100.00%	40.00%	50.00%	0.00%	One planning decision was referred to VCAT and the council's decision was not upheld.
Waste Collection						
WC5	Indicator: Waste diversion Measure: Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	54.20%	54.98%	52.68%	46.92%	Issues associated with the recycling processor in the region during the first half of the financial year, resulted in Council having to dispose of recyclable materials into landfill.
Retired Measures - Animal Management						
AM4	Indicator: Health and safety Measure: Animal management prosecutions [Number of successful animal management prosecutions]	0	0	0	Retired in 2020	This measure was replaced by AM7 from 1 July 2019.

Definitions

- **Aboriginal child:** a child who is an Aboriginal person.
- **Aboriginal person:** a person belonging to the indigenous peoples of Australia, including the indigenous inhabitants of the Torres Strait Islands, and any descendants of those peoples.
- **Active library member:** a member of a library who has borrowed a book from the library.
- **CALD:** people from a Culturally and Linguistically Diverse background.
- **Critical non-compliance outcome notification:** 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:** any premises at, on or from which food is sold or handled with the intention that it be sold, under the definition provided in the Food Act 1984.
- **Local road:** 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:** 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 does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
- **MCH:** the Maternal and Child Health Service provided by Council to support the health and development of children within the municipality from birth until school age.
- **Population:** the resident population of a municipality as estimated by the Australian Bureau of Statistics (ABS).
- **VCAT:** the Victorian Civil and Administrative Tribunal, a part of the Victorian justice system that deals with legal cases regarding civil and administrative matters, residential tenancies, and human rights.



Financial Performance Indicators

For the Year Ended 30 June 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Comments	
					2021	2022	2023	2024		
Efficiency										
E2	Indicator: Expenditure level Measure: Expenses per property assessment [Total expenses / Number of property assessments]	\$3,249	\$3,429	\$3,588	\$3,816	\$3,853	\$3,845	\$3,857	\$3,979	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.
E4	Indicator: Revenue level Measure: Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$2,101	\$2,146	\$2,189	\$2,238	\$2,289	Rate revenue represents a high proportion of Queenscliffe's revenue and spread across a very small ratepayer base.
Liquidity										
L1	Indicator: Working capital Measure: Current assets compared to current liabilities [Current assets / Current liabilities] x100	305.84%	288.38%	503.81%	513.55%	263.26%	331.73%	331.32%	327.66%	
L2	Indicator: Unrestricted cash Measure: Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	0.47%	-52.43%	58.56%	-151.20%	83.05%	215.65%	218.44%	214.86%	The negative result is due to Council's current term deposits of \$6.8 million having original maturities of more than 90 days (even though the remaining maturities as at 30 June 2020 is less than 90 days), and therefore being considered unrestricted. Investing surplus cash in term deposits with more than 90 days has resulted in a better yield for Council under the current low interest rate environment. If term deposits had been included in cash and cash equivalents based on the remaining maturities, unrestricted cash compared to current liabilities would have been 182.28% (positive).

Financial Performance Indicators

For the Year Ended 30 June 2020

Service/indicator/measure		Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Comments
						2021	2022	2023	2024	
Obligations										
O2	Indicator: Loans and borrowings Measure: Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	1.54%	0.91%	0.64%	0.38%	7.41%	6.49%	5.70%	6.16%	Proposed new loan was not drawn down in 2019-20, however it will be drawn down in 2020-21 as projects are completed and based on actual funding requirements. The increasing forecast trend for this measure reflects planned further borrowings.
O3	Indicator: Loans and borrowings Measure: Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.26%	0.64%	0.26%	0.25%	0.47%	0.99%	0.84%	0.82%	Proposed new loan was not drawn down in 2019-20, however it will be drawn down in 2020-21 as projects are completed and based on actual funding requirements. The increasing forecast trend for this measure reflects planned further borrowings.
O4	Indicator: Indebtedness Measure: Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	1.08%	1.08%	0.51%	1.18%	5.42%	4.15%	4.12%	4.39%	Reduction in the own source revenue in 2019-20 due to reduced income from tourist parks resulting from COVID-19 restrictions. The increasing forecast trend for this measure reflects planned further borrowings.
O5	Indicator: Asset renewal and upgrade Measure: Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	New in 2020	121.92%	461.73%	171.33%	96.49%	48.57%	Significant asset renewal and upgrade expenditure during 2019-20 is predominantly due to road upgrade projects, Queenscliff Cultural Hub project and work continuing on the Queenscliff Sport and Recreation Precinct project.
Operating position										
OP1	Indicator: Adjusted underlying result Measure: Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	2.28%	0.69%	-0.20%	-3.72%	-11.97%	5.48%	-4.61%	-5.33%	Reduced income from tourist parks resulting from COVID-19 restrictions and asset write-offs carried out in 2019-20 resulted in an adjusted underlying deficit for the year.

Financial Performance Indicators

For the Year Ended 30 June 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Comments	
					2021	2022	2023	2024		
Stability										
S1	Indicator: Rates concentration Measure: Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	66.69%	65.37%	65.44%	65.13%	71.64%	61.95%	69.89%	69.75%	
S2	Indicator: Rates effort Measure: Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.27%	0.28%	0.26%	0.26%	0.25%	0.26%	0.26%	0.27%	
Retired Measure - Efficiency										
E1	Indicator: Revenue level Measure: Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,919	\$2,033	\$2,018	Retired in 2020					This measure was replaced by E4 from 1 July 2019.
Retired Measure - Obligations										
O1	Indicator: Asset renewal Measure: Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	51.98%	81.01%	119.16%	Retired in 2020					This measure was replaced by O5 in 1 July 2019.

Definitions

- **Adjusted underlying revenue:** 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 points (a) and (b).
- **Adjusted underlying surplus (or deficit):** adjusted underlying revenue less total operating expenditure.
- **Asset upgrade expenditure:** expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset above its original capability.
- **Asset renewal expenditure:** expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- **Capital improved value:** the total market value of a piece of land plus buildings and other improvements.
- **Current assets:** cash and other assets that are expected to be converted to cash within a year.
- **Current liabilities:** a company's debts or obligations that are due to be paid within a year.
- **Non-current assets:** all assets other than current assets.
- **Non-current liabilities:** all liabilities other than current liabilities.
- **Non-recurrent grant:** 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 Council's Strategic Resource Plan.
- **Own-source revenue:** adjusted underlying revenue other than revenue that is not under the control of Council (including government grants).
- **Property assessment:** the procedure used by government assessors to determine the value of a property in order to charge rates.
- **Population:** the resident population of a municipality as estimated by the Australian Bureau of Statistics (ABS).
- **Rate revenue:** revenue from general rates and service charges.
- **Recurrent grant:** a grant other than a non-recurrent grant.
- **Residential rates:** revenue from general rates and service charges levied on residential properties.
- **Restricted cash:** cash and cash equivalents, within the meaning of the Australian Accounting Standards (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:** all cash and cash equivalents other than restricted cash.

Other information

For the Year Ended 30 June 2020

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.

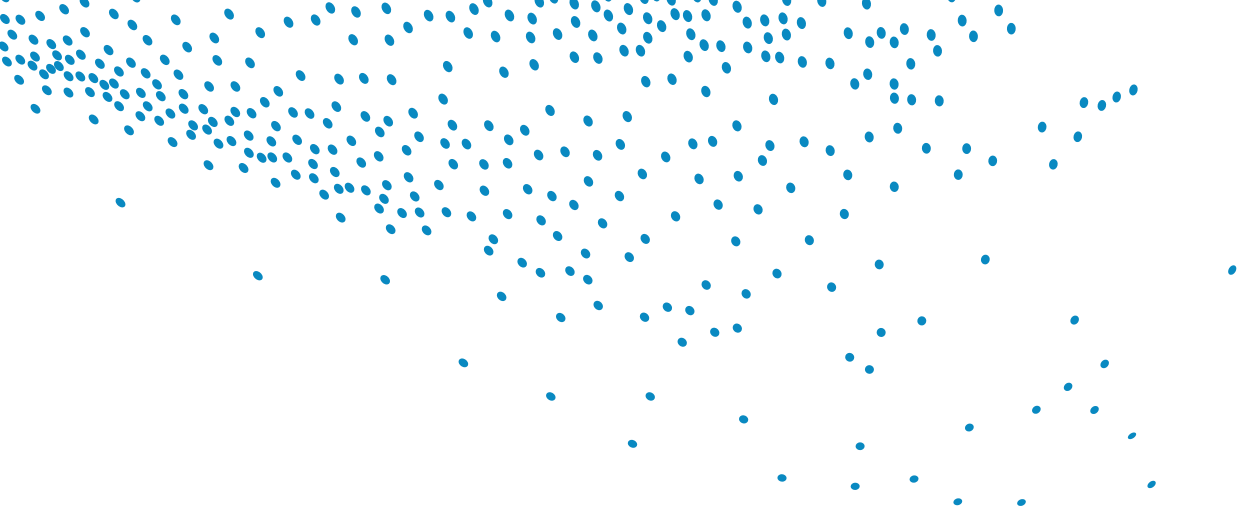
The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 18 June 2020 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption 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.



A photograph of Peter Callahan, a man with grey hair, smiling and holding a blue and white tennis racket. He is wearing a dark brown vest over a grey sweater. The background shows a blue tennis court with a black net and green trees in the distance. The top left corner of the page features a decorative pattern of blue dots of varying sizes.

We received funding to upgrade the courts and lighting at the tennis club, which included financial contributions from the state government and Council. The club worked alongside Council officers to carry out the upgrades, and its success is evident by the popularity of our night tennis, which runs three nights a week and is made up of community members young and old.

Peter Callahan
Point Lonsdale Tennis Club



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Understanding the Financial Report

Introduction

The Financial Statements show how Council performed financially during the 2019–20 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 ten notes. These are prepared by Council staff, examined by the Audit Committee, Council and audited by the Victorian Auditor-General's Office.

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.

It lists revenue sources under various income headings, as well as the expenses incurred during the year. The revenue includes grants and contributions associated with the purchase or building of assets. However, the expenses relate only to the 'operations' and do not include the costs associated with the purchase or building of assets. Expenses do include an item for depreciation, which is the value of the assets used up during the year.

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.

Balance Sheet

The balance sheet shows the assets that Council own and what Council owe (liabilities) as of 30 June 2020.

The bottom line of the balance sheet is net assets, which is the net worth Council have built up over many years.

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

Statement of Changes in Equity

The statement of changes in equity summarises the change in value of total ratepayer equity. The value of equity can only change as a result of:

- 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
- The change in the value of non-current assets, resulting from a revaluation of these assets, and
- Any adjustment to opening balance, where applicable.

Statement of Cash Flows

The cash flow statement summarises Council's cash payments and receipts for the year, as well as the level of cash at the end of the financial year.

Cash in this statement refers to bank deposits and investments that can be quickly converted to cash.

Cash arises from, and is used in, three main areas:

- Cash flows from operating activities – summarises all income and expenses relating to operations, including service delivery and maintenance.
- Cash flows from investing activities – relates to capital works payments recorded as assets in the balance sheet, as well as receipts for the sale of assets.
- Cash flows from financing activities – represents repayments of and receipts from loans.

Statement of Capital Works

This statement provides detail of capital expenditure by asset type and distinguishes renewal, upgrade and new capital expenditure.

Notes to the Financial Statements

The notes to the accounts enable the reader to understand the basis on which the values shown in the accounts are established. The notes also advise if there has been any change to the accounting standards, policy or legislation that has impacted on how the standards were prepared.

Within the five financial statements, there is a 'note' column to indicate where the reader should go or additional information. This is particularly useful where there has been a significant change from the previous year's comparative figure.

Certification by Principal Accounting Officer and Councillors

The Financial Statements and the Performance Statement require certification under the *Local Government Act 1989*. The certifications are made by a combination of the Principal Accounting Officer, the Chief Executive Officer and two councillors, on behalf of the Council, as a written undertaking to the statements being correct and not misleading.

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.



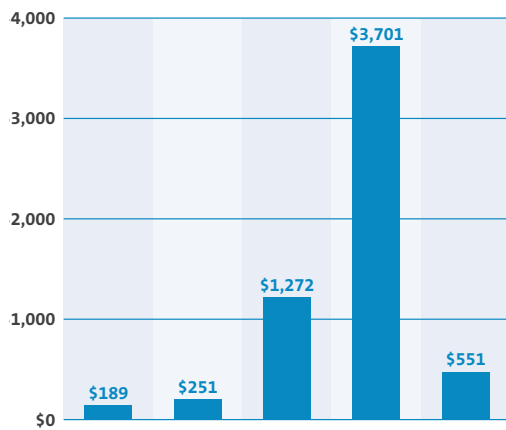
Summary of Financial Performance

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.

Surplus/ (deficit)

The surplus for the 2019–20 year was \$551,000 (down from \$3,701,000 in 2018–19). This reduction is largely due to less capital grant funding in 2019–20, compared with the 2018–19 year. Council has been able to successfully attract external grant funding for major capital projects in the past years resulted in increased surpluses.

Surplus (\$'000), 2015–16 to 2019–20

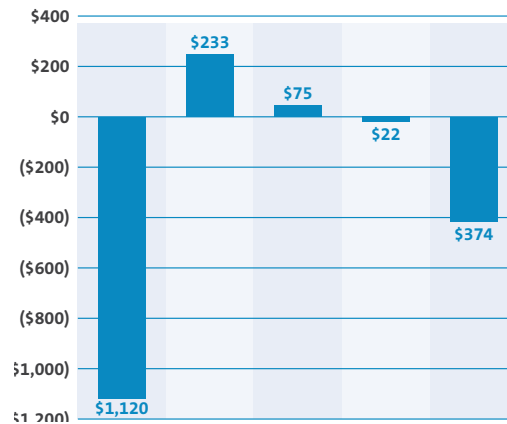


Underlying result

The surplus or deficit for the year adjusted for non-recurrent grants used to fund capital expenditure, non-monetary asset contributions, and contributions to fund capital expenditure other than grants. Underlying result indicates whether the Council generates a surplus in the ordinary course of business.

Council achieved an underlying deficit of \$374,000 for the 2019–20 financial year which is largely driven by \$870,000 asset write offs during the year and the reduction in income from tourist parks due to COVID 19 restrictions. The deficit results in the 2015–16 and 2018–19 years are mainly due to the delivery of carry forward projects from previous years for which Council successfully attracted grant funding in previous years.

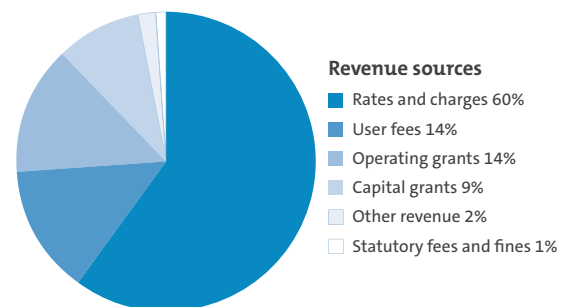
Underlying operating result (\$'000) 2015–16 to 2019–20



Revenue

Council's total revenue for the 2019–20 year was \$12,364,000 (down from \$14,741,000 in 2018–19). The decreased income is predominately due to less capital grant funding in 2019–20, compared with the 2018–19 year.

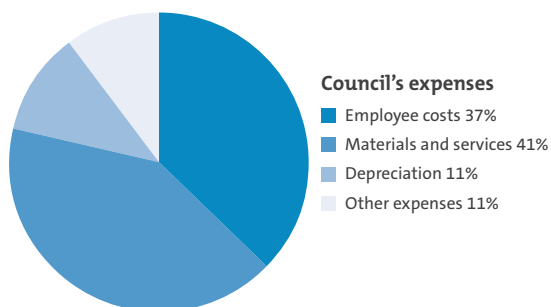
Council's revenue is sourced as follows:



Expenditure

Council's total expenses for the 2019–20 year was \$11,813,000 (up from \$11,040,000 in 2018–19). This increase in expenditure is mainly due to;

- net \$870,000 asset write offs in 2019–20 against \$577,000 in 2018–19. \$876,000 of asset write offs (the total of other asset write offs is a credit) relate to the Destination Queenscliff Precinct Revitalisation project terminated during the year which was funded in full by capital grants
- increase in employee costs due to the salary increases as per the Enterprise Bargaining Agreement (EBA) and less employee cost capitalised in 2019–20 compared to 2018–19
- increase in depreciation expenses due to new assets developed.



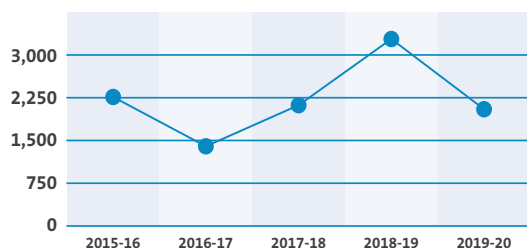
Capital works

During the financial year, Council invested \$2,056,000 in capital works projects to increase the total asset base. This investment in capital works continues to focus on maintenance and renewal of the community's existing assets.

Key projects undertaken during the year included;

- Continuation of the Queenscliff Sports and Recreation Precinct project
- Continuation of the Fixing Local Roads projects (Hesse Street South upgrade)
- Commencement of Queenscliff Cultural Hub
- Point Lonsdale Tennis Club lighting upgrade
- Installation of outdoor gym equipment
- Continuation of annual renewal across all of Council's asset classes.

Capital Works (\$'000), 2015–16 to 2019–20



Assets

Council's total asset base is \$143,564,000

The major components of assets are:

- Property, infrastructure, plant and equipment
- Cash and financial assets (cash investments with maturity dates between 3–12 months)
- Non-current assets classified as held for sale.

Together these asset categories account for 99.4% of all assets. Property, infrastructure (including Crown land assets), plant and equipment is valued at \$132,757,000.

Cash holdings

Cash and cash equivalents and financial assets have increased to \$7,841,000 in 2019–20. Of the total, \$5,897,000 subject to intended allocations and \$16,000 represents restricted funds, leaving \$1,928,000 as unrestricted cash holdings.

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

Cash holdings (\$'000), 2010–11 to 2019–20

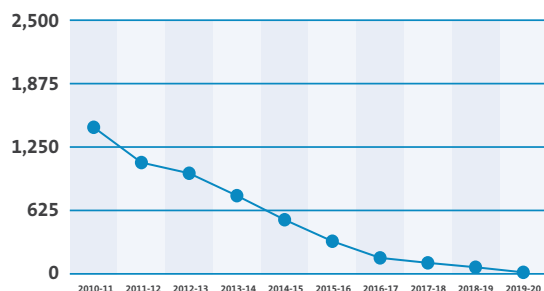


Liabilities

Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$2,171,000 as at 30 June 2020.

Council has reduced its loans to a ten-year low of \$29,000 which means that Council is operating well within the Victorian Government's prudential ratio limits.

Loan liabilities (\$'000), 2010–11 to 2019–20



Financial Sustainability Indicators

The Victorian Auditor-General’s Office (VAGO) reports to Parliament in November / December each year, on the results of the Local Government Audits for the most recent financial year. In its report, VAGO considers the outcomes for each Council grouping across seven financial sustainability risk indicators.

Profitability indicators

- Net result – whether enough revenue is generated to cover operating costs including depreciation.
- Adjusted underlying result – whether the entity generates a surplus in the ordinary course of business.

Financing indicators

- Liquidity – whether sufficient working capital

exists to meet short-term commitments.

- Internal financing – whether sufficient operating cash flows are generated to invest in assets and repay debt.
- Indebtedness – whether sufficient operating cash flows are generated to pay the principal and interest on borrowings, as and when they fall due.

Asset renewal and maintenance indicators

- Capital replacement – whether assets have been replaced at a rate consistent with the rate of consumption.
- Renewal gap – whether existing assets have been maintained at a consistent rate.

The following charts indicate the Borough’s trend over the past five years on the above financial sustainability indicators. The 2019–20 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 2020 calendar year. Applying the seven indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe remains in a sound financial position.

Financial Sustainability Indicators	Risk Assessment Matrix			Risk Assessment						Notes
	Low	Medium	High	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20*	
Net result	>0%	-10% - 0%	<10%	5.73%	1.71%	2.45%	10.77%	25.07%	4.06%	
Adjusted underlying result	>5%	0% - 5%	< 0%	-2.00%	-2.00%	2.00%	1.00%	0.00%	-3.27%	Note 1
Liquidity	>1.0	0.75 - 1.0	<0.75	2.50	2.96	3.06	2.88	5.04	5.14	
Internal financing	>100%	75% - 100%	<75%	160%	56%	183%	135%	144%	151%	
Indebtedness	≤40%	40% - 60%	>60%	0.80%	2.09%	1.08%	1.08%	0.51%	1.19%	
Capital replacement	>1.5	1.0 - 1.5	<1.0	1.64	1.96	1.22	1.79	2.88	1.42	Note 2
Renewal gap	>1.0	0.5 - 1.0	<0.5	1.23	1.64	0.82	1.14	2.21	1.22	

* Not certified by VAGO

Note 1: Adjusted underlying result includes the delivery of carry forward operating projects, for which funds are held in reserves on the Balance Sheet, to pay for the expenditure when it is incurred, and the impact of the brought forward payments of financial assistance grant. These are not factored into the calculation of the underlying result. One of the key objectives in Council’s Strategic Resource Plan is to achieve a breakeven underlying result cumulatively. This allows for the timing differences between years, in terms of operating grants received and/or budgets allocated by Council in one

financial year, with corresponding expenditure in the next year. Accumulated underlying result as at 30 June 2020 is \$2,239,000. However, the underlying deficit for 2019–20 is largely driven by \$870,000 asset write offs during the year and the reduction in income from tourist parks due to COVID-19 restrictions.

Note 2: Capital replacement, the timing of capital projects has an impact on this indicator. \$7.3 million capital projects are included in the 2020/21 budget.

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.



Gihan Kohobange CA, CPA, FCCA
Principal Accounting Officer
Date: 17 September 2020
Queenscliff

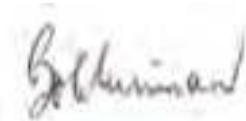
In our opinion, the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliff for the year ended 30 June 2020 and the financial position of the Council at that date.

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 Ross Ebbels
Mayor
Date: 17 September 2020
Queenscliff



Councillor Bob Merriman
Councillor
Date: 17 September 2020
Queenscliff



Martin Gill
Chief Executive Officer
Date: 17 September 2020
Queenscliff

VAGO Independent Auditor's Report on the Financial Report



Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

Opinion	<p>I have audited the financial report of Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2020• 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• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (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.</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 financial report	<p>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 <i>Local Government Act 1989</i>, 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.</p> <p>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.</p>

VAGO Independent Auditor's Report on the Financial Report

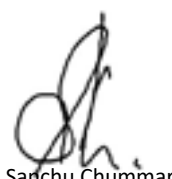
Auditor's responsibilities for the audit of the financial report As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is 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
28 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

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Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	7,450	7,215
Statutory fees and fines	3.2	104	124
User fees	3.3	1,699	2,075
Grants - operating	3.4	1,665	1,146
Grants - capital	3.4	1,097	3,782
Contributions - monetary	3.5	25	86
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	7	(13)
Other income	3.7	284	333
Share of net profits (or loss) of associates	6.3	33	(7)
Total income		12,364	14,741
Expenses			
Employee costs	4.1	(4,353)	(4,124)
Materials and services	4.2	(4,905)	(4,890)
Depreciation	4.3	(1,331)	(1,185)
Bad and doubtful debts	4.4	(5)	-
Borrowing costs	4.5	(1)	(2)
Other expenses	4.6	(1,219)	(839)
Total expenses		(11,813)	(11,040)
Surplus/(deficit) for the year		551	3,701
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	932	(1,308)
Total comprehensive result		1,483	2,394

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

Balance Sheet

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	979	5,868
Trade and other receivables	5.1	533	942
Other financial assets	5.1	6,862	1,026
Inventories	5.2	4	6
Non-current assets classified as held for sale	6.1	2,075	2,075
Other assets	5.2	114	260
Total current assets		10,567	10,177
Non-current assets			
Trade and other receivables	5.1	-	1
Investments in associates	6.3	240	207
Property, infrastructure, plant and equipment	6.2	132,757	131,713
Total non-current assets		132,997	131,921
Total assets		143,564	142,098
Liabilities			
Current liabilities			
Trade and other payables	5.3	653	781
Trust funds and deposits	5.3	16	100
Provisions	5.5	930	1,029
Interest-bearing liabilities	5.4	19	18
Other liabilities	5.3	440	92
Total current liabilities		2,058	2,020
Non-current liabilities			
Provisions	5.5	103	22
Interest-bearing liabilities	5.4	10	28
Total non-current liabilities		113	50
Total liabilities		2,171	2,070
Net assets		141,393	140,028
Equity			
Accumulated surplus		91,998	91,858
Reserves	9.1	49,395	48,170
Total Equity		141,393	140,028

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

Statement of Changes in Equity For the Year Ended 30 June 2020

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		140,028	91,858	42,566	5,604
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	(118)	-	-	(118)
Adjusted Opening balance		139,910	91,858	42,566	5,486
Surplus/(deficit) for the year		551	551	-	-
Net asset revaluation increment/(decrement)	6.2	932	-	932	-
Transfers to other reserves	9.1	-	(1,890)	-	1,890
Transfers from other reserves	9.1	-	1,479	-	(1,479)
		1,483	140	932	411
Balance at end of the financial year		141,393	91,998	43,498	5,897
2019					
Balance at beginning of the financial year		137,635	90,658	43,874	3,103
Surplus/(deficit) for the year		3,701	3,701	-	-
Net asset revaluation increment/(decrement)	6.2	(1,308)	-	(1,308)	-
Transfers to other reserves	9.1	-	(4,562)	-	4,562
Transfers from other reserves	9.1	-	2,061	-	(2,061)
Balance at end of the financial year		140,028	91,858	42,566	5,604

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

Statement of Cash Flows

As at 30 June 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		7,389	7,219
Statutory fees and fines		109	124
User fees		1,763	2,060
Grants - operating		1,820	1,255
Grants - capital		1,530	3,146
Contributions - monetary		25	86
Interest received		93	123
Trust funds and deposits taken		173	213
Other receipts		252	271
Net GST refund/ (payment)		(1)	(40)
Employee costs		(4,326)	(4,153)
Materials and services		(5,098)	(5,071)
Short-term, low value and variable lease payments		(16)	(19)
Trust funds and deposits repaid		(257)	(188)
Other payments		(610)	(262)
Net cash provided by/(used in) operating activities		2,848	4,764
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(1,893)	(3,412)
Proceeds from sale of property, infrastructure, plant and equipment		11	108
Payments for investments		(5,836)	3,313
Net cash provided by/(used in) investing activities		(7,718)	8
Cash flows from financing activities			
Finance costs		(1)	(2)
Proceeds from borrowings		-	-
Repayment of borrowings		(18)	(17)
Net cash provided by/(used in) financing activities		(19)	(19)
Net increase (decrease) in cash and cash equivalents		(4,889)	4,754
Cash and cash equivalents at the beginning of the financial year		5,868	1,114
Cash and cash equivalents at the end of the financial year		979	5,868
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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 2020

	2020 \$'000	2019 \$'000
Property		
Land improvements	17	-
Total land	<u>17</u>	<u>-</u>
Buildings	614	865
Total buildings	<u>614</u>	<u>865</u>
Total property	<u>631</u>	<u>865</u>
Plant and equipment		
Plant, machinery and equipment	41	152
Fixtures, fittings and furniture	2	-
Computers and telecommunications	24	11
Total plant and equipment	<u>67</u>	<u>163</u>
Infrastructure		
Roads	492	780
Footpaths and cycleways	191	42
Drainage	91	178
Recreational, leisure and community facilities	285	850
Parks, open space and streetscapes	36	373
Off street car parks	-	20
Other infrastructure	263	141
Total infrastructure	<u>1,358</u>	<u>2,384</u>
Total capital works expenditure	<u>2,056</u>	<u>3,412</u>
Represented by:		
New asset expenditure	433	795
Asset renewal expenditure	638	1,412
Asset upgrade expenditure	984	1,205
Total capital works expenditure	<u>2,056</u>	<u>3,412</u>

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 2020

Overview

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 the 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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- other areas requiring judgements

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 (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

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

Notes to the Financial Report For the Year Ended 30 June 2020

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 10% percent or a dollar variance of +/- \$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.

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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Variance Ref
Income					
Rates and charges	7,406	7,450	43	1%	
Statutory fees and fines	128	104	(24)	-19%	1
User fees	1,954	1,699	(255)	-13%	2
Grants - operating	896	1,665	768	86%	3
Grants - capital	6,508	1,097	(5,411)	-83%	4
Contributions - monetary	35	25	(10)	-29%	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	7	7	100%	
Other income	272	284	12	4%	6
Share of net profits (or loss) of associates	-	33	33	100%	
Total income	17,200	12,364	(4,902)	-29%	
Expenses					
Employee costs	(4,219)	(4,353)	134	-3%	7
Materials and services	(5,854)	(4,905)	(950)	16%	8
Depreciation	(1,311)	(1,331)	20	-2%	
Bad and doubtful debts	(3)	(5)	2	-69%	9
Borrowing costs	(2)	(1)	(0)	6%	
Other expenses	(259)	(1,218)	959	-371%	10
Total expenses	(11,647)	(11,813)	165	-1%	
Surplus/(deficit) for the year	5,552	551	(4,737)	-85%	

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 - Performance against budget cont.

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The reduction of \$24,000 is mainly due to: 1) \$14,500 reduction in Local Laws fines and legal fees recovery; 2) \$6,000 reduction in town planning fees; and 3) \$3,500 reduction in Local Laws permits fees.
2	User fees	The reduction of \$255,000 is largely due to the loss of income from Tourist Parks due to the COVID-19 restrictions.
3	Grants - operating	The increase of \$768,000 is due to: 1) \$451,000 additional funding from the Victoria Grants Commission during the year; 2) \$115,000 funding from Better Boating Victoria to assist Council with the loss of Boat ramp permit income; 3) \$118,000 additional funding in Aged Care and Maternal and Child Health; 4) \$51,000 additional funding from DELWP for the Seawall and Rock revetment at Point Lonsdale; 5) \$19,000 additional funding to reimburse cost in relation to the Fort Queenscliffe Development plan; and 6) \$14,000 funding for temporary recycling relief.
4	Grants - capital	The net reduction of \$5,411,000 is mainly due to: 1) \$2,965,000 due to the termination of Destination Queenscliff Precinct Revitalisation project; 2) \$900,000 shift in timing for grant income for the Point Lonsdale Lighthouse Reserve Masterplan; 3) \$500,000 shift in timing for grant income for foreshore improvements; 4) \$470,000 shift in timing for grant income for the Queenscliff Sports and recreation precinct; 5) \$255,000 shift in timing for grant income for the Queenscliffe Cultural Hub; and 6) \$362,000 grant income for Fixing Local Roads, received in advance in 2018/19 after the budget was adopted; and 7) (\$40,000) new grant for Lawrence Road Shared Path Connection work.
5	Contributions - monetary	The decrease of \$10,000 is mainly due to: 1) \$30,000 not receiving a contribution for Princess Park Kiosk toilet upgrade; and 2) (\$20,000) new contribution for outdoor gym equipment project and work at Fisherman's corporative building.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 - Performance against budget cont.

(i) Explanation of material variations

6	Other income	The net increase of \$12,000 is mainly due to: 1) \$69,000 value of contribution from volunteers; 2) (\$29,000) reduction in interest income due to low interest rates; 3) (\$19,000) budget error in overstating the lease rent income; and 4) (\$9,000) reduction in rent income as Council paused all lease agreements with community organisations due to COVID 19 hardships.
7	Employee costs	The increase of \$134,000 is mainly due to less staff cost capitalised for the year.
8	Materials and services	The reduction in materials and services is largely due to operating projects carried forward to 2020-21 for completion. Further, savings achieved from the cancellation of community events and savings in general expenses due to the impact of COVID 19.
9	Bad and doubtful debts	The increase of \$2,000 represents additional bad debts in relation to infringements.
10	Other expenses	The increase of \$959,000 is due to: 1) \$870,000 asset write offs mainly due to the termination of Destination Queenscliff Precinct Revitalisation project; and 2) \$69,000 cost of contribution from volunteers.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 - Performance against budget cont.

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance %	Variance Ref
Property					
Land improvements	-	17	17	100%	1
Total land	-	17	17	100%	
Buildings	1,967	614	(1,354)	-69%	2
Total buildings	1,967	614	(1,354)	-69%	
Total property	1,967	631	(1,336)	-68%	
Plant and equipment					
Plant, machinery and equipment	160	41	(119)	-74%	3
Fixtures, fittings and furniture	5	2	(3)	-65%	
Computers and telecommunications	85	24	(61)	-71%	4
Total plant and equipment	250	67	(183)	-73%	
Infrastructure					
Roads	1,531	492	(1,039)	-68%	5
Footpaths and cycleways	97	191	94	97%	6
Drainage	246	91	(155)	-63%	7
Recreational, leisure and community facilities	1,045	285	(760)	-73%	8
Parks, open space and streetscapes	4,853	36	(4,817)	-99%	9
Off street car parks	33	-	(33)	-100%	10
Other infrastructure	1,169	263	(906)	-77%	11
Total infrastructure	8,975	1,358	(7,617)	-85%	
Total capital works expenditure	11,192	2,056	(9,137)	-82%	
Represented by:					
New asset expenditure	4,188	433	(3,754)	-90%	
Asset renewal expenditure	3,770	638	(3,132)	-83%	
Asset upgrade expenditure	3,235	984	(2,250)	-70%	
Total capital works expenditure	11,192	2,056	(9,137)	-82%	

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 - Performance against budget cont.

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	Cost incurred in relation to the land classified as held for sale.
2	Buildings	The decrease of \$1,354,000 is mainly due to: 1) \$960,000 shift in timing for projects, now expected to be completed in 2020/21 and beyond, Queenscliff Sports & Recreation Precinct, Queenscliff Cultural Hub and Princess Park Kiosk toilet upgrade; 2) \$189,000 due to the termination of Destination Queenscliff Precinct Revitalisation project; 3) \$151,000 annual asset renewal programs carried over to future years; and 4) \$48,000 less staff cost capitalised in 2019/20.
3	Plant, machinery and equipment	The decrease of \$119,000 is largely due to a shift in timing for the motor vehicle replacement program, including extending some vehicles out by a further year before they are replaced.
4	Computers and telecommunications	The decrease of \$61,000 is due to: 1) \$40,000 shift in timing for upgrade of servers (post IT strategy review); and 2) \$21,000 renewal funds being carried forward to the 2020/21 year.
5	Roads	The decrease of \$1,039,000 is mainly due to: 1) \$912,000 Hesse Street South upgrade works carried forward to 2020/21; 2) \$61,000 annual asset renewal programs carried over to future years; 3) \$46,000 road upgrade work associated with Queenscliff Sports & Recreation Precinct carried forward to 2020/21; and 4) 18,000 balance of Hesse Street streetscape works carried forward to 2020/21.
6	Footpaths and cycleways	The increase of \$94,000 is mainly due to: 1) \$83,000 footpath projects funded by Fixing Local Roads grant; and 2) \$7,000 annual asset renewal programmes.
7	Drainage	The decrease of \$155,000 is due to: 1) \$141,000 shift in timing for Simpson Street storm water asset improvement; and 2) \$15,000 renewal funds being carried forward to the 2020/21 year.
8	Recreational, leisure and community facilities	"The net decrease of \$760,000 is mainly due to: 1) \$724,000 shift in timing for Queenscliff Sports & Recreation Precinct project; 2) (\$21,000) cost over run in outdoor gym equipment project; and 3) \$48,000 less staff cost capitalised in 2019/20.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 - Performance against budget cont.

(i) Explanation of material variations

9	Parks, open space and streetscapes	The decrease of \$4,817,000 is mainly due to: 1) \$3,507,000 due to the termination of Destination Queenscliff Precinct Revitalisation project; 2) \$1,245,000 shift in timing for projects, now expected to be completed in 2020/21 and beyond, Point Lonsdale Lighthouse Reserve Master Plan, Marine Coastal Management Plan and capital work related to developers contribution; and 3) \$59,000 annual asset renewal programs carried over to future years.
10	Off street car parks	The decrease of \$33,000 is due to the termination of Destination Queenscliff Precinct Revitalisation project.
11	Other infrastructure	The net decrease of \$906,000 is mainly due to: 1) \$934,000 shift in timing for projects, now expected to be completed in 2020/21 and beyond, Point Lonsdale Tennis Club lighting upgrade, town-entry & way-finding sign upgrade, development of beach huts and foreshore improvements work; 2) \$8,000 annual asset renewal programs carried over to future years; and 3) (\$53,000) capital work not budgeted but funded through carried forward reserves for the search light emplacement structure upgrade and King Street bus stop upgrade.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program

2 (a) Council delivers its functions and activities through the following programs.

Strategic Objective 1 - Community Wellbeing

Community Wellbeing

Aged Services

The Aged 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.

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.

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.

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.

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 as a not for profit organisation, Council manages the Kindergarten building, facilitates access to external grants and supports the Kindergarten Committee of Management as needs arise.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program cont.

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.

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.

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.

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.

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.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program cont.

Strategic Objective 2 - Environmental Sustainability

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 working with various Federal, State, regional and local organisations to inform and educate the community about practices that support environmental sustainability.

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.

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.

Strategic Objective 3 - Local Economy

Tourist Parks and Boat Ramp Services

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.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program cont.

Tourism & 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 & the Bellarine, G21 and the State Government to implement regional economic development and related infrastructure priorities.

Strategic Objective 4 - Planning and Heritage

Design and Project Management

The Design and Project Management program seeks to achieve excellence of design and delivery of projects which 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.

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.

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.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program cont.

Strategic Objective 5 - Governance and Performance

Council 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 MAV and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program.

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.

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.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program cont.

2 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Community Wellbeing					
Aged Services	672	737	(65)	569	4
Active Communities	3	148	(145)	3	24,947
Community Events	5	111	(105)	-	-
Maternal and Child Health	55	66	(11)	55	-
Kindergarten	-	6	(6)	-	926
Environmental Health	43	109	(66)	13	-
Asset Management and Appearance of Public Places	72	1,106	(1,034)	60	70,057
Local Laws, Safety and Amenity	65	291	(226)	31	42
Street Lighting	-	31	(31)	-	-
Powerline Safety	-	48	(48)	-	-
Library	-	190	(190)	-	332
Sub total	915	2,844	(1,929)	730	96,309
Environmental Sustainability					
Environmental Sustainability	-	122	(122)	-	-
Coastal Protection	273	408	(135)	185	347
Waste management and Recycling	964	1,012	(48)	25	95
Sub total - Environmental Sustainability	1,237	1,542	(305)	211	442
Local Economy					
Tourist Parks and Boat Ramp Services	1,480	795	685	-	13,897
Visitor Information Centre	82	250	(169)	-	335
Tourism & Economic Development	20	168	(148)	19	2,393
Sub total - Local Economy	1,582	1,214	368	19	16,625
Planning and Heritage					
Design and Project Management	-	392	(392)	-	7
Land Use Planning	84	325	(241)	-	-
Heritage Conservation Advice	-	22	(22)	-	-
Building Control	30	32	(2)	-	-
Sub total - Planning and Heritage	114	771	(657)	-	7
Governance and Performance					
Council Governance	-	220	(220)	-	-
Organisational Performance and Compliance	674	1,395	(721)	665	101
Community Engagement and Customer Service	-	558	(558)	-	-
Financial and Risk Management	6,692	2,367	4,325	40	203
Sub total - Governance and Performance	7,366	4,540	2,826	705	304
Total - Strategic Objectives	11,214	10,910	304	1,665	113,686
Other non-attributable					
Asset Write-offs	-	870	(870)	-	-
Capital Grants and Contributions	1,116	-	1,116	1,097	-
Land Under Roads	-	-	-	-	16,237
Other Property & Buildings	-	-	-	-	13,641
	12,330	11,780	551	2,762	143,564

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2 - Analysis of Council results by program cont.

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Community Wellbeing					
Aged Services	715	728	(13)	628	8
Active Communities	18	162	(144)	18	24,912
Community Events	25	126	(101)	21	-
Maternal and Child Health	47	70	(23)	47	-
Kindergarten	15	1	14	15	942
Environmental Health	36	95	(59)	6	-
Asset Management and Appearance of Public Places	95	1,044	(949)	85	55,745
Local Laws, Safety and Amenity	79	294	(215)	30	51
Street Lighting	-	30	(30)	-	-
Powerline Safety	-	60	(60)	-	-
Library	-	226	(226)	-	-
Sub total	1,030	2,836	(1,806)	849	81,658
Environmental Sustainability					
Environmental Sustainability	-	108	(108)	-	-
Coastal Protection	166	370	(204)	22	8
Waste management and Recycling	16	930	(915)	16	113
Sub total - Environmental Sustainability	182	1,409	(1,227)	37	121
Local Economy					
Tourist Parks and Boat Ramp Services	1,822	801	1,021	-	18,256
Visitor Information Centre	26	221	(195)	-	-
Tourism & Economic Development	(9)	295	(304)	(10)	6,244
Sub total - Local Economy	1,839	1,316	523	(10)	24,500
Planning and Heritage					
Design and Project Management	-	202	(202)	-	1,288
Land Use Planning	91	249	(158)	-	-
Heritage Conservation Advice	-	38	(38)	-	182
Building Control	32	33	(2)	-	-
Sub total - Planning and Heritage	123	523	(400)	-	1,470
Governance and Performance					
Council Governance	-	239	(239)	-	-
Organisational Performance and Compliance	210	1,378	(1,168)	204	10,724
Community Engagement and Customer Service	33	562	(530)	-	-
Financial and Risk Management	7,464	2,209	5,255	66	26
Sub total - Governance and Performance	7,708	4,388	3,319	270	10,750
Total - Strategic Objectives	10,881	10,470	411	1,146	118,498
Other non-attributable					
Capital Grants and Contributions	3,867	-	3,867	3,782	-
Land Under Roads	-	-	-	-	16,237
Other Property & Buildings	-	-	-	-	7,363
Sub total - Other non-attributable	3,867	0	3,867	3,782	23,600
Total	14,748	11,047	3,701	4,928	142,098

Notes to the Financial Report For the Year Ended 30 June 2020

Note 3 - Funding for the delivery of our services

3.1 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 2019/20 was \$2,881 million (2018/19: \$2,741 million).

	2020 \$'000	2019 \$'000
General rates		
Residential	5,257	5,041
Residential vacant land	146	146
Tourist accommodation	740	731
Commercial	351	355
Total general rates	6,495	6,273
Waste management charges		
Kerbside waste	525	484
Public waste	280	308
Green waste	116	107
Additional bins	18	18
Total waste management charges	939	917
Other rates and charges		
Interest on rates and charges	8	12
Cultural and recreational charges - in lieu of rates	4	3
Supplementary rates and charges	7	14
Less: additional pensioner concession offered by Council	-	-
Less: rebate for properties of environmental interest	(4)	(4)
Total other rates and charges	16	25
Total rates and charges	7,450	7,215

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2020, and the valuation will be first applied in the rating year commencing 01/07/2020.

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.

3.2 Statutory fees and fines

Town planning fees	84	91
Infringements and costs	5	11
Permits	9	15
Fines Victoria court recoveries	1	3
Land information certificates	4	4
Total statutory fees and fines	104	124

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

Notes to the Financial Report For the Year Ended 30 June 2020

Note 3 - Funding for the delivery of our services cont.

	2020 \$'000	2019 \$'000
3.3 User fees		
Tourist park fees	1,480	1,724
Boat ramp parking fees - ticket machines	1	98
Aged services	102	87
Registration and other permits	55	53
Valuation fees/supplementary charges	2	34
Building services	30	32
Tourism	14	27
Other fees and charges (< \$10,000 each)	16	20
Total user fees	1,699	2,075
User fees by timing of revenue recognition		
User fees recognised over time	1,644	2,022
User fees recognised at a point in time	55	53
Total user fees	1,699	2,075
User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.		
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	1,479	1,922
State funded grants	1,269	3,000
Other grants	14	6
Total grants received	2,762	4,928
(a) Operating Grants		
Recurrent - Commonwealth Government		
Aged Services	565	627
Financial Assistance Grants	723	264
Recurrent - State Government		
Maternal and child health	55	48
Fire Services Property Levy administration	40	39
School crossing supervision	31	30
Beach cleaning	31	20
Other (<\$10,000 each)	7	23
Recurrent - Other		
Tobacco Activity Program	13	6
Total recurrent operating grants	1,464	1,057
Non-recurrent - State Government		
Tourism and economic development	19	5
Waste management and recycling	14	5
Coastal protection	166	12
Transition to annual rates revaluation	-	27
Sustainability and environment	-	25
Community development	-	15
Non-recurrent - Other		
Other (<\$10,000 each)	2	-
Total non-recurrent operating grants	201	89
Total operating grants	1,665	1,146

Notes to the Financial Report For the Year Ended 30 June 2020

Note 3 - Funding for the delivery of our services cont.

	2020 \$'000	2019 \$'000
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	191	145
Total recurrent capital grants	<u>191</u>	<u>145</u>
Non-recurrent - Commonwealth Government		
Parks, open space and streetscapes	-	886
Non-recurrent - State Government		
Buildings	290	967
Roads	543	783
Recreation, leisure and community facilities	24	582
Parks, open space and streetscapes	-	1
Footpaths and cycleways	40	105
Other infrastructure	9	313
Total non-recurrent capital grants	<u>906</u>	<u>3,637</u>
Total capital grants	<u>1,097</u>	<u>3,782</u>

(c) Unspent grants received on condition that they be spent in a specific manner

Operating

Balance at start of year	398	389
Received during the financial year and remained unspent at balance date	379	172
Received in prior years and spent during the financial year	(175)	(163)
Balance at year end	<u>602</u>	<u>398</u>

Capital

Balance at start of year	1,724	715
Received during the financial year and remained unspent at balance date	340	1,692
Received in prior years and spent during the financial year	(546)	(683)
Balance at year end	<u>1,518</u>	<u>1,724</u>

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions

Monetary	25	86
Total contributions	<u>25</u>	<u>86</u>

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

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	11	104
Written down value of assets disposed	(4)	(117)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>7</u>	<u>(13)</u>

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

3.7 Other income

Interest	96	121
Other rent - lease of Crown Land properties	78	131
Other rent - lease of Council properties	36	46
Reimbursements	6	35
Contribution from volunteers	69	-
Total other income	<u>284</u>	<u>333</u>

Interest is recognised as it is earned.

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

Notes to the Financial Report For the Year Ended 30 June 2020

Note 4 - The cost of delivering services

	2020 \$'000	2019 \$'000
4.1 (a) Employee costs		
Wages and salaries	3,834	3,583
Superannuation	347	320
Overtime	52	123
WorkCover	63	47
Fringe benefits tax	57	51
Other	-	-
Total employee costs	4,353	4,124
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3	8
	<u>3</u>	<u>8</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	215	164
Employer contributions - other funds	146	139
	<u>361</u>	<u>303</u>
Employer contributions payable at reporting date.	-	31
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Roads, parks and reserves maintenance	598	597
Cleaning of council buildings, amenities and BBQ's	127	131
Maternal and Child Health	66	70
Drainage maintenance	61	60
Home and community care home maintenance	50	46
Valuation services	6	15
General service delivery	1,064	1,161
Waste management	1,013	938
Non-recurrent operating projects (rates funded)	91	42
Labour contracts (I.T, building surveyor, heritage advisor and specialist backfill)	297	397
Foreshore and open space maintenance	377	286
Buildings, works, plant and equipment maintenance	288	214
Utilities	233	227
Contribution to Geelong Regional Library Corporation	216	211
Insurance	222	198
Information technology software and maintenance agreements	135	126
Local Government election costs	3	29
Non-recurrent operating projects (grant funded)	13	101
Office administration	42	41
Total materials and services	4,905	4,890
4.3 Depreciation		
Property	420	419
Plant and equipment	134	154
Infrastructure	776	612
Total depreciation	1,331	1,185
Refer to note 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.		

Notes to the Financial Report For the Year Ended 30 June 2020

Note 4 - The cost of delivering services cont.

	2020 \$'000	2019 \$'000
4.4 Bad and doubtful debts		
Parking fine debtors	5	-
Other debtors	-	-
Total bad and doubtful debts	<u>5</u>	<u>-</u>
Movement in provisions for doubtful debts		
Balance at the beginning of the year	2	6
New provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	(4)
Balance at end of year	<u>2</u>	<u>2</u>

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

4.5 Borrowing costs		
Interest - Borrowings	1	2
Total borrowing costs	<u>1</u>	<u>2</u>

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.6 Other expenses		
Councillors' allowances	149	148
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	43	39
Auditors' remuneration - Internal	23	31
Auditors' remuneration - Other	5	6
Operating lease rentals	16	19
Others	43	19
Assets written-off / impaired	870	577
Cost of volunteers	69	-
Total other expenses	<u>1,218</u>	<u>839</u>

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position

	2020 \$'000	2019 \$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	977	1,239
Term deposits	-	4,627
Total cash and cash equivalents	979	5,868
(b) Other financial assets		
Term deposits - current	6,862	1,026
Term deposits - non-current	-	-
Total other financial assets	6,862	1,026
Total financial assets	7,841	6,894

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 5.3)	16	100
Total restricted funds	16	100
Total unrestricted cash and cash equivalents	963	5,768

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward projects (Note 9.1(b))	4,885	5,122
- Cash held to fund future asset replacement requirements (Note 9.1(b))*	972	421
- Cash held to fund future calls on the defined benefits superannuation fund (Note 9.1(b))	40	40
Cash held to fund future waste management costs (Note 9.1(b))*	-	21
Total funds subject to intended allocations	5,897	5,604

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.

* Negative balance in waste management reserves has been offset against cash held to fund carried forward projects. The negative balance represents the shortfall in 2019-20 waste charges which will be recovered through 2020-21 waste charges. Council has temporarily funded this shortfall.

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	152	94
Pensioner rebate	24	23
Infringement debtors	8	13
Provision for doubtful debts - infringements	(2)	(2)

Other debtors

Other	250	134
Grants receivable	-	579
Net GST receivable	102	101

Total current trade and other receivables

533 **942**

Non-current

Other	-	1
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Total trade and other receivables

533 **943**

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

	2020 \$'000	2019 \$'000
(d) 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)	320	147
Past due by up to 30 days	-	484
Past due between 31 and 180 days	21	62
Past due between 181 and 365 days	7	118
Past due by more than 1 year	3	3
Total trade and other receivables	351	814

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$2,245 (2019: \$1,812) were impaired. The amount of the provision raised against these debtors was \$2,245 (2019: \$1,812). 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	-	-
Past due by more than 1 year	2	2
Total trade and other receivables	2	2

5.2 Non-financial assets

(a) Inventories

Inventories held for sale	4	6
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Total inventories

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

(b) Other assets

Prepayments	93	217
Accrued income	20	43
Total other assets	113	260

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

	2020 \$'000	2019 \$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	-	524
Net GST payable	504	151
Accrued expenses	150	106
Total trade and other payables	654	781
(b) Trust funds and deposits		
Refundable deposits	8	15
Fire services levy	2	-
Retention amounts	-	-
Other refundable deposits	6	85
Total trust funds and deposits	16	100
(c) Unearned income		
Grants received in advance - operating	155	-
Grants received in advance - capital	153	-
Other	131	92
Total unearned income	440	92

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

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

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.

5.4 Interest-bearing liabilities

Current

Borrowings - secured	19	18
	19	18

Non-current

Borrowings - secured	10	28
	10	28

Total

Borrowings are secured by rates income	29	46
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(a) The maturity profile for Council's borrowings is:

Not later than one year	19	18
Later than one year and not later than five years	10	28
Later than five years	-	-
	29	46

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 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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

	Annual Leave \$'000	Long Service Leave \$'000	Accrued days off \$'000	Total \$'000
5.5 Provisions				
2020				
Balance at beginning of the financial year	315	705	30	1,051
Additional provisions	138	126	15	279
Amounts used	(138)	(155)	(18)	(311)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	2	13	-	15
Balance at the end of the financial year	317	689	27	1,033
2019				
Balance at beginning of the financial year	329	743	28	1,100
Additional provisions	299	86	7	392
Amounts used	(317)	(124)	(5)	(445)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	4	-	-	4
Balance at the end of the financial year	315	705	30	1,051

	2020 \$'000	2019 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	41	82
Long service leave	-	105
Accrued days off	27	30
	68	217
Current provisions expected to be wholly settled after 12 months		
Annual leave	276	233
Long service leave	586	579
	862	812
Total current employee provisions	930	1,029
Non-current		
Long service leave	103	22
Total non-current employee provisions	103	22
Aggregate carrying amount of employee provisions:		
Current	930	1,029
Non-current	103	22
Total aggregate carrying amount of employee provisions	1,033	1,051

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

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave 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.

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.

	2020 \$'000	2019 \$'000
Key assumptions:		
- index rate	1% - 1.16%	1% - 1.23%
- discount rate	0% - 0.98%	0% - 1.4%
- inflation rate	4.250%	4.313%

5.6 Financing arrangements

The Council has the following funding arrangements in place as at the 30th of June.

	2020 \$'000	2019 \$'000
Bank overdraft	-	5
Credit card facilities	26	27
Loan facilities	29	46
Total facilities	55	78
Used facilities	30	54
Unused facilities	25	24

5.7 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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Operating					
Roads, parks and reserves maintenance	878	878	-	-	1,757
Garbage collection	566	2	-	-	567
Cleaning Services for Amenities Blocks & BBQ Facilities	80	80	-	-	160
Sponsorship agreement - Queenscliff Music Festival	66	-	-	-	66
Review of Planning Scheme Heritage Provisions	47	-	-	-	47
Cleaning contract for council buildings	40	-	-	-	40
Information systems & technology	37	-	-	-	37
Internal Audit	17	17	-	-	34
Total	1,732	977	-	-	2,709
Capital					
Hesse Street South	855	-	-	-	855
Queenscliffe Hub	134	-	-	-	134
Architectural services for Point Lonsdale Tennis club	8	-	-	-	8
Total	997	-	-	-	997
2019					
Operating					
Roads, parks and reserves maintenance	789	836	886	-	2,511
Garbage collection	538	571	-	-	1,109
Cleaning contract for council buildings	594	39	-	-	633
Cleaning Services for Amenities Blocks & BBQ Facilities	64	67	68	-	199
Internal Audit	76	82	-	-	158
Print Services	41	37	-	-	78
Information systems & technology	60	-	-	-	60
Review of Planning Scheme Heritage Provisions	56	-	-	-	56
Design services for Civil Works: Destination Queenscliffe	19	-	-	-	19
Queenscliff Winter Weekends Event Management	7	-	-	-	7
Total	2,244	1,632	954	-	4,830
Capital					
Queenscliff Recreation Reserve Sport Precinct Civil Construction	75	-	-	-	75
Fixing Country Roads - Bowen Road widening	61	-	-	-	61
Rehabilitation of searchlight	42	-	-	-	42
Access stairs to Searchlight	25	-	-	-	25
Decking for Queenscliff Neighbourhood House	23	-	-	-	23
Fixing Country Roads - Bellarine Rail Trail Link at Bridge St, Queenscliff	16	-	-	-	16
Roundabout construction at Point Lonsdale Road & Ocean Road	1	-	-	-	1
Total	243	-	-	-	243

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Council has elected to apply the temporary option available under "AASB 16 Leases" for the following peppercorn or concessional lease arrangements.

- Lease signed with the State Transport Authority commencing 1 Jan 1985 (Lots 26, 27, 28, 29). No term mentioned. One months' notice required to terminate the lease. Annual lease rental \$104 ex GST.
- Lease signed with the Victorian Railways Commissioners 5 May 1959 (Lot 1). For 33 years. Expired but allows for a week to week rental indefinitely. Annual lease rental \$114 ex GST.
- Lease signed with the Victorian Railways board 1 Oct 1973 (Lot 18). For 50 years. Expiring 2023. Annual lease rental \$104 ex GST.
- Lease signed with Vic Track 1 March 2009 (Lot 41). No term mentioned. One months' notice required to terminate the lease. Annual lease rental \$139.05 ex GST.

There are no restrictions on use of these assets. However, Council is not generating any income from the above properties (land) and some have been provided for community use through various community organisations.

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2020 \$'000
Expenses relating to:	
Short-term leases	16
Leases of low value assets	-
Total	16
Variable lease payments (not included in measurement of lease liabilities)	16

Notes to the Financial Report For the Year Ended 30 June 2020

Note 5 - Our financial position cont.

Non-cancellable lease commitments - Short-term and low-value leases

Commitment for minimum lease payments for short-term and low-value leases is nil at 30 June 2020. Council's operating lease for printers expired in during the financial year 2019/20.

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 Leases to leases previously classified as operating leases under AASB 117 Leases.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of AASB 137 Provisions, Contingent Liabilities and Contingent Assets onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 Leases, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 Leases immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 Leases for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 Leases from the date of initial application.

Note 6 - Assets we manage

6.1 Non current assets classified as held for sale

	2020 \$'000	2019 \$'000
Cost of acquisition	-	-
Land - At fair value	2,075	2,075
Borrowing costs capitalised during development	-	-
Total non current assets classified as held for sale	2,075	2,075

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 - Assets we manage cont.

6.2 Property, infrastructure, plant and equipment Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Additions	Contributions	Revaluation	Depreciation	Disposal	Write-off	Transfers	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	108,148	110	-	-	(420)	-	28	1,336	109,202
Plant and equipment	546	67	-	-	(134)	(4)	-	-	475
Infrastructure	18,073	525	-	932	(776)	-	-	2,472	21,226
Work in progress	4,946	1,353	-	-	-	-	(638)	(3,808)	1,853
Total	131,713	2,056	-	932	(1,331)	(4)	(609)	-	132,757

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,445	497	-	(1,326)	617
Plant and equipment	-	-	-	-	-
Infrastructure	3,501	856	(638)	(2,483)	1,237
Total	4,946	1,353	(638)	(3,808)	1,853

(a) Total Property

	Land - specialised	Land - non specialised improvements	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	73,227	22,588	-	95,815	351	19,406	2,496	-	22,254	1,445	119,514
Accumulated depreciation at 1 July 2019	-	-	-	-	(169)	(8,973)	(778)	-	(9,921)	-	(9,921)
	73,227	22,588	-	95,815	182	10,433	1,718	-	12,333	1,445	109,593

Movements in fair value

Additions	-	-	-	-	-	110	-	-	110	507	618
Contributions	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Reclassification - NCA for sale	-	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	28	-	-	28	-	28
Transfers	-	-	-	-	-	1,336	-	-	1,336	(1,336)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,475	-	-	1,475	(828)	646

Movements in accumulated depreciation

Depreciation and amortisation	-	-	-	-	(6)	(373)	(42)	-	(420)	-	(420)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	(6)	(373)	(42)	-	(420)	-	(420)

At fair value 30 June 2020	73,227	22,588	-	95,815	351	20,880	2,496	-	23,727	616	120,158
Accumulated depreciation at 30 June 2020	-	-	-	-	(174)	(9,345)	(820)	-	(10,339)	-	(10,339)
	73,227	-	-	95,815	176	11,535	1,676	-	13,388	616	109,819

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 - Assets we manage cont.

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Work in Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2019	491	340	573	-	1,404
Accumulated depreciation at 1 July 2019	(252)	(288)	(318)	-	(858)
	239	52	255	-	546
Movements in fair value					
Additions	41	2	24	-	67
Contributions	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposal	(30)	-	(1)	-	(32)
Write-off	-	-	-	-	-
Transfers	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
	11	2	23	-	35
Movements in accumulated depreciation					
Depreciation and amortisation	(74)	(12)	(48)	-	(134)
Accumulated depreciation of disposals	27	-	0	-	28
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
	(46)	(12)	(48)	-	(106)
At fair value 30 June 2020	502	342	596	-	1,439
Accumulated depreciation at 30 June 2020	(298)	(300)	(366)	-	(964)
	203	42	230	-	476

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 - Assets we manage cont.

(c) Infrastructure

	Roads	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	17,334	1,614	4,545	2,499	221	1,641	809	331	3,501	32,495
Accumulated depreciation at 1 July 2019	(6,009)	(662)	(2,208)	(1,107)	(108)	(421)	(283)	(124)	-	(10,922)
	11,325	952	2,337	1,392	113	1,220	526	207	3,501	21,573
Movements in fair value										
Additions	183	30	69	173	-	7	-	64	846	1,371
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluation	822	141	(26)	-	-	-	(5)	-	-	932
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	(638)	(638)
Transfers	468	24	295	1,222	-	213	118	132	2,472	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	1,474	194	337	1,395	-	220	114	196	(2,264)	1,665
Movements in accumulated depreciation										
Depreciation and amortisation	(286)	(33)	(47)	(204)	(18)	(129)	(16)	(43)	-	(776)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	(286)	(33)	(47)	(204)	(18)	(129)	(16)	(43)	-	(776)
At fair value 30 June 2020	18,807	1,809	4,881	3,894	221	1,861	923	527	1,236	34,160
Accumulated depreciation at 30 June 2020	(6,294)	(695)	(2,255)	(1,311)	(127)	(550)	(299)	(167)	-	(11,698)
	12,513	1,114	2,626	2,583	94	1,311	624	360	1,236	22,462

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 - Assets we manage cont.

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.

	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.

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.

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

Repairs and maintenance

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 - Assets we manage cont.

Valuation of land and buildings

Valuation of land and buildings were 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. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuation is detailed in the following table and a full revaluation of these assets will be conducted in 2021/22.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	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	-	1,717	-	June 2019
Buildings Specialised	-	-	10,615	June 2019
Total	-	24,305	85,917	

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 the current financial year using the condition assessment work of Mr Peter Moloney, Dip C.E.C.E.MIE Aust conducted in November 2019. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, in 2019/20. All other infrastructure assets are currently based at cost.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	12,513	June 2020
Footpaths and cycleways	-	-	1,114	June 2020
Drainage	-	-	2,626	June 2020
Off street car parks	-	-	624	June 2020
Total	-	-	16,877	

Notes to the Financial Report For the Year Ended 30 June 2020

Note 6 - Assets we manage cont.

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 \$451 to \$4,644 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 107 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.

	2020 \$'000	2019 \$'000
Reconciliation of specialised land		
Crown Land	59,065	59,065
Land under roads	16,237	16,237
Total specialised land	75,302	75,302

6.3 Investments in associates, joint arrangements and subsidiaries

(a) Investments in associates

Investments in an associate accounted for by the equity method is:

- Geelong Regional Library Corporation	240	207
Fair value of Council's investment in Geelong Regional Library Corporation	240	207

Geelong Regional Library Corporation

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 2020. Council's share of the net assets (1.79%) 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.

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.

Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus(deficit) at start of year	207	214
Reported surplus(deficit) for year	33	(7)
Council's share of accumulated surplus(deficit) at end of year	240	207
Movement in carrying value of investment		
Carrying value of investment at start of year	207	214
Share of surplus(deficit) for year	33	(7)
Carrying value of investment at end of year	240	207

Notes to the Financial Report For the Year Ended 30 June 2020

Note 7 - People and relationships

7.1 Council and key management remuneration

(a) Related Parties	2020 No.	2019 No.
<i>Parent entity</i>		
Borough of Queenscliffe is the parent entity.		

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(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	1	1
Councillor Ross Ebbels - Mayor from 28 Nov 19	1	1
Councillor Bob Merriman - Mayor up to 27 Nov 19	1	1
Councillor Susan Salter	1	1
Councillor Boyce Pizzey	1	
Councillor Rob Minty - from 05 Dec 2019	1	1
Councillor Tony Francis - up to 01 July 2019	1	1
Chief Executive Officer	1	1
General Manager, Organisational Performance & Community Services	1	1
General Manager Planning & Infrastructure	1	1
Total Number of Councillors	6	5
Total of Chief Executive Officer and other Key Management Personnel	3	3
Total Number of Key Management Personnel	9	8

(c) Remuneration of Key Management Personnel

	2020 \$'000	2019 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	767	685
Long-term benefits	15	8
Termination benefits	-	-
Total	782	693

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2020 No.	2019 No.
\$0 - \$9,999	1	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	2	3
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	1
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	1
\$180,000 - \$189,999	-	-
\$190,000 - \$199,999	-	-
\$250,000 - \$259,999	1	1
	9	8

Notes to the Financial Report For the Year Ended 30 June 2020

Note 7 - People and relationships cont.

(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; or

b) whose total annual remuneration exceeds \$151,000

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

	2020 No.	2019 No.
Income Range:		
\$130,000 - 139,000	1	1
	<u>1</u>	<u>1</u>

	2020 \$'000	2019 \$'000
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	<u>135</u>	<u>130</u>

	2020 \$	2019 \$
7.2 Related party disclosure		
(a) Transactions with related parties		

During the period Council entered into the following transactions with related parties.

Geelong Regional Library Corporation - contribution	205,978	202,750
Laguna Pastoral - catering services	340	247
Leonard Jenner - Sale of motor vehicle (Vehicle was kept at Council office until final settlement in September 2019).	-	28,273

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

Laguna Pastoral - Outstanding balance owing for electricity on charge	-	1,197
Leonard Jenner - Outstanding balance owing for sale of motor vehicle	-	28,273

(c) Loans to/from related parties

No loans have been made, guaranteed or secured during the reporting period by Council to a related party (2018–19: 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 (2018–19: nil).

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 - Managing uncertainties

8.1 Contingent assets and liabilities

(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:

	2020 \$'000	2019 \$'000
Not later than one year	112	129
Later than one year and not later than five years	526	504
Later than five years	865	714
	1,503	1,347

(b) Contingent liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

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 below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

There were \$Nil contributions outstanding and \$Nil loans issued from or to the defined benefit superannuation scheme as at 30 June 2020 (30 June 2019: \$Nil).

Insurance claims

There is Nil insurance claims as at 30 June 2020 that could have a material impact on future operations.

Legal matters

There is Nil legal matters as at 30 June 2020 that could have a material impact on future operations. However, Council is a party to a ongoing litigation on behalf of the Department of Environment, Land, Water and Planning (DELWP), in relation to an incident on crown land for a potential settlement of \$20,000. Council will be indemnified in full by the DELWP.

Liability Mutual Insurance

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

MAV Workcare

Council is (was) a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare Scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 - Managing uncertainties cont.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

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.

Point Lonsdale Surf Life Saving Club has secured a line of credit of up to \$150,000 providing a land as a part of the mortgage which Borough of Queenscliff (Council) has transferred for one dollar (\$1) consideration in April 2015.

As per the agreement under section 173 of the *Planning and Environments Act 1987 (Vic)* between the Council and PLSLSC, the owner including the Council becoming liable to repay to the mortgagee any moneys secured by the mortgage. In a very unlikely scenarios (current assessment of the management), if Council decide to exercise step in rights, the mortgagee will consent to a transfer of the subject land and the adjoining land to Council for nil consideration subject to the terms of the agreement.

(d) Impact of COVID 19

On 30 January 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council's operations in the following areas for the financial year ended 30 June 2020:

- In response to government social distancing directives amidst the COVID-19 outbreak, the caravan parks managed by the Council were closed from March to June. Further, the Council has experienced a significant decrease in demand. These events resulted in a decrease in the council user fee revenue by \$244,000 and also decreased associated expenses by \$10,000.
- Council paused all rent agreements with community organisations from 01 April 2020. This resulted in decrease in rent revenue (other income) of \$8,900.
- Opportunity cost (loss of interest income from reserve funds) till date from deferral of rates payment / interest free period is not material. However, the debtor balance as at 30 June 2020 has increased by \$58,800 compared to last year.
- Reserve transfer of \$40,000 to create a hardship reserve fund to provide additional support to the community in future when required.

Various support measures and reduced income from caravan parks are expected to cost Council \$367,000 in the next financial year. In estimating this impact, it is assumed that the economic activities to start recovering in the second quarter of the 2020-21 financial year. Further, the management does not foresee any significant impact on the rates revenue as the majority of the rates payers in the Borough is having a fixed income source.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 - Managing uncertainties cont.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 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.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement. Based on the Council's current assessment, there is expected to be no material impact on the transactions and balances recognised in the financial statements.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 - Managing uncertainties cont.

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, 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.

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 at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. 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 have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- council have a policy for establishing credit limits for the entities council deal with;
- council may require collateral where appropriate; and
- council only invest 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 provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 - Managing uncertainties cont.

(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:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), 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 5.4.

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 0.85%.

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.

8.4 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.

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.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 8 - Managing uncertainties cont.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the 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 of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from three years for buildings, roads, footpaths and cycleways, off street car parks to four years for land and 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, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs 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.

8.5 Events occurring after balance date

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

Notes to the Financial Report For the Year Ended 30 June 2020

Note 9 - Other matters

9.1 Reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2020			
Property			
Land			
- Freehold land	20,923	-	20,924
- Crown land	4,664	-	4,664
- Land under roads	3,129	-	3,129
Buildings	8,482	-	8,479
Total Property	37,198	-	37,198
Infrastructure			
Roads	4,667	818	5,485
Footpaths and cycleways	192	141	333
Drainage	509	(27)	482
	5,368	932	6,300
Total asset revaluation reserves	42,566	932	43,498
2019			
Property			
Land			
- Freehold land	20,923	-	20,923
- Crown land	4,664	-	4,664
- Land under roads	3,129	-	3,129
Buildings	9,790	(1,308)	8,482
Total Property	38,506	(1,308)	37,198
Infrastructure			
Roads	4,667	-	4,667
Footpaths and cycleways	192	-	192
Drainage	509	-	509
	5,368	-	5,368
Total asset revaluation reserves	43,874	(1,308)	42,566

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 2020

Note 9 - Other matters cont.

(b) Other reserves	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2020				
Asset Replacement Reserve - Allocated	297	298	(19)	576
Asset Replacement Reserve - Unencumbered	124	273	-	397
Future Calls on Defined Benefits Superannuation	40	-	-	40
Funds carried forward to future years				
Grant funding not yet expended - Operating	398	379	(175)	602
Grant funding not yet expended - Capital	1,724	340	(546)	1,518
Incomplete works - Operating	537	304	(4)	837
Incomplete works - Capital	2,345	297	(687)	1,955
Total funds carried forward to future years	5,004	1,319	(1,412)	4,912
Waste management reserves				
Kerbside waste	(7)	-	(14)	(21)
Public waste	10	-	(34)	(24)
Green waste	18	-	(0)	18
Total waste management reserves	21	-	(48)	(27)
Total Other reserves	5,486	1,890	(1,479)	5,897
2019				
Asset Replacement Reserve - Allocated	271	95	(69)	297
Asset Replacement Reserve - Unencumbered	571	330	(777)	124
Future Calls on Defined Benefits Superannuation	40	-	-	40
Funds carried forward to future years				
Grant funding not yet expended - Operating	389	172	(163)	398
Grant funding not yet expended - Capital	715	1,692	(683)	1,724
Incomplete works - Operating	418	186	(67)	537
Incomplete works - Capital	680	2,072	(289)	2,463
Total funds carried forward to future years	2,202	4,122	(1,202)	5,122
Waste management reserves				
Kerbside waste	6	-	(13)	(7)
Public waste	3	7	-	10
Green waste	10	8	-	18
Total waste management reserves	19	15	(13)	21
Total Other reserves	3,103	4,562	(2,061)	5,604

Notes to the Financial Report For the Year Ended 30 June 2020

Note 9 - Other matters cont.

	2020	2019
	\$'000	\$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	551	3,701
Depreciation	1,331	1,185
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(7)	13
Assets written off	609	577
Borrowing costs	1	2
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	408	(684)
(Increase)/decrease in inventories	2	(2)
(Increase)/decrease in prepayments	123	(85)
(Increase)/decrease in accrued income	24	168
(Increase)/decrease in regional library equity	(33)	7
Increase/(decrease) in trade and other payables	-	(183)
Increase/(decrease) in accrued expenses	(333)	(3)
Increase/(decrease) in accrued wages	44	91
Increase/(decrease) in trust funds and deposits	(84)	25
Increase/(decrease) in income received in advance	230	1
Increase/(decrease) in provisions	(17)	(49)
Net cash provided by/(used in) operating activities	2,848	4,764

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee (SG) 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 the Borough of Queenscliffe 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 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which the Borough of Queenscliffe is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 9 - Other matters cont.

Employer contributions

Regular contributions

On the basis of the results of the 2017 full 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation. A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

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

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.

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which the Borough of Queenscliffe is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2019	2017
	\$m	\$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

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 2019.

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 as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

Notes to the Financial Report For the Year Ended 30 June 2020

Note 9 - Other matters cont.

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.50%pa for the first two years and 2.75%pa thereafter	3.50% pa
Price inflation	2.0% pa	2.5% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$,000	2019 \$,000
Vision super	Defined benefit	9.50%	3	-
Vision super	Accumulation fund	9.50%	215	164

Unfunded liability payments to Vision Super is \$Nil during the 2019/20 year (2018/19 \$Nil).

There were \$Nil contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$219,000.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 10 - Change in accounting policy

Council has adopted AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 Revenue from Contracts with Customers using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 Revenue is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 Income of Not-for-Profit Entities using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$'000
Retained earnings at 30 June 2019	140,028
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	-
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities [revenue adjustment]	(118)
Retained earnings at 1 July 2019	139,910

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of AASB 16 Leases.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

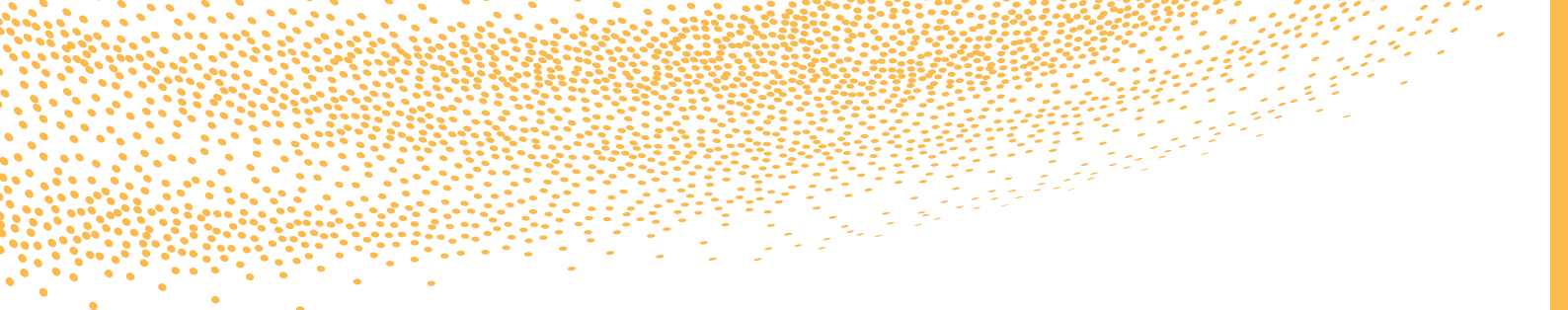
	As reported 30 June 2019	Adjustments	Post adoption
Liabilities			
Unearned income - capital grants	-	118	118





Our students were delighted to help supervise the construction of a new footpath on Lawrence Road. The path is really nice and wide, which has made it easier and safer for all students to get to school each day. We're really happy that Council has stepped up to build this footpath.

Fay Agterhuis
Point Lonsdale Primary School



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Glossary

Annual Report 2019-20 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.
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 (including grants - capital) to meet expenses (other than capital expenditure) 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.
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.
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 fulfil 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 Geelong Region 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, Golden Plains Shire, City of Greater Geelong, Borough of Queenscliffe and Surf Coast Shire.
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.
Infringement Court	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the <i>Magistrates Court Act 1989 (Vic)</i> to deal with unpaid fines.
Interest bearing loans and borrowings	Council's borrowings.
Interest income	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
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, cost of volunteers' contribution, impairment losses and asset write-offs.
Other income	Income received from investment property rental, other rental income, interest income, value of volunteers' contribution and reimbursements.
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 2019–20 was 2.50%.

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 discretionary reserves. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets. Discretionary reserves, which are funds Council wishes to separately identify as being set aside to meet a specific purpose in the future and for which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council and separately disclosed.
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 (including grants – capital), expenses (other than capital expenditure), net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainable capacity indicator	A prescribed indicator measuring whether Council has the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Trade and other payables	Monies owed by Council to other entities / individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged).
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 and caravan and camping fees.

Abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AM	Member of the Order of Australia
APES	Accounting Professional and Ethical Standards
AUD	Australian dollars
BBQ	Barbeque
BoQ	Borough of Queenscliffe
CA	Chartered Accountant
CALD	Culturally and Linguistically Diverse
CEO	Chief Executive Officer
CHSP	Commonwealth Home Support Programme
CIV	Capital Improved Value
CPA	Certified Practising Accountant
CPI	Consumer price index
CPR	Cardiopulmonary resuscitation
Cr	Councillor
E-waste	Electronic waste
EBA	Enterprise Bargaining Agreement
EMT	Executive Management Team
ERP	Estimated resident population
FCCA	Fellow of Chartered Certified Accountants
FTE	Full-time equivalent
G21	Geelong Region Alliance
GRLC	Geelong Regional Library Corporation
GST	Goods and Services Tax
HACC	Home and Community Care
HR	Human Relations
IT	Information Technology
JMAPP	JLT Municipal Asset Protection Plan Discretionary Trust
JP	Justice of the Peace
LMI	Liability Mutual Insurance
LSL	Long service leave
MAV	Municipal Association of Victoria
MCH	Maternal and Child Health
NA	Not applicable
NDIS	National Disability Insurance Scheme
NES	National Employment Standards
OAM	Medal of the Order of Australia
OHS	Occupational Health and Safety
PC	Personal computer
PS	Primary school
SEIFA	Socio-Economic Indexes for Areas
TGGB	Tourism Greater Geelong and the Bellarine
WDV	Written down value
WIP	Work in progress
VAGO	Victorian Auditor-General's Office
VBI	Vested benefit index
VCAT	Victorian Civil and Administrative Tribunal
VGC	Victoria Grants Commission
VIC	Visitor Information Centre

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