



# Minutes

## Ordinary Meeting of Council

14 December 2017 at 7:00pm

Queenscliff Town Hall  
50 Learmonth Street, Queenscliff

### **Distribution**

#### **Councillors**

Cr Susan Salter (Mayor)

Cr Boyce Pizzey (Deputy Mayor)

Cr Tony Francis

Cr Ross Ebbels

Cr Bob Merriman

#### **Officers**

Lenny Jenner - Chief Executive Officer

Phillip Carruthers - General Manager Organisational Performance & Community Services

Phil Josipovic - General Manager Planning & Infrastructure

Jessica Chappell – Executive Officer Community Engagement & Customer Services

In accordance with the Borough of Queenscliff Local Law No 1, 2010, the information contained within this Agenda is for the confidential and privileged use of Councillors until at least 48 hours prior to this meeting.

**THIS MATERIAL DOES NOT NECESSARILY REFLECT THE VIEWS OF COUNCIL**



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## Appendices

Appendix	Title	Agenda Item	Distribution
Appendix 1	Minutes of the Audit Committee Meeting – 4 December 2017	6.2 Audit Committee – 4 December 2017	Under separate cover
Appendix 2	Tourism & Economic Development Advisory Committee – Revised Terms of Reference and name, and appointments process	13.1 Tourism & Economic Development Advisory Committee	Under separate cover
Appendix 3a	Economic Development Strategy	13.2 Economic Development Strategy	Under separate cover
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Appendix 3c	Response to Submissions to the Economic Development Strategy	13.2 Economic Development Strategy	Under separate cover
Appendix 4	Victorian Auditor-General's (VAGO) Report	16.1 Victorian Auditor-General's Report on Local Government Audits 2016/17	Under separate cover
Appendix 5	Supply of Electricity and GreenPower to Large Buildings & Facilities and Unmetered Street Lighting Sites	16.2 Supply of Electricity for Contestable Sites	<b>CONFIDENTIAL</b> – for distribution to Councillors only



## 1. OPENING OF MEETING

7:06pm: *The Mayor, Cr Susan Salter opened the meeting and welcomed Councillors, officers and the public gallery.*

## 2. PRESENT & APOLOGIES

*Present:*

Cr Susan Salter (Mayor)

Cr Boyce Pizzey (Deputy Mayor)

Cr Tony Francis

Cr Ross Ebbels

Cr Bob Merriman

Lenny Jenner - Chief Executive Officer

Phillip Carruthers - General Manager Organisational Performance & Community Services

*Apologies:*

Phil Josipovic - General Manager Planning & Infrastructure

Jessica Chappell – Executive Officer Community Engagement & Customer Services

## 3. PECUNIARY INTEREST & CONFLICT OF INTEREST DISCLOSURES

*Councillors must disclose a conflict of interest in accordance with Section 79 of the Local Government Act 1989.*

Councillors: Nil

Officers: Nil

## 4. LEAVE OF ABSENCE OF COUNCILLOR

Nil.

The Mayor, Cr Susan Salter advised Council that Harry Doull, a young local resident, had produced a short film on Queenscliff and the Mayor requested Council's approval to include the presentation of the film at this point in the Council agenda.

**Councillors Francis / Ebbels:**

**That Council include the immediate viewing of the short film produced and directed by local resident, Harry Doull, as part of the Council meeting agenda.**

**Carried unanimously**



## 5. PUBLIC QUESTION TIME

### 5.1 Public Questions Status Update

No Public Questions outstanding.

### 5.2 Public Questions

The CEO advised Council that nine public questions had been received by Council within the prescribed timelines.

*7:15pm: The CEO also advised that in light of the first public question being directly related to him, he declared a conflict of interest and left the Council chamber.*

#### **Statement by Cr Susan Salter**

There is a need to cover some simple protocols as each meeting may involve people attending for the first time.

Question time is specifically available for questions.

In response to Public Question 1, I note that Council has received a statement regarding the CEO rather than a question.

I have determined that the statement shall not be read to the meeting as it relates to personnel matters, enacted under the Local Government Act s. 91(1) and Section 102 (6)(f) of Council's Local Law 1, and in accordance with Council's Public Question Guidelines.

I will write to the person who lodged this Public Question in due course.

*7:21pm: Lenny Jenner, CEO, returned to the Council Chamber.*

The Mayor, Cr Susan Salter, stated that in light of the high level of public attention to the matter of the staff Christmas celebration, she requested the CEO to comment on this matter.

#### **Lenny Jenner, Chief Executive Officer, made the following statement:**

Thank you for the opportunity to speak Madame Mayor.

Council has received feedback from local businesses and members of the community expressing their disappointment in my decision to locate our staff Christmas celebration outside of the Borough this year.

On this occasion I made the wrong decision.

The event was held within the Borough on Friday evening and was catered for by Charlie Noble.

The cost of the event was \$4,445. This included relocation costs of \$500.

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Council undertook pre-panning research at the following venues: At The Heads, Q Train, Flying Brick Cider House (Wallington), Queenscliff Brewhouse and X-Golf (Point Lonsdale).

Past celebrations have been held at the Vue Grand, McGlashan's Winery (Wallington), The Queenscliff Town Hall, the Esplanade (twice), Queenscliff Ferry, Point Lonsdale Bowling Club (twice), the Apostle.

In light of the feedback, I have determined that all future celebrations will be conducted within the Borough.

### **Question 2**

My question relates to the request to be considered tonight from LASS Pty Ltd for Council sponsorship to help with the Queenscliff 180 Family Swim. The question is of such a potentially serious nature I request an exemption from the usual word count policy.

The decomposing 14m whale carcass at Jubilee Point that continues to trigger emergency warnings against swimming in the area. It takes months for a carcass to decompose and it may well break up any time over the next few months and be dispersed over a very wide area and attract sharks well away from the original area.

While it would be a great pity to see the planning that has gone into saving this long enjoyed local event abandoned, nevertheless the risks appear very real, both to this event and the Rip Swim Event planned for following weeks.

- Can council assure us that they have expert opinion re the safety from shark attack of the 600+ swimmers expected?
- Will each of the competitors be individually advised of the potential risks created by the presence of the decomposing carcass so they may make their own decisions with regard to their personal safety? If not, then why not?
- Has council taken the necessary precautions e.g. ensuring there is helicopter surveillance before and during the event, medical and para medical attendance at the event and that there is a well-developed evacuation from the water police in case of emergency?
- Does Council know which emergency service has responsibility for the safety of the event in particular if emergency evacuation is required?
- What role does DEWLP have in the planning and overseeing of the event in light of the current existing circumstances?
- What is the nature of the water services for which \$3,500 is sought?

The Mayor, Cr Susan Salter responded advising that public question 2 would be responded to when Council formally considered agenda item 12.2: Application for Sponsorship – Queenscliff 180.

*The response to this public question is recorded on page 28 of 106 in this record.*

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### **Question 3 from The Rip**

Last month The Rip received a letter to the editor from a prominent local fisherman bemoaning the lack of services provided at the Queenscliff fishing ramp for the cost applied to users.

What if anything is Council doing to address these concerns and ease the demand to use the single ramp?

*The Mayor, Cr Susan Salter invited Cr Francis to respond to the public question.*

### **Cr Tony Francis responded:**

The BoQ Council has responsibility, as the Crown land manager, for a comparatively high proportion of Crown land in both Queenscliff and Point Lonsdale.

These Crown land responsibilities cover a significant proportion of coastal land above the high water mark throughout the municipality. These responsibilities demand a range of actions such as construction and maintenance of pathways, indigenous vegetation conservation, weed eradication, safety fencing and construction and maintenance of beach access.

Fortunately, some of the Crown land management responsibilities yield revenue to the BoQ Council that off-sets the cost of these activities. All revenue generated from Crown land activities must be directed to the activities associated with improving, managing and maintaining the Crown land responsibilities across the Borough. One of these activities involves providing and maintaining the Queenscliff Boat Ramp and associated parking. I do appreciate that given the location of Queenscliff in Port Phillip our Boat Ramp is highly regarded due to its proximity to fishing grounds both within Port Phillip and outside the Heads.

Madame Mayor, I ask Phillip Carruthers, General Manager, to provide comment on the financial matters raised in the Letter to the Editor.

### **Phillip Carruthers, General Manager, responded:**

The letter to the Editor in the December 2017 edition of The Rip identified an inaccurate level of revenue of \$180k from the Boat Ramp in the 1980s. I can advise that the Boat Ramp parking fee revenue in 2006/07 was \$74K and in 2016/17 was \$95K – an increase of only 14% over this 10 year period. Interestingly, \$35K of the \$95K was derived from parking permit fees.

During this 10 year period Council has spent more than \$348K in capital improvements that include an upgrade of the Boat Ramp and road resurfacing works.

Council does consider the appropriate parking fee structure at the Boat Ramp every year having due regard to the cost for comparative services. The Boat Ramp parking fee in 2017/18 is \$12 for a 24 hour period. People have the option of purchasing an annual Boat Ramp Parking Permit at a cost of \$126 for a resident or BoQ ratepayer and \$198 for a non-resident or non-ratepayer, providing unlimited opportunities throughout the year to park at the Boat Ramp. I can advise that in 2016/17 210 parking permits were issued; 82 to residents and 138 parking permits to non-residents / non-ratepayers.

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#### **Question 4, 5 & 6 from the Point Lonsdale Civic Association (PLCA)**

It is the understanding of the PLCA that, at the December 2017 Council meeting, Council is being asked to consider

- changing the name of the Tourism and Economic Development Advisory Committee to the Queenscliffe Economic Development Advisory Committee
- modifying its Terms of Reference in order for Council to receive advice on broader economic matters.

As Council is aware, the PLCA has consistently objected to the power to influence Council decisions that has been given to businesses in the Borough while the community has not received the same consideration and respect.

PLCA requests that:

Council in creating QEDAC, a new entity, wind up TEDAC, and seek community input into its role and membership through

1. community consultation on purpose and terms of reference.
2. expression of interest process for membership.
3. That the EDS is not passed by Council until the above is clarified with community.

The Mayor, Cr Susan Salter responded advising that the identical public questions 4, 5 and 6 would be responded to when Council formally considered agenda item 13.1: Tourism & Economic Development Advisory Committee – Revised terms of reference and name and appointment process and Item 13.2: Economic Development Strategy.

*The response to this public question is recorded on page 48 of 106 in this record.*

#### **Question 7 from Queenscliff Community Association (QCA)**

Is it true that the approved capital improvements to the Queenscliff Sport and Recreation Reserve including the relocation of the caravans will not require any financing from Rates?

The Mayor, Cr Susan Salter, requested Phillip Carruthers, General Manager, to provide information related to Council's recent decision related to this public question.

#### **Phillip Carruthers, General Manager, responded:**

I advise that at its Special Meeting held on 12 October 2017, Council resolved to:

**Approve the following changes to the 2017/18 budget to fund the \$405,000 funding shortfall for the Queenscliff Sports Precinct Project:**

- |  |                  |
|--|------------------|
| <b>a. Reallocate loan borrowings proposed for LED street light replacement program</b> | <b>\$150,000</b> |
| <b>b. Reallocate funds from asset renewal funds / reserves</b>                         | <b>\$180,000</b> |
| <b>c. Reallocate funds from installation of path lighting (Ferry to Pier)</b>          | <b>\$75,000</b>  |



**Cr Bob Merriman requested an opportunity to respond to the public question and stated:**

It is important to respond to the QCA question by drawing attention to the fact that at the September 2017 Ordinary Meeting, Council was yet to formally consider the contract related to the Queenscliff Sports Precinct and that the scope of the project that was informed by the extensive community consultation conducted by Council in finalising the detailed design. These changes expanded the elements of the final project and included adding a fourth cricket practice wicket, upgrading the cricket practice netting equipment and ensuring a clear delineation between cricket and netball. The detailed design also highlighted the need for effective treatment of the drainage from the entire site given the propensity for more intensive weather conditions associated with climate change.

While initially expecting the project to be contained within the confines of the State funding election commitment, the final and best tender placed Council in the position where an additional \$405,000 needed to be sourced. Council's 12 October 2017 Special Meeting included taking out a loan of \$150,000, reallocated funds from existing budget allocations and reserves as detailed by our General Manager and redirecting funds from a pathway lighting project that has been deemed to be no longer required. As indicated by the General Manager, this information is available in the relevant Council meeting minutes.

**Cr Tony Francis indicated his interest in the topic and responded:**

I wish to reinforce the comments made by Cr Merriman regarding the need to plan for and construct facilities capable of meeting the issues posed by changing weather patterns associated with climate change.

The recent experience in Victoria and in the Borough highlighted the challenges that will present increasing pressures on Council in its role in providing public infrastructure including roads, footpaths, drainage and sporting facilities. I believe it would be irresponsible of Council to take short cuts when planning for climate change and related drainage infrastructure.

Furthermore, I believe Council needs to support the development of women's sporting opportunities and this project at the sports precinct is designed to achieve this outcome. In closing Cr Francis thanked the QCA for the question.

**Public Question 8:**

Is it true that the redevelopment of the Queenscliff Recreation Reserve Caravan Park will not require any capital financing from Rates?

The Mayor, Cr Susan Salter, requested Phillip Carruthers, General Manager, to respond to the question.

**Phillip Carruthers, General Manager, responded:**

At this point in time the project has been awarded \$3.155 million of State Government funding through the Community Sports Infrastructure Fund. The funding is not conditional on a local contribution by Council. Council is yet to go to tender for the caravan park component of the project but will be seeking to keep the costs to that amount of funding available.

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**Public Question 9**

In August Special Meeting it was stated \$136,000 of projects were removed in the Draft 2017/18 Budget after the rate capping announcement.

Can council explain how ratepayers can suddenly afford to grant private operators \$12,000 for the Swim Event, \$7,000 for a new film event in the Town Hall and increased staffing?

*The Mayor, Cr Susan Salter responded advising that public question 9 would be responded to when Council formally considered agenda item 12.1 Application for Sponsorship from Peninsula Film Festival and item 12.2: Application for Sponsorship – Queenscliff 180.*

*The response to this public question is recorded on page 30 of 106 in this record.*

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## 6. CONFIRMATION OF COUNCIL MEETING MINUTES

### 6.1 Ordinary Meeting of Council – 23 November 2017

A copy of the previous Minutes of the Ordinary Meeting of Council held on 23 November 2017 was distributed to Councillors under separate cover.

**Councillors Francis / Pizzey:**

**That the Minutes of the Ordinary Meeting of Council of the Borough of Queenscliffe held on 23 November 2017, as distributed, be confirmed as an accurate record.**

**Carried unanimously**

### 6.2 Audit Committee – 4 December 2017

**Councillors Merriman / Salter:**

**That the Minutes of the Audit Committee Meeting held on 4 December 2017 (Appendix 1) be accepted.**

**Carried unanimously**

## 7. RECORD OF ASSEMBLY OF COUNCILLORS

Record in accordance with section 80A(1) of the Local Government Act 1989 (see **Adjunct to Item 7**).

**Councillors Ebbels / Salter:**

**That the Record of Assembly of Councillors, as presented in Adjunct to Item 7, be noted.**

**Carried unanimously**

## 8. MOTION ON NOTICE

### 8.1 Motion on Notice Status Update

**Councillors Merriman / Francis:**

**That the Motion On Notice Status Update, as presented in Adjunct to Item 8.1, be noted.**

**Carried unanimously**



## **8.2 Motion on Notice**

No Motions on Notice were received.





## 9. CORRESPONDENCE

### 9.1 Petitions and Joint Letters

Nil.

### 9.2 Inwards Correspondence

Date	Correspondence
23 November 2017	Correspondence from the Point Lonsdale Tennis Club Inc.
24 November 2017	Correspondence from a resident regarding the Point Lonsdale Lighthouse Reserve & Environs National Heritage Assessment

**Councillors Francis / Pizey:**

**That the Correspondence be noted.**

**Carried unanimously**



## 10. MAYOR'S REPORT

### 10.1 Functions Attended

Date	Function Attended
21 November 2017	The Mayor, Councillors Salter, Merriman and the CEO met with Minister Lisa Neville
23 November 2017	The Mayor, all Councillors and the CEO attended the 2017 Queenscliff Music Festival Official Opening event where the Mayor delivered the Welcome address
30 November 2017	The Mayor, Councillors Pizey, Ebbels & Merriman and the CEO attended the Borough After Five event at 'Tastes of the Region' at the Queenscliff Brewhouse where the Mayor delivered the Welcome address
2 December 2017	The Mayor & Councillor Ebbels attended the Lighting of the Christmas Tree at Point Lonsdale where the Mayor delivered the Welcome address
6 December 2017	The Mayor attended lunch at Cottage by the Sea
8 December 2017	The Mayor and Councillor's Ebbels and Pizey attended the Queenscliff Primary School end-of-year production of 'Peter Pan' at the Queenscliff Town Hall

#### Councillors Francis / Pizey:

**That the Mayor's Report as amended be received.**

**Carried unanimously**



## **11. COUNCILLOR PORTFOLIO REPORTS**

No reports to consider.







## 12. COMMUNITY WELLBEING

### 12.1 Application for Sponsorship from Peninsula Film Festival

<b>File:</b>	<b>QG 093-0601</b>
<b>Report Author:</b>	<b>General Manager Organisational Performance &amp; Community Services</b>
<b>Strategic Objective:</b>	<b>Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture</b>
<b>Portfolio:</b>	<b>Community Wellbeing</b>
<b>Portfolio Holder:</b>	<b>Cr Susan Salter</b>

#### **Purpose**

The purpose of this report is to seek Councils support for a revised Sponsorship application from Film Festivals Australian for the Peninsula Film Festival (PFF).

#### **Background**

The PFF is a 3 day film festival held in February at Rosebud on the Mornington Peninsula. The event is currently held on the Rosebud foreshore with large outdoor screening and staging and in 2017 attracted approximately 7,000 people. It is a free event where the public are encouraged to bring a rug and watch up to 20 short films all judged live by a panel of celebrity judges. In previous years the judging panel has included identities such as Shane Jacobson, Lachy Hulme, Sigrid Thornton, Michala Banas, Samuel Johnson, Pia Miranda, Peter Helliard and Firass Dirani. The short films compete for a prize pool of up to \$30,000 in cash and prizes.

At the 21 September 2017 Ordinary Meeting of Council, Council considered a Sponsorship Application from Film Festivals Australia to stage the Peninsula Film Festival in Queenscliff simultaneously with the Rosebud event on Saturday 10th February 2018:

Council resolved to:

- 1) Approve the application made by Film Festivals Australia seeking \$20,000 sponsorship from the Borough of Queenscliffe Council for the Peninsula Film Festival to be extended into Queenscliff, subject to adequate funding for the project by Visit Victoria;*
  - 2) Request the Chief Executive officer to enter into a Sponsorship Agreement with Film Festivals Australia to conduct the Peninsula Film Festival at Queenscliff on Saturday 10th February 2018 subject to:*
-



- a. The festival event application satisfactorily meeting the requirements of the Borough of Queenscliffe event application permit process;*
- b. Agreement from Film Festivals Australia to include cross promotional opportunities for the Queenscliff Winter Weekends Festival with the Peninsula Film Festival at the Rosebud event;*
- 3) *Request officers to explore the opportunity with Film Festivals Australia to host a complementary event in the Borough on the Friday 9th February 2018 subject to budgetary capacity.*

*Carried unanimously*

## Key Issues

Organisers of the Peninsula Film Festival have advised Council that the PFF was unsuccessful in its funding application to Visit Victoria. As a result, the organisers have been working with Council officers in exploring alternate indoor venues and organisers have advised Council that its preferred venue for staging the event on Saturday 10<sup>th</sup> February 2018 is the Queenscliff Town Hall.

The organisers propose that the evening will be hosted by a celebrity Master of Ceremonies who will introduce the Film night and advise the overall winners of the Short Films at the conclusion of the evening. The organisers will also highlight films created for the Odyssey Film Festival, a yearly showcase of the talents of young film makers in secondary schools across Geelong, Surf Coast and the Bellarine.

The organisers propose to work with Council in promoting the event to local hospitality providers for on site catering as well as promoting dining experiences in venues prior to the film night.

The organisers are seeking cash sponsorship of \$7000 for the event to be located at the Town Hall.

## Discussion

Applications for Sponsorship are based on criteria which require applicants to demonstrate how the sponsorship benefits the Borough of Queenscliffe and the wider community. The below table illustrates the assessment against Peninsula Films Festival's revised application.

Assessment criteria	Officer assessment
The proposal is recognised beyond the Borough of Queenscliffe	<p>The Festival has demonstrated recognition beyond the Borough of Queenscliffe with:</p> <ul style="list-style-type: none"><li>• Links with industry bodies who promote the Festival including Film Victoria, Screen Australia, Open Channel and tertiary institutions.</li><li>• Partnership with high-profile Australian celebrities who support and promote the event including Russell Crowe, Sam Worthington, Shane Jacobson, Sigrid</li></ul>



	<p>Thornton, Lachy Hulme, Michaela Banas and Nicole da Silva to name a few.</p> <ul style="list-style-type: none"> <li>• A supportive sponsorship base who utilise their networks to promote the event including Toyota, Visit Victoria, Searoad Ferry, Film Victoria, Screen Australia and Peninsula Hot Springs.</li> </ul>
<p>The proposal provides opportunities for the local community to economically and socially benefit</p>	<p>The Festival has demonstrated opportunities for the local community via:</p> <ul style="list-style-type: none"> <li>• Supporting the event through sponsorship promotion opportunities</li> <li>• Engaging with the local community by providing an accessible arts &amp; culture event</li> <li>• Showcasing the talents of the regions media students with the screening of entrants into the Odyssey Film Festival.</li> </ul>
<p>The proposal attracts people to the municipality</p>	<p>The Festival to date has attracted up to 7,500 visitors to the Rosebud Festival with visitors from neighbouring areas, metropolitan Melbourne and interstate. There is potential for the event to attract a high proportion of intrastate visitors</p>
<p>The proposal provides significant opportunities for positive media exposure both within Victoria and nationally</p>	<p>The 2017 Festival attracted significant media exposure. This was achieved through partnering with the celebrity judging panel who leveraged their networks to promote the event and also assisted with media interviews (TV, Radio, Print) in the lead up to the Festival. It is envisaged a similar strategy be implemented for the 2018 Festival</p>
<p>The proposal positions the Borough for other events, projects, services or activities or provides significant influence with Government</p>	<p>The Festival will assist the region as an arts and tourism destination, furthering the reputation of the Borough of Queenscliffe for other events. The Festival will showcase collaboration between both the Mornington and Bellarine Peninsula and creates an opportunity to build the capacity of the event for future years.</p>
<p>The proposal supports a healthy, involved and creative community</p>	<p>The Festival promotes a healthy, involved and creative community through:</p> <ul style="list-style-type: none"> <li>• Engaging with the local community by providing an accessible arts &amp; culture event</li> <li>• Assists with positioning Queenscliff as an</li> </ul>



	arts and culture destination
The proposal supports the vibrant local economy	The Festival has demonstrated support to a vibrant local economy through: <ul style="list-style-type: none"><li>• Providing a popular event, partnering with other tourism operators.</li><li>• Providing the opportunity for local businesses to become involved in promotion and partnership</li></ul>
The proposal supports the municipality's unique place and natural environment	The proposed festival location invites the community and visitors to come and enjoy the films in the Boroughs grand town hall, a hall that since 1890 has maintained a steady use for various entertainment activities and functions including balls, concerts, film screenings and theatre performances.
The proposal supports a well planned and attractive place to live and visit	It is proposed that the Festival will leverage sponsors including the Searoad Ferry and accommodation suppliers to promote the area as an accessible and attractive place to visit and stay.
The proposal enhances the Council's public image and reputation	The Festival is free to attend and will further enhance the Council's public image and reputation charge
The proposal benefits the local community	The Festival benefits the local community via <ul style="list-style-type: none"><li>• Boosting the economy through visitation.</li><li>• Providing a sense of place and arts identity for the region</li><li>• Positioning Queenscliff as an arts/tourism destination</li><li>• Providing a cross promotional opportunity for local events such as the Bellarine Lighthouse Film Festival and Winter Weekends Festival</li><li>• Providing a free event for the community to enjoy.</li></ul>

## Council Plan

The application from the Peninsula Film Festival is aligned to the 2017-2021 Council Plan and 2017-2017 Implementation Plan and initiatives as follows:

**Strategic Objective 1 - Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture.**

2017-21 Strategies:

- Enhance opportunities for participation in arts and cultural activities.



- Support local clubs, community organisations and volunteers

2017/18 Initiatives:

- Provide a community grants and sponsorship program to support local clubs and community organisations;

**Strategic Objective 3: Foster a diverse and vibrant local economy**

2017-21 Strategies:

- Increase year round tourism visitation by enhancing use of beaches and parks and supporting arts and cultural events.

2017/18 Initiatives:

- Work with local businesses and community organisation, Tourism Greater Geelong & the Bellarine and Visit Victoria to promote tourism experiences in Queenscliff and Point Lonsdale;
- Support local organisations to plan and promote major public participation and tourism related events in Queenscliff and Point Lonsdale;

**Financial**

The Peninsula Film Festival is owned by Film Festivals Australia, a private Australian company. In the assessment of the request for sponsorship, Council officers have reviewed the organisations audited financial report and are satisfied that the Festival is run each year to budget and that there are no profits generated. Sponsorship and grants go directly towards the execution of the event.

While the 2017/18 Council Budget does not provide specific funds for this event, the Council budget does include allocations for a range of community events and activities.

**Social**

The sponsorship application from the Peninsula Film Festival has demonstrated social benefits including providing a sense of place and an arts identity for the region, assisting with positioning Queenscliff as an arts/tourism destination, providing a cross promotional opportunity for local events such as the Bellarine Lighthouse Film Festival and Winter Weekends Festival and by providing a free event for the community to enjoy.

**Environmental**

There are no environmental benefits or impacts in this proposal. Due attention will be given to protecting the trees and vegetation in Lower Princes Park.

**Risk Management**

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A full risk assessment of the event will be completed in due course if Council determines support for this event. Reference checks have been undertaken with Mornington Peninsula Shire Council to determine the event management experience and record of Film Festivals Australia.

### **Community Engagement**

There are no community engagement requirements associated with this report.

### **Officer Direct or Indirect Interest**

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is consider by the Council or the committee.*

Officers involved in developing the report have no direct or indirect interests.

### **Assessment**

The application made by Film Festivals Australia seeking \$7,000 sponsorship for the Peninsula Film Festival to be extended into Queenscliff demonstrates clear community, social and economic benefits to Council and the wider community.

The application presents Council with an opportunity to support a Festival that is (1) highly regarded in the Film Industry and on the Mornington Peninsula, (2) experiencing strong growth, (3) is well governed and (4) has a strong alignment with the 2017-21 Borough of Queenscliffe Council Plan and 2017/18 Implementation Plan.

### **Conclusion**

In conclusion, officers have assessed the application made by Film Festivals Australia seeking \$7000 sponsorship for the Peninsula Film Festival to be extended into Queenscliff as meeting Council's Sponsorship Policy assessment criteria, noting the high desirability of the event, the clear fit of the event with the strategies of the Council Plan and the positive value to the community.

### **Councillors Francis / Merriman:**

#### **That Council:**

- 1) Approve the application made by Film Festivals Australia seeking \$7,000 sponsorship from the Borough of Queenscliffe Council for the Peninsula Film Festival to be extended into Queenscliff;**



- 2) Request the Chief Executive Officer to enter into a Sponsorship Agreement with Film Festivals Australia to conduct the Peninsula Film Festival at Queenscliff on Saturday 10<sup>th</sup> February 2018 subject to:**
- a. The festival event application satisfactorily meeting the requirements of the Borough of Queenscliffe event application permit process as required;**
  - b. Agreement from Film Festivals Australia to include cross promotional opportunities for the Queenscliff Winter Weekends Festival and the Bellarine Lighthouse Films;**
  - c. Agreement from Film Festivals Australia to include local Queenscliff hospitality packages on a dedicated Queenscliff page on the Peninsula Film festival website.**

**Carried unanimously**

*Cr Francis acknowledged the efforts of the Economic Development team in attracting and securing the event in the revised format.*

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## **12.2 Application for Sponsorship - Queenscliff 180**

<b>File:</b>	<b>QG 093 0601</b>
<b>Report Author:</b>	<b>General Manager Organisational Performance &amp; Community Services</b>
<b>Strategic Objective:</b>	<b>Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture</b>
<b>Portfolio:</b>	<b>Community Wellbeing</b>
<b>Portfolio Holder:</b>	<b>Cr Susan Salter</b>

### **Purpose**

The purpose of this report is to seek Council's support for a Sponsorship application from LASS Pty Ltd for the 2018 Queenscliff 180 Family Swim to be held Saturday 27<sup>th</sup> January 2018.

### **Background**

The Borough Coutas Swimming Club established the Queenscliff Blue Water Challenge in 1990. In September 2017, Liam Petrie Allbutt and Sam Sheppard, event Directors, established LASS Pty Ltd, a private company, and obtained commercial rights to the Queenscliff Blue Water Challenge Event with a commercial arrangement in place to donate money back to the Borough Coutas Swimming Club.

The event, now known as the "Queenscliff 180" will be the 26th event and will be held at Queenscliff front beach on the 27th January 2018. The swim engages with 600 swimmers annually, with approximately 800 - 1000 spectators. The event Directors intend to redesign the popular swim (Blue Water Challenge) and maintain the success of the event for the wider community.

The redesigned swim has a 1km course and will be promoted as a family swim, for all ages and abilities. The swim is included in the 2017/18 "Great Victorian Swim Series".

The charitable partners for the 2018 event are Barwon Heath 'Youth homelessness in Geelong' and Parkinson's Disease Research.

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## Key Issues

LASS Pty Ltd has made a request to Council via its Sponsorship Policy (CP022) for a one off amount of \$12,000. It is requested that the sponsorship go towards the following event costs: swim t-shirts (\$9000) and water services (\$3500).

## Discussion

Applications for Sponsorship are based on selection criteria which require applicants to demonstrate how the sponsorship benefits the Borough of Queenscliffe and the wider community. The below table illustrates the assessment against Queenscliff 180 Swim application.

Assessment criteria	Officer assessment
The proposal is recognised beyond the Borough of Queenscliffe	The event is included as one of the “Great Victorian Swims” and has been established since 1990 with a loyal following and participation. With the introduction of new event management and with the support of national television identity Matt Preston the event has the potential to reach a new audience. The event is a member of Tourism Greater Geelong and the Bellarine (TGGB) and will work with TGGB in promoting the event.
The proposal provides opportunities for the local community to economically and socially benefit	The event ensures that a 26 year tradition is not lost from the Borough. The event will promote local business and trade via sponsorship arrangements. The event proceeds for 2018 will be directed to Youth Homelessness in Geelong, Colac, Surf Coast and the Bellarine and Parkinson’s Disease.
The proposal attracts people to the municipality	The event in recent years has attracted over 600 swimmers and approximately 800- 1000 spectators. Organisers have developed a social media strategy to promote the event beyond the Borough. It is planned to work with local media celebrities to leverage the PR.
The proposal provides significant opportunities for positive media exposure both within Victoria and nationally	The event organisers have secured local media celebrity Matt Preston as the event starter. The event is in its 26 <sup>th</sup> year and with new event management and sponsors the event has the opportunity to significantly raise its profile within the media.
The proposal positions the Borough for other events, projects, services or activities or provides significant influence with Government	The event is included in the “Great Victorian Swim Series” which also includes significant races such as the Lorne Pier to Pub.



The proposal supports a healthy, involved and creative community	The event is a family swim, promoted for all ages. The event is recreation based, promoting health and well being.
The proposal supports the vibrant local economy	The event adds value to Queenscliff as an active recreational experience. It will attract a range of visitors to the township and encourage people to bring family and friends.
The proposal supports the municipality's unique place and natural environment	The entire event and swim course is based around the Queenscliff's coastline and iconic pilot boat shed. Images of the coast line and pier will be used to promote the event and town.
The proposal supports a well planned and attractive place to live and visit	The event will promote Queenscliff as a historic seaside town to participants and visitors. The event focusses on the town's natural assets and local heritage.

### Council Plan

The application from the Queenscliff 180 is aligned to the 2017-2021 Council Plan and 2017-2017 Implementation Plan and initiatives as follows:

**Strategic Objective 1: Enhance community well-being by providing a safe environment where people are involved, healthy and active in recreation, arts, and culture.**

2017/18 Strategies:

- Increase participation in sport, recreation and life-long learning experiences.

2017/18 Initiatives:

- Support local organisations plan and implement community recreation, sport and civic activities and events.

**Strategic Objective 3: Foster a diverse and vibrant local economy**

2017-21 Strategies:

- Increase year round tourism visitation by enhancing use of beaches and parks and supporting arts and cultural events.

2017/18 Initiatives:

- Work with local businesses and community organisation, Tourism Greater Geelong & the Bellarine and Visit Victoria to promote tourism experiences in Queenscliff and Point Lonsdale;
- Support local organisations to plan and promote major public participation and tourism related events in Queenscliff and Point Lonsdale;



## **Financial**

While the 2017/18 Council Budget does include sponsorship allocations for a range of community events and activities. It is recommended that part of the funding previously allocated to the Peninsula Film Festival, and now not required, be reallocated to this purpose.

## **Social**

The sponsorship application from the LASS Pty Ltd for the Queenscliff 180 has demonstrated the following social benefits:

- The safe keeping of an event that has 26 years of community participation
- The opportunity for local groups and organisations to align with the event and have raise income
- An event that caters to a wide range of participants. It is a family focussed event
- The promotion of an event to a wide audience, profiling Queenscliff as a unique seaside town with iconic heritage building and landscape

## **Environmental**

There are no environmental benefits or impacts in this proposal.

## **Risk Management**

There have been no risk management issues identified.

## **Community Engagement**

There are no community engagement requirements associated with this report.

## **Officer Direct or Indirect Interest**

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is consider by the Council or the committee.*

Officers involved in developing the report have no direct or indirect interests.

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## Assessment

The application made by the LASS Pty Ltd for the Queenscliff 180 swim event for sponsorship of \$12,000 has demonstrated clear community, social and economic benefits to Council and the wider community. The application presents Council with an opportunity to support an event that is under new event management who demonstrate strong management and community interest and focus. The event has a strong alignment with the 2017-21 Council Plan and 2017/18 Implementation Plan.

## Conclusion

In conclusion, officers have assessed the application for Sponsorship by the LASS Pty Ltd for \$12,000 cash as meeting the assessment criteria, noting the high desirability of the event, the clear fit of the event with the strategies of the Council Plan and the clear value to the community.

### Councillors Ebbels / Francis:

#### That Council:

- 1) **Approve the application made by the LASS Pty Ltd Inc seeking \$12,000 sponsorship from the Borough of Queenscliffe Council for the 2018 Queenscliff 180 Swim event**
- 2) **Request the Chief Executive Officer to enter into a Sponsorship Agreement with LASS Pty Ltd to conduct the Queenscliff 180 swim event on Saturday 27<sup>th</sup> January 2018 subject to the event application satisfactorily meeting the requirements of the Borough of Queenscliffe event application permit process.**

**Carried unanimously**

*The Mayor, Cr Susan Salter referred Councillors to the response to Public Question 2 that was deferred earlier in the meeting.*

### Public Question 2:

My question relates to the request to be considered tonight from LASS Pty Ltd for Council sponsorship to help with the Queenscliff 180 Family Swim. The question is of such a potentially serious nature I request an exemption from the usual word count policy.

*The Mayor, Cr Susan Salter, stated that given the nature and importance of public question 2, I provide an exemption from the word limit to enable a comprehensive response to the public safety matters raised. Cr Salter asked Phillip Carruthers to read each of the questions and provide a response in turn.*

### Phillip Carruthers, General Manager, presented the public question:

The decomposing 14m whale carcass at Jubilee Point that continues to trigger emergency warnings against swimming in the area. It takes months for a carcass to decompose and it may



well break up any time over the next few months and be dispersed over a very wide area and attract sharks well away from the original area.

While it would be a great pity to see the planning that has gone into saving this long enjoyed local event abandoned, nevertheless the risks appear very real, both to this event and the Rip Swim Event planned for following weeks.

- **Can council assure us that they have expert opinion re the safety from shark attack of the 600+ swimmers expected?**

**Phillip Carruthers, General Manager, responded:**

Council has received the following expert advice from LASS Pty Ltd.

The Point Lonsdale SLSC (representative of Life Saving Victoria) are the water safety providers for the Queenscliff180 Family Swim. Life Saving Victoria have "Special Event" procedures and protocols for running events such as the Queenscliff180 Family Swim. Pre-course sweeps are often carried out with the Westpac Life Saving Victoria helicopter as part of the SOP from Life Saving Victoria. The frequency of sweeps are coordinated with the level of risk determined by Life Saving Victoria.

The water safety personnel use Inflatable Rubber Boats (IRB's) and RWC (jet skis) to perform their duties on the water. Sharks can be seen from these vessels. The engine activity is often enough to deter marine creatures. However, in the event of a shark sighting, standard procedures are followed by the Surf Life Saving Club.

- **Will each of the competitors be individually advised of the potential risks created by the presence of the decomposing carcass so they may make their own decisions with regard to their personal safety? If not, then why not?**

**Phillip Carruthers, General Manager, responded:**

The Queenscliff 180 swim notify participants of the possible dangers of open water swimming in the entry waiver process, as well as at registration pick up and prior to entering the water.

- **Has council taken the necessary precautions e.g. ensuring there is helicopter surveillance before and during the event, medical and para medical attendance at the event and that there is a well-developed evacuation from the water police in case of emergency?**

**Phillip Carruthers, General Manager, responded:**

In order to run a "Special Event" under Life Saving Victoria banner, Ambulance Victoria and Victoria Police need to be notified. Paid first aid services need to attend the event in addition to the qualified Life Saving services provided by the Life Saving Club. It also worth mentioning the specialised Surf Life Saving Club resources on the day, is the specialised division called the "Life Saving Emergency Response Team (LERT). LERT is a 24 hour emergency response team with the most senior Life Saving, search and rescue training in Victoria.

The coast guard have been notified and may attend on the day (if they are not called out) and their boat is an additional resource for on water evacuation.



Due to the chance the Life Saving Victoria's helicopter cannot be guaranteed to attend the swim, directors have engaged the drone surveying service, piloted by a licenced and experienced pilot.

- **Does Council know which emergency service has responsibility for the safety of the event in particular if emergency evacuation is required?**

**Phillip Carruthers, General Manager, responded:**

If emergency evacuation is required, Surf Life Saving will be responsible for the water evacuation process, and Victoria Police for land evacuation if a land based threat is apparent. Life Saving Victoria employ a regional duty officer to attend every swim event along the coast. This representative has the final say in regards to the event going ahead on the day (typically based on, water conditions). For example, Life Saving Victoria cancelled events at Fairhaven in early 2017 due to the risk of shark sightings at that beach.

- **What role does DEWLP have in the planning and overseeing of the event in light of the current existing circumstances?**

**Phillip Carruthers, General Manager, responded:**

Parks Victoria, DEWLP and Emergency Services Victoria are different government departments who coordinate with one another during the summer season in regards to bush fire, sharks, water safety, floods and EPA water quality etc. Life Saving Victoria is the direct lens for the latest updates to the marine conditions for the event and Life Saving Victoria is under the Emergency Services Victoria department where the information is channelled from.

- **What is the nature of the water services for which \$3,500 is sought?**

**Phillip Carruthers, General Manager, responded:**

The water services are "business as usual costs", as per previous swims which the Surf Life Saving Club has been involved in contracting water safety services (such as the Blue Water Challenge.)

*The Mayor, Cr Susan Salter, referred Council to Public Question 9 that was deferred for consideration until Council had considered items 12.1 and 12.2. The Mayor requested Phillip Carruthers, General Manager, to read and respond to this public question.*

#### **Public Question 9**

In August Special Meeting it was stated \$136,000 of projects were removed in the Draft 2017/18 Budget after the rate capping announcement.

Can council explain how ratepayers can suddenly afford to grant private operators \$12,000 for the Swim Event, \$7,000 for a new film event in the Town Hall and increased staffing?

**Phillip Carruthers, General Manager, responded:**

The staffing budget for 2017/18 has not changed, and there has been no increase in staffing.

Council has tonight allocated funds to support two local events that are consistent with the Council Plan, from within the 2017/18 budget. The Council, at its October 2017 ordinary meeting allocated \$20,000 to the establishment of a major film festival event in Queenscliffe. In the



ensuing months the level of funding required has reduced, as explained in reading the Council report. Given the threat to the running of the Queenscliff 180 swim event, Council has resolved tonight to make an allocation to keep this valuable event afloat.





## 13. LOCAL ECONOMY

### 13.1 Tourism & Economic Development Advisory Committee – Revised Terms of Reference and name, and appointments process

<b>File:</b>	<b>QG 045-0308</b>
<b>Report Author:</b>	<b>General Manager, Organisational Performance and Community Services</b>
<b>Strategic Objective:</b>	<b>Foster a diverse and vibrant local economy</b>
<b>Portfolio:</b>	<b>Local Economy</b>
<b>Portfolio Holder:</b>	<b>Cr Ross Ebbels</b>

#### **Purpose**

The purpose of this report is to recommend to Council a revised name and Terms of Reference for the Tourism and Economic Development Advisory Committee (TEDAC) and to propose a mechanism to renew the membership of the Committee.

#### **Background**

At its November 2014 Ordinary Meeting Council resolved to establish a Tourism and Economic Development Advisory Committee. The Committee had a Terms of Reference appropriate to its establishment at that time.

#### **Key Issues**

##### 1. A change of focus

Over the course of the current membership of TEDAC, the Advisory Committee has provided valuable information and advice across a range of strategic matters including:

- Acting as the Community Reference Group and providing advice on the content of the Council's Economic Development Strategy;
- Identifying key major projects for Council's consideration when establishing future priorities;
- Responding to requests from Council to provide advice and information on specific projects or matters related to tourism and economic development such the Winter Weekends Festival, Queenscliff front beach and Tourism Signage.

Feedback to Councillors and Officers has been that the Committee provides critical advice to Council, but that its focus should be on economic development more broadly.

##### 2. Appointment to the Committee

Initial appointments to the Committee expire in March 2018. Recruitment of new external members should commence early in the 2018.

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**Discussion**

To provide a broader focus for the Committee it is recommended that its name and Terms of Reference be modified. A revised Terms of Reference is attached (**Appendix 2**), and the following table summarises key changes from the existing Terms of Reference.

<b>Current</b>	<b>Recommended</b>
<p><b>Title –</b> Tourism and Economic Development Advisory Committee</p>	<p>Queenscliffe Economic Development Advisory Committee</p>
<p><b>Purpose</b> The purpose of the Committee is to provide strategic advice to Council on tourism and economic development related issues on behalf of the Borough’s tourism industry relevant to its Terms of Reference. The Tourism and Economic Development Advisory Committee (‘the Committee’) is a formally appointed Advisory Committee of Council.</p> <p>The Committee does not have executive powers or authority to implement actions in any areas over which Council has responsibility.</p>	<p>The purpose of the Queenscliffe Economic Development Advisory Committee (the Committee) is to provide strategic advice to Council on economic development related issues on behalf of the Borough’s business community. The Committee is a formally appointed Advisory Committee of Council.</p> <p>The Committee does not have executive powers or authority to implement actions in any areas over which Council has responsibility.</p>
<p><b>Objectives</b></p> <ul style="list-style-type: none"> <li>• Participate in the scoping and development of an effective long term tourism strategy to achieve sustainable growth in tourism,</li> <li>• Provide leadership and advice to Council with respect to the development of tourism and the tourism industry within the Borough,</li> <li>• Provide the required representation for the Queenscliff and Point Lonsdale tourism industry to Council, and</li> <li>• Maintain effective relationships and communications with stakeholders relevant to tourism.</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in the scoping and development of an effective long term economic strategy to achieve sustainable growth in the Borough,</li> <li>• Provide leadership and advice to Council with respect to the development of the local economy and business within the Borough,</li> <li>• Provide the required representation for Queenscliff and Point Lonsdale businesses to Council, and</li> <li>• Maintain effective relationships and communications with stakeholders relevant to the local economy.</li> </ul>
<p>The Committee will consist of:</p> <ul style="list-style-type: none"> <li>• Up to eight industry and/or skills based members appointed by Council,</li> <li>• The Mayor of the Borough of Queenscliffe, and</li> <li>• One Councillor of the Borough of Queenscliffe, appointed at the annual</li> </ul>	<p>The Committee will consist of:</p> <ul style="list-style-type: none"> <li>• Up to eight industry and/or skills based members appointed by Council,</li> <li>• The Mayor of the Borough of Queenscliffe, and</li> <li>• One Councillor of the Borough of Queenscliffe, appointed at the annual</li> </ul>



<p>statutory meeting of Council or any other time a vacancy occurs</p> <ul style="list-style-type: none"> <li>• One local organisation representative that can provide a forum for shared local business and industry views across the relevant industry sectors relevant to the Borough may also be appointed to the Committee by Council</li> </ul> <p>A senior Council officer will also attend the Committee meetings</p>	<p>statutory meeting of Council or any other time a vacancy occurs.</p> <ul style="list-style-type: none"> <li>• One local organisation representative that can provide a forum for shared local business and industry views across the relevant industry sectors relevant to the Borough may also be appointed to the Committee by Council</li> <li>• To achieve its objectives Council may also, from time to time, appoint persons with specific skills or expertise, from outside the Borough of Queenscliffe, in consultation with the Committee.</li> </ul> <p>At least one senior Council officer will also attend the Committee meetings</p>
<p><b>Member Assessment Criteria</b> Demonstrated strategic planning and marketing skills.</p> <p>Tourism and economic development industry experience in one or more of the following areas:</p> <ol style="list-style-type: none"> <li>1. Accommodation</li> <li>2. Arts and Culture</li> <li>3. Events</li> <li>4. Hospitality</li> <li>5. Retail</li> <li>6. Tour operators, Adventure and Attractions</li> </ol>	<p><b>Member Assessment Criteria</b> Demonstrated business, strategic planning and marketing skills.</p> <p>Business experience in one or more of the following areas:</p> <ol style="list-style-type: none"> <li>1. Accommodation</li> <li>2. Arts and Culture</li> <li>3. Events</li> <li>4. Hospitality</li> <li>5. Retail</li> <li>6. Tour operators, Adventure and Attractions</li> <li>7. General business or commercial skills</li> </ol>
<p>Appointment of external members shall be made by Council by way of a publicly advertised expression of interest process for initial terms of three years, following appointment by Council at its second annual statutory meeting after Council elections (i.e. at the beginning of a Council's second year of its four year term.)</p>	<p>Appointment of external members shall be made by Council by way of a publicly advertised expression of interest process for <u>terms of two years</u>, except for any specific skills and expertise appointment which may be made by Council, after consultation with the Committee, for a shorter term.</p>

To ensure continuity of function, the process to appoint External Members to the Committee should commence early in 2018.

### Council Plan

Engagement of the community through an Advisory Committee mechanism informs Council in the establishment of its plans.



### **Financial**

The holding of TEDAC meetings was considered and funded in the determination of the Implementation Plan and Budget and QEDAC will use that funding.

### **Social**

The ability for the community to participate by providing advice to Council contributes to the well-being of the community

### **Environmental**

There are no environmental impacts as a result of this report.

### **Risk Management**

Having advice from the community in developing Council plans mitigates the risk of not considering all factors in the production of those plans.

### **Community Engagement**

Council has received feedback through a variety of sources, including direct feedback and feedback during the consultation phase of the Economic Development Strategy which broadly aligns with the directions taken in this report.

### **Officer Direct or Indirect Interest**

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is consider by the Council or the committee.*

Officers involved in developing the report have no direct or indirect interests.

### **Assessment**

The key strength of this proposal is that it reduces the concentration of the committee on tourism and allows the Council to receive advice on broader economic matters.

The changes in membership also allow specific skills and experience to be acquired as needed to complement the skills found within the Borough.

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## **Conclusion**

The broadening of the committee title creates a working environment for the Committee which provides greater scope for broader input and recognises that Tourism is only one of many facets of the economic development of the Borough.

A revised Terms of Reference allows the Committee to mature from its first incantation and to remain even more relevant to Council going forward.

**Councillors Ebbels / Francis:**

**That Council resolves to:**

- (1) Change the name to the Tourism and Economic Development Advisory Committee to the Queenscliffe Economic Development Advisory Committee;**
- (2) Adopt the attached Terms of Reference for the Queenscliffe Economic Development Advisory Committee; and**
- (3) Request Council Officers to commence a recruitment process to appoint External Members to the Queenscliffe Economic Development Advisory Committee.**

**Carried unanimously**

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## **13.2 Economic Development Strategy**

<b>File:</b>	<b>QG1200102</b>
<b>Report Author:</b>	<b>Chief Executive Officer</b>
<b>Strategic Objective:</b>	<b>Foster a diverse and vibrant local economy</b>
<b>Portfolio:</b>	<b>Local Economy</b>
<b>Portfolio Holder:</b>	<b>Cr Ross Ebbels</b>

### **Purpose**

The purpose of this report is to provide Council with information stemming from the public consultation process related to the draft Economic Development Strategy and seek Council's endorsement of the final draft Economic Development Strategy (**Appendix 3a**), with or without amendments and the Economic Development Strategy overview document (**Appendix 3b**).

### **Introduction**

Council considered the draft Economic Development Strategy at its 21 September 2017 Ordinary Meeting and following the amendments as resolved by Council at that meeting the draft Economic Development Strategy was released for public consultation consistent with Council's Meeting resolution.

The draft EDS was prepared for the 23<sup>rd</sup> November ordinary Council meeting and Council deferred consideration of the report to the 14<sup>th</sup> December 2017 meeting. Council resolved to:

*Councillors Ebbels / Merriman:*

*That Council defer Agenda item 14.1 the Economic Development Strategy to the 14th December 2017 Ordinary Meeting to enable the completion of the remaining actions in accordance with the State Government funding agreement.*

*Carried unanimously*

### **Background**

In December 2016 the Minister for Regional Development, the Hon. Jaala Pulford MP announced that the Borough of Queenscliffe Council's funding application for the development of an Economic Development Strategy was successful with an allocation of \$40,000. The Borough of Queenscliffe also committed \$25,000 to this project.

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The purpose of the strategy is to achieve a more diverse and vibrant local economy for the Borough of Queenscliffe. A Project Brief was developed and presented to Council at the 19 January 2017 Ordinary meeting of Council where Council resolved to:

- 1) *Endorse the draft Project Brief prior to Council officers undertaking the procurement process to appoint the successful consultant;*
- 2) *Endorse the Tourism and Economic Development Advisory Committee (that includes the Mayor and the portfolio Councillor) as the formal reference group for this project, noting that a range of other community consultation methods will contribute to the production of the Strategy.*

A tender for the preparation of the 'Borough of Queenscliffe Economic Development Strategy' was advertised and Deloitte Access Economics was awarded the contract in March 2017.

### Key Issues

The development of the Economic Development Strategy (refer **Appendix 3a**) is critical in achieving a more diverse and vibrant local economy. The scope of this project was framed around four key objectives (as described in the Project Brief).

- To produce an Economic Development Strategy that clearly defines the Borough's key strengths, competitive advantages, role, priorities and future focus to strengthen and diversify the local economic activity over the coming 10 years. This Strategy must include a Tourism Development component that profiles the visitor economy, drivers of visitation, tourism product offer including events, accommodation offer and sets a vision with a ten year plan to build the Borough of Queenscliffe as a tourism destination of choice.
- To identify and scope the most significant public and private sector economic development opportunities.
- To work with Council and engage key stakeholders in the production of the Strategy.
- To define a practical, achievable and feasible set of actions to inform Council's priorities for the next five years.

The specific outputs as defined in the Project Brief included the consultant producing:

- A comprehensive Project Management Plan that includes a Stakeholder Engagement Strategy that demonstrates how the consultants will work with Council and engage key stakeholders including the Council's Tourism and Economic Development Advisory Committee, the local Rip Chamber Inc, local businesses, key community organisations, the broader community and other levels of government (**completed**).
- A 'Discussion Paper' that documents the current and forecast Economic Profile of the Borough of Queenscliffe. This profile will identify and describe the key strengths, weaknesses, competitive advantages and key opportunities and issues. The 'Discussion Paper' will prompt discussion and engagement with Council, local business, potential investors, the broader community and other levels of government (**completed**).
- An Economic Development Strategy that defines the key goals and strategies over the next decade and scopes the most significant public and private economic opportunities that can build on the strengths and competitive advantages of the Borough and deliver local



economic, investment and employment outcomes. This is to include a clear Tourism Development component that profiles the current and potential visitor economy, drivers of visitation, tourism product offer including events, accommodation offer and sets a ten year plan to build the Borough of Queenscliffe as a tourism destination of choice **(presented for formal consideration)**.

### Community Consultation

Council’s Community Engagement Policy was a key reference document to inform the project management plan. Council has a commitment to community engagement and effective consultation.

Due to the category ranking of 5 (Major Plan), the Economic Development Strategy required a high level of community and industry consultation.

CATEGORY	One <input type="checkbox"/>	Two <input type="checkbox"/>	Three <input type="checkbox"/>	Four <input type="checkbox"/>	Five <input checked="" type="checkbox"/>	Six <input type="checkbox"/>
	One-off Issues	Changes to current practice	Area impacts	Service planning	Major plans	Major projects

Council formally appointed its Tourism and Economic Development Advisory Committee as the reference group for this project noting there were a range of opportunities for residents, community organisations and businesses to provide input and feedback to inform the production of the Economic Development Strategy.

The development of the draft Economic Development Strategy incorporated a range of information and consultation activities as described in the table below:

COMMUNITY CONSULTATION AND ENGAGEMENT IN PREPARTION OF THE DRAFT ECONOMIC DEVELOPMENT STRATEGY		
Period	Engagement activity	Outcome
March to July 2017	Borough of Queenscliffe Business E-news	Project details and invitations to Forums and participation in online surveys included in March, April, May, June and July issues
April to June 2017	Mayoral column news	27 April 2017 Bellarine Times / Geelong Echo 11 May 2017 Bellarine Times / Geelong Echo 25 May 2017 Bellarine Times / Geelong Echo June 2017 Queenscliffe Herald / The Rip
April to May 2017	Business survey	Distribution and analysis of a Business survey (56 responses)
May to June 2017	Media releases were uploaded to the Borough website and	2 May 2017 <i>Have your say on Council’s Economic Development Strategy</i> – this article attracted 290 hits on the BoQ website



	<p>distributed to the following local publications:</p> <ul style="list-style-type: none"> <li>• The Rip</li> <li>• Queenscliffe Herald</li> <li>• Bellarine Times</li> </ul>	<p>23 May 2017 <i>Community feedback invited on Discussion Paper</i> – this article attracted 249 hits on the BoQ website</p> <p>23 May 2017 <i>Borough Industry Focus Forum generates big ideas</i> – this article attracted 274 hits on the BoQ website</p> <p>27 June 2017 <i>Date set for next industry forum on Economic Development Strategy</i> – this article attracted 170 hits on BoQ website</p>
May 2017	Business Industry Forum 1	Project presentation by Deloitte to 81 representatives of the local business community This was followed with the release of a discussion paper for feedback.
May 2017	Borough Bites newsletter	Content developed and included in the May 2017 issue. 2700 distributed via post to rate base. 300 sent via electronic direct mail
May to September 2017	Borough of Queenscliffe Website	Project page, fact sheet created and updated as required. This information generated 568 hits on the BoQ website
May to June 2017	One on one meetings	24 one on one meetings with a number of business representatives and community organisations
May to June 2017	Release of Discussion paper and survey	28 responses received
May to August 2017	Community group meetings	Meetings held with TEDAC, Rip Chamber Inc, Point Lonsdale Civic Association, Queenscliff Community Association
July	Business Industry Forum 2	Deloitte presented a number of propositions to prompt further discussion to 31 community and business representatives

Council considered the draft Economic Development Strategy at the 21st September 2017 Ordinary Meeting and released the draft Strategy for public consultation consistent with Council resolution on the 26th September 2017.

<b>COMMUNITY CONSULTATION AND ENGAGEMENT SEEKING PUBLIC COMMENT ON THE DRAFT ECONOMIC DEVELOPMENT STRATEGY</b>		
<b>Period</b>	<b>Engagement activity</b>	<b>Outcome</b>
26 <sup>th</sup> September – 20 <sup>th</sup> October 2017	Copies of the draft Economic Development Strategy were made available for inspection at the Municipal Offices, 50 Learmonth Street, Queenscliff between 9.00am and 4.00pm,	Hard copies of the Strategy were made available along with copies of the survey





	Monday to Friday, and also at the Queenscliffe Visitor information Centre, 55 Hesse St Queenscliff	
26 <sup>th</sup> September 2017 and 18 <sup>th</sup> October 2017	Borough of Queenscliffe email to database	Email sent to database of 260 businesses and community organisations containing links to the draft Economic Development Strategy and feedback form.
28 <sup>th</sup> September 2017	Mayoral column news	Published in Bellarine Times Published in Geelong Echo
September 2017	A media release was uploaded to the Borough website and distributed to the local publications	Published in Geelong Echo 28/8/17 Published in Bellarine Times 5/10/17
September 2017	Borough of Queenscliffe Business E-newsletter	Email sent to database of 260 businesses and community organisations with links to the draft Economic Development Strategy and feedback form. 139 clicked through to the e-newsletter and 54 clicked through to the draft strategy and survey
October 2017	Advertisements in local publications Rip Magazine and Queenscliff Herald	Advertisements published inviting public comment via online survey or hard copy forms

At the conclusion of the consultation period fourteen submissions had been received in response to the draft Economic Development Strategy, of which nine responded to an online survey and six were written submissions.

The community feedback, ideas and suggestions provided through the public submissions process for the draft Economic Development Strategy covered a range of topics. The tables in **Appendix 3c** detail the issues identified in the submissions and Council officers' response to the matters raised in the individual submissions.

A summary of key proposals and issues that emerged from the submissions and Council officers response to these items follows:

<b>Nature of proposal or issue</b>	<b>Council officers' response</b>
Council appointed Tourism and economic Development Advisory Committee is not regarded as representative group	Council formally appointed TEDAC to provide strategic advice to Council on tourism and economic development related issues. Council appointed members of TEDAC following a publicly advertised Expression of Interest process. Applicants needed to meet certain criteria to meet certain criteria including one or more of the following:



	<ul style="list-style-type: none"> <li>• A resident of the Borough of Queenscliffe</li> <li>• Rate payer in the Borough of Queenscliffe</li> <li>• Business owner in the Borough of Queenscliffe or,</li> <li>• Business operator in the Borough of Queenscliffe.</li> </ul> <p>In addition Council formally appointed TEDAC as the reference group for this project noting there were a range of opportunities for residents, community organisations and businesses to provide input and feedback to inform the production of the Economic Development Strategy.</p>
The issue of the 3225 postcode and any future change to the municipal boundary should be a key planning consideration in the final Economic Development Strategy	While the question of any future change to the municipal boundary (3225 postcode) is outside the scope of this project, it is important to note that Council is continuing to examine this matter.
The Strategy provides limited detail in the implementation and identified priority actions of the Strategy	Council will include all priority actions stemming from the Economic Development Strategy in Council's Annual Implementation Plan and Budget that will be subject of community consultation in accordance with the requirements of the Local Government Feedback.
Community consultation associated with any rezoning of land	Any rezoning of land would require Council to undertake consultation consistent with the requirements of the Local Government Act.
Council's future role in managing its tourist parks	Council is currently undertaking a Master Plan and Business Plan for Council managed Caravan Parks. The Master Plans will be the subject of a community consultation process consistent with Council's Community Engagement Policy.
The future of Fort Queenscliff	<p>The Fort Queenscliff Precinct Master Plan was completed and endorsed by Council in June 2015 following community consultation. This Master plan was funded by Federal, State and Local Government. The purpose of the Master Plan was to determine how the Fort could be transformed into an iconic and memorable tourism experience. The Master Plan is framed on four core principles, namely;</p> <ul style="list-style-type: none"> <li>• Remembering and respecting our history</li> <li>• Opening up the Fort to the community</li> <li>• Preserving the Fort's significant assets</li> <li>• Building a vibrant and diverse local economy</li> </ul> <p>The Master Plan approved by Council included other possible uses as well as tourism options. The report recommendations requested officers to seek Federal and or State Government funding to prepare a Business Plan to provide a pathway for achieving the</p>



	purpose and core principles of the Master Plan, noting that this is dependent on the Department of Defence evaluating its future role at Fort Queenscliff. Council successfully applied for \$235,000 assistance under the Regional Tourism Infrastructure Fund and following a public tender, Council has appointed Deloitte to prepare the Fort Queenscliff Business Case.
The opportunity for collaboration between Deakin and the Borough of Queenscliffe	Deakin proposal has been incorporated into <i>Pillar 4 Sustainable and diversification Strategy (e)</i> .

In addition to the above summary, feedback was received from the one submitter which complemented Council's Tourism and Economic Development Advisory Committee advice regarding the need for further attention to be placed on considering planning for Hesse Street in order to facilitate a higher level of local economic activity and improved amenity to the streetscape. This feedback is consistent with Council's 2017/18 initiative included in its 2017/18 Implementation Plan (and budget) that states '*Review the Hesse Street Revitalisation Plan and produce a Streetscape Plan that identifies opportunities to further enhance the amenity of the Queenscliff Main Street*'. This initiative has since been included in the Economic Development Strategy as part of *Pillar 3, initiative 'g' 'CBD Precinct'*.

## Discussion

Emerging from the initial stage of community consultation a set of Guiding Principles was established in developing the Economic Development Strategy to ensure sustainable and positive outcomes for the whole community.

### **Guiding Principles:**

- Needs to be equally owned, driven and monitored by business, community and the Council.
- Needs to maintain the character of the place by acknowledging its heritage and natural amenity.
- Must focus on using and leveraging the assets the Borough already has.
- Must encourage thriving, sustainable business that encourages further investment.
- Enacts well-considered initiatives based on the benefits they will provide to the broader community.
- Must maintain a long-term approach.
- Must optimise a connected approach.

Together with these principles and the community consultation, the Strategy takes into consideration an examination of the Borough's strengths and weaknesses and in particular highlights key pre-existing natural and built assets and attractions. From the analysis conducted the Strategy identifies five strategic pillars that represent the five key opportunities for economic prosperity in the Borough of Queenscliffe.



***Five Strategic Pillars:***

1. Increase sustainable yield in the visitor economy
2. Connect and partner
3. Achieve 'Experiential Excellence'
4. Sustainable diversification
5. Boom with the boomers

Each Pillar identifies a series of opportunities and initiatives that will enable the Borough to develop a more vibrant, sustainable year round economy. In addition six more substantial strategic initiatives have been identified that are of particular significance:

***Six Strategic Initiatives:***

1. Activation of the foreshore
2. Develop an all-encompassing visitor narrative
3. Plan, coordinate and collaborate to link with Mornington and Bellarine Peninsulas
4. Determine the future use of Fort Queenscliff
5. Attract appropriate investment through the zoning of Council land
6. Attract investment in aged care facilities and/or independent living units

Success in achieving the Strategy requires all the initiatives to be implemented with appropriate community consultations. The Strategy also recognises the shared responsibility for implementation across Council, local businesses, regional agencies, other levels of Government and the broader Borough community.

**Meeting the final funding agreement conditions with the State Government**

Council received advice from Regional Development Victoria (RDV) that it required additional time to review the final draft Economic Development Strategy. RDV has now completed their review and have requested Council to consider two minor additions to the final draft Economic Development Strategy. Officers support these two additions:

Addition 1 – include summary information on relative priority (high, medium or low) and anticipated timelines for each strategy

Addition 2 – Include summary details of immediate priorities

**Overview document**

Given Council's decision to defer consideration of the final Economic Development Strategy, the extra time has allowed officers to progress the preparation of a summary overview of the final draft Economic Development Strategy. This document is now provided as **Appendix 3b** to Council for consideration.

This overview document should be read in conjunction with the Economic Development Strategy.

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## **Council Plan**

The draft Economic Development Strategy was identified as a key priority in the 2013-2017 Council Plan and has carried forward under the newly elected Council (October 2016) into the 2017 – 2021 Council Plan.

## **Financial**

The project budget is \$65,000 with funding from Regional Development Victoria of \$40,000 and Borough of Queenscliffe committing \$25,000 to the project in the 2016/17 Budget. The project has been completed within these budget parameters.

## **Social**

The Strategy seeks to contribute towards a more diverse and vibrant local economy for the Borough of Queenscliffe. By implication this will result in more sustainable employment opportunities for residents of the Borough and the Bellarine. Access to employment is demonstrated to be the most critical factor that maintains people's health and wellbeing.

## **Environmental**

The Strategy includes projects that are capable of enhancing the local environment. There are no environmental concerns associated with this report.

## **Risk Management**

There are no risk management issues associated with this report.

## **Officer Direct or Indirect Interest**

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is consider by the Council or the committee.*

Officers involved in developing the report have no direct or indirect interests.

## **Assessment**

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The Economic Development Strategy seeks to contribute towards a more diverse and vibrant local economy for the Borough of Queenscliffe. It delivers upon the key outputs as defined in the Project Brief, those being for the consultant to deliver:

- *A comprehensive Project Management Plan that includes a Stakeholder Engagement Strategy that demonstrates how the consultants will work with Council and engage key stakeholders including the Council's Tourism and Economic Development Advisory Committee, the local Rip Chamber Inc, local businesses, key community organisations, the broader community and other levels of government.*
- *A 'Discussion Paper' that documents the current and forecast Economic Profile of the Borough of Queenscliffe. This profile will identify and describe the key strengths, weaknesses, competitive advantages and key opportunities and issues. The 'Discussion Paper' will prompt discussion and engagement with Council, local business, potential investors, the broader community and other levels of government.*
- *An Economic Development Strategy that defines the key goals and strategies over the next decade and scopes the most significant public and private economic opportunities that can build on the strengths and competitive advantages of the Borough and deliver local economic, investment and employment outcomes. This is to include a clear Tourism Development component that profiles the current and potential visitor economy, drivers of visitation, tourism product offer including events, accommodation offer and sets a ten year plan to build the Borough of Queenscliffe as a tourism destination of choice.*

The Strategy has been underpinned by a strong set of data and research material together with a robust community engagement methodology.

The Strategy is framed around:

A set of Guiding Principles

**Five Strategic Pillars:**

- Increase sustainable yield in the visitor economy
- Connect and partner
- Achieve 'Experiential Excellence'
- Sustainable diversification
- Boom with the boomers

Each Pillar identifies a series of opportunities and initiatives that will enable the Borough to develop a more vibrant, sustainable year round economy. **The six most substantial initiatives** include:

- Activation of the foreshore
  - Develop an all-encompassing visitor narrative
  - Plan, coordinate and collaborate to link with Mornington and Bellarine Peninsulas
  - Determine the future use of Fort Queenscliff
-



- Attract appropriate investment through the zoning of Council land
- Attract investment in aged care facilities and/or independent living units

The final draft Strategy identifies five core pillars and includes thirty-one interlinked initiatives where Council, business and community should focus their actions over the next five years.

The comprehensive nature of the Economic Development Strategy presents as an extensive document to read. In this light an overview document that is easy to access and understand without diverting from the content was produced. This overview document includes a vision, background, principles, immediate priorities, pillars, strategies and success measures. This document will be distributed to local businesses and all submitters and placed on the Borough of Queenscliffe website.

## **Conclusion**

The Borough of Queenscliffe Economic Development Strategy has been produced following extensive community consultation, providing Council with a clear strategic direction for the next 5 years. The Strategy examines key strengths, competitive advantages, role, priorities and future focus to strengthen and diversify the local economic activity.

The initiatives in the Economic Development Strategy are designed to enable a more diverse and vibrant local economy, product and industry development and the strengthening of local business capacity. The project was delivered in a consultative and open process, providing the local community the opportunity to have input at various stages in the production of the final draft Strategy.

It is recommended that Council formally endorse the Borough of Queenscliffe Economic Development Strategy and Overview as presented.

### **Councillors Ebbels / Francis:**

#### **That Council:**

- 1. Endorse the Borough of Queenscliffe Economic Development Strategy as presented in Appendix 3a;**
- 2. Endorse the Borough of Queenscliffe Overview document that highlights the vision, principles, immediate priorities, pillars and strategies as presented at Appendix 3b;**
- 3. Request officers provide formal feedback to all respondents to the draft Economic Development Strategy;**
- 4. Request officers to schedule a launch of the Economic Development Strategy and;**
- 5. To facilitate public access, request officers to place the Economic Development Strategy and Overview documents online at the Borough of Queenscliffe Council website.**

**Carried unanimously**





The Mayor, Cr Susan Salter, referred the Council to identical public questions 4, 5 and 6 that was deferred until after Council had considered items 13.1 and 13.2.

**Question 4, 5 & 6 from the PLCA**

It is the understanding of the PLCA that, at the December 2017 Council meeting, Council is being asked to consider

- changing the name of the Tourism and Economic Development Advisory Committee to the Queenscliffe Economic Development Advisory Committee
- modifying its Terms of Reference in order for Council to receive advice on broader economic matters.
- 

As Council is aware, the PLCA has consistently objected to the power to influence Council decisions that has been given to businesses in the Borough while the community has not received the same consideration and respect.

PLCA requests that:

Council in creating QEDAC, a new entity, wind up TEDAC, and seek community input into its role and membership through

1. community consultation on purpose and terms of reference.
2. expression of interest process for membership.
3. That the EDS is not passed by Council until the above is clarified with community.

The Mayor, Cr Susan Salter, requested Cr Ebbels to respond to the PLCA request presented as a public question

**Cr Ebbels responded:**

At the November Ordinary Meeting of Council, in speaking to the Motion to defer the Economic Development Strategy to the 14th December 2017 Ordinary Meeting to enable the completion of the remaining actions in accordance with the State Government funding agreement; I made the following comments.

My reading of the Council Report relating to the final draft Economic Development Strategy is that a comprehensive community consultation program has been undertaken including providing an opportunity for businesses and all members of the community to respond via an electronic survey or a written submission.

I also understand the opportunity was provided and taken by the PLCA to meet with Deloitte to present their views as part of the community consultation.

I would welcome input from Mr Carruthers.

**Mr Phillip Carruthers, General Manager, responded:**

Thank you Cr Ebbels. Through you Madame Mayor, this public question refers to the 'power' of the Council's Tourism & Economic Development Advisory Committee or TEDAC. I should make it very clear that TEDAC had no delegated powers. It merely provides consultation and advice to Council.

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Council would encourage anyone with the stipulated skills and experience to apply for a position on this Advisory Committee.





## **14. ENVIRONMENTAL SUSTAINABILITY**

### **14.1 Invitation to join TAKE2 climate change initiative**

**File:** QG079-01-15

**Report Author:** Sustainability Officer

**Strategic Objective:** Play our part in protecting the local, national and globally significant values within our natural environment for future generations.

**Portfolio:** Environmental Sustainability

**Portfolio Holder:** Cr Tony Francis

#### **Purpose**

This report requests Council give consideration to joining the Victorian Government's climate change program, TAKE2.

#### **Background**

TAKE2 is the Victorian Government's collective climate change initiative. It supports Victorian individuals, business, government, educational and community organisations to take action to reduce climate change.

In June 2016, the Victorian Government set a target for Victoria to reach net zero emissions by 2050. This target is now in legislation. To achieve this goal, Sustainability Victoria has been appointed to deliver the TAKE2 pledge program.

Through TAKE2, individuals and organisations are encouraged to voluntarily pledge to take action on climate change. The goal is to help keep the temperature rise under two degrees.

TAKE2 refers to the two degree target set during the United Nations Climate Change Conference in Paris in 2015 where 195 nations, including Australia, committed to keeping global temperature rises under two degrees.

#### **Key Issues**

That Council give consideration to joining the Victorian Government's climate change program, TAKE2.

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## Discussion

### How does TAKE2 work?

The program invites Victorians, including Local Governments, to sign a pledge nominating an action/s to reduce carbon emissions. Participants can select from 79 actions suggested by TAKE2, or nominate their own action/s. Participants can also list climate change actions and projects they may have completed before the pledge is signed.

Councils have the opportunity to create a public profile page on the TAKE2 website to showcase their completed projects and future commitments. Members are also profiled in TAKE2 newsletters. Networking events are organised by Sustainability Victoria to allow members to learn from and share ideas with other Councils.

### Why should the Borough of Queenscliffe join TAKE2?

Council launched its own climate change initiative, the Community Environment Alliance in May 2014. The Alliance is a partnership of Borough residents, schools, community groups, Council and businesses working together on projects to reduce carbon emissions and protect the Borough's natural and built environment. Council's role is to facilitate and promote Alliance projects and events.

To date, the flagship project of the Community Environment Alliance has been the community solar initiatives delivered in 2015 & 2017. The initiatives installed a total 83 solar systems on homes and businesses that will generate a combined 369 megawatt hours of solar power annually and reduce the community's carbon emissions by 439 tonnes each year. This is equivalent to supplying electricity to 80 homes in Victoria for 12 months or taking 101 cars off the road.

Other successful Alliance projects include annual community planting events, clean-up activities, the Gardens for Wildlife program, plus annual recycling initiatives for e-waste, household batteries and more recently, toothbrushes.

As an Alliance partner, Council is also playing its role in lowering community emissions through its Carbon Neutral Action Plan. Actions already implemented the introduction of the kerbside green waste bin service and installation of solar power on Council buildings. The upcoming changeover to LED streetlighting will also have a significant impact on reducing emissions.

Joining TAKE2 provides an avenue to showcase to a state-wide audience the actions of Council and the wider Borough community to 'think globally, act locally' in tackling climate change. It's an opportunity to show leadership, share ideas and demonstrate Council's commitment to the environment.

There are currently 35 local governments registered with TAKE2. The program is free to join and Council can withdraw at any stage via email.

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### Council Plan

This action meets the following strategies included under Strategic Objective 2 of the 2017–2021 Council Plan;

- Lead by example and work with the community to reduce carbon emissions;
- Actively participate in relevant regional, state and national environmental initiatives.

### Financial

There is no fee to join the TAKE2 program and Council can withdraw its membership at any time via email.

### Social

Joining TAKE2 and promoting the actions of Council and the Community Environment Alliance to address climate change will have positive impacts for the Borough community including;

- Encouraging environmental citizenship and leadership;
- Building community connectivity; and
- Raising awareness of the need for action.

### Environmental

Promoting the actions of Council and the Community Environment Alliance by joining TAKE2 will benefit the Borough community by;

- Raising awareness of the need for action; and
- Encouraging environmental citizenship.

### Risk Management

There are no significant risks associated with the contents of this report..

### Community Engagement

Council has a commitment to community engagement and effective consultation.

Joining the TAKE 2 program will provide an avenue for Community Environment Alliance activities to be promoted widely.

CATEGORY	One <input checked="" type="checkbox"/>	Two <input type="checkbox"/>	Three <input type="checkbox"/>	Four <input type="checkbox"/>	Five <input type="checkbox"/>	Six <input type="checkbox"/>
	One-off Issues	Changes to current practice	Area impacts	Service planning	Major plans	Major projects



### **Officer Direct or Indirect Interest**

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is considered by the Council or the committee.*

Officers involved in developing the report have no direct or indirect interests.

### **Assessment**

Council and the Borough community have a long history of working together on environmental projects. Joining the TAKE2 program not only provides Council with a platform to promote its actions on climate change, but also includes the following benefits;

- recognises the contribution of the Community Environment Alliance partners;
- promotes environmental leadership by Council and the Borough community;
- supports the 'think globally, act locally' approach to climate change.

Council has already completed 22 of the 79 actions suggested by TAKE2. If Council agrees to sign up to the TAKE2 program, it is proposed to use the changeover to LED technology in residential streetlights as the first pledge action.

### **Conclusion**

Joining the Victorian Government's TAKE2 program is an opportunity for Council to show leadership, share ideas and demonstrate Council's commitment to the environment and climate change initiatives.

### **Councillors Francis / Pizzey:**

**That Council gives approval for the Borough of Queenscliffe to join the Victorian Government's TAKE2 climate change program to promote the environmental achievements of Council and the Community Environment Alliance.**

**Carried unanimously**



## 15. PLANNING & HERITAGE

### 15.1 Planning Permit Activity Report

#### 15.1 (a) Planning Permit Summary Report

App. No	Date Received	Address	Proposal	Status
**2013/066	19/07/2013 (Amended 3/10/2014)	1 Kirk Road Point Lonsdale	Buildings and works associated with the construction of a three storey building (office and dwelling), use of the land for a dwelling and removal of native vegetation and reduction of car parking requirements of Clause 52.06 of the Queenscliffe Planning Scheme	Notice of decision to grant a permit issued by Council 27 November 2014 VCAT application for review lodged by objector(s) and subsequently withdrawn VCAT hearing vacated, waiting on advice regarding decision to be issued
2015/102	11/11/2015 (on hold from 18/09/2016 to 16/08/2017)	51 King Street Queenscliff	Permission under Clause 52.27 of the Queenscliffe Planning Scheme to use the land to sell and consume alcohol (General Licence), alterations to the existing building, the development of an outbuilding, reduction to zero of the car parking requirement associated with the use of the site and the construction of a fence/gate	Public notification
2016/015	15/03/2016	61-75 Murray Road & 260 Fellows Road, Queenscliff	Subdivision of the land into two lots in accordance with the Development Plan	Under review
**2016/028	13/04/2016 (Amended 12/10/2016 & 9/02/2017)	73 Bellarine Highway Point Lonsdale	The development of five (5) dwellings, variation to the site coverage requirements of Design and Development Overlay Schedule 5, subdivision of the land into five (5) lots, removal of native vegetation and creation of access to the Road Zone Category 1	Notice of refusal to grant a permit issued. VCAT application for review lodged by applicant VCAT hearing 11 January 2018
**2016/058	01/07/2016 (Amended 07/12/2016 & 21/03/2017)	20 Bridge Street Queenscliff	Part demolition of an existing dwelling, demolition of outbuildings and a fence in a Heritage Overlay area, alterations and extensions to an existing dwelling, variation to the site coverage and side setback requirements of Design and Development Overlay – Schedule 6, the construction of an outbuilding and front fence	Amendment application – under consideration
2016/085	14/09/2016	1 Wharf Street East Queenscliff	Permission under Clause 52.27 of the Queenscliffe Planning Scheme to use the land to sell alcohol for consumption both on and off the premises (general licence) in association with a food and drink premises	Public notification Referrals to Victoria Police & Local Laws



App. No	Date Received	Address	Proposal	Status
**2016/116	5/12/2016 (Amended 16/03/2017)	5 Loch Street Point Lonsdale	Alterations and extensions to an existing two storey dwelling	Notice of decision to grant a permit issued. VCAT application for review lodged by objector (decision) and applicant (conditions) VCAT hearing 28 November 2017 VCAT decision yet to be issued
2017/023	10/03/2017 (Amended 14/09/2017)	1 Tobin Drive Queenscliff	The construction of a pergola and external alterations to the existing building	Under consideration
**2017/026	23/03/2017	28 Simpson Street Point Lonsdale	Alterations and extensions (roof deck) to an existing dwelling	Notice of decision to grant a permit issued VCAT application for review lodged by objector VCAT hearing 20 February 2018
**2017/033	27/04/2017	78 Bellarine Highway Queenscliff	Permission under Clause 52.27 of the Queenscliffe Planning Scheme to use the land to sell alcohol for consumption both on and off the premises (general licence)	Under consideration
**2017/035	09/05/2017 (Amended 3/08/2017)	26 Simpson Street Point Lonsdale	Part demolition of an existing dwelling, demolition of an outbuilding and front fence, alterations and extensions to an existing dwelling and construction of an outbuilding and front fence on a site individually listed in a Heritage Overlay	Under consideration
2017/049	21/06/2017 (Amended 19/09/2017 & 2/10/2017)	14 King Street Queenscliff	Demolition of a dwelling and front fence in a Heritage Overlay area, construction of a two storey dwelling and front fence and variation to the site coverage requirements of Design and Development Overlay – Schedule 1	Notice of decision to grant a permit issued
2017/057	24/07/2017	17 Lonsdale Street Point Lonsdale	Alterations and extensions to an existing dwelling and variation to the site coverage requirements of Design and Development Overlay – Schedule 4	Public notification
2017/059	24/07/2017	Queenscliff Harbour carpark, Wharf Street East, Queenscliff	Construct and display signage	Under consideration



App. No	Date Received	Address	Proposal	Status
2017/063	15/08/2017	53 Stevens Street Queenscliff	Demolition of dwelling and fence in a Heritage Overlay area, construction of a dwelling and variation to the front setback requirements of Design and Development Overlay – Schedule 1	Under consideration
**2017/064	17/08/2017	93 Glaneuse Road Point Lonsdale	Subdivision of the land into two (2) lots and removal of native vegetation	Under consideration
**2017/066	22/08/2017	193 Point Lonsdale Road Point Lonsdale	Alterations and extensions to an existing two storey dwelling and variation to the site coverage requirements of Design and Development Overlay – Schedule 3	Under consideration
V 2017/068	04/09/2017	104 Hesse Street Queenscliff	Subdivision of the land into two (2) lots	Referrals to Heritage Advisor & Municipal Building Surveyor
2017/069	4/09/2017	20 Werry Road Point Lonsdale	Alterations and extensions to an existing dwelling	Public notification
2017/073	7/09/2017	31 Baillieu Street Point Lonsdale	The construction of a dwelling	Public notification
2017/074	14/09/2017	60 King Street Queenscliff	The construction of a dwelling and front fence	Further information requested 26 September 2017
2017/076	21/09/2017	1 Beach Street Queenscliff	Demolition of buildings within a Heritage Overlay area ("Fisherman's Wharf"), buildings and works associated with the re-instatement of a wharf and slipway	Public notification
2017/077	26/09/2017	16 Bowen Road Point Lonsdale	The construction of a two storey dwelling	Under consideration
2017/078	28/09/2017	53 King Street Queenscliff	The construction of an outbuilding	Further information requested 27 October 2017
2017/079	3/10/2017	JL Jordan Reserve 1 Hesse Street Queenscliff	Display signage	Under consideration
2017/080	3/10/2017	4/43 Flinders Street Queenscliff	Alterations and extensions to an existing dwelling	Under consideration





App. No	Date Received	Address	Proposal	Status
2017/081	10/10/2017	8 King Street Queenscliff	Part demolition of a dwelling in a Heritage Overlay area, demolition of an outbuilding, alterations and extensions to a dwelling, variation to the setback requirements of Design and Development Overlay – Schedule 1 and construction of an outbuilding	Further information requested 1 November 2017
2017/082	11/10/2017	81 Nelson Road Queenscliff	Use of the premises as a residential building	Further information requested 8 November 2017
2017/083	16/10/2017	7 Learmonth Street Queenscliff	Part demolition of a dwelling in a Heritage Overlay area, demolition of an outbuilding, alterations and extensions (two storey) to a dwelling and variation to the setback requirements of Design and Development Overlay – Schedule 1	Public notification Referral to Heritage Advisor
2017/084	16/10/2017	4 Jacqueline Court Point Lonsdale	Alterations and extensions to an existing dwelling and variation to the setback requirements of Design and Development Overlay – Schedule 4	Public notification
2017/085	19/10/2017	57-59 Point Lonsdale Road	Subdivision of the land into four (4) lots	Referrals to Powercor, Barwon Water & Downer (gas)
2017/086	19/10/2017	24 & 26 Golightly Street Point Lonsdale	Subdivision of the land into three (3) lots and removal of easement	Public notification Referral to Borough Engineer
V 2017/089	31/10/2017	6 Waterview Close Queenscliff	Construction of an outbuilding	Further information requested 10 November 2017
2017/090	30/10/2017	34 Kirk Road Point Lonsdale	The development of three dwellings (two double storey and one single storey) and subdivision of the land into three (3) lots	Further information requested 15 November 2017
2017/091	31/10/2017	20 Simpson Street Point Lonsdale	Alterations and extensions to an existing dwelling, construction of an outbuilding and front fence and variation to the wall length on boundary requirements of Design and Development Overlay – Schedule 4	Further information requested 15 November 2017
2017/093	3/11/2017 (Amended 23/11/2017)	21 Kirk Road Point Lonsdale	Alterations and extensions (two storey) to an existing dwelling, construction of a carport and removal of native vegetation	Public notification
2017/095	6/11/2017	2 Kirk Road Point Lonsdale	Alterations and extensions to an existing two storey dwelling and variation to the site coverage and side setback requirements of Design and Development Overlay – Schedule 4	Public notification



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App. No	Date Received	Address	Proposal	Status
2017/096	8/11/2017	3 Sara Street Point Lonsdale	Alterations and extensions (two storey) to an existing dwelling	Further information requested 1 November 2017
2017/097	10/11/2017	29 Golightly Street Point Lonsdale	Alterations and extensions to an existing dwelling	Under consideration

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**15.1(b) Planning Permit Summary Report: Applications on Hold at Request of Applicant**

App. No	Date Received	Address	Proposal	Status
**2016/062	08/07/2016 (Amended 03/08/2016 & 22/08/2016)	31 Stokes Street Queenscliff	Demolition of an existing dwelling and outbuildings in a Heritage Overlay area, construction of a dwelling and outbuilding, alterations to the front fence, variation to the site coverage requirements of Design and Development Overlay – Schedule 1	Application on hold while owner/applicant reviews proposal



**15.1(c) Planning Permit Summary Report: Applications Finalised Since Last Report**

App. No	Date Received	Address	Proposal	Status
**2017/047	19/06/2017	22A Jennifer Crescent Point Lonsdale	The construction of a dwelling and outbuilding and variation to the setback requirements of Design and Development Overlay – Schedule 4 on a site less than 300m <sup>2</sup>	Permit issued
**2017/048	21/06/2017	2 Grimes Road Point Lonsdale	The construction of a two storey dwelling and outbuilding and variation to the site coverage requirements of Design and Development Overlay – Schedule 3	Permit issued
**2017/052	03/07/2017 (Amended 28/09/2017)	12 Anderson Street Point Lonsdale	The construction of an outbuilding and variation to the wall length on boundary requirements of Design and Development Overlay – Schedule 4	Permit issued
2017/050	27/06/2017 (Amended 20/11/2017)	69A Flinders Street Queenscliff	The construction of a two storey dwelling and outbuilding and variation to the site coverage requirements of Design and Development Overlay – Schedule 3	Permit issued
2017/055	11/07/2017	57 Stevens Street Queenscliff	Part demolition of an existing dwelling in a Heritage overlay area, alterations and extensions to a dwelling and construction of an outbuilding	Permit issued
2017/070	05/09/2017	2 & 4 Baillieu Street Point Lonsdale	Alterations and extensions to an existing dwelling	Permit issued
2017/071	6/09/2017	118 Hesse Street Queenscliff	Demolition of buildings in a Heritage Overlay area, buildings and works associated with the existing bowls club facility including upgrade and amendments to car parking and the construction of grass croquet rinks	Permit issued
2017/075	19/09/2017	227 Point Lonsdale Road Point Lonsdale	Alterations and extensions to an existing dwelling and construction of an outbuilding	Permit issued
V 2017/094	6/11/2017	36-40 Nelson Road Queenscliff	Construction of an outbuilding	Permit issued



**15.1(d) Planning Permit Summary Report: New Applications Received Since Last Report**

App. No	Date Received	Address	Proposal	Status
2017/098	20/11/2017	18 Mercer Street Queenscliff	Demolition of buildings in a Heritage Overlay area and alterations and extensions to a dwelling	Further information requested 28 November 2017
V 2017/099	27/11/2017	76 Hesse Street Queenscliff	Externally paint and display signage on a building individually listed in the Heritage Overlay	Under consideration
V 2017/100	28/11/2017 (Amended 4/12/2017)	7 Albert Street Point Lonsdale	Construction of an outbuilding	Under consideration
2017/101	29/11/2017	4 Lockwood Street Point Lonsdale	Alterations and extensions to an existing two storey dwelling and variation to the front setback requirements of Design and Development Overlay – Schedule 4	Initial assessment
2017/102	29/11/2017	17 Werry Road Point Lonsdale	Alterations and extensions to an existing two storey dwelling and variation to the side setback requirements of Design and Development Overlay – Schedule 4	Initial assessment
2017/103	4/12/2017	31 Cheshunt Street Point Lonsdale	Alterations and extensions to an existing two storey dwelling and construction of a front fence	Initial assessment



### 15.1(e) Development Plan Summary Report

App. No	Date Received	Address	Proposal	Status
DP01/2016	15/03/2016	61-75 Murray Road & 260 Fellows Road, Queenscliff	Development Plan and two lot subdivision	Under review
DP01/2017	19/09/2017	1 Wharf Street East Queenscliff	Development Plan Stage 2: Queenscliff Ferry Terminal building and boardwalk	Further information requested 27 October 2017
DP02/2017	17/11/2017	1 Beach Street Queenscliff	Demolition of buildings within a Heritage Overlay area ("Fisherman's Wharf"), buildings and works associated with the re-instatement of a wharf and slipway	Public notification

#### **LEGEND**

\*\*            Objections received

*Italics*        *Amendment or extension of time request to application previously determined by Council*

**Bold**         **Officer delegation removed**

V                VicSmart application (officer delegation cannot be removed)



**Councillors Pizey / Merriman:  
That the report be received.**

**Carried unanimously**

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## 16. GOVERNANCE & PERFORMANCE

### 16.1 Victorian Auditor-General's Report on Local Government Audits 2016/17

**File:** QG054-01-01

**Report Author:** Manager, Financial Services

**Strategic Objective:** Maintain a cohesive, well governed, financially sustainable and independent Borough

**Portfolio:** Governance and Performance

**Portfolio Holder:** Cr Bob Merriman

#### Purpose

The purpose of this report is to inform Council of the recently released Victorian Auditor-General's (VAGO) report (**Appendix 4**) on the 2016/17 local government audit results and to summarise key findings in this report as they relate directly to the Borough of Queenscliffe.

#### Introduction

Key measures of financial sustainability, including some of the indicators featured in this report from VAGO, are considered as part of Council's budget setting process each year. This report from VAGO provides valuable information with respect to benchmarking the Borough of Queenscliffe against other councils in the small shire grouping and State-wide, and provides an opportunity to learn from issues experienced within the sector as a whole.

#### Background

On 29 November 2017, the Victorian Auditor-General tabled an acquittal report titled *Results of 2016-17 Audits: Local Government* in Parliament (**Appendix 4**). VAGO issues this report on an annual basis, which is aimed at providing advice on any significant issues identified during the local government audits, and which is intended to complement the assurance provided through individual audit opinions included in councils' annual reports.

This report acquits the final results of the 2016/17 audits and provides a detailed analysis of:

- **Results of audits:** audit opinions, quality of financial and performance reporting and key audit themes;
  - **Internal controls:** assessment of internal controls and status of matters raised in previous audits;
  - **Financial sustainability:** conclusion, financial sustainability risks, overall analysis and analysis of council categories; and
-





- **Rate capping impact assessment:** conclusion, rate revenue, short-term impacts of rate capping and long-term impact and responses.

Council officers have reviewed this report by the Victorian Auditor-General and a summary is included in the sections below of the findings from this report, as they relate specifically to the Borough of Queenscliffe and Council's comparative small shire councils grouping.

### **Key Issues**

The report tabled by the Victorian Auditor-General details matters arising from the 2016/17 financial and performance reporting of 79 councils, 10 regional library corporations and 16 associated entities that make up the local government sector in Victoria. VAGO assesses their financial performance during 2016/17 and their financial position as at 30 June 2017. VAGO has also analysed financial sustainability of the sector and its response to the introduction of the Victorian Government's rate capping policy in 2015.

### **VAGO conclusions**

The Victorian Auditor-General has concluded in his report that:

- The councils' audited financial reports and performance statements for the year ended 30 June 2017 are reliable, and Parliament and the community can have confidence in them;
- In the short term, the sector as a whole has relatively low financial sustainability risk;
- Longer-term, the impact of rate capping is yet to be fully determined, however it has created the impetus for councils to review their cost structures; and
- To mitigate/minimise potential risks arising from issues in their internal control environment, councils need to promptly resolve issues identified through audits.

### **VAGO findings**

#### ***i) Financial reports***

VAGO issued clear audit opinions for the 2016/17 financial reports of all 79 councils. Councils made a small improvement in the median time taken to certify their 2016/17 financial reports. Significant improvements could be achieved by bringing forward key elements of financial reporting work, such as asset revaluations. With new Australian Accounting Standards which will apply over the next few years, preparation for implementation at the earliest opportunity is encouraged.

#### ***Officer comment:***

The Borough of Queenscliffe received a clear audit opinion from VAGO for its financial report. Officers are working with Council's contract Valuer to complete the 2017/18 property revaluation (land, land under roads and buildings) by 31 March 2018. In addition to assisting with the year-end process, it will also enable up-to-date revaluation data to be included in the 2017/18 Forecast, which is in turn included in 2018/19 Budget preparation. Pending accounting standards will be considered in the preparation of the 2017/18 financial statements.

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**ii) Performance statements**

VAGO issued clear audit opinions for the 2016/17 performance statements of 78 councils, with Towong's qualified due to non-participation in the 2016/17 community satisfaction survey and as a result they were not able to report on two of the indicators required by legislation. Councils currently explain significant variations in performance indicators, by comparison with prior year results. While this is useful, setting a target would assist in determining whether a council is operating efficiently and effectively.

*Officer comment:*

The Borough of Queenscliffe received a clear audit opinion from VAGO for its performance statement. Council currently sets a range of performance targets within its annual budget planning, some of which relate to the performance statement indicators.

**iii) Internal controls**

VAGO has assessed the internal controls of councils overall as generally well designed and operating as intended by management, although deficiencies continue to be observed with respect to IT internal controls, with persistent high risk issues increasing the risk of a successful cyber attack. Councils have resolved over 60% of the internal control issues identified in the 2016/17 and prior year audits.

*Officer comment:*

The Borough of Queenscliffe had two high risk issues identified by external audit in the previous 2015/16 year, both of which are included in this current VAGO report as having been resolved. No new high risk issues were identified during the 2016/17 year. Officers provide biannual status reports on risk issues to Audit Committee and Council.

**iv) Found assets**

As at 30 June 2017, 29 councils had identified \$175.3 million of assets not previously reported (2015/16: \$149.3 million). The lack of completeness and accuracy of asset data remains a recurring issue for councils.

*Officer comment:*

The Borough of Queenscliffe did not identify any found assets during the 2016/17 year. Council's fixed asset register is reviewed annually, as part of the year-end process.

**v) Financial sustainability**

The sector is assessed by VAGO as having a relatively low financial sustainability risk in the short term, although noting rural and regional councils have a higher financial sustainability risk than metropolitan councils, which is linked to their relative inability to generate sufficient own-source revenue as well as steady increases in expenditure. There is a gradual decline in asset renewal and maintenance indicators, as less is being spent on asset renewal and maintenance, with most councils opting to accumulate cash rather than proceed with new borrowings for replacing or expanding their asset base.

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*Officer comment:*

Council has significant responsibilities in relation to Crown land assets, with the highest proportion of Crown land management of any municipality in Victoria: 8% of the municipal area consists of foreshore reserves managed by Council. Long term planning includes outcomes that are critical to Council's financial sustainability and involves the redevelopment of the tourist parks, enabling Council to direct additional tourist park revenues to improve the management of coastal Crown land, while minimising future rate increases and achieving sustainable underlying operating surpluses in the long term. Council continues to place importance on its annual asset renewal program, with an average budget allocation of \$580,000 p.a., and is forecasting new borrowings over each of the next three financial years to assist with funding of priority capital projects.

**vi) *The impact of rate capping***

On average, councils are forecasting their revenue to decrease by 1% over the next three years, while expenditure is expected to increase by 2% over the same period. Most councils have identified longer-term viability risks that may result from rate capping, although VAGO encourages councils to better understand the nature and cost of all services they provide to their communities and how these may be impacted. VAGO also found councils, in response to rate capping, have started to reduce their longer-term capital expenditure programs. The focus is however typically only over the next four years, and councils need to develop longer term (10-20 year) plans to ensure appropriate decisions are made with respect to assets.

*Officer comment:*

The Borough of Queenscliffe has commenced its 2018/19 Budget preparation, which includes consideration of 10 year forecasts for the key financial statements. Officers commenced briefing Councillors in November, in accordance with an agreed budget timetable, with further briefings and budget workshops to be conducted over the next few months. Budget preparation includes a review of budgets by Council Plan strategic objective and program area. Council's asset management plans will also be updated.

**vii) *Governance interventions***

Effective governance is essential for maintaining strong internal controls. There have been a number of recent legal interventions by the State government, in response to governance failures identified at the following councils: Ararat Rural City Council, Central Goldfields Shire Council, Casey City Council, Darebin City Council and Greater Geelong City Council. VAGO has included a status update at page 14 of its report.

*Officer comment:*

The Borough of Queenscliffe has considered the findings of governance issues reported, assessing its current systems and processes and the application of internal controls, with a view to identifying improvement opportunities. While no significant weaknesses have emerged, there are some areas in which internal controls will be strengthened. Officers provided a briefing to Council with respect to this matter, on 30 November 2017.

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**VAGO recommendations**

The Victorian Auditor-General recommends that Local Government Victoria introduce targets for each of the performance indicators included in the performance statements of each council.

**Discussion**

**Categorisation of the 79 Victorian councils**

With respect to the 79 Victorian councils, VAGO refers to five specific groupings as follows:

**Council cohorts in the metropolitan, and rural and regional categories**

Cohort	Definition	Number of councils
<b>Metropolitan councils</b>		
Metropolitan	A metropolitan council is predominantly urban in character and located within Melbourne’s densely populated urban core.	22
Interface	An interface council is one of the nine municipalities that form a ring around metropolitan Melbourne.	9
<b>Total metropolitan councils</b>		<b>31</b>
<b>Rural and regional councils</b>		
Regional city	A regional city council is urban and partly rural in character.	10
Large shire	A large shire is a municipality with more than 16 000 inhabitants that is predominantly rural in character.	19
Small shire	A small shire council is a municipality with less than 16 000 inhabitants that is predominantly rural in character.	19
<b>Total rural and regional councils</b>		<b>48</b>
<b>Total councils</b>		<b>79</b>

Source: VAGO.

The Borough of Queenscliffe is assessed within the small shire council grouping. It is within this grouping that the Victorian Auditor-General compares the Borough of Queenscliffe with other councils, assessing performance indicators against the average for the grouping, and applying a risk assessment to each council as well as for the grouping overall.

Queenscliffe also chooses to benchmark itself against its fellow councils in the G21 region, which includes: City of Greater Geelong, Surf Coast Shire, Colac-Otway and Golden Plains. A suite of benchmarked data is included in Council’s annual budget presentation to the public, held at meetings in both Queenscliff and Camberwell.

Benchmarking with the other four councils in the G21 region – in terms of rates compared to household income, housing tenure, age structure and industry sector of employment – is also included in Council’s Draft Rating Strategy, currently on exhibition for public comment.



**Internal control deficiencies identified through external audit**

Deficiencies with internal controls, identified by the external auditor, are included within the interim management letter and closing report/final management letter provided by the auditor to Council and its Audit Committee each year. VAGO reports these issues within its annual report to Parliament on the results of the local government audits, as tabled below.

**Reported internal control issues, by area and risk rating, 2016–17**

Area of issue	Extreme	High	Medium	Total
Governance	–	2	48	50
Information systems	4	36	69	109
General ledger	–	–	10	10
Revenue and receivables	–	–	20	20
Expenditure and payables	–	2	33	35
Employee benefits	–	–	23	23
Infrastructure, property, plant and equipment	1	8	91	100
Cash and other assets	–	1	11	12
<b>Total</b>	<b>5</b>	<b>49</b>	<b>305</b>	<b>359</b>

Extreme-risk issues are reported, with the name of the Council, a description of the finding, the year in which the issue was raised and the current status. No extreme risks have been identified for the Borough of Queenscliffe.

**Summary of extreme-risk issues reported in 2016–17**

Council	Description of finding	Year raised	Current status
Cardinia Shire Council	Insufficient software patch and support management	2015–16	Closed
Casey City Council	Insufficient software patch and support management	2015–16	Closed
Bayside City Council	Inappropriate password management controls	2016–17	Closed
Bayside City Council	Weak user access management controls	2016–17	Closed
West Wimmera Shire Council	Lack of a detailed asset register	2016–17	Open

Source: VAGO.



High-risk issues are reported, with the name of the Council, an indication of the issue type (IT controls, fixed assets or other) and an issue status (resolved or unresolved). While the Borough of Queenscliffe is listed in the table below, both issues were identified in 2015/16 and are resolved, with no further high risk issues identified in the 2016/17 financial year.

**Summary of high-risk issues reported in 2016–17**

Council	Issue type				Issue status <sup>(a)</sup>	
	IT controls	Fixed assets	Other	Total	Resolved	Unresolved
Ballarat City Council	3	–	–	3	3	–
Bayside City Council	3	–	–	3	–	3
Benalla Rural City Council	–	2	–	2	–	2
Boroondara City Council	2	–	–	2	2	–
<b>Borough of Queenscliffe</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>–</b>
Campaspe Shire Council	–	–	1	1	1	–
Cardinia Shire Council	2	–	–	2	2	–
Casey City Council	1	–	–	1	1	–
Central Goldfields Shire Council	1	–	–	1	–	1
East Gippsland Shire Council	–	1	–	1	–	1
Frankston City Council	–	1	–	1	1	–
Greater Dandenong City Council	3	–	–	3	2	1
Greater Geelong City Council	2	–	–	2	2	–
Hobsons Bay City Council	2	–	–	2	2	–
Mitchell Shire Council	–	1	1	2	2	–
Moonee Valley City Council	4	–	–	4	1	3
Moreland City Council	1	–	–	1	–	1
Mornington Peninsula Shire Council	–	1	–	1	1	–
Port Phillip City Council	1	–	–	1	1	–
South Gippsland Shire Council	2	–	–	2	1	1
Southern Grampians Shire Council	1	–	1	2	1	1
Strathbogie Shire Council	–	1	1	2	–	2
West Wimmera Shire Council	1	1	–	2	1	1
Whitehorse City Council	4	–	–	4	4	–
Wodonga City Council	2	–	–	2	2	–
<b>Total</b>	<b>36</b>	<b>8</b>	<b>5</b>	<b>49</b>	<b>32</b>	<b>17</b>

(a) Status of issue as reported to management.

Source: VAGO.





### **Financial sustainability risk indicators**

The calculations for each of the seven financial sustainability indicators, as applied by VAGO, are included in the table below.

Note the adjusted underlying result indicator is included, for the first time, in this VAGO report of the local government audits for the 2016/17 financial year.

Officers review a range of key financial performance indicators, in presenting budget information to Council for their consideration in the annual budget setting process. While other indicators are not included in this report in any detail, officers provide commentary below each of the VAGO indicators on the following pages, to relate the outcomes back to the Borough of Queenscliffe and to include a view of additional/alternative indicators that are considered by Council each year.

#### **Financial sustainability risk indicators**

<b>Indicator</b>	<b>Formula</b>	<b>Description</b>
Net result (%)	Net result / Total revenue	<p>A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term.</p> <p>The net result and total revenue are obtained from the comprehensive operating statement.</p>
Adjusted underlying result <sup>(a)</sup>	Adjusted underlying surplus (or deficit) / Adjusted underlying revenue	<p>Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position.</p>
Liquidity (ratio)	Current assets / Current liabilities	<p>This measures the ability to pay existing liabilities in the next 12 months.</p> <p>A ratio of one or more means there are more cash and liquid assets than short-term liabilities.</p>
Internal financing (%)	Net operating cash flow / Net capital expenditure	<p>This measures the ability of an entity to finance capital works from generated cash flow.</p> <p>The higher the percentage, the greater the ability for the entity to finance capital works from their own funds.</p> <p>Net operating cash flow and net capital expenditure are obtained from the cash flow statement.</p>
Indebtedness (%)	Non-current liabilities / own-sourced revenue	<p>Comparison of non-current liabilities (mainly comprising borrowings) to own-sourced revenue. The higher the percentage, the less the entity is able to cover non-current liabilities from the revenues the entity generates itself.</p> <p>Own-sourced revenue is used, rather than total revenue, because it does not include grants or contributions.</p>

**Financial sustainability risk indicators—continued**

Indicator	Formula	Description
Capital replacement (ratio)	Cash outflows for property, plant and equipment / Depreciation	Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciation rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Cash outflows for infrastructure are taken from the cash flow statement. Depreciation is taken from the comprehensive operating statement.
Renewal gap (ratio)	Renewal and upgrade expenditure / depreciation	Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1:1 indicate that spending on existing assets is faster than the depreciation rate.  Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Renewal and upgrade expenditure are taken from the statement of capital works. Depreciation is taken from the comprehensive operating statement.

(a) This is a new financial sustainability risk indicator in this report. The calculation is consistent with councils' performance statements.

Source: VAGO.

Overall assessment of financial sustainability risk is calculated on the basis of the five-year average for all seven financial sustainability risk ratios as applied to local government.

VAGO's assessment of each risk indicator, by council group, is included in the table below.

**Financial sustainability risk indicators, by cohort, 2016–17**

Indicator		Average across councils for year ended 30 June 2017					
		All councils	Metro	Interface	Regional	Large	Small
<b>Financial performance</b>							
Net result	per cent	19.71%	16.90%	33.96%	16.49%	15.67%	15.54%
Adjusted underlying result	per cent	8.50%	12.62%	12.45%	3.52%	6.88%	7.05%
<b>Financial position</b>							
Liquidity	ratio	2.97	2.59	3.64	2.43	2.70	3.48
Internal financing	per cent	166%	169%	191%	147%	161%	161%
Indebtedness	per cent	23.78%	13.93%	24.81%	33.54%	28.75%	17.86%
<b>Asset renewal and maintenance indicators</b>							
Capital replacement	ratio	1.48	1.56	1.84	1.48	1.31	1.21
Renewal gap	ratio	0.99	1.15	0.93	0.91	1.01	0.93

Key: ● High risk ● medium risk; ● low risk.

Source: VAGO.



**Financial sustainability risk assessment criteria**

VAGO applies the following criteria, in assessing the overall financial sustainability risks of councils:

Financial sustainability risk indicators—risk assessment criteria

Risk	Net result	Adjusted underlying result	Liquidity	Internal financing	Indebtedness	Capital replacement	Renewal gap
High	Less than negative 10%	Less than 0%	Less than 0.75	Less than 75%	More than 60%	Less than 1.0	Less than 0.5
	Insufficient revenue is being generated to fund operations and asset renewal.	Insufficient surplus being generated to fund operations	Immediate sustainability issues with insufficient current assets to cover liabilities.	Limited cash generated from operations to fund new assets and asset renewal.	Potentially long-term concern over ability to repay debt levels from own-source revenue.	Spending on capital works has not kept pace with consumption of assets.	Spending on existing assets has not kept pace with consumption of these assets.
Medium	Negative 10%–0%	0%–5%	0.75–1.0	75–100%	40–60%	1.0–1.5	0.5–1.0
	A risk of long-term run down to cash reserves and inability to fund asset renewals.	Surplus being generated to fund operations	Need for caution with cash flow, as issues could arise with meeting obligations as they fall due.	May not be generating sufficient cash from operations to fund new assets.	Some concern over the ability to repay debt from own-source revenue.	May indicate spending on asset renewal is insufficient.	May indicate insufficient spending on renewal of existing assets.
Low	More than 0%	More than 5%	More than 1.0	More than 100%	40% or less	More than 1.5	More than 1.0
	Generating surpluses consistently.	Generating strong surpluses to fund operations	No immediate issues with repaying short-term liabilities as they fall due.	Generating enough cash from operations to fund new assets.	No concern over the ability to repay debt from own-source revenue.	Low risk of insufficient spending on asset renewal.	Low risk of insufficient spending on asset base.

Source: VAGO.

Borough of Queenscliffe is assessed by VAGO as ‘low risk’ on six of the seven indicators of financial sustainability, with adjusted underlying result assessed as ‘high risk’.

Within the small shire council grouping of 19 councils, Queenscliffe is assessed as having results for the five-year average that are either equal to or more favourable than the average of the group, as follows:

- Net result = 8.66 % (average of the group is low risk at 8.18%)
- Internal financing = 123% (average of the group is low risk at 114%)
- Indebtedness = 1.01% (average of the group is low risk at 17.89%)
- Capital replacement = 1.89 (average of the group is medium risk at 1.48)
- Renewal gap = 1.33 (average of the group is low risk at 1.21)



Queenscliffe is assessed as the most favourable of the group with respect to indebtedness – and is also assessed most favourable for this indicator across the State.

Council comes within the first quartile State-wide for capital replacement and renewal gap.

Although Council has also been assessed as high risk for the Adjusted underlying result, this indicator is impacted by the level of carry forward projects for each council. With total asset renewal and carry forward reserves of \$2.610 million as at 30 June 2017, this is significant compared with a typical annual operating budget of \$10 million for Queenscliffe.

Each of the seven indicators of financial sustainability (in terms of VAGO's definitions) is further detailed below and on the following pages, illustrating the result for each of the past five financial years as well as the average outcome and future projected trend. Council officer comments are provided for each indicator, to provide context to issues with these indicators and matters unique to Council.

## **1. Financial performance**

### **1.1 Net result**

Council has a key budget objective to achieve a breakeven result cumulatively.

Queenscliffe is one of seven councils, in the small shire councils grouping of 19 councils, to have reported a net surplus result for each of the past five financial years. Queenscliffe's average outcome of 8.66% is above the group average of 8.18% for this particular indicator.

Net result is affected by the level of carry forward operating projects, ie. where operating expenditure is incurred in a financial year, for which operating grants were received and/or operating budgets allocated in previous years (and operating surpluses previously reported). Funds are held in reserve on Council's Balance Sheet and used to offset expenditure when the works are later completed.

Greater than average outcomes forecast for the 2017-18 and 2018/19 financial years reflect significant grant funding for capital projects over multiple years, namely the Queenscliff Sports & Recreation Precinct and Destination Queenscliff projects.

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### Small shire councils, net result 2013–2020

Small shire councils	2012–13	2013–14	2014–15	2015–16	2016–17	Average	Forecast		
							2017–18	2018–19	2019–20
Alpine Shire Council	-2.35%	-1.48%	23.32%	-0.78%	26.72%	9.09%	9.90%	12.93%	1.14%
Ararat Rural City Council	6.99%	4.68%	12.73%	-0.41%	14.43%	7.68%	6.37%	-8.15%	-9.87%
Benalla Rural City Council	7.28%	-1.77%	-6.02%	0.76%	7.85%	1.62%	-4.78%	-4.09%	-5.12%
<b>Borough of Queenscliffe</b>	<b>15.50%</b>	<b>17.92%</b>	<b>5.73%</b>	<b>1.71%</b>	<b>2.45%</b>	<b>8.66%</b>	<b>18.36%</b>	<b>34.75%</b>	<b>2.96%</b>
Buloke Shire Council	11.25%	56.50%	17.70%	-0.38%	23.86%	21.78%	15.48%	10.61%	10.89%
Central Goldfields Shire Council	23.79%	1.06%	3.18%	1.86%	13.84%	8.75%	9.67%	6.11%	7.68%
Gannawarra Shire Council	21.75%	7.55%	17.26%	2.58%	18.69%	13.57%	1.78%	4.26%	10.08%
Hepburn Shire Council	33.90%	0.01%	16.12%	15.77%	10.48%	15.26%	11.45%	8.52%	15.33%
Hindmarsh Shire Council	42.75%	-4.49%	10.70%	-3.57%	20.86%	13.25%	-8.43%	-2.66%	-4.44%
Indigo Shire Council	12.15%	9.57%	14.65%	-6.90%	15.72%	9.04%	0.60%	11.22%	5.18%
Loddon Shire Council	-3.87%	-16.67%	16.74%	-1.25%	13.30%	1.65%	-26.85%	7.70%	-9.81%
Mansfield Shire Council	5.52%	2.67%	14.75%	8.83%	32.10%	12.77%	-0.85%	18.61%	12.20%
Murrindindi Shire Council	15.73%	4.06%	14.05%	2.07%	9.15%	9.01%	-1.64%	-1.05%	-1.02%
Northern Grampians Shire Council	23.80%	-9.45%	15.31%	-14.44%	5.10%	4.06%	8.11%	-9.52%	-5.37%
Pyrenees Shire Council	-20.93%	-43.12%	2.36%	-11.03%	12.65%	-12.01%	-5.31%	-9.44%	-8.29%
Strathbogie Shire Council	7.18%	4.87%	15.70%	-1.22%	16.12%	8.53%	-0.85%	5.13%	3.19%
Towong Shire Council	28.46%	5.69%	32.02%	10.63%	34.62%	22.28%	-0.89%	8.11%	3.17%
West Wimmera Shire Council	11.27%	-10.92%	7.55%	-2.76%	4.05%	1.84%	23.57%	0.99%	-6.79%
Yarriambiack Shire Council	-3.90%	-22.05%	7.62%	-2.44%	13.36%	-1.48%	1.17%	-7.88%	-8.67%
<b>Average</b>	<b>12.44%</b>	<b>0.24%</b>	<b>12.71%</b>	<b>-0.05%</b>	<b>15.54%</b>	<b>8.18%</b>	<b>2.99%</b>	<b>4.53%</b>	<b>0.66%</b>

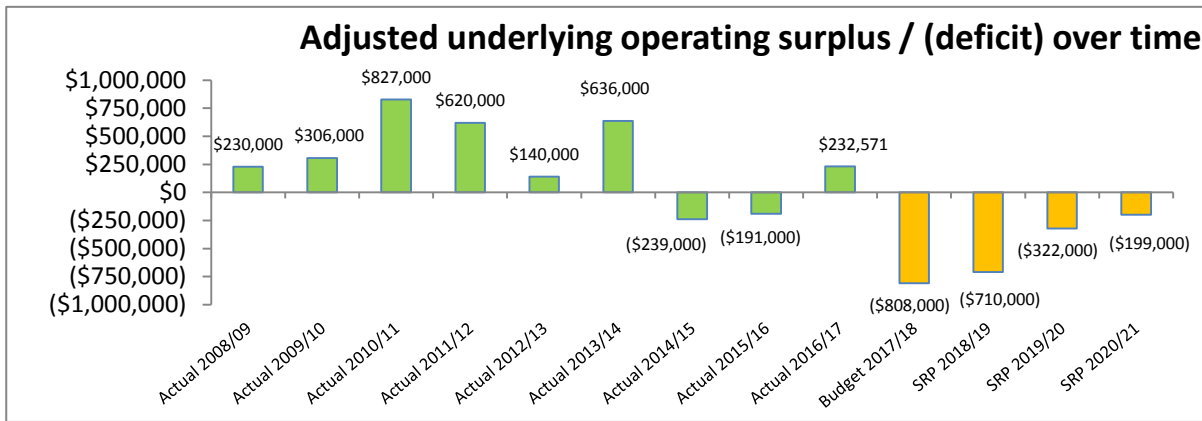
Source: VAGO.

## 1.2 Adjusted underlying result

The adjusted underlying result is the net surplus/(deficit) for the year adjusted for non-recurrent capital grants, non-monetary asset contributions and capital contributions from other sources. It is a measure of Council's ability to achieve its service delivery objectives, as it is not impacted by capital income items, which can often mask the operating result.

Council has a key budget objective to achieve a breakeven result cumulatively. This allows for timing differences between financial years, in terms of operating grants received in one year and spent in the next, with funds held in a reserve account on the Balance Sheet and used to offset expenditure incurred as works carried forward are completed in later years.

The graph below illustrates Council's achievement of underlying operating surpluses in previous years, including the receipt of operating grant funding, held in cash reserves and carried forward for future completion of works. There is no overall impact on cash result, with the surpluses in past years and deficits in recent years a result of timing differences between the receipt of government grants and expenditure incurred for funded projects.



Deficits forecast for future years, however, reflect timing differences as noted above along with a decrease in tourist park fees and charges over the short term, coupled with Council’s reduced capacity to raise additional rate revenue beyond the rate cap in future years.

Also of note, 50% of Commonwealth financial assistance (Victoria Grants Commission) grants were prepaid in 2014/15, having a significant impact for most Councils on key ratio outcomes including net result, adjusted underlying result and internal financing indicators. The same timing issue will occur in 2017/18, with 50% of this funding prepaid in 2016/17.

#### Small shire councils, adjusted underlying result 2015–2020

Small shire councils	2014–15	2015–16	2016–17	Average	Forecast		
					2017–18	2018–19	2019–20
Alpine Shire Council	12.00%	-5.00%	12.00%	6.33%	0.00%	2.00%	0.00%
Ararat Rural City Council	5.00%	-13.97%	3.90%	-1.89%	-8.33%	-8.15%	-9.87%
Benalla Rural City Council	-12.00%	-3.00%	5.00%	-3.33%	-5.00%	-4.00%	-5.00%
<b>Borough of Queenscliffe</b>	<b>-2.00%</b>	<b>-2.00%</b>	<b>2.00%</b>	<b>-0.67%</b>	<b>-8.00%</b>	<b>-7.00%</b>	<b>-3.00%</b>
Buloke Shire Council	5.40%	-3.87%	7.42%	3.05%	-1.82%	-1.58%	-1.08%
Central Goldfields Shire Council	-7.10%	-8.99%	-1.01%	-5.03%	-10.00%	6.11%	7.25%
Gannawarra Shire Council	9.69%	-2.92%	12.58%	6.44%	-5.09%	1.49%	4.24%
Hepburn Shire Council	9.90%	3.00%	7.60%	6.83%	7.60%	4.30%	4.70%
Hindmarsh Shire Council	5.90%	-10.40%	10.80%	2.10%	-2.60%	-5.30%	-11.30%
Indigo Shire Council	8.13%	-10.18%	11.08%	3.01%	-15.20%	-5.82%	-5.82%
Loddon Shire Council	10.82%	-37.73%	2.18%	-8.24%	-36.16%	-2.08%	-36.11%
Mansfield Shire Council	5.00%	-5.00%	15.00%	5.00%	-4.00%	7.00%	2.00%
Murrindindi Shire Council	3.51%	-2.55%	6.25%	2.40%	-2.24%	-1.68%	-1.61%
Northern Grampians Shire Council	14.80%	-21.40%	2.40%	-1.40%	-2.60%	-9.50%	-5.40%
Pyrenees Shire Council	-10.53%	-39.98%	10.47%	-13.35%	-6.35%	-14.51%	-14.27%
Strathbogie Shire Council	10.24%	-18.00%	11.41%	1.88%	-4.78%	4.47%	2.51%
Towong Shire Council	26.57%	8.84%	29.87%	21.69%	-8.81%	4.20%	-0.18%
West Wimmera Shire Council	3.06%	-5.22%	-24.91%	-9.02%	-7.20%	-4.94%	-7.75%
Yarriambiack Shire Council	5.00%	-5.00%	10.00%	3.33%	-12.00%	-13.00%	-14.00%
<b>Average</b>	<b>5.44%</b>	<b>-9.44%</b>	<b>7.05%</b>	<b>1.02%</b>	<b>-6.87%</b>	<b>-2.52%</b>	<b>-4.98%</b>

Source: VAGO.



## 2. Financial position

### 2.1 Liquidity

Queenscliffe's average outcome of 2.59 is just below the group average of 2.74% for this particular indicator, and forecast to decline in future years as carry forward projects are completed and project expenditure paid accordingly.

Greater outcomes in previous years reflect high cash balances associated with carry forward projects. History indicates full completion of works is rarely the case, hence actual liquidity is always better than forecast.

#### Small shire councils, liquidity 2013–2020

Small shire councils	2012–13	2013–14	2014–15	2015–16	2016–17	Average	Forecast		
							2017–18	2018–19	2019–20
Alpine Shire Council	2.40	1.85	2.89	2.31	2.85	2.46	1.82	1.34	1.47
Ararat Rural City Council	3.40	2.52	3.49	3.84	4.22	3.49	3.52	3.74	3.91
Benalla Rural City Council	1.65	1.22	1.27	1.20	1.57	1.38	1.14	1.14	1.13
<b>Borough of Queenscliffe</b>	<b>2.03</b>	<b>2.39</b>	<b>2.50</b>	<b>2.96</b>	<b>3.06</b>	<b>2.59</b>	<b>2.02</b>	<b>1.23</b>	<b>1.32</b>
Buloke Shire Council	0.57	0.18	1.89	2.49	4.89	1.92	3.98	1.47	3.12
Central Goldfields Shire Council	1.52	1.23	1.31	1.52	1.47	1.41	1.13	1.21	1.22
Gannawarra Shire Council	2.63	2.63	2.99	2.36	3.10	2.74	2.62	2.59	2.55
Hepburn Shire Council	2.50	1.85	2.79	3.20	2.96	2.66	2.18	2.26	2.28
Hindmarsh Shire Council	3.30	2.02	3.56	2.88	4.14	3.18	1.44	1.38	1.06
Indigo Shire Council	2.31	2.17	1.50	1.29	2.19	1.89	1.14	1.05	1.05
Loddon Shire Council	4.54	4.12	5.88	6.41	7.90	5.77	3.84	2.90	2.18
Mansfield Shire Council	2.61	1.50	1.81	1.63	2.15	1.94	2.07	1.72	1.00
Murrindindi Shire Council	3.29	2.75	3.98	3.90	5.38	3.86	3.86	4.15	4.12
Northern Grampians Shire Council	1.90	1.64	1.97	2.12	3.01	2.13	2.38	2.27	2.11
Pyrenees Shire Council	3.57	2.25	2.33	1.97	3.09	2.64	1.64	1.55	1.41
Strathbogie Shire Council	2.12	1.61	1.98	2.04	2.44	2.04	1.38	1.54	1.51
Towong Shire Council	4.74	4.00	6.33	5.61	6.95	5.53	4.86	4.49	4.77
West Wimmera Shire Council	2.72	2.90	3.56	3.21	3.38	3.15	3.36	2.70	2.75
Yarriambiack Shire Council	1.72	0.96	1.29	0.89	1.59	1.29	1.18	1.20	1.21
<b>Average</b>	<b>2.61</b>	<b>2.09</b>	<b>2.80</b>	<b>2.73</b>	<b>3.48</b>	<b>2.74</b>	<b>2.40</b>	<b>2.10</b>	<b>2.11</b>

Source: VAGO.

### 2.2 Internal financing

This particular indicator is aimed at measuring the ability of councils to replace assets with cash generated from operations.

However, the VAGO formula of taking operational cash flows as a percentage of total capital expenditure does not account for capital grants received in advance in previous financial year, which are held in reserve on Queenscliffe's Balance Sheet to match expenditure as it is incurred in future years – thus having no impact on Council's cash result, over time.





This ratio does not indicate or measure the real funding available and generated from operations (in terms of unencumbered cash) and is thus not a strong indicator of financial sustainability.

The Borough of Queenscliffe prepares a Statement of Income and Expenditure in its annual budget preparation process, as well as in quarterly financial reports throughout the year. Although this does not form part of the annual financial statements, subject to audit each year, it is a key statement used by Council to allocate revenue raised and ensure the result for the financial year (and the longer term view) is balanced on a break-even cash basis.

### Small shire councils, internal financing 2013–2020

Small shire councils	2012–13	2013–14	2014–15	2015–16	2016–17	Average	Forecast		
							2017–18	2018–19	2019–20
Alpine Shire Council	83%	124%	175%	87%	105%	115%	89%	87%	119%
Ararat Rural City Council	80%	105%	108%	91%	175%	112%	92%	121%	117%
Benalla Rural City Council	49%	75%	119%	98%	153%	99%	92%	108%	103%
<b>Borough of Queenscliffe</b>	<b>106%</b>	<b>109%</b>	<b>160%</b>	<b>56%</b>	<b>183%</b>	<b>123%</b>	<b>89%</b>	<b>84%</b>	<b>52%</b>
Buloke Shire Council	97%	88%	136%	139%	228%	137%	121%	133%	129%
Central Goldfields Shire Council	70%	86%	139%	125%	123%	108%	87%	134%	120%
Gannawarra Shire Council	73%	89%	118%	65%	131%	95%	74%	104%	101%
Hepburn Shire Council	121%	57%	141%	91%	54%	93%	84%	110%	105%
Hindmarsh Shire Council	100%	32%	143%	80%	145%	100%	63%	95%	86%
Indigo Shire Council	110%	90%	85%	85%	197%	113%	80%	99%	108%
Loddon Shire Council	141%	62%	158%	95%	156%	122%	37%	80%	79%
Mansfield Shire Council	50%	56%	103%	91%	178%	96%	73%	92%	77%
Murrindindi Shire Council	178%	149%	218%	115%	124%	157%	124%	144%	102%
Northern Grampians Shire Council	225%	58%	133%	96%	192%	141%	188%	94%	95%
Pyrenees Shire Council	-9%	11%	135%	87%	177%	80%	101%	98%	94%
Strathbogie Shire Council	98%	120%	139%	99%	172%	126%	43%	108%	101%
Towong Shire Council	151%	61%	168%	93%	203%	135%	-18%	-10%	-15%
West Wimmera Shire Council	112%	42%	154%	99%	182%	118%	96%	79%	108%
Yarriambiack Shire Council	43%	68%	147%	80%	183%	104%	108%	105%	101%
<b>Average</b>	<b>99%</b>	<b>78%</b>	<b>141%</b>	<b>93%</b>	<b>161%</b>	<b>114%</b>	<b>85%</b>	<b>97%</b>	<b>94%</b>

Source: VAGO.

## 2.3 Indebtedness

As a sector, VAGO reports that councils prefer not to borrow funds, instead accumulating cash to replace or expand their asset base. This raises questions of inter-generational equity, as the investment in new assets is effectively being funded by past and current ratepayers.

The Borough of Queenscliffe continues to reduce its debt in accordance with agreed loan repayment schedules. Total debt is \$71,042 at 30 September 2017, as noted in September quarter finance report, with Council's outcome for this indicator being lowest (best) of the small shire councils grouping and third lowest in the State.

Council is forecasting for new borrowings of \$150,000 in the current 2017/18 financial year, for the Queenscliff Sports & Recreation Precinct project, with a further \$300,000 in each of the 2018/19 and 2019/20 financial years (projects yet to be determined). Despite these planned new borrowings, Council will remain well within all prudential limits for debt.



**Small shire councils, indebtedness 2013–2020**

Small shire councils	2012–13	2013–14	2014–15	2015–16	2016–17	Average	Forecast		
							2017–18	2018–19	2019–20
Alpine Shire Council	31.06%	29.92%	26.10%	22.62%	16.90%	25.32%	17.16%	15.96%	15.36%
Ararat Rural City Council	2.27%	1.42%	12.78%	12.51%	12.01%	8.20%	17.08%	16.75%	16.42%
Benalla Rural City Council	50.00%	47.89%	68.37%	62.03%	57.04%	57.06%	52.99%	53.44%	52.21%
<b>Borough of Queenscliffe</b>	<b>0.49%</b>	<b>0.59%</b>	<b>0.80%</b>	<b>2.09%</b>	<b>1.08%</b>	<b>1.01%</b>	<b>2.39%</b>	<b>5.27%</b>	<b>7.46%</b>
Buloke Shire Council	11.20%	6.03%	62.78%	60.45%	57.10%	39.51%	56.54%	6.82%	6.74%
Central Goldfields Shire Council	31.38%	26.91%	19.90%	25.69%	10.75%	22.93%	18.96%	12.53%	7.00%
Gannawarra Shire Council	16.57%	14.89%	13.46%	12.24%	10.77%	13.58%	11.16%	10.48%	9.79%
Hepburn Shire Council	11.25%	12.43%	16.35%	13.66%	24.91%	15.72%	22.06%	19.61%	17.40%
Hindmarsh Shire Council	1.39%	1.52%	1.24%	2.30%	2.84%	1.86%	1.39%	1.36%	1.33%
Indigo Shire Council	20.86%	22.45%	26.66%	38.01%	35.95%	28.79%	32.31%	31.71%	29.48%
Loddon Shire Council	16.37%	20.34%	16.95%	17.73%	12.52%	16.78%	21.50%	23.84%	25.69%
Mansfield Shire Council	9.81%	23.21%	27.57%	24.14%	20.19%	20.99%	18.31%	16.75%	15.19%
Murrindindi Shire Council	25.04%	22.00%	17.60%	30.79%	29.48%	24.98%	28.82%	27.61%	26.46%
Northern Grampians Shire Council	13.88%	26.48%	17.14%	28.80%	23.43%	21.94%	21.94%	20.24%	18.76%
Pyrenees Shire Council	22.66%	19.84%	5.46%	1.59%	1.47%	10.20%	1.55%	1.56%	1.60%
Strathbogie Shire Council	16.02%	16.26%	15.08%	14.01%	9.57%	14.19%	4.35%	5.24%	4.56%
Towong Shire Council	8.41%	4.07%	5.97%	7.43%	6.66%	6.51%	10.57%	12.32%	28.37%
West Wimmera Shire Council	1.73%	5.44%	4.71%	3.86%	2.29%	3.61%	5.25%	5.12%	5.10%
Yarriambiack Shire Council	8.85%	9.58%	6.21%	4.67%	4.41%	6.74%	5.73%	5.74%	5.57%
<b>Average</b>	<b>15.75%</b>	<b>16.38%</b>	<b>19.22%</b>	<b>20.24%</b>	<b>17.86%</b>	<b>17.89%</b>	<b>18.42%</b>	<b>15.39%</b>	<b>15.50%</b>

Source: VAGO.

**3. Asset renewal and maintenance indicators**

**3.1 Capital replacement**

Significant capital grant funding received under the Country Roads & Bridges Program and Local Government Infrastructure Fund in recent years enabled Queenscliffe to substantially increase its renewal and upgrade of existing assets, as well as provide for the creation of some new assets, hence Council has achieved a very positive outcome for this indicator. This is set to continue over the next couple of years, with significant funded capital projects including the Queenscliff Sports & Recreation Precinct and Destination Queenscliff.

This ratio does not however demonstrate the Borough’s annual commitment to capital spending on asset renewal, and the next indicator (renewal gap) is considered to be more relevant in the assessment of the financial sustainability of the Borough of Queenscliffe.

It should also be noted that the calculation for this indicator refers to the total capital cash amount reported in the Cash Flow Statement, and does not take into account accrued capital expenditure for renewal/upgrade of existing assets that has occurred during the year. Council officers consider the total capital expenditure as reported in the Statement of Capital Works to be a more appropriate measure of total capital expenditure commitment.



### Small shire councils, capital replacement 2013–2020

Small shire councils	2012–13	2013–14	2014–15	2015–16	2016–17	Average	Forecast		
							2017–18	2018–19	2019–20
Alpine Shire Council	1.13	1.24	1.43	1.40	1.92	1.42	1.90	2.49	0.95
Ararat Rural City Council	1.10	1.42	1.49	1.07	1.01	1.22	1.40	0.65	0.64
Benalla Rural City Council	1.82	1.77	1.79	0.95	1.10	1.49	1.11	0.76	0.73
<b>Borough of Queenscliffe</b>	<b>2.19</b>	<b>2.43</b>	<b>1.64</b>	<b>1.96</b>	<b>1.22</b>	<b>1.89</b>	<b>3.90</b>	<b>6.86</b>	<b>1.48</b>
Buloke Shire Council	1.59	5.79	1.55	0.89	0.92	2.15	1.41	1.10	1.11
Central Goldfields Shire Council	2.41	1.64	1.22	0.99	1.12	1.48	2.01	1.19	1.27
Gannawarra Shire Council	2.33	1.33	1.94	1.73	1.66	1.80	1.55	1.26	1.59
Hepburn Shire Council	3.09	1.71	1.36	1.53	1.87	1.91	1.91	1.30	1.69
Hindmarsh Shire Council	4.06	2.01	1.24	1.14	1.32	1.95	1.16	0.94	1.00
Indigo Shire Council	1.33	1.61	2.51	1.31	1.05	1.56	1.36	1.67	1.16
Loddon Shire Council	0.97	1.24	0.94	1.18	0.90	1.05	0.99	1.57	0.96
Mansfield Shire Council	1.35	3.03	1.84	1.19	1.54	1.79	1.57	2.48	2.33
Murrindindi Shire Council	0.96	1.18	0.79	1.03	1.11	1.01	0.83	0.67	0.89
Northern Grampians Shire Council	0.95	1.25	1.11	0.87	0.71	0.98	0.77	0.77	0.90
Pyrenees Shire Council	1.72	0.79	0.87	0.99	0.95	1.06	0.97	0.82	0.89
Strathbogie Shire Council	1.41	1.41	1.58	1.43	1.24	1.42	2.77	1.33	1.30
Towong Shire Council	1.56	1.81	1.80	1.63	1.45	1.65	1.87	1.51	1.26
West Wimmera Shire Council	1.00	1.03	0.96	1.02	1.00	1.00	2.05	1.31	0.81
Yarriambiack Shire Council	1.51	1.17	1.12	1.33	0.97	1.22	1.08	0.80	0.79
<b>Average</b>	<b>1.71</b>	<b>1.78</b>	<b>1.43</b>	<b>1.25</b>	<b>1.21</b>	<b>1.48</b>	<b>1.60</b>	<b>1.55</b>	<b>1.14</b>

Source: VAGO.

### 3.2 Renewal gap

Council has an ongoing commitment in its budget planning to maintain its annual asset renewal program, targeting renewal at 100% of depreciation cumulatively over 7-10 years. In addition to an annual budget allocation, averaging \$580,000 p.a., Council actively reviews its asset replacement reserve which is used to meet asset renewal funding requirements.

Significant capital grant funding received in recent years has contributed to Queenscliffe's average result of 1.33 achieved for this indicator, compared with the five year average of 1.21 for the small shire councils grouping.

Note this measure of the asset renewal gap is calculated as the sum of renewal and upgrade expenditure as a percentage of depreciation, whereas the calculation of the renewal gap included in the Local Government Performance Reporting Framework is only renewal expenditure as a percentage of depreciation and it does not take into account any expenditure which Council incurs for the upgrade of existing assets.





**Small shire councils, renewal gap 2013–2020**

Small shire councils	2012–13	2013–14	2014–15	2015–16	2016–17	Average	Forecast		
							2017–18	2018–19	2019–20
Alpine Shire Council	1.10	1.08	0.98	1.21	1.78	1.23	1.81	2.49	0.95
Ararat Rural City Council	1.05	1.07	1.06	0.79	0.78	0.95	1.22	0.65	0.83
Benalla Rural City Council	1.21	1.72	1.10	0.71	0.58	1.08	0.78	0.68	0.58
<b>Borough of Queenscliffe</b>	<b>1.96</b>	<b>0.98</b>	<b>1.23</b>	<b>1.64</b>	<b>0.82</b>	<b>1.33</b>	<b>2.48</b>	<b>4.60</b>	<b>1.07</b>
Buloke Shire Council	1.31	5.97	0.84	0.74	0.89	1.95	1.13	1.09	1.11
Central Goldfields Shire Council	2.04	1.01	0.95	0.83	0.80	1.13	1.71	0.93	1.08
Gannawarra Shire Council	1.87	1.24	1.88	1.27	1.49	1.51	1.29	0.92	1.17
Hepburn Shire Council	2.74	1.08	1.26	1.46	0.93	1.49	1.50	1.21	1.44
Hindmarsh Shire Council	2.64	1.83	0.91	0.96	0.84	1.43	1.08	0.90	0.98
Indigo Shire Council	1.16	1.56	2.34	1.17	0.70	1.39	0.88	n/a	n/a
Loddon Shire Council	0.78	1.12	0.71	0.51	0.77	0.78	0.43	0.87	0.54
Mansfield Shire Council	1.05	2.58	1.54	0.98	1.01	1.43	1.31	1.89	1.85
Murrindindi Shire Council	0.64	0.82	0.89	0.62	0.92	0.74	0.72	0.62	0.57
Northern Grampians Shire Council	1.96	1.23	0.62	0.75	0.53	1.02	1.20	0.77	0.88
Pyrenees Shire Council	1.07	0.58	0.75	0.87	0.79	0.81	0.85	0.73	0.80
Strathbogje Shire Council	0.98	1.25	1.52	1.35	1.05	1.23	2.01	1.23	1.23
Towong Shire Council	2.46	1.46	1.03	1.00	1.18	1.43	1.53	0.88	0.94
West Wimmera Shire Council	0.91	0.98	0.83	0.96	0.95	0.93	1.94	3.84	1.25
Yarriambiack Shire Council	1.23	0.93	1.10	1.29	0.94	1.10	0.23	0.12	0.12
<b>Average</b>	<b>1.48</b>	<b>1.50</b>	<b>1.11</b>	<b>1.00</b>	<b>0.93</b>	<b>1.21</b>	<b>1.26</b>	<b>1.34</b>	<b>0.95</b>

Note: n/a = not able to provide an indicator result.

Source: VAGO.

**Comparison of the Financial Sustainability Risk Assessment for the Borough of Queenscliffe, as compared to all 79 councils in Victoria**

Throughout this report, the results for Queenscliffe have been compared against the other 18 councils within the ‘small shire’ grouping, which is deemed the most relevant point of reference by a number of peak bodies in addition to the Victorian Auditor-General’s Office.

Queenscliffe’s ranking compared with the **small shire grouping** of 19 councils, for each of the seven financial sustainability indicators referred to in the VAGO report, is summarised below.

The first table is the 2016/17 outcome, with the second table the five year average.

2016/17 Year	Net result	Adjusted underlying result	Liquidity	Internal financing	Indebtedness	Capital replacement	Renewal gap
<b>Maximum</b>	34.62%	29.87%	7.90	228%	57.10%	1.92	1.78
<b>Minimum</b>	2.45%	(24.91%)	1.47	54%	1.08%	0.71	0.53
<b>Average</b>	15.54%	7.05%	3.48	161%	17.86%	1.21	0.93
<b>BOQ</b>	<b>2.45%</b>	<b>2.00%</b>	<b>3.06</b>	<b>183%</b>	<b>1.08%</b>	<b>1.22</b>	<b>0.82</b>
	<b>19th</b>	<b>17th</b>	<b>10<sup>th</sup></b>	<b>5th</b>	<b>1st</b>	<b>7th</b>	<b>12th</b>



5 Year Average	Net result	Adjusted underlying result	Liquidity	Internal financing	Indebtedness	Capital replacement	Renewal gap
Maximum	22.28%	21.69%	5.77	157%	57.06%	2.15	1.95
Minimum	(12.01%)	(13.35%)	1.29	80%	1.01%	0.98	0.74
Average	8.18%	1.02%	2.74	114%	17.89%	1.48	1.21
BOQ	<b>8.66%</b>	<b>(0.67%)</b>	<b>2.59</b>	<b>123%</b>	<b>1.01%</b>	<b>1.89</b>	<b>1.33</b>
	<b>11th</b>	<b>12th</b>	<b>10<sup>th</sup></b>	<b>6th</b>	<b>1st</b>	<b>4th</b>	<b>8th</b>

Queenscliffe's ranking compared with **all 79 councils State-wide**, for each of the seven financial sustainability indicators referred to in the VAGO report, is summarised below.

Again, the first table is the 2016/17 outcome, with the second table the five year average.

2016/17 Year	Net result	Adjusted underlying result	Liquidity	Internal financing	Indebtedness	Capital replacement	Renewal gap
Maximum	48.85%	0.30	7.90	476%	73.52%	3.57	1.91
Minimum	(8.14%)	<b>(0.25)</b>	1.24	54%	0.76%	0.68	0.47
Average	18.17%	0.09	2.93	165%	22.16%	1.44	1.01
BOQ	<b>2.45%</b>	<b>2.00%</b>	<b>3.06</b>	<b>183%</b>	<b>1.08%</b>	<b>1.22</b>	<b>0.82</b>
	<b>77th</b>	<b>70th</b>	<b>26<sup>th</sup></b>	<b>24th</b>	<b>3rd</b>	<b>50th</b>	<b>58th</b>

5 Year Average	Net result	Adjusted underlying result	Liquidity	Internal financing	Indebtedness	Capital replacement	Renewal gap
Maximum	39.55%	0.22	5.77	532%	69.04%	2.18	1.95
Minimum	(12.01%)	<b>(0.16)</b>	1.00	80%	1.01%	0.95	0.43
Average	12.23%	0.04	2.33	129%	22.87%	1.52	1.08
BOQ	<b>8.66%</b>	<b>(0.67%)</b>	<b>2.59</b>	<b>123%</b>	<b>1.01%</b>	<b>1.89</b>	<b>1.33</b>
	<b>55th</b>	<b>66th</b>	<b>25<sup>th</sup></b>	<b>37th</b>	<b>1st</b>	<b>9th</b>	<b>16th</b>

### Statutory Requirements

The general purpose financial statements, as used by VAGO in reporting on the results of the local government audits, were adopted by Council on 21 September 2017. They represent Council's financial performance and position for the 2016/17 financial year and comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.



## **Council Plan**

This report aligns with the following Council Plan 2017-2021 strategic objective and strategies:

Strategic Objective 5: Maintain a cohesive, well governed, financially sustainable and independent Borough:

- Provide transparent and accountable governance and meet all legislative requirements;
- Ensure the continuing financial sustainability and independence of the Borough.

## **Financial**

This report illustrates Council's commitment to long term sustainable financial management. Council's overall financial sustainability has been assessed by VAGO for the 2016/17 year, with six of the seven indicators assessed as 'low risk', noting the seventh indicator relates to adjusted underlying result which has been assessed as 'high risk' but which does not take into account the cash-backed projects which Council has carried forward from previous years. All carry forward projects are fully funded from cash reserves on the Balance Sheet.

## **Social**

No social issues.

## **Environmental**

No environmental issues.

## **Risk Management**

This report is part of Council's risk management framework and provides focus on long term financial sustainability. The Victorian Auditor-General continues to note the general decline in forecast revenues of small shire councils in future years. Council has also recognised this long term financial sustainability challenge in a rate capping environment. Its long term planning includes outcomes that are critical to Council's financial sustainability and involves the redevelopment of the tourist parks, enabling Council to direct additional tourist park revenues to improve the management of coastal Crown land, while minimising future rate increases and achieving sustainable underlying operating surpluses in the long term.

## **Community Engagement**

Council has a commitment to community engagement and effective consultation. There are no community engagement requirements associated with this report.

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## Officer Direct or Indirect Interest

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is considered by the Council or the committee.*

There is no conflict of interest or pecuniary interest to be declared in relation to this report.

## Reference(s)

See link below to obtain an electronic copy of the VAGO report referred to in this report:

<https://www.audit.vic.gov.au/sites/default/files/2017-11/20171129-Local-Government-16%E2%80%939317.pdf>

## Conclusion

VAGO's report on the 2016/17 local government audit results highlights a continuing overall achievement by Council of financial sustainability, using the five-year average, with the exception of the Adjusted underlying result indicator which has been assessed by VAGO as medium risk for the 2016/17 year and as high risk for the five year average. It is noteworthy however that this particular indicator does not take into account significant funding Council has received in past years, which is held in cash reserves on the Balance Sheet to fund expenditure on carry forward projects as they are subsequently completed and paid for.

Financial Performance Indicators are useful mechanisms to compare historic results with longer-term plans for the future and to provide trends that would require corrective action. Benchmarking with other councils also provides a valuable mechanism and some perspective on how a council "measures up" by ranking each council against a 'like' council grouping.

This summary of the VAGO report is provided to Council to explain the information and results that have been published in the recent report on the 2016/17 audited results. Comprehensive benchmarking provided to Council, as part of the annual budget setting process, contains a suite of performance indicators – some of which are VAGO indicators.

It is important that indicators of financial sustainability continue to receive focus by Council, particularly with the impact of Fair Go rating on Council's revenue into the future.

### **Councillors Merriman / Ebbels:**

**That Council note the summary provided by Council officers, with respect to this VAGO report on the 2016/17 audits and the results achieved by the Borough of Queenscliffe.**

**Carried unanimously**



*Cr Merriman acknowledged the efforts of the Officers, particularly the Manager, Financial Services.*





## **16.2 Supply of Electricity for Contestable Sites**

<b>File:</b>	<b>QG074-01-02</b>
<b>Report Author:</b>	<b>Special Projects Officer</b>
<b>Strategic Objective:</b>	<b>Maintain a cohesive, well governed, financially sustainable and independent Borough</b>
<b>Portfolio:</b>	<b>Governance &amp; Performance</b>
<b>Portfolio Holder:</b>	<b>Cr Bob Merriman</b>

### **Purpose**

The purpose of this report is to seek Council's acceptance for the offers for electricity supply for contestable Large Buildings & Facilities Sites and Unmetered Public Lighting.

### **Background**

Council currently has four electricity contracts;

- Public lighting (unmetered supply to all residential street lights);
- Large Buildings & Facilities (two sites including Council offices/Town Hall & Queenscliffe Sports Ground);
- Small Tariff Sites (Council's remaining buildings, caravan parks and infrastructure including water pumps); and
- Supply of 100% Green Power for selected small sites.

Council signed new contracts for the Small Tariff Sites and supply of 100% Green Power in June 2017 following a tender process conducted through MAV Procurement, a department of the Municipal Association of Victoria. The three-year Small Tariff Sites contract with Origin Energy will expire on 30 June 2020.

Council's contract for public lighting and Council's large buildings and facilities expires on 31 December 2017. Council's current electricity retailer for these sites is ERM Business Energy.

Council is required, under the Local Government Act to engage in a tender process for services that exceed \$150,000 in total value over the contract period. In August 2017, Council joined 27 Victorian Councils and two non-Council entities in a tender process for the collaborative procurement of electricity supply contracts for Large Buildings & Facilities Sites and Unmetered Public Lighting through MAV Procurement.

This report only considers the Large Buildings & Facilities Sites and Unmetered Public Lighting contract. If accepted, the contract would commence 1 January 2018 for three years until 31 December 2020.

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## Key Issues

Obtaining best value through collaborative procurement

## Discussion

The MAV Procurement tender process was facilitated by Trans Tasman Energy Group (TTEG). The dedicated energy sector consultants have conducted multi-site energy tenders for councils in NSW, South Australia and in Victoria since 2001. TTEG has facilitated the last two MAV Procurement tender processes.

When evaluating tender submissions, TTEG considered the best value for the 27 Councils and two non-council entities participating in the tender based on the aggregated usage. After receiving TTEG's tender recommendation report, Council officers compared the tender rates to ensure the proposed contract best met the individual requirements for the Borough of Queenscliffe.

Electricity retailer ERM Power provided the most favourable tender overall for a period of 36 months for both the unmetered lighting and Large Buildings and facilities supply. ERM Power is the Council's existing electricity retailer for large buildings and facilities and unmetered public lighting. ERM offers competitive rates as well as consolidated billing and online access to billing data which provides administration efficiencies.

Please refer to the attached confidential document **Confidential Appendix 5 – Supply of Electricity and GreenPower to Large Buildings & Facilities and Unmetered Street Lighting Sites** for the recommendation report.

Please note, Council does not purchase GreenPower for any of its Large Buildings & Facilities sites so the information in Attachment D (Page 22) should not be considered at this stage.

Council will be entering into a direct metering agreement in accordance with the recommendation outlined in section 7, page 14 of **Confidential Appendix 5 – Supply of Electricity and GreenPower to Large Buildings & Facilities and Unmetered Street Lighting Sites**

## Council Plan

This report relates to the following 2017-2021 Council Plan and initiatives;  
Strategic Objective 5: Governance & Performance

- Provide transparent and accountable governance and meet all legislative requirements.
  - Ensuring the continuing financial sustainability and independence of the Borough
-



## Financial

By participating in a collaborative procurement process, the Borough of Queenscliff has successfully obtained best value for the supply of electricity to Council's Large Buildings & Facilities and Unmetered Street Lighting.

It is important to note that whilst the tendered rates represent the best pricing available in the current market, they are considerably higher than existing rates due to significant market volatility since the last round of tendering. Compared to the most common energy rates and environmental charges paid by Participants, the following impacts were provided by the evaluation consultant as a guideline only (which may vary considerably across sites due to variability of consumption and annual adjustments to ERM Power's environmental scheme % liability).

- a. **Large Buildings and Facilities** - depending on existing network tariffs, Participants can reasonably expect a total bill increase of approximately 45%.
- b. **Unmetered Public Lighting** - depending on the network region, Participants can reasonably expect a total bill increase of approximately 48%.

At the end of the current contract, default costs applicable would be significantly higher than the tendered rates. It should also be noted that by participating in a tender with 26 other Councils provides the Borough of Queenscliffe the benefit of increased competition due to the aggregated power demand.

It should be noted that Network and Regulated Market Charges are not included in the proposed agreements. These charges are set and administered by the power distributor, Powercor and passed on to Council via the retailer.

Given the complex nature of charges that include consumption, non contested network and market charges, it is difficult to assess at this time proposed costs on the budget. Council officers will monitor the budget and report any changes as part of the standard quarterly financial reporting process.

## Social

There are no social implications with this report.

## Environmental

Tenders have been sought based on the Borough of Queenscliffe's current arrangements. The contract prices are based on 'black energy rates'. If in the future Council agrees to purchase green power for its Large Buildings & Facilities Sites, the rate schedule in Attachment D of the **Confidential Appendix 5 – Supply of Electricity and GreenPower to Large Buildings & Facilities and Unmetered Street Lighting Sites** would still apply. This offer would enable Council to purchase green power retrospectively if desired.

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## **Risk Management**

Council collaborated with MAV Procurement to increase its market position to ensure the best value outcome was achieved. Adopting this approach has minimised Council's risk of not obtaining best value through an independent tender process due to a weak market position.

## **Community Engagement**

Council has a commitment to community engagement and effective consultation.

There are no community engagement requirements associated with this report.

## **Officer Direct or Indirect Interest**

*Under Section 80C (1) (2) of the Local Government Act 1989, Council staff and persons engaged under a contract to provide advice or a report to a meeting of the Council or a special committee, and who have a direct or indirect interest in a matter to which the advice or report relates, must disclose the type of interest when providing the advice or report and before the advice or report is considered by the Council or the committee.*

Officers involved in developing the report have no direct or indirect interests.

## **Conclusion**

MAV Procurement, through energy sector consultants, Trans Tasman Energy group has provided a robust tender and evaluation process for the supply of electricity for contestable Large Buildings & Facilities Sites and Unmetered Public Lighting on behalf of 27 Victorian Councils and two non-Council entities. The collaborative procurement process has provided Council with an offer for favourable electricity supply rates through to 31 December 2020 for Council's Large Buildings & Facilities sites and Unmetered Public Lighting.

With consideration to the short timeline, to finalise this matter and enable acceptance of contracts when they are prepared, it is recommended that Council give delegated authority to the Chief Executive officer to sign the contracts, rather than require a Council seal.

### **Councillors Merriman / Ebbels:**

#### **That Council;**

- 1. Accept the offer by ERM Power as the electricity retailer for;**
  - a. Supply of electricity for Large Buildings & Facilities Sites from 1 January 2018 to 31 December 2020;**
  - b. Supply of electricity for Unmetered Public Lighting from 1 January 2018 to 31 December 2020.**



- 2. Delegate authority to the Chief Executive Officer to sign the contracts for electricity supply and financial responsibility to implement this resolution, as outlined in this report, on behalf of Council.**

**Carried unanimously**

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## **17. AUTHORISATION OF SIGNING & SEALING OF DOCUMENTS**

### **17.1 Use of Council Seal: Contract 2017/10 – Queenscliff Recreation Reserve Sport Precinct Civil Construction**

At the Special Meeting of Council held on 12 October 2017 Council resolved to sign and seal the Contract 2017/10 – Queenscliff Recreation Reserve Sport Precinct Civil Construction.

Council applied the Common Seal to the above Agreement on 6 December 2017.

**Councillors Francis / Merriman:**

**That Council note the use of the Council Seal.**

**Carried unanimously**

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## 18. QUESTIONS WITHOUT NOTICE

### 18.1 Questions Without Notice Status Update

No Questions Without Notice outstanding.

### 18.2 Questions Without Notice

#### **Cr Ebbels Question:**

Could the General Manager, Organisational Performance and Community Services advise what the income to the BOQ was last year for Weddings held in The Borough?

#### **Mr Carruthers General Manager responded:**

Thank you Cr Ebbels. There were 15 weddings conducted, each with a permit cost of \$112, totalling \$1,680. Most popular locations were Shortlands Bluff and the Point Lonsdale beach near the lighthouse. Two of them held receptions in the Town Hall afterwards with a total return of \$785.

#### **Recommendation: Ebbels/Francis**

#### **That Council**

- 1. For the calendar year 2018 council waives site and photography fees for all weddings within the Borough of Queenscliffe.**
- 2. Ask officers to prepare a report to council for the February Council meeting on how best to promote Queenscliff as a wedding destination.**

**Carried unanimously**

#### **Cr Merriman Question:**

While I read with interest the article on the Queenscliff Sport and Recreation Reserve in the December 2017 edition of the Queenscliffe Herald, the comments attributed to the PLCA that question the probity of Council's procurement were in my view, concerning and totally inaccurate.

Can I ask the CEO to detail the procurement process associated with the Queenscliff Sport and Recreation Reserve civil works contract.

#### **Lenny Jenner, CEO, responded:**

I can provide Council with the following information and assurances of the high standard of probity in the awarding of the contract for civil works at the Queenscliff Sport and Recreation Precinct.

Pursuant to the Local Government Act 1989 and Council's Procurement Policy, works valued at \$200,000 or more must be advertised for public tender. The tender for civil works at the Sport and Recreation Precinct was advertised in The Geelong Advertiser and The Age on Wednesday 9



August 2017 and on the TenderLink e-procurement website from Saturday 5 August 2017 until the close of tender on Thursday 31 August 2017. The tender advertising generated requests for the tender documents from 36 interested parties, and pre-tender site visits and communication with four interested parties.

In accordance with Council's procurement policy and relevant procedures, sealed tender boxes (both electronic and physical, at Council's offices at 50 Learmonth Street) were provided for receipt of tenders. Two tenders were received by the close of the tender period. These were evaluated by a panel of three Council officers with relevant skills and abilities relating to contract evaluation and the scope and size of the civil works, who ensured that both tenders were evaluated with careful attention to the criteria and priorities detailed in the tender documentation.

Following the evaluation process, the response to tender from John Monahan Pty Ltd was assessed as offering the best value for Council because it was strong across all evaluation criteria, financially competitive, and demonstrated an excellent understanding of the contract requirements.

The appointment of John Monahan Pty Ltd, a local contractor with longstanding connections to the Borough of Queenscliffe community, meets the specifications of Council's updated procurement policy, which includes commitments to give local providers an equal opportunity to quote and tender and, where a local provider can match or better other providers on price, quality and availability, to give preference to the local provider.

Council has provided updates about the upgrade of the Queenscliff Sport and Recreation Precinct in the November 2017 edition of the Borough Bites newsletter, on the News page of the Borough of Queenscliffe website, [www.queenscliffe.vic.gov.au](http://www.queenscliffe.vic.gov.au), and in the Mayor's Columns that are regularly published in local newspapers. Further information about the awarding of the contract for civil works at the Sport and Recreation Precinct to John Monahan Pty Ltd is available in the Minutes of the Special Meeting of Council held on 12 October 2017, which are published on the Council Meetings page of Council's website.

**Cr Merriman Question:**

Am I correct in understanding that Know Your Council website shows the outstanding performance by our Council our CEO and Officers compared to other Councils in the State?

**CEO Response:**

Cr Merriman, in response to your question, I can advise that the State Government has recently informed the Borough of Queenscliffe that the Local Government Victoria sponsored 'Know Your Council' website that can be accessed via the web at <https://knowyourcouncil.vic.gov.au/>. This provides comprehensive information on the performance of every local Council in Victoria. Members of the public can access information related to the performance of the Borough of Queenscliffe and it does make for positive reading, particularly if one reviews the performance of Queenscliffe against other Councils. I would certainly invite Councillors and residents to view the website.

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## **19. LIST OF COUNCIL MEETINGS**

All Council Meetings are held at the Council Offices, 50 Learmonth Street, Queenscliff unless otherwise indicated.

### **PLANNING REVIEW MEETING**

Thursday 11 January 2018 at 7:00pm (if required)

### **COUNCIL MEETING**

Wednesday 24 January 2018 at 7:00pm

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## 20. CONFIDENTIAL ITEMS

**Time: 8:52pm**

**Councillors Francis / Merriman:**

**That Council suspend standing orders and commence in-camera meeting, at which time the meeting will be closed to members of the public, to resolve on matters pertaining to the following items:**

- 20.1 Confirmation of 23 November 2017 Confidential Minutes  
(in accordance with Section 89(2)(i) of the Local Government Act 1989)**
- 20.2 2018 Australia Day Awards  
(in accordance with Section 89(2)(i) of the Local Government Act 1989)**

**Carried unanimously**

**Time: 9:09pm**

**Councillors Francis / Merriman:**

**That Council cease 'in camera' meeting and resume standing orders.**

**Carried unanimously**

## 21. RATIFICATION OF CONFIDENTIAL ITEMS

**Councillors Francis / Pizzey:**

**That the decisions made in camera be ratified by Council.**

**Carried unanimously**

## 22. CLOSE OF MEETING

The Meeting closed at 9:10pm.



## ADJUNCT TO 7 - RECORD OF ASSEMBLY OF COUNCILLORS

Record in accordance with section 80A(1) of the Local Government Act 1989.

### 7.1 Councillor Assembly – Monday 20 November 2017

**Assembly Commenced:** 4.06pm                      **Assembly Closed:** 5:24pm

**Assembly Location:** Queenscliff Town Hall

#### **Attendees:**

Cr Ross Ebbels

Cr Tony Francis

Cr Bob Merriman

Cr Boyce Pizzey

Cr Susan Salter

Mr Phil Josipovic, General Manager Planning & Infrastructure

Mr Phillip Carruthers, General Manager Organisational Performance & Community Services

Ms Shannon Di Lisio, Tourism & Community Development Program Leader

Mr Garry Purton, Foreshore & Caravan Parks Coordinator

Mr Dennis Hatley, Destination Queenscliff Project Manager

#### **Apologies:**

Mr Lenny Jenner, CEO

Ms Jessica Chappell, Executive Officer Community Engagement & Customer Services

#### **Conflict of Interest Disclosures:**

Councillors: Nil

Officers: Nil

#### **Agenda Items:**

1. CONFIDENTIAL Presentation





## **7.2 Councillor Assembly – Avenue of Honour Reference Group Meeting – Tuesday 21 November 2017**

**Assembly Commenced: 2:03pm                      Assembly Closed: 4:14pm**

**Assembly Location:                      Queenscliff Town Hall**

### **Attendees:**

Cr Boyce Pizzey  
Cr Susan Salter  
Mr Phil Josipovic, General Manager Planning & Infrastructure  
Ms Jessica Chappell, Executive Officer Community Engagement & Customer Service  
Mr Peter Russell  
Col. Rowan Martin  
Mrs Barbara Clydesdale  
Mrs Joan Kenwood  
Ms Sarah Meehan  
Mr David Connoley, President Queenscliff Community Association  
Ms Fay Agterhuis, Principal Point Lonsdale Primary School  
Mr Graham Christie, Vice President/Secretary Queenscliff Point Lonsdale RSL Sub-branch  
Ms Michelle Jepson, Representative Queenscliffe Historical Museum Inc.  
Ms Megan Brittingham, Homewood Consulting  
Mr Ben Kenyon, Homewood Consulting

### **Apologies:**

Ms Fiona Dawson, Deputy Principal St Aloysius Primary School

### **Conflict of Interest Disclosures:**

Councillors: Nil

Officers: Nil

### **Agenda Items:**

1. Welcome
2. Overview of Avenue by Homewood Consulting
3. Community Engagement Methodology
4. General Business
5. Next Meeting



### **7.3 Councillor Assembly – Thursday 23 November 2017**

**Assembly Commenced: 5.00pm                      Assembly Closed: 6:07pm**

**Assembly Location:                      Queenscliff Town Hall**

**Attendees:**

Cr Ross Ebbels

Cr Tony Francis

Cr Bob Merriman

Cr Boyce Pizzey

Cr Susan Salter

Mr Lenny Jenner, CEO (out of the chamber between 5:40pm and 5:48pm)

Mr Phil Josipovic, General Manager Planning & Infrastructure

Mr Phillip Carruthers, General Manager Organisational Performance & Community Services

**Apologies:**

Ms Jessica Chappell, Executive Officer Community Engagement & Customer Services

**Conflict of Interest Disclosures:**

Councillors:                      Cr Bob Merriman declared a conflict of interest in relation to an agenda item contained in Item 1 – Council Meeting Agenda, and left the chamber between 5:19pm and 5:22pm while the item was discussed

Officers:                              Nil

**Agenda Items:**

1. Council Meeting Agenda
2. Ordinary Meeting of Council – February 2018
3. CONFIDENTIAL item
4. PLCA request for meeting with Councillors, CEO & Officers
5. Proposed Gnome Village – Point Lonsdale
6. Deakin University Placed-based Research



#### **7.4 Councillor Assembly – Thursday 30 November 2017**

**Assembly Commenced: 10.50am                      Assembly Closed: 4:55pm**

**Assembly Location:                      Queenscliff Town Hall**

**Attendees:**

Cr Ross Ebbels

Cr Tony Francis

Cr Bob Merriman

Cr Boyce Pizzey

Cr Susan Salter

Mr Lenny Jenner, CEO

Mr Phil Josipovic, General Manager Planning & Infrastructure

Mr Phillip Carruthers, General Manager Organisational Performance & Community Services  
(12:35pm – 4:55pm)

Ms Allison Chaloner, Manager Financial Services (12:35pm – 4:55pm)

Ms Kate Hughes, Executive Assistant to the CEO & Mayor (12:55pm – 4:55pm)

Ms Danielle Farrell, Executive Assistant to the General Managers (12:55pm – 4:55pm)

Mr Andrew Hermes, Financial & Systems Accountant (12:35pm – 4:55pm)

Mr John Keaney, Keaney Planning Consultants (10:50am – 12nn)

Mr Michael Kirsch, Keaney Planning Consultants (10:50am – 12nn)

Mr Leigh Dennis, Our Coast Project Manager (10:50am – 12nn)

Mr Terry Bramham, Macquarie Local Government Lawyers (12:55pm – 4:55pm)

**Apologies:**

Ms Jessica Chappell, Executive Officer Community Engagement & Customer Services

**Conflict of Interest Disclosures:**

Councillors:                      Nil

Officers:                              Nil

**Agenda Items:**

1. Workshop to introduce BoQ Council to the findings of the Report and examine options for incorporating the 'Our Coast' sea level rise report information in the Queenscliffe Planning Scheme.
2. Budget Timetable, 10 Year Long Term Financial Plan, New Initiatives
3. Workshop to examine the findings and recommendations in the reports prepared by the



### Agenda Items:

Local Government Inspectorate into Central Goldfields Shire, Ararat Rural City Council and Frankston City Council. This will be two presentations – the first from Terry Bramham and the second from BoQ Council officers providing information on existing and proposed protocols, systems and processes that respond to the findings and recommendations.





## 7.5 Councillor Assembly – Monday 4 December 2017

**Assembly Commenced:** 12:34pm                      **Assembly Closed:** 3:25pm

**Assembly Location:** Queenscliff Town Hall

### **Attendees:**

Cr Ross Ebbels

Cr Tony Francis

Cr Bob Merriman

Cr Boyce Pizzey

Cr Susan Salter

Mr Lenny Jenner, CEO

Mr Phil Josipovic, General Manager Planning & Infrastructure

Mr Phillip Carruthers, General Manager Organisational Performance & Community Services

Ms Shannon Di Lisio, Tourism & Community Development Program Leader (12:34pm – 1:30pm)

Ms Dinah O'Brien, Senior Planner (1:55pm – 2:37pm)

### **Apologies:**

Ms Jessica Chappell, Executive Officer Community Engagement & Customer Services

### **Conflict of Interest Disclosures:**

Councillors: Nil

Officers: Nil

### **Agenda Items:**

1. Applications for Sponsorship
  2. TEDAC Membership
  3. Planning Briefing
  4. 2018/19 Budget Preparation
  5. Council Priorities
  6. Economic Development Strategy
  7. Staff Christmas Celebration
-



## **7.6 Councillor Assembly – Avenue of Honour Reference Group Meeting – Tuesday 5 December 2017**

**Assembly Commenced: 3.08pm                      Assembly Closed: 5:00pm**

**Assembly Location:                      Queenscliff Town Hall**

### **Attendees:**

Cr Boyce Pizzey

Cr Susan Salter

Ms Jessica Chappell, Executive Officer Community Engagement & Customer Service

Mr Peter Russell

Mrs Barbara Clydesdale

Mrs Joan Kenwood

Mr David Connoley, President Queenscliff Community Association

Ms Fay Agterhuis, Principal Point Lonsdale Primary School

Mr Graham Christie, Vice President/Secretary Queenscliff Point Lonsdale RSL Sub-branch

Ms Megan Brittingham, Homewood Consulting

### **Apologies:**

Mr Phil Josipovic, General Manager Planning & Infrastructure

Col. Rowan Martin

Ms Fiona Dawson, Deputy Principal St Aloysius Primary School

Ms Sarah Meehan

Ms Michelle Jepson, Representative Queenscliffe Historical Museum Inc.

### **Conflict of Interest Disclosures:**

Councillors: Nil

Officers: Nil

### **Agenda Items:**

1. Welcome
2. Survey Results  
Discussion on Avenue of Honour Survey Results conducted in recent times
3. Project Vision Workshop  
Prompts:
  - What are the project objectives?



### Agenda Items:

- What is the extent of the Avenue?
- Is it a single Avenue or a series of Avenues?
- Are there missing Avenues (e.g. Vietnam commemoration)?
- When and how do we engage with the broader community?
- Define group's tree characteristics for replacement tree?

4. General Business

5. Next Meeting

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**ADJUNCT TO 5.1 – PUBLIC QUESTIONS STATUS UPDATE (COMMENCING 23 MARCH 2016)**

No Public Questions outstanding.

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**ADJUNCT TO 8.1 – MOTION ON NOTICE STATUS UPDATE**

Date	Motion Number	Action	Status
24 August 2016	2016/571: Street Tree Planting	That Council requests the CEO to: <ol style="list-style-type: none"><li>1. Prepare a policy and related plan to ensure the continuation of the annual street tree planting program</li><li>2. Draw the intent of this Notice of Motion to the next Council when preparing the Council Plan for the period 2017 to 2021 and the budget for 2017/18.</li></ol>	Yet to commence



**ADJUNCT TO 18.1 – QUESTIONS WITHOUT NOTICE STATUS UPDATE**

No Questions Without Notice outstanding.

