

# Performance Statement

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# Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Gihan Kohobange CPA, CA

**Principal Accounting Officer**

Date: 25 September 2024

Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe for the year ended 30 June 2024 fairly presents the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statements in its final form.

Councillor Ross Ebbels

**Mayor**

Date: 25 September 2024

Queenscliff

Councillor Donnie Grigau

**Councillor**

Date: 25 September 2024

Queenscliff

Martin Gill

**Chief Executive Officer**

Date: 25 September 2024

Queenscliff

# Victorian Auditor – General’s Office Audit Report

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# Description of Municipality

The Borough of Queenscliffe is located south of Melbourne on the south-eastern tip of the Bellarine Peninsula. The Borough has a land area of 10.7 square kilometres, all of which is essentially coastal land.

The Borough was proclaimed a municipality in 1863 and is unique in Victoria in that it is the only local government untouched by any boundary change. It remained unchanged through the amalgamation process in the first half of the 1990s.

## Population

On the night of the 2021 Census, the Borough's permanent resident population was 3,276 (2016: 2,853), with 1,760 people residing in Point Lonsdale (2016: 1,538) and 1,516 in Queenscliff (2016: 1,315) as well as a significant non-residential population. The Borough's population increases to around 17,000 people over the summer period. It is anticipated that the Borough's permanent population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non-permanent ownership of property.

## Ageing population

On the night of the 2021 Census, the population aged 65 years and older was 45.1% (2016: 40.4%), compared with the Victorian average of 16.8% (2016: 15.6%). Our population is significantly older than the rest of the state, with just 9.4% of the Borough's population aged between 0 and 15 years (2016: 11.5%), compared to 18.0% for Victoria (2016: 18.3%).

The Borough's median age is 62 (2016: 60), which is the oldest median age by local government area in Victoria. For this reason, there is significant emphasis on the need to provide aged services, although it is also acknowledged that age is not the sole determinant of the need for particular health services.

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

## Births

New births in the Borough remain relatively low, with 16 babies being born in 2023–24 (2022–23: 10 births).

## Housing

On the night of the 2021 Census, there were 2,898 dwellings (2016: 2,802) in the Borough of Queenscliffe, with an average household size of 2.0 persons (2016: 2.0).

Property values in the Borough are generally high, with the median house prices for both Queenscliff and Point Lonsdale now in excess of \$1.5 million.

## Government grants

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

# Service Performance Indicators

For the Year Ended 30 June 2024

	2021	2022	2023	2024		Comment
<b>Service / Indicator / Measure</b> [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.00	0.00	0.00	N/A	0.00	Borough of Queenscliffe does not provide this service.
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	0%	0%	0%	0%	0%	No reported offences warrant prosecution. Council applies a graduated model of animal management enforcement based around education, warnings and infringements appropriate to the circumstances.
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	100.00%	100.00%	100.00%	Council received 27 critical non-compliance notifications in 2023-24. Council has achieved a 100.00% compliance rate over the four years.

	2021	2022	2023	2024		Comment
<b>Service / Indicator / Measure</b> [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100						
<b>Governance</b> <b>Consultation and engagement</b> <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement ]	60	65	63	65	51	Some parts of the community have expressed dissatisfaction, initially with the matters on which Council was consulting, such as the draft proposal to trial a 30km/h speed limit on local streets. This dissatisfaction has contributed to the outcome, particularly when feedback during the consultation did not result in changes to Council's policy position or proposed initiatives. As a result, some have claimed that the consultation process was meaningless leading to a satisfaction rating that fell below both the target and last year's result.
<b>Libraries</b> <b>Participation</b> <i>Library membership</i> [Number of registered library members / Population] x100	#N/A	#N/A	#N/A	35.00%	52.59%	Approximately 53% of the municipal population holds a library membership.
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <i>Participation in the MCH service</i>	68.71%	73.24%	45.37%	100.00%	65.81%	Only 39 children attended the MCH service at least once, of the 59 infants enrolled in 2023–24.

	2021	2022	2023	2024		Comment
<b>Service / Indicator / Measure</b> [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100						
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	100.00%	0.00%	0.00%	N/A	100.00%	One Aboriginal child was enrolled in the MCH service and attended at least once during the year.
<b>Roads</b> <b>Condition</b> <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	100.00%	100.00%	100.00%	100.00%	All local roads are above the renewal intervention level set by Council.
<b>Statutory Planning</b> <b>Service standard</b> <i>Planning applications decided within required time frames</i>	75.70%	74.66%	69.23%	75.00%	76.36%	84 planning applications decided within required time frames out of 110 planning application decisions in 2023-24.

	2021	2022	2023	2024		Comment
Service / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100						
<b>Waste Management</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i>  [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	55.50%	55.57%	68.03%	60.00%	67.08%	The ongoing improvement in waste diversion from landfill is a result of the rollout of Food Organic and Garden Organic (FOGO) waste bins.

# Financial Performance Indicators

For the Year Ended 30 June 2024

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
<b>Efficiency</b>  <b>Expenditure level</b> <i>Expenses per property assessment</i>  [Total expenses / Number of property assessments]	\$4,168.44	\$3,824.21	\$4,165.10	\$3,800.00	\$4,566.99	\$4,194.74	\$4,276.86	\$4,355.96	\$4,404.94	Total expenses for 2023-24 include \$1,085,000 in costs related to non-recurring projects, most of which were funded through grants. This represents a significant increase compared to the \$238,000 incurred in the 2022-23 financial year. Additionally, \$552,000 in capital expenditure, incurred over multiple financial years, was classified as operating expenses in 2023-24 due to not meeting capitalisation criteria. This too is included in the total expenses, compared to \$772,000 in

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
										<p>similar expenditure for 2022-23.</p> <p>Excluding these non-recurring items, the result for 2023-24 is \$4,039, compared to \$3,827 for 2022-23 on the same basis. The approximately 5.2% increase in expenses per property assessment on a recurring basis reflects the inflationary pressures faced by the Council during 2023-24, resulting in expenses per property assessment exceeding both the target and last year's result on a recurring basis.</p> <p>Furthermore, the majority of Queenscliffe's expenditure is non-discretionary and essential for managing the services expected of a local council. Due to the very small ratepayer base, this results in a higher expenditure per property assessment compared to other local councils.</p>
<b>Revenue level</b> <i>Average rate per property assessment</i>	\$2,154.12	\$2,186.49	\$2,229.14	N/A	\$2,324.04	\$2,393.27	\$2,465.38	\$2,530.77	\$2,597.76	Rate revenue represents a high proportion of Queenscliffe's revenue

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
[Sum of all general rates and municipal charges / Number of property assessments]										and spread across a very small ratepayer base.
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	294.05%	310.17%	458.01%	150.00%	385.16%	580.16%	516.17%	505.30%	492.90%	At the end of the 2023-24 financial year, there was a reduction in current assets because the Council invested in a term deposit with a maturity of more than 12 months to secure a favourable interest rate in the current environment.
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	38.73%	43.90%	69.14%	N/A	-1.27%	341.51%	326.49%	320.66%	317.98%	The Council holds \$9.8 million in term deposits with original maturities exceeding 90 days, classified as restricted cash for LGPRF reporting in 2023–24. This decision was made to secure favourable interest rates in the current economic climate. The Council anticipates converting some of these term deposits into operational cash to fund key projects, while still maintaining a high operational cash balance over the next three years.
<b>Obligations</b>										

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
<b>Loans and borrowings</b> <i>Loans and borrowings compared to rates</i>  [Interest bearing loans and borrowings / Rate revenue] x100	0.00%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	Council has a debt-free balance sheet.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	0.38%	0.00%	0.00%	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	Council has a debt-free balance sheet.
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	1.06%	1.09%	0.89%	N/A	1.22%	0.86%	0.88%	0.88%	0.88%	The increase observed in 2023-24 within non-current liabilities is due to the increase in the provision for employee leave (non-current portion) at year end.
<b>Asset renewal and upgrade</b>										All major capital works projects scheduled to commence in the 2023-24 financial year have been delayed, primarily due to changes in the initial

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
<b>Asset renewal and upgrade compared to depreciation</b> [Asset renewal and asset upgrade expense / Asset depreciation] x100	194.21%	540.62%	194.79%	125.00%	66.82%	66.70%	104.35%	129.97%	132.84%	project scope and delays in securing the necessary approvals. As a result, asset renewal and upgrade expenses compared to depreciation have fallen below the target. These projects are now expected to begin in the 2024-25 financial year or later.
<b>Operating position Adjusted underlying result</b> <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-13.71%	5.58%	-4.90%	N/A	-6.15%	-0.32%	-0.76%	0.10%	0.74%	<p>Advance payments of the Financial Assistance Grant have a significant impact on the adjusted underlying result. If the grants were allocated to the financial year it pertains to, the adjusted underlying results for 2020-21, 2021-22, 2022-23, and 2023-24 would have been -9.2%, 2.0%, -4.3%, and -2.4%, respectively.</p> <p>By aligning operating grants with the financial year to which they relate and considering only recurring income and recurring operating expenses, including depreciation, the adjusted underlying result for the 2023-24 financial year would have been 2.1% (compared to 3.1% for the 2022-23 financial year on the same basis).</p>
<b>Stability Rates concentration</b>										

	2021	2022	2023	2024		2025	2026	2027	2028	Material Variations and Comments
Dimension / Indicator / Measure [Formula]	Actual	Actual	Actual	Target as per budget	Actual	Forecasts	Forecasts	Forecasts	Forecasts	
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	67.46%	63.30%	65.92%	65.00%	63.38%	68.79%	69.12%	69.30%	69.12%	In recent years, the Council has been collecting an average of 65% of its underlying revenue from rates revenue.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.25%	0.24%	0.18%	N/A	0.18%	0.18%	0.19%	0.19%	0.20%	The lower proportion of rate revenue compared to property values suggests a reduced rate burden on the community. However, compared to other municipalities, the low number of comparatively highly valued properties in the Borough has a positive impact on this measure.

# Service Performance Indicators

For the Year Ended 30 June 2024

	2021	2022	2023	2024	Comment
<i>Indicator / Measure</i> [Formula]	Actual	Actual	Actual	Actual	
<p><b>Population</b></p> <p><i>Expenses per head of municipal population</i> [Total expenses / Municipal population]</p>	\$4,282.07	\$3,885.57	\$4,009.31	\$4,400.56	<p>Total expenses for 2023-24 include \$1,085,000 in costs related to non-recurring projects, most of which were funded through grants. This represents a significant increase compared to the \$238,000 incurred in the 2022-23 financial year. Additionally, \$552,000 in capital expenditure, incurred over multiple financial years, was classified as operating expenses in 2023-24 due to not meeting capitalisation criteria. This too is included in the total expenses, compared to \$772,000 in similar expenditure for 2022-23.</p> <p>Excluding these non-recurring items, the result for 2023-24 is \$3,892, compared to \$3,682 for 2022-23 on the same basis. The approximately 5.3% increase in expenses per property assessment on a recurring basis reflects the inflationary pressures faced by the Council during 2023-24.</p>
<p><i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]</p>	\$12,601.26	\$15,360.70	\$14,144.10	\$13,958.93	<p>This is primarily due to the delay in key capital works projects planned for the 2023-24 financial year, resulting in a higher depreciation amount compared to the investment in infrastructure assets.</p>

	2021	2022	2023	2024	Comment
<b>Indicator / Measure</b> [Formula]	Actual	Actual	Actual	Actual	
<i>Population density per length of road</i>  [Municipal population / Kilometres of local roads]	69.95	71.02	77.02	76.26	42 km of local roads for a population of 3,238. Queenscliffe has a comparatively low population (the smallest in the state) and a comparatively low length of road.
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$3,250.18	\$3,415.74	\$3,398.34	\$3,600.06	The Borough's own source revenue includes municipal rates, and a comparatively high level of user fees and charges income, particularly with respect to fees from tourist parks.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$278.62	\$505.87	\$353.97	\$233.94	The timing of the Financial Assistance Grant has impacted this result. After adjusting for timing differences, recurrent grants per head of the municipal population amount to \$360.
<b>Disadvantage</b> <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	10.00	10.00	10.00	10.00	The Council's result improved, increasing from a score of 9 in the 2011 Census to 10 in both the 2016 and 2021 Censuses.
<b>Workforce turnover</b> <i>Percentage of staff turnover</i>	14.8%	16.4%	15.1%	20.5%	There were 12 staff resignations and terminations in 2023–24, compared to an average of 8–10 per year in previous

	2021	2022	2023	2024	Comment
<i>Indicator / Measure</i> [Formula]	Actual	Actual	Actual	Actual	
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100					years, with an average permanent staff count of 60. These resignations included three staff members who had each worked with the Council for over ten years, two of whom retired. it also included two staff who left within three months of employment, one due to illness that other for a job that provided higher remuneration.

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# Notes to the accounts

## Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed, service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district, an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020.

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

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the Local Government (Planning and Reporting) Regulations 2020. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 by the council's financial plan.

The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

## Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> <li>• non-recurrent grants used to fund capital expenditure; and</li> <li>• non-monetary asset contributions; and</li> <li>• contributions to fund capital expenditure from sources other than those referred to above</li> </ul>
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the <i>Food Act 1984</i>
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

<b>Key term</b>	<b>Definition</b>
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

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