# Bayside City Council Annual Report 2016-2017



## Acknowledgement of traditional owners

Bayside City Council acknowledges that the original inhabitants of this land that we call Bayside were the Boon Wurrung people of the Kulin nation.

They loved this land, they cared for it and considered themselves to be part of it.

We acknowledge that we have a responsibility to nurture the land, and sustain it for future generations.

#### Flag raising ceremony

In commemoration of Indigenous rights and reconciliation throughout Australia's history, and to raise awareness of the work that still needs to be done, each year Bayside City Council hosts a Flag raising ceremony as part of National Reconciliation Week. This year's ceremony was held on Saturday 27 May 2017 at the Corporate Centre in Sandringham.

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# Introduction

# How to read this Annual Report

The coloured finders located on the right-hand side of the page enable easy navigation around the four main sections of the Annual Report:

## Introduction and highlights

Introduction

A Better Place Approach Key result areas

- Liveability
- Service
- Efficiency
- People

## Part 1

Overview of Bayside – Our community Overview of Bayside – Our Council Overview of Bayside – Our organisation

# Part 2

Performance against Council Plan 2013-2017

- Goal 1 An engaged community and Council
- Goal 2 A strong supportive community
- Goal 3 A liveable city
- Goal 4 A sustainable natural environment
- Goal 5 A creative and active community
- Goal 6 A thriving local economy
- Goal 7 Financial responsibility and good governance

## Part 3

Statutory reporting and corporate information

## Part 4

Performance Statement and Annual Financial Report

# **Purpose of this Annual Report**

Bayside City Council ('Council') is committed to open and accountable governance, and this report of operations for 2016/2017<sup>1</sup> is just one of the ways we share information with the community about how we have made Bayside a better place.

# Creating a better place

Home to over 100,000 residents, the Bayside municipality stretches along the coast of Melbourne's picturesque Port Phillip Bay ('the Bay'). It is a community of unique and appealing villages, sandy beaches, lush parklands, quality residential areas, a vibrant arts scene, and a proud, colourful history which is reflected in our heritage buildings and sites. As a council, our purpose is to work with our community to make Bayside a better place.

# In **2016/2017** we invested in:

# Maintaining over **370km** of local roads



# Providing 125,000 hours

of in-home support for older and lessabled residents



In addition to capital works, we also supported more than 48 organisations and individuals through community grants, hosted an array of community events and programs to further enhance social engagement and wellbeing in the community, and celebrated the achievements – large and small – of the dedicated staff and volunteers that keep our city running and make Bayside a better place.

# A message from the Mayor

# On behalf of Bayside City Council, I am delighted to present our Annual Report of Operations for the 2016/2017 financial year, highlighting the many achievements of the fourth and final year of our Council Plan 2013–2017.

This report covers a period of transition for the Bayside community with the election of a new Council in October 2016.

As a new Council, we have continued to build on the achievements of the previous Council by focusing on both planning and action. It has been a year in which we have reasserted our commitment to improve infrastructure, provided high-quality services and worked with our community to address the issues Bayside faces now and into the future.

## **Capital works**

The 2016/2017 financial year is one of significant investments and improvements. Over \$28 million was committed to enhancing our built environment through capital works spending and the building or upgrading of our infrastructure.

The key capital projects delivered in 2016/2017 included the upgrading of 12 playgrounds across Bayside, the redevelopment of the pavilions at Banksia Reserve in Beaumaris and Dendy Park in Brighton, and a \$2.47 million program to improve footpaths and bicycle trails throughout our community.

# **Debt reduction**

For a number of years, it has been the ambition of Council to ensure long-term financial stability through targeted debt reduction. Council is on track to be debt free by February 2018. Much of the groundwork for this significant milestone was undertaken in 2015/2016 and 2016/2017 with the repayment of \$9.4 million over two years, which set Council on the path to be one of the most financially secure local governments in Victoria. Council commenced the debt repayment during the 2010/2011 financial year and at that point Council owed \$17 million and was paying back \$1 million a year in interest. A saving of \$6.1 million per annum in operating costs was made over a four-year period as a result of efficiency and productivity improvements. Thanks to the hard work of staff and teams across Council these efficiencies have been delivered and the quality of our services to the community has been maintained.

# Adoption of the Community Plan 2025

Council worked with over 1,200 residents who provided their long-term goals and aspirations for our municipality to develop our new Community Plan.

The Community Plan 2025 was adopted in August 2016, and from the goals and needs identified within it, the new Council of 2016 was able to shape a fresh four-year Council Plan taking us through to 2021.

# Development of the Council Plan 2017–2021

With the current Council Plan reaching its final phase, one of the first tasks of the newly elected Council was to develop a new four-year plan.

This plan is directly aligned to the aspirations of the community as set out in the Bayside Community Plan 2025, and contains our goals for working together to make Bayside a better place.

# Conclusion

I would like to take this opportunity to thank Council's Chief Executive Officer Adrian Robb and his team of Council staff for their support and professional advice to Council since the beginning of our term of office.

I also wish to thank the former Councillors for the hard work and service they provided to the community during their four-year term of office. I am confident that as a new Council we will continually work together to "make Bayside a better place".

#### Cr Alex del Porto Mayor, Bayside City Council

# A message from the CEO

# The 2016/2017 year has been a busy one for Bayside City Council, with the election of a new Council and the preparation of a new Council Plan 2017–2021 in line with the Bayside Community Plan 2025.

Right across the organisation, Council has continued to embed our strategic performance framework: the Better Place Approach.

This approach takes its lead from Council's statement of purpose which is that we exist to "work with our community to make Bayside a better place", and identifies the four key ongoing performance areas toward which organisational results will be directed: Liveability, Service, People, and Efficiency.

## Infrastructure

To enhance liveability in Bayside, in 2016/2017 more than \$28 million was invested in high-quality infrastructure for the community. Our program of infrastructure improvement is as diverse as it is critical, and yet much of it goes relatively unseen. In addition to landmark projects such as Banksia Reserve and Dendy Park, significant infrastructure investment was made in our assets such as road resealing, stormwater harvesting and drainage improvements, foreshore protection, facility interiors and kerb replacements.

# **Debt reduction**

From an efficiency perspective, a major focus for Council this year has been to reduce our debt, with the aim of becoming one of the few debt-free local governments in Victoria within the next 12 months. Not only will this put Council in a strong and enviable financial position for the future, but will also allow us to invest more in our community – both in capital works and in support for local organisations.

# Rate capping and cost shifting

Once again, the Victorian State Government mandated a maximum rate increase of 2.5 per cent to all local governments. Naturally, this impacts on the amount we're able to invest back into the Bayside community; however, we continue in our commitment to providing the best infrastructure and services possible while remaining financially responsible.

While capping the rate increase at approximately the consumer price index (CPI), various policies of state and federal governments have also increased the costs or restricted the income of Council. Examples of these include: decreases in the share of funding for home and community care, library services, maternal and child health services and school crossing supervision of more than \$560,000; the imposition of levies such as the landfill levy and the animal registration levy; and freezes on the indexation on grants or statutory fees, such as planning, that prohibit full cost recovery.

Taking on these extra costs are, of course, a burden, and, like rate capping, have a negative impact on the investment we can make to enhance our social, natural and built environments.

# Advocacy

An important role of Council is representing the Bayside community and advocating on its behalf. In 2016/2017 we advocated on a variety of issues for the community, including state government funding for Brighton Life Saving Club and a second community accessible indoor sports facility at the new Beaumaris Secondary College. We also advocated on a number of transport issues, such as level crossing removals at Park and Charman Roads; Beach Road Corridor study improvements and public transport services, including rail and bus services and commuter parking.

#### Grants

Council has always been committed to helping community organisations achieve their goals in delivering services to Bayside, and in 2016/2017 we continued to invest in social improvement and wellbeing through a range of grants. Reflecting the diversity of our community, the categories of projects we supported were wide and varied, from cultural and artistic pursuits to enhancing the health, wellbeing and engagement of our residents and visitors.

In total, we provided close to \$600,000 in local grants and support, to help the whole community make Bayside a better place.

#### **Consultation and engagement**

We also regard community's needs and expectations as paramount, and as such, we consulted extensively with the community on key areas of development that may improve or impact on the enjoyment of our assets and facilities. From the Beaumaris Concourse to the Brighton Foreshore, the suburb of Highett, Elsternwick Park North, the Bay Trail and North Road Foreshore playground, we invited broad community input to ensure that any new Council developments or upgrades in these areas were in tune with the wishes and requirements of the community.

In any inclusive consultation process, a divergence of opinion is to be expected, and I believe that, by genuinely listening to all concerns and recognising opportunities, Council's final plans for these areas managed to arrive at the ideal balance between progress and preservation.

Council also sought extensive input from the community on our programs and strategies, including the next, comprehensive Wellbeing for All Ages and Abilities Strategy 2017–2021 where Council actively engaged 530 residents and surveyed 400 additional residents for their ideas to enrich the health and wellbeing of those who live and work in Bayside.

#### Conclusion

I am very pleased to acknowledge the great contribution of Council's staff and members of the Executive Team who have worked very hard and with great professionalism over the period.

Finally, I take this opportunity to thank both the newly elected and the outgoing Councillors for their great support to the organisation over the past 12 months.

#### Adrian Robb Chief Executive Officer

# From consultation to goal setting

# In 2016, more than 1,200 community members from a broad range of backgrounds participated in a variety of surveys, face-to-face discussions and online forums, to create the Bayside Community Plan 2025.

This consultation provided valuable insights into what residents value and what is needed to improve liveability and make Bayside a better place.

The Community Plan helps to guide our overall Council Plan. The Council Plan identifies the following seven goals to realise our ultimate purpose, to "work with our community to make Bayside a better place":

- Goal 1 An engaged community and Council
- Goal 2 A strong supportive community
- Goal 3 A liveable city
- Goal 4 A sustainable natural environment
- Goal 5 A creative and active community
- Goal 6 A thriving local economy
- Goal 7 Financial responsibility and good governance

# Highlights from 2016/2017

# An engaged community and Council

# "The Bayside community will be well informed and will have opportunities to actively participate in Council decision-making."

# Wellbeing for All Ages and Abilities Strategy

Between January and March 2017, more than 530 Bayside residents participated in a variety of engagement activities and an additional 400 residents participated in an online survey to provide direction for the 2017–2021 Wellbeing for All Ages and Abilities Strategy. Their terrific ideas will shape our integrated approach to maintain and improve public health and wellbeing at a local community level.

# Highett Structure Plan review (Stage 1)

To help shape the Highett Structure Plan, approximately 300 residents, visitors and business owners shared their ideas on developing Highett's ability to accommodate an expected population increase of almost 2,000 residents over the next 10 years, while retaining the key characteristics of Highett.

# Making the Bay Trail safer

Seventy pedestrians and cyclists who use the Bay Trail provided their feedback to guide the redesign of the trail to ensure greater safety and accommodate increased capacity in areas such the path between Sandown Street and Bay Street, Brighton.

## The modern library service

Recommendations for the future of Bayside Library Services have been developed for Council consideration, through the service review process. The recommendations were based on research, consultation and best practice theory for modern libraries. All of which provide insights to ensure we are providing a sustainable service that meets the community needs now and into the future.

# GOAL 2 A strong supportive community

# "Bayside will be a healthy, connected community."

# **Council Grants Program**

In 2016/2017 Council distributed \$570,115 in grants to local not-for-profit organisations. Over \$406,000 was allocated to community centres within our municipality, a further \$133,927 was provided to 48 important local projects and \$30,314 in contingency grants was provided to groups and individuals.

## Pet Expo and Microchipping Day

In November 2016, Bayside City Council hosted our annual Pet Expo at Royal Avenue Park. Pets were able to take part in activities such as obstacle course events and microchipping, while owners were provided with information on dog obedience, pet regulations and responsible pet ownership. At the Microchipping Day in April, 105 additional pets were registered while free microchipping was provided to ensure we are able to return lost pets to their owners.

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# A liveable city

# "Bayside will have a well-preserved neighbourhood character and accessible transport options."

#### Awarding excellence in our built environment

Bayside City Council's Built Environment Awards were held in October 2016 to raise awareness of design, landscape, sustainability and heritage values, and recognise those who have contributed positively to our built environment. Seven awards and five High Commendations were presented, including Most Outstanding Contribution to the Bayside Built Environment which was won by John Alkemade Architects for their project at 5 Central Avenue, Black Rock.

#### **Bayside Planning Scheme amendments**

Three amendments were proposed or approved by Council and the Minister for Planning:

- Amendment C151 The Hampton East (Moorabbin) Structure Plan
- Amendment C152 The Martin Street Structure Plan
- Amendment C150 Retail Commercial and Employment Strategy.

# A sustainable natural environment

# "Bayside will be a leader in environmental management and will be a greener, more sustainable city."

# Water consumption reduction

Bayside City Council achieved a 12 per cent decrease in water consumption compared to last year due to greater water efficiency in Council's buildings and irrigation of open space. This represents an 8 per cent decrease since the 2014/2015 baseline, and good progress toward Council's target of a 30 per cent reduction in potable water use by 2020.

# Waste management

A total of 21,417 tonnes of recyclables and green waste was diverted from landfill in 2016/2017. Green waste collections increased by 876 tonnes and household waste was reduced by around the same amount. Community recycling stations at Beaumaris Library and Council's Corporate Centre accepted over 4,870 kilograms of recyclable material that enabled community members to reduce waste to landfill.

# Energy consumption

In 2016/2017, Council's total energy consumption decreased by 3.6 per cent due to a 7.9 per cent reduction in electricity consumption and a 17 per cent reduction in fuel energy. Solar panels were installed at the Corporate Centre and the Beaumaris Library and Community Centre, providing an additional 144 kilowatts of solar power in total, saving over \$14,000 in annual electricity costs with a potential reduction of 215 tonnes of greenhouse gas emissions.

# Street and park trees

In 2016/2017, approximately 1,941 trees were planted in parks, streets and foreshore and bushland reserves. Of these trees, 58 per cent were indigenous or native trees. Bayside City Council now looks after over 84,000 trees within the municipality.

# A creative and active community

"Bayside and its community will have a strong sense of identity, pride and place through its culturally rich arts, recreation and cultural programs."

# Community events

Council hosted a number of major community events including Carols in the Park, which attracted over 22,000 spectators, and the annual Bright 'n' Sandy Food and Wine Festival which played host to more than 8,000 visitors and featured celebrity chefs, cooking demonstrations, food and wine exhibitors, entertainers and an artisan market.

# Art awards

Three art prizes were awarded in 2016/2107. The \$15,000 Bayside Acquisitive Art Prize was presented to Michael Vale for his painting *Snow*, with Jennifer Goodman receiving the \$3,000 Local Art Prize for *Zephyr* and Gina Kalabishis taking out the People's Choice Award for her work *Arete*.

# Library programs

The library service hosted numerous events across the year to encourage reading within the community. Nearly 10,000 children attended baby, toddler, pre-school and school holiday programs, and 2,758 people attended programs for adults. Approximately 8,300 young people took part in events tailored to those aged between 10 and 25 years.

# A thriving local economy

"Bayside will be recognised for its thriving shopping and business precincts and as a prominent sporting and tourist destination."

# **Bayside Instagram Competition**

Council's popular Bayside Instagram Competition enjoyed its second successful year. Through the hashtag #ourbayside, it aimed to connect with tourists, encourage them to visit Bayside, and shop in the local economy. The 2017 competition attracted 619 entries and reached over one million people, while providing beautiful imagery that is available for Council to use in perpetuity.

#### **Christmas in Bayside**

An array of attractive festive decorations were installed in key precincts across the municipality to celebrate Christmas 2016. Complementary activities, including the Shops on Show window competition and a range of celebratory events were also conducted, with local Rotary and Lions clubs providing valuable assistance at decoration launches, community activities and the Christmas Breakfast on Bay Street.

## **Bayside Business Network**

The highly regarded Bayside Business Network was once again facilitated by Council with the support of local sponsors. Aimed at establishing professional connections and promoting excellence in business, innovation and entrepreneurship, the network hosted 30 breakfasts and luncheons and attracted over 3,000 attendees from Bayside and further afield, due to the calibre of guest speakers and the quality of networking opportunities.

# Financial responsibility and good governance

"Bayside City Council will continue to make the best use of available resources to the benefit of all in a transparent local government environment."

# Debt reduction

With the aim of achieving zero debt in 2018, Council continued efforts in streamlining processes and improving operating efficiencies. In the 2016/2017 financial year, \$5.19 million in debt was repaid.

# Responsible and transparent decision-making

Bayside City Council is absolutely committed to providing open, responsible and transparent governance. In 2016/2017, Councillors recorded a 99 per cent attendance rate at regular Council meetings, and, of the 469 formal decisions of Council, only three were made in closed meetings because they were commercially sensitive or personnel matters.

# Code of Conduct

In 2016/2017 Council developed and adopted a Code of Conduct for Bayside City Councillors to provide a mechanism to support Councillors to conduct business in a professional, respectful and ethical manner.

# Local government elections 2016

The four-yearly Bayside City Council elections were conducted in October 2016 by the Victorian Electoral Commission on behalf of Council, providing clear separation in roles and powers, as well a high level of integrity, impartiality and trustworthiness. The results saw four Councillors return and three new elected members join Council.



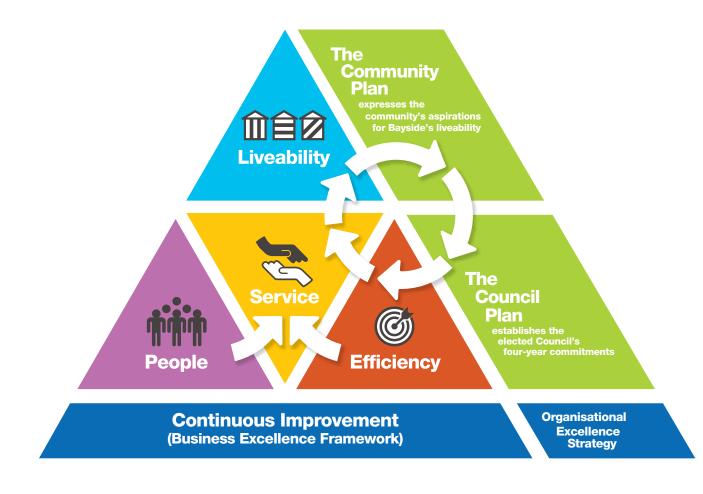


# Bayside's Better Place Approach

Launched in 2014, Bayside City Council's Better Place Approach provides a framework to help align the activities of our organisation so we can effectively achieve the adopted purpose of Council.

The approach is based on four key result areas:

- **Liveability**: The built, natural and social environments that make Bayside a great place to live, work and visit
- **Service:** Delivering services and advocacy based on the needs and expectations of the Bayside community and its stakeholders
- **People:** Consistently striving to be a great place to work, with an engaged and skilled workforce
- **Efficiency:** Ensuring that we are a financially sustainable and accountable organisation that demonstrates how it maximises public value.



# Liveability

Combining all the factors that enhance quality of life, liveability is a measure of how our built environment, natural environment and social environment work together to create a great place to live, work and visit.



# The built environment

# Our built environment encompasses the places and spaces within which we live, work, socialise, shop, relax, travel and connect. Naturally, we need to plan for the ways these elements interact with each other and with the community – not just for now but also for the future.

In Victoria, planning is guided by the Victoria Planning Provisions. Within this framework, local governments develop supporting local planning schemes to apply the provisions in the context of local needs and objectives.

The Bayside Planning Scheme contains the overarching vision for land use and development in Bayside, supported by guidelines, regulations, frameworks and policies that control these activities.

The Bayside Planning Scheme guides how land, buildings and structures will be developed and used in the area, especially with regards to providing balance between the economic, environmental and social needs of the local community.

Amendments to the Bayside Planning Scheme may be proposed by Council, to the Minister for Planning, to implement new strategies and policies or change land use controls such as building height limits.

Each year, in addition to our planning role, Council also presents the Built Environment Awards to showcase the expertise of building designers, encourage high standards of excellence in design within the municipality, and raise community awareness of design, landscape and heritage matters.

Key achievements for 2016/2017 included:

• adoption of the Bayside Retail Commercial and Employment Strategy to capitalise on the strengths of this area and guide future commercial growth

- adoption of the Beaumaris Concourse Streetscape Masterplan to make the Beaumaris Concourse a more attractive place to be, by enhancing the community atmosphere and the Concourse's role as a local retail meeting place
- community engagement and exhibition was undertaken for the Small Activity Centres Strategy (C126)
- the Bayside Coastal Management Plan was introduced into the Bayside Planning Scheme through Planning Scheme Amendment C129
- planning elements of the Bayside Integrated Transport Strategy, the Bayside Walking Strategy and the Bayside Bicycle Strategy were introduced into the Bayside Planning Scheme through Planning Scheme Amendment C124
- exhibition of Planning Scheme Amendment C152, Martin Street Structure Plan was completed, submissions have been referred to a Planning Panel
- preparation and public exhibition of planning amendment C153 to update existing planning overlays including flood overlays and special building overlays
- commencement of the Highett Structure Plan review with completion of Stage 1 of the consultation and engagement process, with over 900 participants contributing their ideas for the future of the area.



# The natural environment

The Bay, foreshore, green spaces and the diversity of flora and fauna of our local environment are highly valued by our community. Our natural environment also extends to the wider sphere, because what we do locally can impact on the regional, national and global environment.

Making Bayside a better place while maintaining a high level of liveability and reducing our impact on the natural environment is a complex task; and, Bayside City Council is committed to safeguarding the environment for current and future generations.

In May 2016, Council adopted our Environmental Sustainability Framework (ESF). The framework aims to set consistent direction and guidance for environmental planning and decision-making within Bayside City Council. The framework outlines Council's commitment to work in partnership with the community, government agencies, local organisations and businesses, to minimise Council's own ecological footprint, and to advocate for outcomes that deliver high environmental standards and protection.

Importantly, Council is committed to encouraging and supporting the Bayside community to care for the environment and minimise the community's own ecological footprint.

# The ESF assists Council in achieving the following four goals:

#### Goal 1: Leading the way

Bayside City Council operating as a model of environmental sustainability.

#### **Goal 2: Community partnerships**

Supporting an empowered and connected community that acts locally to reduce consumption and live sustainably.

#### **Goal 3: Resilience**

Developing community and ecosystem resilience for current and future climate change impacts.

#### **Goal 4: Sustainable places**

Advocating and influencing for healthier ecosystems and more liveable Bayside urban areas and infrastructure.

To help achieve these goals, the ESF contains 10 environmental themes:

- biodiversity
- environmental citizenship
- sustainable buildings
- sustainable businesses
- sustainable development
- sustainable procurement
- sustainable transport
- sustainable water
- waste management
- zero carbon.

The 2016/2017 period was the first year of implementation of the ESF. Key achievements included:

- solar panels installed at Council's Corporate Centre, Beaumaris Library and Beaumaris Community Centre, delivering a total of 144 kilowatts and providing 16 per cent of the Corporate Centre's power needs, and onethird of the Library's and Community Centre's power needs
- delivery of Don't Feed The Bin: a community food waste avoidance campaign designed to address the fact that 40 per cent of Bayside's domestic garbage sent to landfill is food waste
- commencement of construction of the Dendy Park Stormwater Harvesting project
- provision of integrated transport improvements including Little Brighton Reserve shared path, St Kilda Street shared path, bicycle facility upgrades, bicycle way-finding signage, and the widening of the Bay Trail shared path between Sandown Street and Bay Street, Brighton
- the installation of water-efficient fittings and water-saving messaging resulting in a reduction of water use at the Corporate Centre
- annual electricity use at the Corporate Centre decreased by 7.9 per cent in 2016/2017 and by 14 per cent since 2014/2015 due to energy efficiency improvements
- the street lighting upgrade delivered between 2014 and 2016 brought about further reductions in energy use and cost
- a reduction in paper use at the Corporate Centre by 8 per cent since 2013 as a result of the adoption of technology and paperless systems

- the recycling of nearly 700 kilograms of soft plastic through Council's community recycling stations at Beaumaris Library and the Corporate Centre
- community recycling stations preventing a further 4,870 kilograms of material such as batteries, plastic cases and fluorescent lamps being sent to landfill
- reductions in fuel use and emissions through the EcoDriver Program.

A full report on the delivery of actions implemented through the Environmental Sustainability Framework in 2016/2017 can be found on the Bayside City Council's website **www.bayside.vic.gov.au** 



# The social environment

# As a community, our relationships, opportunities, education, culture, interactions, work, lifestyles and physical and mental wellbeing form our social environment and influence our quality of life.

Council supported numerous social wellbeing initiatives through delivery of our:

- Wellbeing for All Ages and Abilities (WAAA) Strategy 2013–2017
- Disability Action Plan 2013–2017
- community events.

# Wellbeing for All Ages and Abilities Strategy 2013–2017

Encouraging people to lead healthier lives and building environments that help them to do so is an important challenge for our whole community. Bayside City Council's WAAA<sup>2</sup> was developed in conjunction with community members and organisations that provide health, education, care, social supports and services to people across all ages and abilities.

Four specific action plans support the strategy:

- a) Early Years Action Plan
- b) Disability Action Plan
- c) Healthy Community Action Plan
- d) Youth Action Plan.

These action plans identify actions that will be taken by Council and partners to achieve the three goals of the WAAA. **Goal 1**: An engaged and supportive community – Ensuring people feel valued, respected and able to have their basic needs met; increasing individual connection to community; and improving access to services that enhance wellbeing and the ability to lead to a fulfilling life.

**Goal 2**: A healthy and active community – Maintaining and protecting the longevity of good health and wellbeing by encouraging physical activity and healthy lifestyle choices.

**Goal 3**: Safe and sustainable environments – Providing for the community's physical, social and emotional wellbeing through secure and sustainable places and practices, and preparedness for extreme weather conditions.

These goals were then divided into 14 objectives for wellbeing such as:

- promoting positive mental health
- supporting inclusive opportunities for physical activity
- supporting programs that address family violence.

The following are key highlights/achievements in 2016/2017 from the action plans:

- working with Alfred Child & Youth Mental Health Services to support mothers who are isolated, and experiencing postnatal depression or mental health concerns
- improving access to services for those living in public housing in Bayside by collaborating with a consortium of local community-based organisations

2 NOTE: The WAAA meets the requirements of the *Public Health and Wellbeing Act (2008)* and *Disability Act (2006)*.

- presenting the biannual Youth Awards to recognise the contribution that young people make to the Bayside community
- installing over 15 accessible bus shelters in Bayside by Public Transport Victoria as part of ongoing lobbying by Council to create a healthy and active community
- providing a breastfeeding support service. Breastfeeding rates in Bayside increased from 84.6 per cent to 89.4 per cent for infants aged three months and from 65.8 per cent to 72.6 per cent for six-month-old infants
- upgrading 12 playgrounds in Bayside as part of Council's Playground Improvement Plan
- hosting Activate: an event promoting youth involvement in physical activity through free come-and-try sessions across a wide range of sports
- upgrading footpaths for disability access, including Beach Road, Sandringham and Bluff Roads, Highett
- completing 2,255 family violence assessments in 2016/2017, resulting in 26 counselling sessions, 29 referrals and 25 safety plans being completed
- implementing, in conjunction with strategic partners, the 16 Days of Activism Against Gender Violence social marketing campaign to raise awareness about the gendered nature of violence
- building on the success of the 2016 Street Art Crew Program to reduce the incidence of illegal graffiti and successfully applying for a grant from the Department of Justice and Regulation to create three more community murals.

## **Disability Action Plan 2013–2017**

Council hosted a number of initiatives under our Disability Action Plan 2013–2017, which included:

- a come-and-try Accessible Beach Day in partnership with Brighton Yacht Club and the Disabled Divers Association, where people with a disability could try different mobility chairs to access the water. Planning is now underway for a more sustainable program to ensure the Accessible Beach Program is available every day for people with a disability
- the development of an online disability awareness education program YouMeUs in partnership with other local councils. The online courses deliver training to staff and volunteers in organisations that are interested in enhancing inclusive practices and culture.

More information about accessing this free online program can be found at **www.youmeus.org.au** 



# Calendar of events 2016/2017

### Bayside City Council hosts and supports a wide variety of events throughout the year.

By showcasing the strong connection our residents and visitors have with local business, recreation, leisure, arts and culture, these events play a vital role in the health and wellbeing of our community.

Events hosted and supported by Council in 2016/2017 included:

2016		
July	Bayside Business Network Luncheon Young People of Bayside Art Exhibition	Bayside Says No To Bullying Forum – Youth Event Author Talk – Arnold Zable
August	Midwinter Masters exhibition: The Ordinary Instant Author Talks – Olga Lorenzo and Lee Kofman	Citizenship Ceremony Children's Book Week
September	Bayside Business Network Breakfast	Author Talk – Steven Amsterdam and Leah Kaminsky
October	Built Environment Awards Seniors Festival Event FReeZA Open Mic Night – Youth Event Author Talks – Claire Halliday and Michelle Wyatt	Sandringham Festival Youth Precinct Halloween Between the Books Sandy Village Fair
November	Photography Exhibition – Youth Event Citizenship Ceremony Bayside Design Market Author Talk – Dr Lynne Kelly	Bayside Says No To Bullying presentations day Pet Expo One Million Stars: White Ribbon Day
December	Women's Luncheon Christmas decorations and celebratory events Early Arts Guild Christmas Pageant	Carols in the Park Citizenship Ceremony
2017		
January	Australia Day Ceremony	Citizenship Ceremony
February	Bright 'n' Sandy Food and Wine Festival Author Talk – Mal Walden	FReeZA Event – St Kilda Festival
March	Bayside Business Network Breakfast Bayside Chamber Orchestra Mozart to the Cor	Citizenship Ceremony Author Talk – Alec Patric
April	Pet Microchipping Day	
Мау	National Reconciliation Week Flag Raising Ceremony Bayside Acquisitive Art Prize Citizenship Ceremony	Retire Smart Library Week Celebrations – Rethink your Library – Reconnect with your family history online – Rethink Technology
June	Bayside Youth Awards Ceremony Portrait of Sir Thomas Bent unveiled Brighton Town Hall	Bayside Business Network Breakfast Citizenship Ceremony Author Talk – Nikki Gemmell

# Council services

The services provided by Bayside City Council are fundamental to making Bayside a better place. Bayside City Council thanks our staff members for their hard work and dedication, not only in providing the services, but for the many other functions they undertake, both internally and externally to the organisation.



In 2016/2017, Bayside City Council services included:	Sports facilities 45 playing services	Libraries 922,516 library collection loans
Sport and recreation 18,700 community sports players	Roads <b>370km</b> of sealed local roads maintained	Aged and disability services <b>30,000</b> meals delivered
Planning and building 1,346 planning decisions made	Youth services <b>8,336</b> attendees at youth events	Parking and traffic <b>56</b> supervised school crossings
Customer service 97% of customer service requests actioned within the timeframe	Waste 4,011,059 kerbside garbage and recycling bin lifts	Animals <b>15,756</b> animal registrations
Children and family 11,693 immunisations	Arts and culture 8,152 visitors to the Gallery @BACC	Parks and gardens 1,941 trees planted
Venues 2,254 community facility bookings	Waste 41,987 tonnes of garbage, recyclables and green waste collected from kerbside bins	Animals 34 dog off-leash areas
Health <b>1,646</b> inspections of food premises	Health 3337 residential noise complaints	Environment 487 solar panels installed at Council buildings in 2016/17

# In 2016/2017, Bayside City Council services included:

#### Aged and disability services

- Home, personal and respite care
- Delivered meals
- Home maintenance
- Social support

#### Animals

- Registrations
- Dog off-leash areas

#### Planning and building

- Dispensations
- Safety audits
- Building and planning permits

#### Children and family

- Maternal and child health
- Immunisation
- Parent education
- Vacation child care

#### Health

- Food and personal care business registrations
- Food safety
- Information about pests and pollution
- Tobacco control
- Residential noise complaints

#### Libraries

- Membership and loans
- Children's storytime sessions
- Book clubs

#### Parking and traffic

- Permits beach/disabled/residential
- Infringements
- School crossings

#### Parks and gardens

- Park bookings
- Street and park tree management
- Playgrounds

#### Environment

- Friends groups
- Tree permits
- Environmental initiatives
- Graffiti prevention and removal
- Managing open space
- Bayside nursery

#### Sport and recreation

- Sporting clubs
- Recreation facilities
- Ground allocations
- Coastal trails and walks

#### Venues

- Halls and centres
- Historical buildings

#### **Customer service**

- Customer service call centre
- Records management

#### Roads

- Street lighting and signs
- Pavement and naturestrips
- Drains
- Street cleaning

#### Waste

- Garbage
- Recycling
- Green and hard waste
- Waste education

#### Youth services

- Counselling and support
- Support and personal development
- Recreation and skill development
- Youth engagement
- Youth committees

#### Arts and culture

- The Gallery@BCC
- Arts program

# Awards and recognition

Individuals and community organisations contribute to life in Bayside in many varied ways. Council formally recognised these contributions with a number of civic receptions including Australia Day, Carers' Week and Volunteers' Week.

#### Australia Day Awards

Over 200 people celebrated Australia Day 2017 at Council's Annual Australia Day celebrations at the Brighton Town Hall.

The celebrations included a flag raising ceremony and address by Australia Day Ambassador, Mr Brett McLeod, followed by the Citizenship Ceremony and reception in the evening to celebrate the announcement of Bayside's 2017 Australia Day Awards:

#### The 2017 Australia Day Citizen of the Year:

Robert Bishop for his outstanding contribution to the Victorian State Emergency Service through his 35 years' service providing emergency rescue and assistance to residents of Bayside and further afield.

**The 2017 Community Event of the Year**: The Swimland Great Australia Day Swim conducted by the Rotary Club of Brighton.

The 2017 Environment Award for an Individual: Associate Professor Vicki Kotsirilos (Karalis) AM for her outstanding contribution to the environment of Bayside.

The 2017 Environment Award for an Organisation: Sandringham Yacht Club for their ongoing environmental management, education and awareness of the Sandringham Harbour.

#### **Recognition of Citizenship**

Australian Citizenship enables people to participate fully in our inclusive society, realise aspirations and achieve their full potential regardless of race, background, gender, religion, language or place of birth.

In 2016/2017, Bayside City Council hosted six citizenship ceremonies and a special ceremony at the Brighton Town Hall as part of celebrations to mark Australia Day 2017. During the year, Certificates of Australian Citizenship were presented by the Mayor to more than 495 residents, many of whom shared the occasion with the support of relatives and friends.

#### Letters under seal

Letters under seal are formal letters of Council. In 2016, letters under seal were presented:

#### Letters of congratulations

- 26 July 2016, The Hon. Andrew Robb AO MP was recognised for his retirement from the House of Representatives as the member for Goldstein since 2004
- 26 July 2016, Mr Tim Wilson MP was recognised for his election to the House of Representatives, seat of Goldstein
- 10 November 2016, Cr James Long BM JP was recognised for his Mayoral term of office for the 2015/2016 council year
- 10 November 2016, Cr Felicity Frederico was recognised for her service as a Councillor from December 2008 to October 2016
- 10 November 2016, Cr Bruce Lowe was recognised for his service as a Councillor from January 2014 to October 2016
- 10 November 2016, Cr Heather Stewart was recognised for her service as a Councillor from November 2012 to October 2016.



The Bayside City Council's efficiency goal aims to ensure that we are a financially sustainable and accountable organisation that demonstrates how it maximises public value.



# Financial summary

With a forecast to be debt-free in 2018, Council's financial position remains strong. A summary of our performance is outlined below, with more detailed information included in Part 4 of this Annual Report.

### Operating position

In 2016/2017, Council achieved an operating surplus of \$30.91 million for the year, which was \$4.17 million greater than the previous year's surplus, and \$8.62 million favourable to budget. This surplus is used to fund the Capital Works Program and repay long-term debt in line with the Long Term Financial Plan.

This favourable variance was mainly due to:

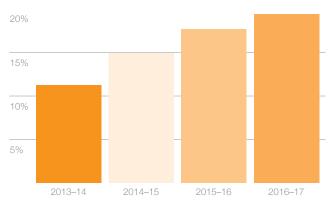
- \$1.5 million resort and recreation levy income being favourable to budget reflecting an increase in building development. These funds are quarantined in a statutory reserve to be made available for future open space enhancement
- \$1.3 million operating grants received in advance from the Victorian Grants Commission representing 50 per cent of the 2017/2018 funding
- \$791,000 interest revenue from term deposits due to favourable operating and capital cash position. Cash and investments as at 30 June 2017 includes \$14.76 million of unspent capital funding for unfinished projects carried forward to 2017/2018 as well as \$5.9 million for grant funding received in 2016/2017 for services and projects to be delivered in 2017/2018
- \$732,000 statutory planning fees reflecting an increase in the number of applications lodged and increases in the value of state fees from 13 October 2016
- \$663,000 parking fines favourable to budget reflecting an increase in patrol area hotspots

- operating expenditure excluding depreciation and amortisation and the loss on disposal of property plant and equipment was \$2.75 million favourable to budget as a result of a number of savings initiatives achieved during the year
- depreciation and amortisation was \$1.5 million favourable to budget due to the delay in completion for a number of key projects carried forward to 2017/2018.

The adjusted underlying surplus of Council after removing non-recurrent capital grants and cash capital contributions was a surplus of \$23.1 million or 19.1 per cent when compared with adjusted underlying revenue.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$3.37 billion of community assets under Council's control.

Adjusted underlying result ratio %

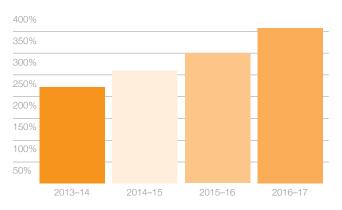


### Liquidity

Cash and investments have increased by \$14.23 million from the previous year, mainly driven by the favourable operating and capital results for the year. However, the increase in cash is partially offset by the increase in reserves by \$18.61 million set aside for future capital works and statutory commitments.

The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 356.7 per cent is an indicator of a strong financial position.

Working capital ratio %



### Obligations

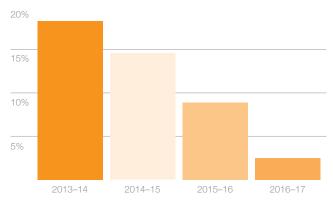
Council aims to ensure that we are able to maintain our infrastructure assets at the expected levels, and at the same time continuing to deliver the services needed by the community.

Council invested \$15.57 million in renewal and upgrade works during the 2016/2017 year and repaid \$5.19 million of debt during the year. This was funded from cash from operations and reserves.

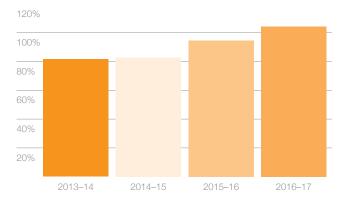
At the end of the 2016/2017 year, Council's debt ratio, which is measured by comparing interestbearing loans and borrowings to rate revenue, was 2.5 per cent, which was within the expected target band of 0 per cent to 70 per cent.

Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 107.5 per cent and is at the expected target level of greater than 100 per cent. This was mainly due to a small number of significant capital projects being carried forward to 2017/2018 and therefore not capitalised during 2016/2017, including the Banksia Reserve pavilion, Dendy St Beach pavilion and the Elsternwick Park oval No. 1.

Loans and borrowing ratio  $\,\%\,$ 



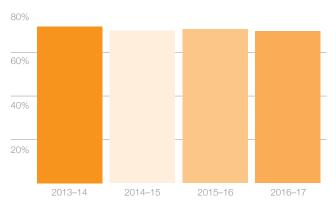
Asset and renewal ratio %



### Stability and efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 70.5 per cent for the 2016/2017 year which is toward the top end of the expected target band of 30 per cent to 80 per cent. The average residential rate per residential assessment is \$1,928, which compares equally to similar councils in the inner-metropolitan area.



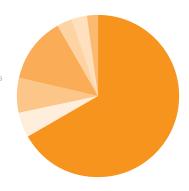


Average rates per residential assessment \$2,000 \$1,500 \$1,000 \$500 2013–14 2014–15 2015–16 2016–17

## Where does the money come from?

Compared to most councils, Bayside is heavily dependent upon rate revenues for our income. Rate revenue during the 2016/2017 financial year made up 66 per cent of total income and is largely due to the residential, suburban nature of land use in our city. The following chart indicates Council's revenue streams.

- 66% Rates and charges
- 5% Statutory fees and fines
- 7% User fines
- 13% Operating and capital grants
- 3% Operating and capital contributions
   0% Disposal of assets
- 3% Rental income
- 2% Interest income



# Where does the money go?

Rates and charges collected by Council help fund more than 100 community services and programs. For every \$100 of expenditure, Council delivers the following services:

Parks, sportsgrounds and foreshores, \$21.79
Roads, footpaths and drains, \$16.11
Community safety, \$14.95
Aged and disability services, \$11.34
Community buildings, \$15.33
Waste management, \$9.95
Libraries and culture, \$5.68
Family and children services, \$3.34
Insurance, \$1.26
Street lighting, \$0.25

\*For a breakdown of Council expenditure by service category see page 37.

# Major capital projects

### This year, Council spent \$28.33 million in high-quality infrastructure for our community.

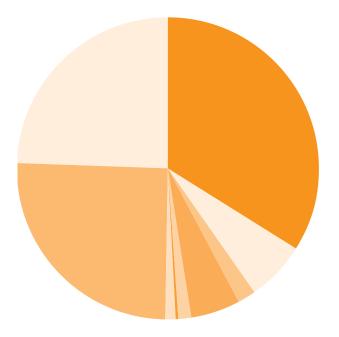
#### These investments included:

**Playground Renewal Program** – Upgrading 12 of the 61 playgrounds within Bayside listed in the Playground Improvement Plan 2015–2025. This improvement plan was developed to upgrade or replace all of the municipality's playgrounds, which vary in size and condition, over a 10-year period at an estimated cost of \$10.5 million.

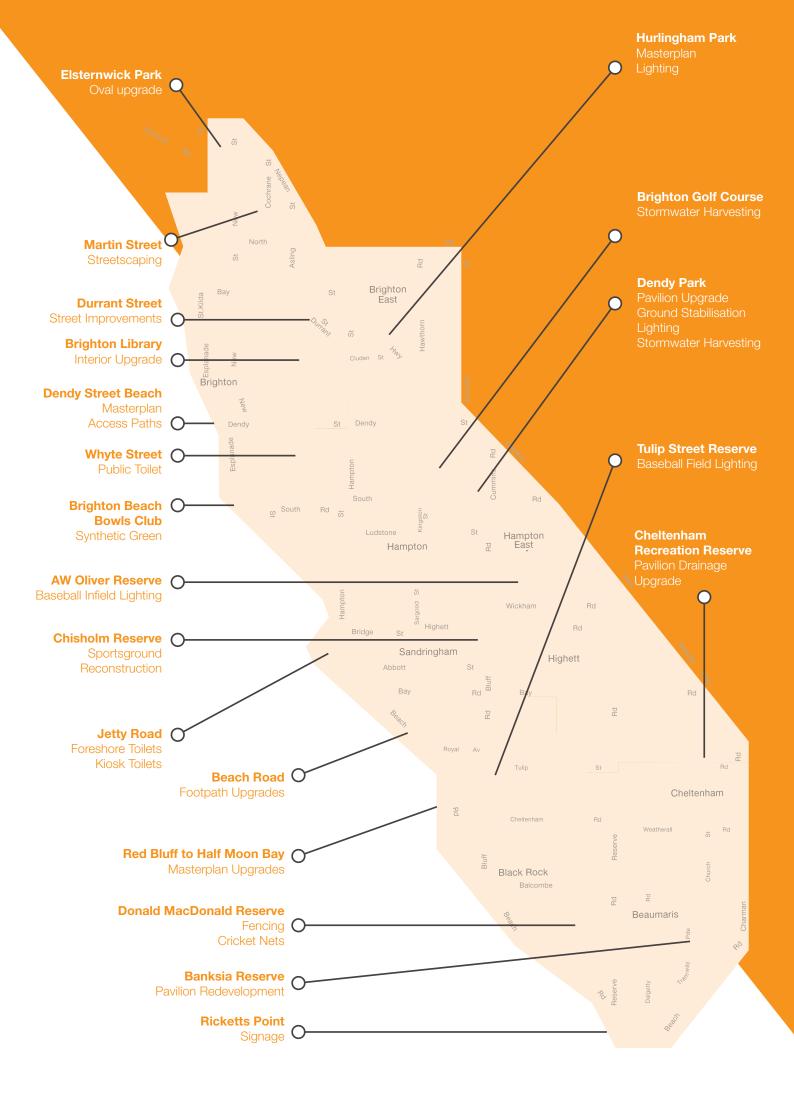
**Dendy Park ground stabilisation** – Being an old tip site, Dendy Park has experienced a lot of movement, which made it difficult to conduct sporting activities at the site. The ground stabilisation works were a significant part of the \$12 million upgrade works to Dendy Park. Whyte Street public toilet – This upgrade included a part-demolition of the existing toilet block while retaining the bluestone walls, adding two new accessible cubicles and two standard cubicles, a new roof, new partitions, an accessible ramp, a new storage facility, and two new drinking fountains. This toilet is listed as part of the prioritised 10-year Public Toilet Strategy.

**Sportsground lighting** – As part of the Bayside Recreation Strategy 2013–2022, lighting at four sportsgrounds was installed or upgraded, including AW Oliver baseball infield, Tulip Street baseball infield, Hurlingham Park ovals No. 1 and 2 and Dendy Park soccer pitches.

Information on capital works projects planned for 2017/2018 is included in the 2017/2018 Annual Budget at **www.bayside.vic.gov.au** 



- Council buildings \$9,630,827
- Drainage infrastructure \$1,783,191
- Foreshore and conservation \$587,281
- It systems, network, servers, and communication \$1,459,638
- Library assets \$426,876
- Arts and culture \$90,167
- Off-street car parks \$306,195
- Parks, open space and streetscape \$7,140,960
- Road infrastructure \$6,907,900



# Our people

Bayside City Council is consistently striving to be a great place to work, with an engaged and skilled workforce.



Bayside offers a high degree of flexibility in working arrangements to our employees with over one-third of our workforce working part-time and one-fifth of staff using flexible working arrangements, including the purchase of additional leave.

We have seen a small rise from the previous year's FTE, with an increase of 13.5 FTE in the Development Services areas and 0.4 FTE increase in the Sustainability and Transport and Customer Service areas to improve our service outcomes for the community.

#### As at 30 June 2017

Total employees	623
Total full-time equivalent (FTE)	405.44
Turnover (excludes casual and temporary arrangements <6 months)	11%
Employees commencing in 2016/2017	89
Employees departing in 2016/2017	78
Employees living in Bayside	207
Flexible employee arrangements (for example, purchase leave and varied working locations )	134 approx.

### Classification and gender

A breakdown of employment across our classification bands indicates that Bands 1 and 2 represent 25 per cent of total staff and these roles primarily consist of school crossing supervisors and care workers. Band 4 roles are filled by our administration and junior specialists and represent 17 per cent of the total staff.

Overall, 68 per cent of employees at Bayside are female, with 65 per cent of Senior Officers being male. Council has developed an Equal Employment Opportunity Program, which considers diversity, including gender. The program clearly sets out Council's objectives to maintain a work culture of equal employment. The objectives ensure that:

- equal access, opportunity and treatment is fostered in matters related to recruitment, promotion and career development
- programs and initiatives are in place to actively promote diversity
- staff are provided with the information and training required for them to understand and comply with their obligations under the state and federal legislation that deals with equal employment opportunity and the prevention of discrimination, harassment, racial or religious vilification or victimisation
- staff are treated with respect and courtesy at all times
- there is zero tolerance of unlawful discrimination, harassment, racial or religious vilification or victimisation of and/or from our staff, contractors and volunteers.

### Our classification breakdown across the business is as follows:

Band level	Female	Male	Total
Band 1	36	46	82
Band 2	65	10	75
Band 3	37	12	49
Band 4	80	24	104
Band 5	50	23	73
Band 6	48	36	84
Band 7	25	11	36
Band 8	17	18	35
Nurse	44	0	44
Senior Officer contract	7	13	20
Junior	8	2	10
Other	9	3	12
Total	425	198	623

NOTE: Role classifications are defined according to skill descriptors in the Local Government Industry Award (Victoria) or the Australian Nursing and Midwifery Award. Salaries are classified according to the salary range scale set out in the Bayside Enterprise Agreement.

### Divisions

By division, the bulk of our staff are involved in direct service delivery through planning and community service roles, with 62 per cent of staff working in the City Planning and Community Services Division. Our CEO Division is the second largest and includes customer service and library staff.

Headcount by Division as at 30 June 2017

- 385 City, Planning and Amenity
- 112 CEO
- 55 Environment, Recreation and Infrastructure
- 71 Corporate Services

### Professional development

Bayside City Council offered a wide range of development from specialist to executive-level coaching. This included inductions, foundation-level courses, individual contributor and team leader training. More than 120 sessions were delivered throughout 2016/2017.

A number of employees were provided with study assistance, which was directly related to formal qualifications associated with their role at Council, and contributed to increased knowledge, capabilities and service delivery for our community.

#### Employee engagement

We aim to be a great place to work, with an engaged and skilled workforce.

In June 2017, Council staff completed our biennial Employee Survey to measure and understand employee engagement.

The survey results will be used to drive organisational and departmental improvements in the way we engage with our people and deliver the best outcomes for our community.

### Enterprise agreement, flexibility and family-friendly initiatives

Council prides itself on a collaborative, supportive and inclusive work environment in which staff are motivated to contribute and succeed. Our focus on work–life balance enables our employees to meet family and personal commitments, and is highly valued by staff as shown by the most recent Employee Survey.

#### Health and wellbeing

Bayside offers a range of events, programs and benefits as part of its employee wellbeing program including:

- ergonomic assessments
- walking challenges
- healthy eating seminars and demonstrations
- free flu vaccinations
- health awareness promotional packs
- monthly wellbeing newsletter
- lunchtime sport activities, such as tennis and yoga
- R U OK? Day barbecue
- lunchtime health seminars.

#### **Employee Assistance Program**

Council understands the importance of providing effective support services to staff. The Employee Assistance Program is a confidential and professional source of support which is accessible to all staff. Counselling and coaching sessions are private, short-term and solutions-focused.

#### Occupational health and safety

Bayside City Council is committed to a safe and healthy working environment for staff, contractors, visitors and members of the public who use our services and facilities.

Council has commenced a three-year program to transition to the MAV WorkCare Self Insurance Scheme. This will see us achieve AS 4801 compliance and ensure Council is able to meet audit requirements under the National Self Insurer Occupational Health and Safety Audit. This scheme will achieve a guaranteed minimum saving of 15 per cent on our insurance premium.

In 2016/2017, seven WorkCover claims were lodged.

### Celebrating service

### Recognising significant service milestones

Bayside City Council is proud of the dedication of staff members and the contribution they make to the health and wellbeing of our community. A number of staff members have celebrated significant years of service to the organisation during 2016/2017.

5 Years			
Tracey Rymer	Joan O'Reilly	Robyn Coleman	Kerryn Greshner
Christine Shand	Philip Berman	Ellen Newton	Joanne Henderson
Julie Skate	Shobhna Lata	Lio Pa'apa'a	Longying Li
Raman Deep Sharma	Patricia Maginness	Georgia Starke	Emma Milliken
Natalie Stevenson	Marika Nilsen	Matthew Thornton	Peter Boekeman
Shakeela Jayah	Tamara Boyle	Laura Mason	Geoffrey Brown
Moncy Mathew	Simon Finlay	Michelle Meeking	Sofia Fletcher-Gunev
Leanne Moser	Sandhya Gardiyawasam	John Street	Shaleshni Goundar
Phillipa Street	Jacqueline Goy	Brigitte Triebel	Robyn Haworth
Geoffrey Wilson	Viki Yugovic		
10 Years			
Joan Andrews	Peter Butterworth	Paula Clancy	Loredana Collier
Alicia Gavin	Vasiliki Didaskalou	Karen Kerr	Colin Hampson
Narelle King	Angela Jenkins	Fleur Turner	Natasha Kamenev
Jacqueline Walker	Debra Marsden	Linda Weiss	Christian Martinu
Nanette Robson	Frances Power	Graham Sanderson	Diane Rosthorn
Leanne Stray	Rosa Scarmozzino	Rebecca Wade	Steven Tilbey
Margaret Gardner	Fiona Ronalds	Narelle King	Debra Thomson
Jaebok Lee	Anura Seneviratne-Epa	Lisa Papadopoulos	Joan Andrews
Fleur Turner	Paula Clancy	Alicia Gavin	
15 Years			
Robert Fooks	Helena Ng Man Hun	Janet Metcalfe	Nikki Sacaner
Susan Phipps	Kerrie Robinson	Maxine Regos	

20 Years			
Steven Boyce	Paul Rapke	Christine Rankine	
25 Years			
20 10015			
Karen Parkinson	John Stokes		
30 Years			
Dawn Jarrett	Rhonda Andrews	Margaret Gibson	
35 Years			
Elias Triantafyllidis	Joan Hayes		
45 Years			
Megan Walton			

### Recognising staff who go above and beyond

Through our formal Staff Reward and Recognition Program, Council continued to recognise those members of staff who have gone above and beyond their work requirements in support of our commitment to Council's vision to make Bayside a better place.

Staff Recognition Awards – team nominations			
Bayside Christmas Decorations	Playground Testers Working Group	Information Services Project Team	Sandringham / Hampton Library Services Branch
Sustainability Team			
Staff Recognition Awards – individual staff members			
Christina Balkos	Louise Jardine	Tanya Conn	Karen Parkinson
Sean Coote	Melanie Chetty	Mick Cummins	Tom Vercoe
Michelle Fleischer	Rod Sanders	Cate Ghosh	Louise Jardine
Frank Goodwin	Hilary Oliver	Vicki Higgins	Fran Power

In August 2010 Council delivered its first major build as part of its 10-year Pavilion Improvement Plan. Importantly, the facility includes gender neutral changerooms making a significant improvement for Bayside's sporting women and girls.

### Part 1 Overview of Bayside

# Our community

#### The City of Bayside

Bayside City Council was created on 14 December 1994, and comprises the former cities of Brighton and Sandringham and parts of the former cities of Mordialloc and Moorabbin.

The first election of Bayside City Council was held on 15 March 1997. Since this time, Council elections have been held in 2000, 2003, 2005, 2012 and 2016.

Currently, Council consists of three wards. North and South Ward each have two Councillors, while Central Ward elects three Councillors.

#### The area

The area now known as Bayside was originally inhabited by the Boon Wurrung people of the Kulin nation. The coastal land from Brighton to Mordialloc is the traditional country of the Ngaruk Willam clan of the Boon Wurrung people.

Covering some 37 square kilometres, the municipality's northern-most point lies along Glen Huntly Road, eight kilometres from Melbourne's central business district. The western boundary of Bayside is formed entirely by Port Phillip Bay's coastline, while the Nepean Highway and the Melbourne-to-Frankston railway line form most of the eastern border.

The municipality encompasses all or part of the suburbs of Beaumaris, Black Rock, Brighton, Brighton East, Cheltenham, Hampton, Hampton East, Highett and Sandringham, and is adjoined to the cities of Port Phillip, Glen Eira and Kingston.

Renowned for its quality of life, Bayside is characterised by attractive residential areas, popular business precincts, and a coastal environment.

Residents and visitors make the most of Bayside's numerous parks, reserves, foreshore areas, local retail centres, excellent sporting and recreational grounds and facilities, heritage buildings and sites, art galleries and festivals.

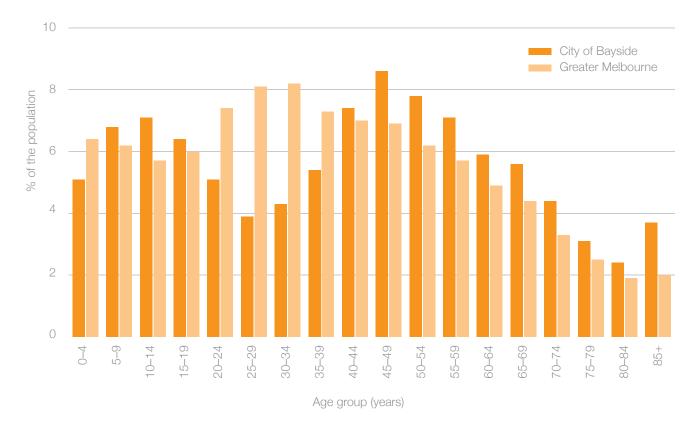
Bayside's stunning coast stretches for 17 kilometres, from Head Street, Brighton in the north to Charman Road, Beaumaris, in the south. It features an array of attractions such as: the Ricketts Point Marine Sanctuary, the Artists' Walking Trail, the Red Bluff Cliffs, the famous bathing boxes at Dendy Street Beach, and Middle Brighton Sea Baths.

#### Who lives in Bayside?

Bayside's estimated population for 2016 was 102,882 residents – an increase of 1,545 people (1.5 per cent) from 2015. Over the previous 12-month period, Bayside's population growth occurred predominately in Brighton and Hampton.

The 2016 Census found that the median age of Bayside residents increased from 42 years in 2011, to 44 years in 2016, due to the large increase in the number of residents aged 45 to 54 years and 65 to 74 years since the 2011 Census.

Compared to the Greater Melbourne area, Bayside has a smaller percentage of adults aged 20 to 39 years. Over 19 per cent of Bayside residents were aged 65 years and over, compared to 14 per cent for Greater Melbourne.



#### Age structure 2016

In 2016, 80 per cent of Bayside residents spoke only English at home. The most common non-English languages spoken were Greek, Mandarin, Russian, Italian and German. The biggest change since 2011 has been the increase in the number of residents who speak Mandarin, which has more than doubled in five years to 1,993 residents.

Within Bayside, there are 41,091 dwellings – an increase of 3,127 dwellings since the 2011 Census.

Housing density has increased over the past five years, resulting in 38 per cent of dwellings categorised as apartments or townhouses (from one to four storeys), while 62 per cent are separate houses – a drop from 68 per cent separate dwellings in 2011. Nearly half of all apartments were occupied by lone residents, with approximately one in five occupied by couples. Multi-storey townhouses were mostly occupied by families with children, while semi-detached single storey houses were predominantly occupied by sole residents.

Consistent with the ageing of the population, the percentage of residents who needed help or assistance because of a disability, longterm health condition or old age increased in 2016. On average 3.6 per cent of men and 5.1 per cent of women needed help or assistance. About half of the residents aged 85 years and over needed help or assistance with self-care, mobility or communication (39 per cent of males, 50 per cent of females).

Detailed 2016 Census data is now available through Council's Community Profile at **www.bayside.vic.gov.au/statistics.** 

# Our Council

### Bayside's electoral structure

Bayside City Council is divided into three, multi-member wards which are represented by their elected Councillors.

#### Northern Ward

Includes the suburbs of Gardenvale, Brighton North, Brighton, parts of Middle Brighton and Brighton East.

Number of voters	22,601
Number of properties	13,900*
Square kilometres	9.618
Number of Councillors	2

#### **Central Ward**

Includes the suburbs of Brighton Beach, Hampton, Sandringham, Hampton East, Cheltenham, Highett, parts of Middle Brighton and Brighton East.

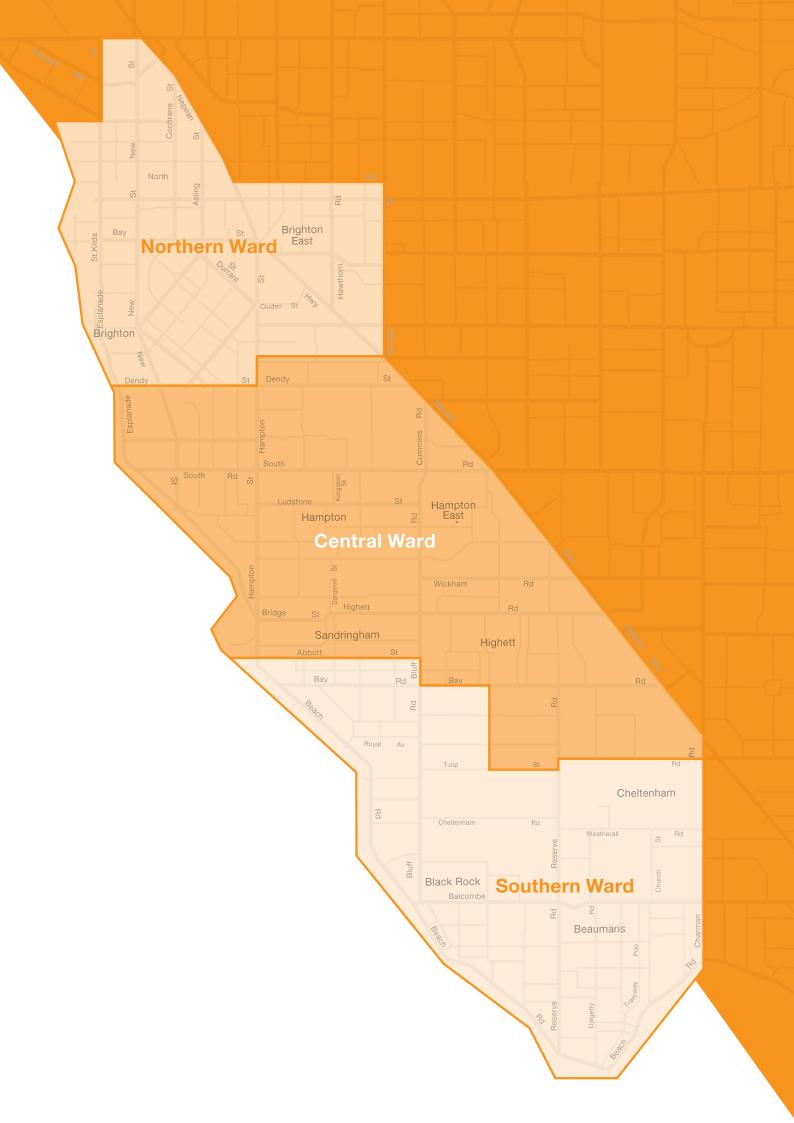
Number of voters	31,291
Number of properties	19,903*
Square kilometres	14.747
Number of Councillors	3

#### **Southern Ward**

Includes the suburbs of Beaumaris, Black Rock and parts of Sandringham and Cheltenham.

Number of voters	22,295
Number of properties	12,749*
Square kilometres	12.595
Number of Councillors	2

\*These figures include all property categories.



### The role of Council

The Victorian Constitution Act 1975 provides for a system of democratically elected councils exercising functions necessary to ensure the peace, order and good government of each municipal district.

The *Local Government Act 1989* outlines the legal status, purpose and objectives of councils, as well as their functions, powers and duties.

Bayside City Council comprises elected Councillors, led by the Mayor and the Council staff, led by the Chief Executive Officer.

### The role of Councillors

Councillors have a critical role in ensuring responsible and accountable governance. As the community's elected representatives, they are involved in determining priorities and policies, establishing the strategic direction of the City of Bayside, to help shape Bayside to be a better place.

All Bayside City Councillors have signed and are bound by a legislated Code of Conduct, which outlines the requirements and expectations of Councillors when representing Council, as well as in their dealings with the community, Council staff and each other.

When undertaking their roles, Councillors rely upon three important documents:

- the Code of Conduct
- the Local Government Act 1989
- Council's Governance Local Law Number 1.

In 2016/2017, Councillors attended a total of 33 meetings, including the Annual Meeting, Ordinary Meetings, Special Meetings and Special Committee Meetings. Councillor attendance across the entire year was over 99.2 per cent.

In those meetings, Councillors considered 469 separate items of business.

As well as formal meetings of Council, Councillors represent the Bayside community through appointments to various external organisations.

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### The role of the Mayor

Each year, at the Annual Meeting of Council, the Councillors elect a Mayor for a 12-month term. The role of the Mayor is to:

- lead, inspire and support the team of Councillors
- chair Council meetings, encourage Councillors to participate and work together, and enhance good governance
- promote civic pride and goodwill
- support and engage the community
- advocate to other levels of government on key issues on behalf of the community
- work with the Chief Executive Officer to ensure Council achieves our objectives.

In 2016/2017 Bayside City Council's Mayors were:

- Cr James Long BM JP: served to 22 October 2016
- Cr Alex del Porto: elected on 10 November 2016.

### Council elections

Victorian local government elections are held every four years for the Bayside community to elect seven Councillors to represent community interest. In October 2016, postal elections were conducted by the Victorian Electoral Commission (VEC) on behalf of Council. The results saw the re-election of four Councillors and the election of three new Councillors.

The previous Council was elected in October 2012 and served to October 2016. It comprised:

Northern Ward	Alex del Porto
	Michael Heffernan
	Felicity Frederico
Central Ward Southern Ward	Stephen Hartney <sup>1</sup> Bruce Lowe
	James Long
	Heather Stewart
	Laurence Evans

In 2016, the state's local government elections were held on 22 October 2016. The current Council comprises:

Northern Ward	Alex del Porto
Northern Ward	Michael Heffernan
	James Long BM JP
Central Ward	Robert Grinter
	Sonia Castelli
Southern Ward	Laurence Evans
	Clarke Martin

At the Annual Meeting of Council, held on 10 November 2016, Cr Alex del Porto was elected Mayor and Cr James Long BP JP was elected Deputy Mayor.

# Councillor profiles

### Cr Alex del Porto, Northern Ward

Elected to Council in March 1997 Elected Mayor on 10 November 2016 M: 0417 390 641 T: (03) 9598 2046 E: adelporto@bayside.vic.gov.au

### Cr Sonia Castelli, Central Ward

Elected to Council in November 2016 M: 0466 356 794 T: (03) 9598 2046 E: scastelli@bayside.vic.gov.au



Elected to Council 2000–2003 and re-elected in October 2012 M: 0400 965 233 T: (03) 9598 2046 E: mheffernan@bayside.vic.gov.au

### Cr Rob Grinter, Central Ward

Elected to Council in November 2016 M: 0466 356 789 T: (03) 9598 2046 E: rgrinter@bayside.vic.gov.au



### Cr James Long BM JP, Central Ward

Elected to Council in November 2005 Elected as Mayor to 22 October 2016 M: 0400 828 688 T: (03) 9598 2046 E: jlong@bayside.vic.gov.au



## Acknowledgment of former Councillors

Bayside Council acknowledges the contributions to the City of Bayside from the former Councillors during their terms of office.

### Cr Clarke Martin, Southern Ward

Elected to Council in November 2016 M: 0466 356 805 T: (03) 9598 2046 E: cmartin@bayside.vic.gov.au

### Cr Felicity Frederico

Representing Central Ward from October 2008 to October 2016.

Mayor of Bayside City Council from November 2014 to November 2015.

### Cr Bruce Lowe

Representing Central Ward from January 2014 to October 2016.

### Cr Laurence Evans, Southern Ward

Elected to Council in November 2012 M: 0407 735 993 T: (03) 9598 2046 E: levans@bayside.vic.gov.au

### Cr Heather Stewart

Representing Southern Ward from October 2012 to October 2016.

# Our organisation

#### **Organisation structure**

Reporting through directors to the Chief Executive Officer, Bayside City Council's organisational structure comprises three service-oriented divisions:

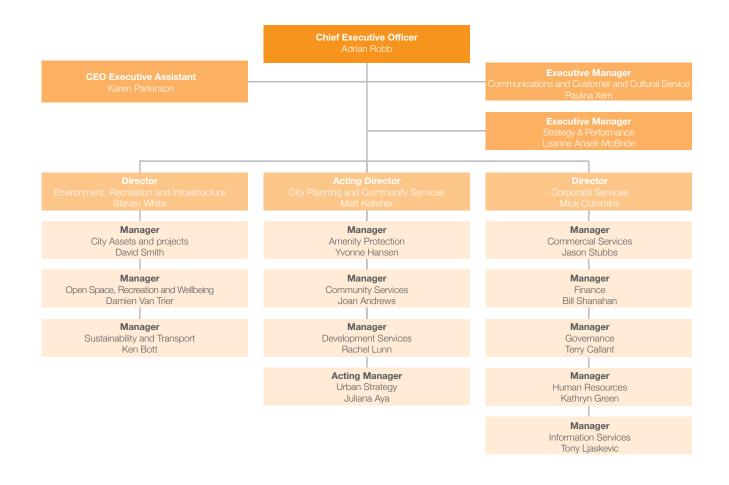
- Environment, Recreation and Infrastructure
- City Planning and Community Services
- Corporate Services.

These divisions undertake Council's major operational activities, including services to the community, as well as the business and governance functions necessary for an effective and publicly accountable body.

Two additional departments: Strategy and Performance, and Communications, Culture and Customer Service are led by executive managers and report directly to the Chief Executive Officer.

The Chief Executive Officer is employed by and reports to the elected Council, and it is the role of the Chief Executive Officer to manage the staff and resources of Council.

Opposite is the Council's structure as at 30 June 2017.



#### Changes to the structure in 2016/2017

In September 2016, Council implemented organisational changes to increase the alignment of functions, with the aim of improving the services we deliver to our community.

Within this restructuring, the functions of the Community Services Division were allocated across the other three divisions, and resulted in the following outcomes:

- four divisions were restructured and streamlined to form three divisions
- City Planning and Amenity became City Planning and Community Services
- Environment and Infrastructure Division became Environment, Recreation and Infrastructure
- Environmental Sustainability and Open Space Department and Family, Youth and Culture Department were amalgamated within other departments
- Infrastructure Assets became Sustainability and Transport and incorporates Environmental Sustainability, and Recycling and Waste

- Recreation, Youth and Events Department
   became Open Space, Recreation and Wellbeing
- City Works became City Assets and Projects and incorporates Asset Management
- Communications and Customer Services Department became the Communications, Culture and Customer Experience Department and incorporates Library and Cultural Services
- the Human Resources function moved from within Community Services to Corporate Services
- Family and Youth Services moved to the Community Services Department
- the Better Place Implementation Team became Strategy and Performance.

### Executive profile

The Chief Executive Officer, three directors and two executive managers form the Executive Team. The team meets weekly to support a whole-of-organisation approach to strategy and delivery.

"As Bayside's Executive Team, we will demonstrate leadership by working collectively and supporting each other. We will do this by building capacity and creating change so that individuals and the organisation can be the best they can be". – Executive Team Purpose

### Chief Executive Officer Adrian Robb

#### Bachelor of Arts, Deakin University Bachelor of Social Work, University of Melbourne Graduate, Australian Institute of Company Directors

Before taking up the role of Chief Executive Officer at Bayside City Council in June 2008, Adrian was Chief Executive Officer at Mount Alexander Shire Council.

Adrian has approximately 30 years' experience in local government and the community sector. This includes more than two decades in senior management roles across a range of metropolitan and regional local government authorities. Adrian is driven by his interest in improving quality of life and opportunities for people in local communities and a commitment to building the ability of local governments to serve and represent their communities.

The key strategy areas of Communications, Culture and Customer Experience and Strategy and Performance report directly to the Chief Executive Officer.

Adrian is a Fellow of Local Government Professionals (LGPro), a Fellow of the Institute of Public Administration Australia (IPAA – Victorian Division) and a National Fellow of IPAA. He is a member of the IPAA Victoria Board and has been Chair of IPAA Victoria's Awards Committee since June 2014 and is committed to advancing high standards in public sector performance, public value and integrity.

#### Director City Planning and Community Services Shiran Wickramasinghe

#### Bachelor of Applied Science (Planning) Graduate Diploma (Planning)

Shiran was appointed Director of City Planning and Community Services in November 2010. Prior to this, he was Manager of Planning and Building at the City of Melbourne. With more than 25 years' public sector planning experience, Shiran was responsible for the departments that manage land use, planning and development, regulatory services and economic activity within the municipality. Shiran left Bayside City Council in June 2017.

#### Acting Director City Planning and Community Services

## Matt Kelleher

#### Masters of Business Administration Graduate Diploma of Management Bachelor of Applied Science (Planning)

Matt was appointed to the interim role of Director City Planning and Community Services in June 2017, as well as acting in the role at various times throughout the year. Matt commenced with Bayside in 2010 and has held a number of roles during his time at Bayside, including Manager Urban Strategy and the interim roles of Executive Manager Organisational Development and Executive Manager Organisational Strategy and Performance. Matt has over 15 years' local government experience in both metropolitan and regional Victoria. Matt is responsible for leading a diverse range of customer facing, planning, community and regulatory services.

#### Services provided by this directorate include:

- aged and disability
- animal management and local laws
- building surveying and asset protection
- maternal and child health, family and immunisation
- economic development and tourism
- environmental health
- planning investigations
- statutory and strategic planning
- urban and landscape design
- youth.

#### **Executive Manager Communications, Culture and Customer Services**

## Paulina Xerri

#### Bachelor of Business

Paulina Xerri was appointed Executive Manager Communication, Customer and Cultural Services in 2015. With more than 23 years' experience in marketing and communication, Paulina has proven experience leading customerfocused organisations that meet the needs and expectations of their community. She holds a strong vision for community participation in delivering services that provide public value and that contribute to the liveability of Bayside.

#### Services provided by this directorate include:

- external and internal communication
- media management and issues management
- engagement
- research and analysis
- customer experience
- library
- arts and culture.

#### Director Environment, Recreation and Infrastructure

## Steven White

#### Bachelor of Engineering (Civil) (Hons) Graduate Diploma of Management

Steven commenced with Bayside in October 2012 as Director Infrastructure Services and became Director Environment, Recreation and Infrastructure in September 2016 following the organisational restructure. Prior to this, he was Manager Projects and Strategy at Boroondara City Council and has more than 25 years' experience in local government.

#### Services provided by this directorate include:

- environmental sustainability strategy and programs
- recycling and waste services
- traffic management and integrated transport planning
- recreation and events
- open space and foreshore management and maintenance
- community wellbeing
- infrastructure management and maintenance
- capital project management and delivery.

#### **Executive Manager Strategy** and Performance

## Leanne Ansell-McBride

#### Master of Business Administration Bachelor of Economics

Leanne was appointed Executive Manager Strategy and Performance at Bayside City Council in October 2016. Prior to this role, Leanne held a variety of senior executive roles in both state and federal governments and the private sector.

Leanne has extensive experience in a wide range of corporate services and people development roles in Australia, Asia and the United Kingdom. She held national and international management roles at Westpac, HSBC based out of Hong Kong, and a consulting role at DDI, an international organisational development consultancy.

#### Services provided by this department include:

- strategy and policy
- service planning and performance
- leadership and culture
- continuous improvement and innovation
- measurement and reporting.



### Director Corporate Services Mick Cummins

#### Bachelor of Business Graduate Diploma in Management

Mick was appointed Director Corporate Services in June 2012. Prior to this appointment, he was General Manager Corporate at Frankston City Council. Mick has extensive local government experience in the areas of finance, governance, organisational development, customer service and community services. Mick is responsible for the departments that provide internal support services to the organisation.

#### Services provided by this directorate include:

- auditing
- commercial
- financial
- governance
- human resources
- information.





## Part 2 Performance against Council Plan 2013–2017

## Performance against Council Plan 2013–2017

The following section details the performance of Council during 2016/2017 against the seven goals of the Council Plan 2013–17. Progress is measured through the delivery of activities set out in the Annual Action Plan 2016/2017 and activity progress is reported to Council on a quarterly basis. This year, 21 of the 32 planned activities were completed, with the remainder on track for completion in the latter half of 2017. The section also includes the performance against the Local Government Performance Reporting Framework, which highlights performance against eight service areas. In addition, information has also been included in relation to the services funded in the 2016/2017 budget.

Goal 1	An engaged community and Council	77
Goal 2	A strong supportive community	83
Goal 3	A liveable city	91
Goal 4	A sustainable natural environment	97
Goal 5	A creative and active community	105
Goal 6	A thriving local economy	111
Goal 7	Financial responsibility and good governance	115

## An engaged community and Council

"Thee Bayside community will be well informed and will have opportunities to actively participate in Council decision-making."

Through this goal, our priority over the four years of the plan is:

 ensuring decisions are informed by community input and to clearly communicate what we decided and why.

#### Performance against Goal 1

In progressing toward achieving our annual objectives aligned to this goal, two activities have been completed, with one activity 75 per cent complete.



#### Strategic objective

Ensure decisions are informed by community input and clearly communicate what we decided and why.

Activity	Target	Result	Status
Development of Council's website and e-services to meet disability access requirements	Website compliant with disability access requirements	Council's new website went live on 27 September 2016. An accessibility audit on the website's content will be completed in the fourth quarter. Phase two of the project is underway and on target.	• • •
Improving the quality of and access to planning and building permit information for customers and the community	Improved accessibility of planning and building permit information	This is being achieved through improvements to visual and written methods on Council's website. A series of films have been made to navigate residents through the planning process and to explain general matters including the construction process and the roles of other stakeholders in the development of Bayside. Council's planning and building website has also been improved with a new user-friendly layout and "plain English" wording. The work has been undertaken and the final website roll-out will occur in the first quarter of 2017/2018.	

#### Key strategic activity

Activity	Target	Result	Status
Development of an app for mobile devices that will improve customer access to Council information and services	Development of app completed	No longer required as Council's new website is responsive to mobile devices. The new initiative funds have been returned to general revenue and Council has been notified.	• • •

#### **Council Plan's strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Community satisfaction with consultation and engagement*	>57	51	$\bigcirc \bigcirc ullet$
Number of visits to Council's website	>800,000 unique hits per year	827,109	$\bullet \bigcirc \bigcirc$
Number of registered users on our "Have your Say" page on the Bayside website	>2,500 users	2,700	$\bullet \bigcirc \bigcirc$
Number of community engagement activities with the Bayside community	>10 activities and >1,500 people engaged	31 activities 4,300 people engaged	$\bullet \bigcirc \bigcirc$
Number of public users of the Geographical Information System by the community	>45 hits per week	76 per week average	$\bullet \bigcirc \bigcirc$

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

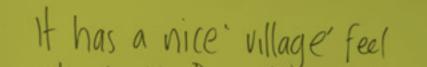
The following provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the service is provided to.

Service	Description	Net Cost <u>Actual Budget</u> (Variance \$'000)
		1,288
Customer Service	This service acts as the main customer interface for Council and provides excellence in customer service to the Bayside community.	1 <u>,177</u>
		(111)
Communications	ations This service is responsible for the management and provision of advice on	
and Community	internal and external communications and to ensure that Council effectively	<u>1,912</u>
Engagement	communicates and engages the Bayside community and stakeholders.	(47)

The following statement provides the results of the prescribed service performance indicators and measures including supportive commentary, where appropriate.

Service performance indicators			Results		Comments	
	ce/Indicator/Measure	2015	2016	2017	(where appropriate)	
Gove	ernance transparency					
G1	Council decisions made at meetings closed to the public [Number of Council resolutions made at Ordinary or Special Meetings of Council, or at meetings of a Special Committee consisting only of Councillors, closed to the public / Number of Council resolutions made at Ordinary or Special Meetings of Council or at meetings of a special committee consisting only of Councillors ] x100	4.00%	4.78%	0.80%	Bayside City Council is committed to open and transparent decision-making processes. During 2016/2017, three items were considered in a closed meeting of Council. These related to personnel and contractual matters.	
Cons	sultation and engagement					
G2	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	52.00	57.00	51.00	The Victorian Government Community Satisfaction Survey results indicate a reduction compared to the 2016 rating. The result may have been affected by a number of controversial matters considered by Council during the reporting period including Elsternwick Park open space, athletics, netball and Dendy Beach pavilion.	
Atter	Idance					
	Councillor attendance at Council meetings				The Councillor	
G3	[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	92.90%	96.43%	99.08%	attendance rating demonstrates the high level of commitment of elected members in representing their community.	
Service cost						
G4	Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$41,188.43	\$41,735.14	\$44,181.29	The increase in the cost of governance for 2016/2017 was a result of a comprehensive Councillor induction and training program undertaken for the newly elected Council.	

Service performance indicators		Results			Comments
Servi	ice/Indicator/Measure	2015	2016	2017	(where appropriate)
Satis	faction				
G5	Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	56.00	56.00	54.00	The Victorian Government Community Satisfaction Survey results indicate a reduction compared to the 2016 rating, but is consistent with the state-wide average.



# A strong supportive community

## "Bayside will be a healthy, connected community."

Through this goal, our priorities over the four years of the plan are:

- developing partnerships to support community participation and to meet the diverse needs of the community
- ensuring our services and facilities are accessible and inclusive and respond to current and emerging needs across life stages
- supporting volunteerism and building community capacity to attract, support and retain volunteers
- enhancing the public health and wellbeing of Bayside's community.

#### **Performance against Goal 2**

Our progress toward achieving our annual objectives aligned to this goal is 100 per cent.



#### Strategic objective

Understanding and responding to the diverse needs of our community.

Activity	Target	Result	Status
Develop a 10-year Kindergartens Improvement Plan to guide future capital investment in kindergarten facilities and commence implementation	Improvement Plan developed	Short-term works completed at 12 of 14 Council kindergartens, resulting in all kindergartens being 100% compliant with regulations. An Early Years Plan that identifies the future service needs of kindergartens, maternal and child health, and other early years services and the associated infrastructure to meet the needs will be presented to Council in November 2017.	• • •
Establish a base for the University of the Third Age (U3A) in the northern part of the municipality at the former Brighton Courthouse	Base for U3A established	Lease agreement finalised and signed by U3A. Classes commenced in February 2017.	• • •

#### Key strategic activity

Activity	Target	Result	Status
Completion of the community consultation phase of the Wellbeing for All Ages and Abilities Strategy (2017–2021) review	Community consultation and review completed	Community engagement for development of the Wellbeing for All Ages and Abilities Strategy (WAAA) completed with 532 community members engaged in the process, representing all ages and abilities. Three key themes were identified: an engaged and supportive community, a healthy and active community, and a safe and sustainable environment.	

#### **Council Plan's strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Improved community satisfaction with Council's Family Support Services*	>67	67	$\bullet \bigcirc \bigcirc$
Number of Council buildings with improved disability access	2	5	$\bullet \circ \circ$
Percentage of active Council volunteers registered on Council's volunteer management system	>95%	100%	$\bullet \bigcirc \bigcirc$
Percentage of children undertaking the key ages and stages check	>98%	93.8%	$\bigcirc \bigcirc ullet$
Number of young people attending Youth Services programs and services	>4,000	8,336	$\bullet \circ \circ$
Proportion of class 1 and class 2 food premises that receive an annual food safety assessment	>100%	100%	$\bullet \circ \circ$
Number of sporting facilities with facilities accessible to women	1 facility per annum	1	$\bullet \bigcirc \bigcirc$

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

The following provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the service is provided to.

Service	Description	Net Cost <u>Actual Budget</u> (Variance \$'000)
Aged and Disability Services	This service provides a range of home and community care services for frail older residents, residents with disabilities and their carers to support them to remain independent and safe at home. The service also works with individual older people and with seniors groups to increase socialisation opportunities and to identify and action areas of importance to older people and their carers.	1,814 <u>2,516</u> (702)
Family Services	This service provides early years buildings, maternal and child health, immunisation, early years planning, vacation care programs, kindergarten central enrolment, counselling and support, youth services, parent education, advocacy and support to early years services.	1,967 <u>2,251</u> (284)
Policy Planning	This service analyses demographic and social data and prepares policies, plans and strategies that promote community health and wellbeing. It provides research and information about community needs to all Council departments and to the community, and works in partnership with health and social services to plan and coordinate health promotion activities.	1,005 <u>973</u> (32)

The following statement provides the results of the prescribed service performance indicators and measures including supportive commentary, where appropriate.

Servic	e performance indicators		Results		Comments		
(Servic	ce/Indicator/Measure)	2015	2016	2017	(where appropriate)		
Anima	Animal Management						
Timelir	ness						
AM1	Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	0.00	1.73	2.43	Council prioritises animal management requests and strives to respond promptly. There is a small increase in the response time in 2017, driven by workload demands from significantly higher barking dog complaints and general animal complaints, as well as increased prosecutions.		
Servic	e standard						
AM2	Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	90.85%	99.33%	87.06%	Council actively works to contact pet owners to collect their pets and provides a day stay facility for lost pets. Council had a higher number of unregistered cats collected in the 2017 period that reduced the reclaimed percentage.		
Servic	e cost						
AM3	Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$41.12	\$39.64	\$39.91	Council's animal registrations are fairly consistent with previous years and the animal management service was within operating budget.		
Health	and safety						
AM4	Animal management prosecutions [Number of successful animal management prosecutions]	6.00	9.00	22.00	Council educates the community about responsible pet ownership to minimise breaches of the Domestic Animals Act. Council has successfully prosecuted 22 animal matters this year, the increase from previous years being driven by a significant increase in complaints.		

Servic	e performance indicators		Results		Comments
	ce/Indicator/Measure)	2015	2016	2017	(where appropriate)
Food	Safety				
Timelir	ness				
FS1	Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0.00	1.84	1.81	Council places a high priority on the investigation of food complaints. Council has set an internal target of three days, much lower than the state target of 10 days to respond to all food complaints. From 1 July 2016, "Time taken to action food complaints" was reported by calendar year to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
Servic	e standard				
FS2	Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x100	100.00%	101.11%	100.93%	All premises that require a food safety assessment have received one. The assessment percentage result is greater than 100% due to some premises transferring ownership, with a second compliance assessment being undertaken.
Servic	e cost				
FS3	Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]	\$640.23	\$517.37	\$423.32	The direct cost of the food safety service has reduced in comparison to previous years, due to the focus on efficiency and increases in the number of food premises registered, such as the inclusion of premises notified and registered in Streatrader.
Health	and safety				
FS4	Critical and major non-compliance outcome notifications	100.00%	100.00%	100.00%	Council places a high importance on food safety and all critical and major non-compliance outcome notifications are followed up. This measure is now reported on a calendar year and performance is consistent with previous reporting periods.

	e performance indicators		Results		Comments	
(Servio	ce/Indicator/Measure)	2015	2016	2017	(where appropriate)	
Mater	rnal and Child Health (MCH)					
Satisfa	action					
MC1	Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	105.39%	104.05%	103.58%	Results higher than 100% are due to a small percentage of parents who reside outside of the municipality but stay with extended family for a short period of time following the birth of their baby. Council does not receive the birth notification; however, does conduct the first home visit if the child is presently staying in the municipality. Participation rates are consistent with 2015/2016 results.	
Servic	e standard					
MC2	Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	100.00%	100.00%	Council has 100% infant enrolments, which is consistent with previous reporting periods.	
Servic						
MC3	Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	N/A	\$58.73	\$81.70	This cost is inclusive of salaries, materials and building maintenance costs associated with delivering the MCH service. This data was not required to be collected in 2014/2015. The 2015/2016 data did not include building maintenance costs and some staff salaries, which impacted the unit cost.	
Partici	pation					
MC4	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.50%	82.26%	81.31%	The participation rate is consistent with the 2015/2016 financial year figure of 82%. Council Maternal and Child Health nurses are proactive in contacting families who have missed key ages and stages visits.	
MC5	Participation in the MCH service by Aboriginal children	89.19%	80.00%	65.52%	The participation rate of 66% is lower than the 2015/2016 figure of 80%. There were a small number of enrolled Indigenous Australian children who resided in the Bayside area. While some children actively participated in the MCH service, the decrease in participation reflects that some families did not participate, despite proactive outreach by the MCH service.	

SEALIN CARE

## GOAL 3 A liveable city

### "Bayside will have a well-preserved neighbourhood character and will have accessible transport options."

Through this goal, our priorities over the four years of the plan are:

- developing planning strategies and policies with our community that enhance Bayside's liveability along with its natural and built environment
- engaging with our community to ensure we develop appropriate planning controls for Bayside
- advocating Council's planning and urban design objectives
- developing and implementing public realm projects to beautify Bayside's neighbourhood character and enrich our urban environment
- ensuring community assets and infrastructure meet current and expected needs
- planning, advocating, implementing and promoting integrated transport options in Bayside.

#### **Performance against Goal 3**

In progressing toward achieving our annual targets aligned to this goal, two activities have been completed, with two activities on track and two activities at 80 per cent of their original target.



#### Strategic objective

Protecting and enhancing amenity, liveability and neighbourhood character.

Activity	Target	Result	Status
Upgrade to the North Road main drain	Delivery of programmed works	Construction tender awarded. Works commenced in April 2017. Completion expected in August 2017.	$\bigcirc \bigcirc ullet$
Installation of a public toilet facility at Jetty Road Kiosk	Delivery of programmed works	Construction tender awarded. Works commenced in April 2017. Completion expected in August 2017.	$\bigcirc \bigcirc ullet$
Installation of public toilet facility at Whyte Street Brighton	Delivery of programmed works	Works completed. Whyte Street reserve is now serviced by an accessible toilet.	$\bullet \bigcirc \bigcirc$

#### Strategic objective

Providing infrastructure and transport options that meet current and expected needs of the Bayside community.

Activity	Target	Result	Status
Complete the annual road resealing and re-sheeting program across the municipality	Delivery of programmed works	Works completed for 2016/2017. There were 104 roads, equating to 24km of road surface resheeted.	
Review of the Highett Structure Plan – First year of two-year activity (complete first-round engagement)	Structure Plan implemented	The first stage of community consultation and engagement on the Highett Structure Plan review has concluded. A report was prepared summarising the issues raised through consultation which will inform the next stages of the project. A briefing report was presented to Council in August 2017 with the summary outputs of this process.	

#### Key strategic activity

Activity	Target	Result	Status
Development of the Southland Structure Plan, consisting parts of the suburbs of Cheltenham and Highett and the proposed Southland Railway Station – First year of two-year activity (complete first-round engagement)	Community engagement works completed	The background report was completed and consultation and engagement program finalised in accordance with a Council-endorsed program from February 2017. Officers met with local residents to explain the Structure Planning process in March 2017 and again June 2017 to discuss implications of proposed suburb name change. Communication material and collateral to inform the first stage of consultation approved and is being printed. Stage 1 of consultation and engagement commenced 10 July 2017.	

#### **Council Plan strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Community satisfaction for local streets and footpaths*	>66	64	$\bigcirc \bullet \bigcirc$
Community satisfaction rating for traffic management*	>60	60	$\bullet \bigcirc \bigcirc$
Community satisfaction rating for parking facilities*	>52	49	$\bigcirc \bigcirc ullet$
Community satisfaction rating for appearance of public areas*	>74	74	$\bullet \bigcirc \bigcirc$
Community satisfaction rating for the enforcement of local laws*	>65	64	$\bigcirc \bullet \bigcirc$
Percentage of planning permit applications determined within the statutory timeframes	>60%	43%	$\bigcirc \bigcirc ullet$
Percentage of the annual Capital Works Program completed at the conclusion of the financial year	>90%	92%	

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

The following table provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the service is provided to.

Service	Description	Net Cost <u>Actual Budget</u> Variance \$'000
Infrastructure Assets	This service ensures the long-term, sustainable management of Council's infrastructure-based services, a safe and efficient roads network, quality urban places and protection and advocacy of public assets.	1,969 <u>2,359</u> 390
Capital Works	This service delivers maintenance work and improvements to Council's infrastructure and assets. The service also undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	9,179 <u>9,283</u> 104
Strategic Land Use Planning	This service prepares policies and strategies relating to land use planning and development issues. The service monitors the Bayside Planning Scheme as well as preparing major policy documents shaping Bayside's future. It also prepares and processes amendments to the Bayside Planning Scheme and carries out research on demographic, urban development, economic, environmental and social issues affecting Council.	1,030 <u>1,209</u> 179
Statutory Planning	The statutory planning service processes all planning permit applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary.	1,677 <u>1,826</u> 149
Building Services	This service provides statutory building services to Council and the community including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works.	296 <u>254</u> (42)
Amenity Protection	This service protects the safety and amenity of our community through the provision of animal management services, food safety services, the administration of relevant laws and regulations and community education for those who live, work and visit Bayside.	(2,267) <u>(736)</u> 1,531

The following statement provides the results of the prescribed service performance indicators and measures including supportive commentary, where appropriate.

Servio	ce performance indicators		Results		
	ce/indicator/measure)	2015	2016	2017	Comments (where appropriate)
Road	s				
Satisf	action of use				
R1	Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads ] x100	84.82	89.43	142.43	Council experienced a significant increase in the number of road related customer requests in 2016/17. Council implemented a new website in 2016/17 to make the customer experience easier. A review of the data indicated a 155% growth in web-based road related customer requests. There was also increased activity of other authorities (e.g. water, gas, NBN) undertaking works in Bayside which impacted on the road surfaces.
Cond	ition				
R2	Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	97.02%	95.39%	97.30%	The road reconstruction and resealing activities carried out during the 2016/2017 financial year have resulted in an adjustment to 97% of roads that are within intervention levels.
Servio	ce cost				
R3	Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$128.97	\$112.36	\$0.00	No road reconstruction works were undertaken in 2016/2017, due to proposed project with abutting council being delayed until 2017/2018 by the abutting council.
R4	Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$25.49	\$22.49	\$16.00	The sealed local road resealing program was at a lower cost this year due to the number of small localised roads completed that are of a lesser bitumen thickness.
Satisfaction					
R5	Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	67.00	70.00	69.00	Council has seen a slight decrease in community satisfaction. The result remained 3 points above the average score for metropolitan councils and 16 points above the state-wide average.

Servic	e performance indicators		Results		
	ce/indicator/measure)	2015	2016	2017	Comments (where appropriate)
Statu	tory Planning				
Timeli	ness				
SP1	Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	115.00	88.00	118.00	A significant backlog of applications from 2016 contributed to an increase in the time taken to decide planning applications in 2017. An improvement program was implemented and it is expected to significantly improve assessment timeframes in 2017/2018.
Servio	ce standard				
SP2	Planning applications decided within required timeframes [(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	44.16%	57.99%	43.31%	A significant backlog of applications from 2016 and a change in the VicSmart Regulations in 2016/2017 caused a reduction in the service standard provided in Statutory Planning. An improvement program was implemented and it is expected to significantly improve assessment timeframes in 2017/2018.
Servio	ce cost				
SP3	Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$2,438.40	\$1,519.89	\$2,641.36	The cost of Statutory Planning has increased due to investment in an improvement program that is expected to significantly increase application approval timeframes. The majority of the service cost was funded from private application fees.
Decis	ion-making				
SP4	Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	40.91%	44.05%	45.61%	The decision-making result area has seen an improvement on the previous year. While the percentage of cases set aside has improved by 2%, in 2016/2017 only 57 appeals to VCAT were determined at a hearing, compared to 84 cases in the previous year. Twenty appeals were withdrawn by the applicant or mediated before a hearing, saving costs and time for the community.

## A sustainable natural environment

"Bayside will be a leader in environmental management and will be a greener, more sustainable city."

Through this goal, our priorities over the four years of the plan are:

- working with the community and our partners to achieve positive environmental outcomes for the Bayside community through education and sharing information
- protecting and enhancing foreshore, natural reserves and open spaces for the enjoyment of our community
- minimising the environmental impacts of Council operations by reducing waste, and improving water and energy efficiencies
- protecting and enhancing vegetation (increase indigenous plant usage) on private and public land
- responding to climate change and mitigating its effects.

#### Performance against Goal 4

In progressing toward achieving our annual objectives aligned to this goal, two activities have been completed, with one activity within 20 per cent of original target.



#### Strategic objective

Achieving positive environmental outcomes.

Activity	Target	Comments	Status
Develop and deliver a community education program on food waste avoidance	Program developed and delivered	Program implemented. To be continued as an ongoing operational program.	
Implement a program where weeds around Council's playgrounds and kindergartens are treated using steam weed control rather than herbicide	Program implemented	Program implemented. To be continued as an ongoing operational program.	• • •

#### Key strategic activity

Activity	Target	Result	Status
Commence construction of a stormwater harvesting and irrigation system for Dendy Park and the Brighton Golf Course	Delivery of program	Works commenced in April and major earthworks and tree removal are complete. Completion is planned for October 2017 with the project having been funded over two financial years.	$\bigcirc \bigcirc ullet$

#### **Council Plan strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Number of people engaged or attending an event where Council's sustainability initiatives are actively promoted	>10,300	8,603	$\bigcirc \bigcirc ullet$
Diversion of waste from landfill to recycling (kerbside collection)	>50%	51.01%	$\bullet \bigcirc \bigcirc$
Greenhouse gas (GHG) emissions in tonnes of C02e (target 5% annual reduction on 2015/2016 figure 5,056 tonnes)	<4,803 tonnes >5% reduction	4,677 tonnes 7.5% reduction	$\bullet \bigcirc \bigcirc$
Number of trees planted in streets, parks, foreshore and bushland reserves	>2,000	1,941	$\bigcirc \bigcirc ullet$
Percentage of new trees planted on nature strips within the VPO3 that are indigenous varieties	>80%	92%	$\bullet \bigcirc \bigcirc$
Consumption of potable water for irrigation within open space	<220,000 kL	188,248 kL	$\bullet \bigcirc \bigcirc$
Number of completed, funded, open space improvements as identified within the Capital Works Program	>90%	100%	$\bullet \bigcirc \bigcirc$
Number of indigenous plants available for Council use and private sale and sold from the Bayside Community Plant Nursery	>100,000	84,854	$\bigcirc \bigcirc ullet$

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

The following provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the services are provided to.

Service	Description	Net Cost <u>Actual Budget</u> Variance \$'000
Environmental Sustainability and Open Space Services	This service develops environmental policy and provides quality services in open space management, tree management, waste collection and foreshore cleansing and sustainability initiatives.	18,303 <u>18,468</u> 165



The following statement provides the results of the prescribed service performance indicators and measures including supportive commentary, where appropriate.

Service performance indicators (service/ indicator/measure)		Results			Comments				
		2015	2016	2017	(where appropriate)				
Waste Collection									
Satisfac	ction								
WC1	Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	140.20	135.52	175.18	Collection requests include all activities relating to bin movements due to replacement, repairs, additional services to existing properties, bin upsizing, missed services and/ or feedback on services issues and quality. A 13% increase in the number of requests since last year, is expected to be largely attributed to an increase in utility works (water, power, gas, NBN) within the road reserve associated with high levels of development across Bayside which can impact access for garbage collection services. Population growth in the municipality during last financial year has also contributed to the number of requests received. Bayside City Council will be developing a Recycling and Waste Management Strategy that will include community engagement activities to increase awareness of the service level and issues/ challenges relating to recycling and waste services.				

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Service performance indicators (service/ indicator/measure)		Results			Comments			
		2015	2016	2017	(where appropriate)			
Waste Collection (cont)								
Service cost								
WC3	Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$107.05	\$109.33	\$91.01	The cost of the waste collection service is an important indicator of efficiency. Bayside City Council provides a larger 140-litre garbage bin compared to the 120-litre bin provided by many councils. This allows more garbage collected per bin. While Council also offers an 80-litre garbage bin option, the uptake rate for these smaller bins has been low to date. The overall 13% cost reduction reported since last year was due to an error in calculation method in previous reports. Reporting procedures have been developed to ensure consistent reporting in the future.			
Service	cost							
WC4	Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$9.38	\$9.07	\$9.78	Council's recyclables processing contract provides an income stream to offset costs associated with the collection of the domestic recyclables bin. A 4% cost increase since last year was due to a reduction in revenue from the sale of			
					recyclables, which is related to weaker global commodity prices.			
Waste c	diversion							
WC5	Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	51.00%	49.45%	51.01%	A higher overall percentage of kerbside waste being diverted from landfill has resulted from a reduction in total garbage tonnages, while recycling tonnages have remained steady over the same period. Council's Don't Feed The Bin food waste community awareness campaign over the last six months of the financial year has targeted a reduction in the volume of food waste in domestic garbage.			



## GOAL 5 A creative and active community

"Bayside and its community will have a strong sense of identity, pride and place through its culturally rich arts, recreation and cultural programs."

Through this goal, our priority over the four years of the plan is:

 providing recreation and cultural opportunities that create a sense of identity, pride and place.

#### **Performance against Goal 5**

In progressing toward achieving our annual objectives aligned to this goal, five activities have been completed, with two activities between 75–85 per cent completed and a further activity at 60 per cent of its original target.



#### Strategic objective

Providing recreation and cultural opportunities that create a sense of identity, pride and place.

Activity	Target	Result	Status
Redevelopment of the pavilion at Cheltenham Recreation Reserve	Works completed	Works commenced in October 2016. Works are behind due to soil issues onsite. Completion will be delayed to 2017/2018.	$\bigcirc \bigcirc ullet$
		At 30 June the works were at lock-up stage.	
Redevelopment of the pavilion at Dendy Park (soccer/cricket) facility	Works completed	Works commenced in October 2016 with the works budgeted for over two financial years. Works expected for completion in October 2017. The building works component has progressed well and is nearing completion. This will be followed by demolition of old pavilion and car park works.	$\bigcirc \bigcirc ullet$
Develop Bayside Tennis Strategy and Regional		Draft Tennis Strategy completed June 2017. Presented for peer review by recreation consultant and Tennis Victoria (funding partner).	
Tennis Facility Feasibility Study to better understand the current needs and the participation in the sport of tennis	Strategy developed	Dendy Park Tennis Club has been reluctant to date, to engage in the Regional Tennis Centre Feasibility Study. As a consequence, the Draft Tennis Strategy does not include the Feasibility Study – with this work due for completion in 2017/2018.	$\bigcirc \bigcirc igodot$
Construction of sportsground lighting at Dendy Park, Hurlingham Park ovals No. 1 and 2, AW Oliver Baseball infield and Tulip Street Baseball infield	Works completed	Works completed at the four locations.	• • •
Conservation and public display of a significant portrait of the Hon. Tommy Bent (former Premier of Victoria and Mayor of Brighton)	Works completed	Conservation completed and portrait on public display in Brighton Town Hall.	
Renewal of library resources and collection	Resources and collection renewed	Library resources are purchased on an ongoing basis throughout the year to anticipate customer needs and fulfil customer requests.	
Establish a committee under s86 of the <i>Local</i> <i>Government Act 1989</i> to oversee the Gallery@BACC and the management of Council's art and heritage collection	Committee established	Committee and Charter of Delegation adopted by Council on 23 August 2016.	• • •

#### Key strategic activity

Activity	Target	Result	Status
Redevelopment of the Elsternwick Park oval No.1 precinct in partnership with the state government	Works completed	Contracts for oval and pavilion construction awarded at 27 June 2017 Council Meeting with construction to commence in August 2017.	$\bullet \bigcirc \bigcirc$

#### **Council Plan strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Number of visitors to the Gallery@BACC	>6,400	8,152	$\bullet \bigcirc \bigcirc$
Number of online visitors to the Gallery@ BACC	>3,000	2,009	$\bigcirc \bigcirc \bullet$
Number of arts and cultural activities programs offered annually to the community	>10	89	
Number of physical visitors to Bayside Library Services at each branch	Brighton >292,000 Beaumaris >140,000 Hampton >52,000 Sandringham >168,000	Brighton 292,963 Beaumaris 142,565 Hampton 49,241 Sandringham 185,870	$\bigcirc \bullet \bigcirc$
Number of loans of library materials per annum	>960,000	922,516	$\bigcirc \bigcirc ullet$
Number of web visitors to Bayside Library Services	> 40,000	93,252	$\bullet \bigcirc \bigcirc$
Percentage of population that are active library members	>25%	21.92%	$\bigcirc \bigcirc ullet$
Number of library lifelong learning and social inclusion programs offered	>20	25	$\bullet \bigcirc \bigcirc$
Estimated attendance at Council's major events	>18,000 Carols in the Park and >5,000 Bright 'n' Sandy Festival	Approx. 22,000 Carols in the Park and 8,000 Bright 'n' Sandy Festival	• • •

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

The following provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the services are provided to.

Service	Description	Net Cost <u>Actual Budget</u> Variance \$'000
Libraries	This service contributes to the quality of life in Bayside by providing library services at four locations and a wide range of public library programs to promote literacy, provide information, and encourage socialisation, development and wellbeing.	3,017 <u>3,157</u> 140
Arts and Culture	This service provides a range of arts and cultural programs and participation opportunities to preserve and promote our heritage and culture and aims to inspire and stimulate the imagination.	639 <u>738</u> 99
Recreation and Events	This service supports community celebration and works in partnership with community groups and sporting clubs to provide spaces and opportunities to encourage and support active, healthy and inclusive communities including local swimming pool facilities.	521 <u>645</u> 124

The following statement provides the results of the prescribed service performance indicators and measures including supportive commentary, where appropriate.

Service performance indicators service/		Results				
indica	tor/measure	2015	2016	2017	Comments (where appropriate)	
Libra	ries					
Utilisa	ition					
LB1	Library collection usage [Number of library collection item loans / Number of library collection items]	5.65	5.54	5.62	Bayside's libraries actively manage and promote their print and digital collections to maximise the utilisation of each item. This ensures the best possible value to the community from the purchase of the collections.	
	Resource standard					
LB2	Standard of library collection [Number of library collection items purchased in the last five years / Number of library collection items] x100	68.65%	69.46%	68.88%	Council's libraries regularly update their print and digital collections to ensure they continue to meet the needs, preferences, and interests of borrowers. The collection is reflective of the community it serves and is developed and maintained based on feedback and requests.	
	Service cost					
LB3	Cost of library service [Direct cost of the library service / Number of visits]	\$5.72	\$5.88	\$6.09	Council's libraries manage their operations efficiently to maximise value to the community. Utilising business excellence principles and continuous improvement the service is constantly reviewing and improving service delivery. An increase in cost is due to a small decrease in the number of people visiting the library and does not reflect the number of people using Library Services online only.	
	Participation					
LB4	Active library members [Number of active library members / Municipal population] x100	22.10%	23.56%	21.92%	The Bayside community has high engagement levels with Library Services. Active library membership was marginally lower than 2015/2016 and was reflective of the slightly lower loans statistics. This does not capture the usage of the service by people studying, using computers, WI-FI or attending events.	



# GOAL 6 A thriving local economy

"Bayside will be recognised for its thriving shopping and business precincts and as a prominent sporting and tourist destination."

Through this goal, our priority over the four years of the plan is:

 supporting the creation of a strong, creative and innovative local economy.

#### Performance against Goal 6

In progressing toward achieving our annual objectives aligned to this goal, two activities have been completed, with one activity 75 per cent completed.



#### Strategic objective

Supporting the creation of a strong, creative and innovative local economy.

Activity	Target	Result	Status
Implementation of the streetscaping works in the Sandringham Activity Centre	Works completed	Sandringham Activity Centre Masterplan completed. Detailed design, informed by local engagement, to be undertaken in 2017/18.	
Implementation of Year 2 of the Christmas Decorations Program, including additional decorations at Beaumaris Concourse, Black Rock Clock Tower and Martin Street Shopping Centre, Gardenvale	Christmas Decorations Program implemented	Christmas Decorations Program undertaken successfully. Overall positive community comments received.	

#### Key strategic activity

Activity	Target	Result	Status
Redevelopment of the pavilion and lifesaving club at Dendy Street Beach to encourage greater tourism to the iconic bathing boxes	Design work and planning permit finalised	Design work completed and application for planning permit approved at December 2016 Council meeting. Project delayed by planning permit appeal. VCAT hearing scheduled for November 2017.	$\bigcirc \bigcirc ullet$

#### **Council Plan strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Community satisfaction rating for business and community development and tourism*	>61	60	$\bigcirc \bullet \bigcirc$
Community satisfaction rating for tourism development*	>54	54	$\bullet \bigcirc \bigcirc$
Satisfaction rating from Bayside Business Network event attendees	85%	93%	$\bullet \bigcirc \bigcirc$
Number of Bayside Business Network members	>450	276	$\bigcirc \bigcirc \bullet$
Number of events sponsored by Council through the Shopping Centre Events and Celebration Program in conjunction with local trader's associations	>4	9	$\bullet \circ \circ$

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

The following provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the service is provided to.

Service	Description	Net Cost <u>Actual Budget</u> Variance \$'000
Economic Development	This Economic Development Service facilitates an environment that is conducive to a sustainable and growing local business sector and provides opportunities for local residents to improve their skill levels and access to employment.	707 <u>683</u> (24)

#### GOAL 7

# Financial responsibility and good governance

"Bayside City Council will continue to make the best use of available resources to the benefit of all in a transparent local government environment."

Through this goal, our priorities over the four years of the plan are:

- creating community value through effective management of resources and finances
- open and transparent decision-making and strong accountability to the community.

#### **Performance against Goal 7**

In progressing toward achieving our annual objectives aligned to this goal, five activities have been completed, with one activity 90 per cent completed.



#### Strategic objective

Creating community value through effective management of resources and finances.

Activity	Target	Result	Status
Development and implementation of a Councillor Induction Program for the newly elected representatives of Bayside City Council	Review conducted	The Councillor Induction Program is completed, including the budget discussions. The ongoing development program is currently being developed based on the feedback from the Councillors' self-evaluation results.	
Development of the 2017–2021 Council Plan	Council Plan adopted	The Council Plan 2017–21 was adopted by Council on 27 June 2017.	$\bullet \circ \circ$
Strategic service reviews undertaken for four Council services	Reviews undertaken	Two service reviews presented to Council this financial year (Library Services in July 2016, and Traffic Management and Transport Planning in December 2016). Building Services and Information Services reviews were presented to the Executive Team in June 2017 and scheduled for the August 2017 Council meeting. The following reviews: Environmental Health, Local Laws and Appeals, Investigations, and Recycling and Waste Management are underway and will be completed in 2017/2018.	$\bigcirc ullet \bigcirc$

#### Strategic objective

Ensuring open and transparent decision-making and strong accountability to the community.

Activity	Target	Result	Status
Development of a new Councillor Code of Conduct for the newly elected Council	Code of Conduct developed	The Councillor Code of Conduct was adopted by Council at our Special Meeting held on 14 February 2017.	• 0 0
Completion of the internal audit Plan undertaken by Council's internal auditor	Audit Plan completed	The 2016/2017 Internal Audit Plan has been completed in accordance with the adopted plan.	

#### Key strategic activity

Activity	Target	Result	Status
Provide electoral services to elect representatives to govern Bayside City Council for the period 2016–2020	Electoral services undertaken	Election process for the 2016 elections was completed and was conducted professionally at a high standard.	• 0 0

#### **Council Plan strategic indicators**

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Indicator	Target	Result	Status
Community satisfaction rating with customer service*	>71	66	$\bigcirc \bigcirc \bullet$
Community satisfaction rating for lobbying on behalf of the community*	>53	51	$\bigcirc \bigcirc ullet$
Community satisfaction rating with overall performance of Council*	>65	63	$\bigcirc \bigcirc ullet$
Percentage of customer service requests actioned within target timeframes	>95%	97%	
Average time callers wait before their call is answered excluding welcome and hold message	<30	80	$\bigcirc \bigcirc ullet$
Number of service reviews undertaken in accordance with the service review framework each year	4 reviews annually	2 service reviews completed and 2 reports to be presented to Council	$\bigcirc \bullet \bigcirc$
Successfully obtain funding or tangible responses as a result of strategic advocacy	>3 specific funding grants annually	3	
The percentage of Council decisions made at meetings closed to the public	<6%	0.8%	
Staff turnover rate	<11%	11%	$\bullet \bigcirc \bigcirc$
Lost time injury frequency rate	<10	8.64	$\bullet \bigcirc \bigcirc$
Employee satisfaction through the Employee Opinion Survey	>71%	71%	
(Biennial survey. New results to be reported in 2017/2018)			$\bullet \bigcirc \bigcirc$
Rates and charges as a percentage of total income	>70%	66%	$\bullet \bigcirc \bigcirc$
Underlying operating result	\$13.2 million	\$23.12 million	$\bullet \bigcirc \bigcirc$
Liquidity – ability to pay existing liabilities in the next two months	>1:1.5	1:4.47	
Indebtedness – measures total borrowings as a percentage of rates and charges revenue	<40%	0.79%	
Renewal gap – comparison of the rate of spending on existing assets through renewing, storing and replacing existing assets with depreciation	>1.0	1.52	

\* 2017 Department of Environment, Land, Water and Planning Annual Local Government Community Satisfaction Survey results (indexed mean score).

The following provides information in relation to the services funded in the 2016/2017 budget and the persons or sections of the community the service is provided to.

Service	Description	Net Cost <u>Actual Budget</u> Variance \$'000
Chief Executive and Executive Team	This area includes the Chief Executive Officer, directorates and associated support which cannot be easily attributed to the direct service provision areas.	2,117 <u>2,197</u> 80
Financial Services	This service predominantly provides financial-based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, raising and collection of rates and charges, and valuation of properties throughout the municipality.	(1,881) <u>(375)</u> 1,506
Information Services	This service provides, supports and maintains reliable and cost-effective communications, computing and records information systems, and manages information technology infrastructure for Council staff enabling them to deliver services in a smart, productive and efficient way.	3,297 <u>3,319</u> 22
Organisation Development	This service provides Council with strategic and operational organisation development support. The service develops and implements strategies, policies and procedures through the provision of human resource and industrial relations services. The service also assists managers to determine and progress toward future structures, capability and cultures in their service units.	1,792 <u>2,051</u> 259
Governance and Corporate Performance	This service includes the Mayor and Councillors and provides support in the areas of policy, corporate planning, performance measurement and reporting. The service also ensures that through good policy process Council and the Councillors meet all of their individual and collective statutory obligations with transparency and integrity, and that the Councillors are properly supported in their role.	1,689 <u>1,992</u> 303
Commercial Services	This service facilitates property leasing, property sales, acquisitions and insurance claims for Council.	(1,713) <u>(1,387)</u> 326

### Part 3 Statutory reporting and corporate information

# Statutory reporting and corporate information

#### **Corporate governance**

Corporate governance is about ensuring that Council operates in an open, honest, communicative and accountable manner. It is the way we consult and communicate with our community and in turn, represent the community on important advocacy issues.

Corporate governance is also about our risk and financial management practices, our adherence to legislation, the operations of Council, the development of policies and procedures, and our approach to continuous improvement.

#### **Council elections 2016**

#### Every four years, Victorian local government elections are conducted by the Victorian Electoral Commission (VEC).

Within Bayside City Council, the local community elects seven Councillors to represent community interests. The 2016 elections were held by postal ballot on Saturday, 22 October 2016, with ballot papers due to be returned by 5pm on Wednesday, 2 November 2016. The results saw the re-election of four Councillors and the election of three new Councillors.



Ward	Elected Representative	Re-elected / New
	James Long (1st elected)	Re-elected Councillor
Central Ward	Robert Grinter (2nd elected)	New Councillor
	Sonia Castelli (3rd elected)	New Councillor
Newtheory Word	Michael Heffernan (1st elected)	Re-elected Councillor
Northern Ward	Alex del Porto (2nd elected)	Re-elected Councillor
Southern Ward	Laurence Evans (1st elected)	Re-elected Councillor
	Clarke Martin (2nd elected)	New Councillor

There were 76,187 enrolled voters, made up of:

- the Victorian Electoral Commissioner's List of State Electors (93.11 per cent of the roll)
- the Chief Executive Officer's list of Council-entitled voters (6.89 per cent of the roll).

A total of 53,649 valid ballot papers (formal and informal) were received, representing 70.42 per cent of all eligible voters.

	Bayside 2016	State 2016	Bayside 2012	Bayside 2008	Bayside 2005
Votes	70.42%	75.67%	70.22%	74.18%	74.53%
Informal	5.84%	6.06%	6.33%	n/a	n/a

	Central Ward	Northern Ward	Southern Ward
Total enrolment	31,291	22,601	22,295
Formal votes	20,189	14,734	15,593
Informal votes	1,648 (7.55%)	749 (4.84%)	736 (4.51%)
Voter turnout	21,837 (69.79%	15,483 (68.51%)	16,329 (73.24%)
Voter turnout	21,007 (09.7970	13,403 (00.3170)	10,329 (73.2470)

#### **Complaints concerning the election**

The Returning Officer for the election received six written complaints in relation to the election. Of these complaints, two related to the administration of the election, two related to the conduct of a participant in the election, and two related to a possible breach of the local laws.

There were no applications to the Municipal Electoral Tribunal disputing the results of the 2016 Bayside City Council's general election.

#### **Council and committee meetings**

#### **Council meetings**

Council and committee meetings are held to:

- consider and exercise decisions on matters that impact our community
- review operational and financial achievements against targets.

Decisions are made either at Council meetings or through the formal delegation of powers to committees or officers.

Outside of the Council meeting, individual Councillors have no decision-making authority.

Council meetings are generally held every three weeks on Tuesday evenings at 7pm. They are open to the public, and members of the community are given a chance to speak directly to any item on meeting agendas.

Prior to the Council meeting each month, members of the public can ask questions on any matter, with the responses read out at the meeting if the questioner is present. This reinforces our commitment to governing Bayside in an open, accountable and participative manner.

The Mayor and Councillors of Bayside welcome and encourage members of the public to attend meetings. Copies of upcoming agendas are available on Council's website four days before each meeting, at Council's libraries and at the Corporate Centre.

All Council and committee meetings are also livestreamed on Bayside City Council's website and uploaded to the online archives. Throughout 2016/2017, there was a general increase in the number of views of both the live-stream and archived recordings.

Month	Live-stream viewing	Archive file viewing
July 2016	93	102
August 2016	90	182
September 2016	45	121
October 2016	37	176
November 2016	172	686
December 2016	132	296
January 2017	34	203
February 2017	87	167
March 2017	70	324
April 2017	149	237
May 2017	89	353
June 2017	139	210

A guide to Bayside's Council and committee meetings: council and committee meetings – An explanation was also developed to give the community a better understanding of the decision-making process and encourage public participation in Council and committee meetings. The guide is available on the Council's website, at the Corporate Centre, and at Council Chambers.

The Council/committee meeting structure includes:

- Ordinary Meetings of Council
- Planning and Amenity Committee meetings.

Both meetings consist of all Councillors.

#### Council meeting schedule 2016/2017

Month	Council meeting	Planning Committee	Special Council Meetings	Section 223 Special Committee Meetings
July 2016	Tuesday 26	Tuesday 12		
August 2016	Tuesday 16 Tuesday 23	Tuesday 9		
September 2016	Tuesday 13	Tuesday 6		
October 2016	Tuesday 18	Tuesday 11	Tuesday 18	
November 2016	Tuesday 29	Tuesday 22	Thursday 10	
December 2016	Tuesday 20	Monday 12		
January 2017		Tuesday 17		
February 2017	Tuesday 28	Tuesday 14	Tuesday 14	
March 2017	Tuesday 28	Tuesday 14		
April 2017	Tuesday 27	Tuesday 18 Wednesday 19	Wednesday 26	
May 2017	Tuesday 23	Tuesday 9 Thursday 18		
June 2017	Tuesday 27	Tuesday 13 Thursday 22		Thursday 8 Two separate meetings

#### **Special Council Meetings**

Special Meetings of Council are called by the Mayor, and advertised in *The Age* newspaper when there is an urgent item requiring a Council resolution, which cannot wait until the next scheduled Ordinary Meeting of Council.

During 2016/2017, four Special Meetings of Council were held.

Date	Purpose
18 October 2016	2015/2016 Annual Report
10 November 2016	Annual Meeting
14 February 2017	Review of the Councillor Code of Conduct
26 April 2017	Draft Council Plan 2017–2021 and Strategic Resource Plan Proposed 2017/2018 Annual Budget and Long Term Financial Plan
	Elsternwick Park (North) Masterplan

#### Minutes of meetings

Council records the resolutions of each Ordinary and Special Council Meeting and the Planning and Amenity Committee, with the minutes of these meetings made available on Council's website.

# **Committee Meetings (established in accordance with section 86 of the Local Government Act 1989)**

Under section 86 of the *Local Government Act 1989*, Council can create Special Committees and delegate Council powers to them.

In November 2016, Council reaffirmed the establishment of the Planning and Amenity Committee, which has full delegated powers and functions of Council to consider:

- all of the powers, discretions and functions conferred by or under the *Planning and Environment Act 1987*
- the power to determine upon any tree removal applications
- the power to determine upon any specific local traffic and parking matters
- the purpose to consider all matters relating to statutory urban planning and associated matters.

At the August 2016 meeting, Council established the Gallery@BACC Board. This committee has the functions, powers and discretions to:

- recommend a four-year strategic plan for the Gallery@BACC
- approve acquisitions and deaccessions
- approve the Gallery@BACC Exhibition and Public Program schedule
- monitor performance against the four-year strategic plan
- approve marketing and promotion strategies
- provide advice and guidance on the pursuit of sponsorship, fundraising and philanthropic opportunities.

#### Special Committee Meetings (established in accordance with section 223 of the *Local Government Act 1989*)

The following Special Committees of Council were established in accordance with the provisions of section 223 of the *Local Government Act 1989*, for the purpose of hearing submissions in relation to the following matters:

		No. of submissions		
2017	Purpose	Received	Heard	
8 June	Proposed Council Plan 2017–2021 and Proposed Strategic Resource Plan 2017–2021	18	5	
8 June	Proposed Budget 2017–2017	9	7	

#### **Assemblies of Councillors**

In addition to the formal meetings of Council, the Special Committees and the Audit Committee, a number of Assembly of Councillors meetings were held during 2016/2017.

An Assembly of Councillors is:

- a meeting of an advisory committee of Council, if a least one Councillor is present
- or
- a scheduled meeting of at least half of the Councillors and one member of Council staff.

Assemblies of Councillors consider matters that are intended or likely to be:

- the subject of a decision of Council
- or
- subject to the exercise of a function, duty or power of Council that has been delegated to a person or committee.

Councillor Briefings and Strategic Issues Discussions are examples of an Assembly of Councillors.

During 2016/2017, 26 Assemblies of Councillors were held, with a record of each presented to Council and posted on Council's website as required by the *Local Government Act 1989*.

#### **Councillor information sessions**

Outside the regular Council and committee meetings, Councillor Briefings and Strategic Issues Discussions are held for Councillors on items of a complex nature or of significant community impact. They allow for open discussion between the organisation and Councillors, and assist both Council staff and Councillors to develop better understanding of a particular issue.

Unlike Council and Special Committee Meetings, they are not decision-making forums, and are not open to the public. The names of those Councillors in attendance, the title of the items discussed, and any conflicts of interest declared by Councillors are kept on record and made available on Council's website.

In 2016/2017, eight Councillor Briefings were held with 96 items discussed, while six Strategic Issues Discussions were held and considered 11 matters for discussion.

	2016/2017 No. of items/ No. of meetings	2015/2016 No. of items/ No. of meetings	2014/2015 No. of Items/ No. of meetings	2013/2014 No. of Items/ No. of meetings
Councillor Briefings	96/8	134/11	138/14	106/11
Strategic Issues Discussion	11/6	25/7	17/6	25/5
Other assemblies	22/12	50/21	17/17	21/21

#### **Councillor attendance**

The Councillor attendance at Council and committee meetings for the period 1 July 2016 to 22 October 2016 was as follows:

	Ordinary Meetings	Special Meetings	Special Committee Meetings	Section 223 Special Committee Meetings	Annual Meeting	Total number of meetings
Total number of meetings	5	1	4	0	0	10
Cr Alex del Porto	5/5	1/1	4/4	0	0	10/10
Cr James Long BM JP	5/5	1/1	4/4	0	0	10/10
Cr Laurence Evans	5/5	1/1	4/4	0	0	10/10
Cr Michael Heffernan	5/5	1/1	4/4	0	0	10/10
Cr Bruce Lowe	5/5	1/1	4/4	0	0	10/10
Cr Heather Stewart	5/5	1/1	4/4	0	0	10/10
Cr Felicity Frederico	5/5	1/1	4/4	0	0	10/10

The Councillor attendance at Council and committee meetings for the period 10 November 2016 to 30 June 2017 was as follows:

	Ordinary Meetings	Special Meetings	Special Committee Meetings	Section 223 Special Committee Meetings	Annual Meeting	Total number of meetings
Total number of meetings	7	2	11	2	1	23
Cr Alex del Porto	7/7	2/2	10/11	2/2	1/1	22/23
Cr James Long BM JP	7/7	2/2	11/11	2/2	1/1	23/23
Cr Laurence Evans	7/7	2/2	11/11	2/2	1/1	23/23
Cr Michael Heffernan	7/7	2/2	10/11	2/2	1/1	23/23
Cr Robert Grinter	7/7	2/2	11/11	2/2	1/1	23/23
Cr Clarke Martin	7/7	2/2	11/11	2/2	1/1	23/23
Cr Sonia Castelli	7/7	2/2	11/11	2/2	1/1	23/23

### Councillor representation for 2016/2017

#### Legislative committees

Legislative Committees of Council are established in accordance with the *Local Government Act 1989*.

Section 86: Committees, such as Bayside's Planning and Amenity Committee, the Chief Executive Officer's Employment Matters Committee, and the Gallery@BACC Board are known as Special Committees of Council.

As the Audit Committee was established under section 139 of the Act, it operates as an advisory committee.

	Councillor representation				
Special Committees	1 July 2016 to 22 October 2016	10 November 2016 to 30 June 2017			
Planning and Amenity Committee	All Councillors	All Councillors			
Audit Committee	Crs Lowe and Evans	Crs Castelli and Grinter			
Chief Executive Officer's Employment Matters Committee	Crs Frederico, Stewart, Heffernan and Long External Chairperson Ms Paula Giles	Crs Grinter, Martin, Heffernan and del Porto External Chairperson Ms Paula Giles			
Gallery@BACC Board	No appointments	Crs Castelli and del Porto			

#### Other Councillor committee and advisory meetings with other organisations

Councillors participate in a number of internal and external committees throughout the year. These committee meetings or advisory meetings provide a valuable opportunity for communicating with residents, other councils, agencies and other levels of government.

#### **Councillor representation on other committees**

Councillors are usually appointed as Council representatives on a range of special interest committees and networks at the Annual Meeting of Council.

The various groups generally comprise of Councillors, staff and community members who are appointed by Council throughout the year.

	Councillor representation				
Advisory committees and networks, forums	1 July 2016 to 22 October 2016	10 November 2016 to 30 June 2017			
Bayside Arts and Culture Advisory Committee	Cr del Porto	Cr Castelli			
Bayside Art and Heritage Collection Committee	Cr del Porto Cr Evans	Abolished			
Bayside Business Network and Economic Development Annual Summit	Cr Heffernan Cr Frederico	No representative			
Bayside Tourism Network	Cr Frederico Cr Heffernan	Cr Heffernan Cr Grinter			
Bayside Film Festival Youth Documentary Judging Panel	Cr Long	Cr Long			
Built Environment Awards Judging Panel	Cr Long Cr Stewart	Cr Evans Cr Long			
Bayside Sport and Recreation Network	Cr Stewart Cr Frederico	No representatives			
Female Sporting Infrastructure Advocacy Spokesperson	Cr Frederico	No representative			

#### Appointment to external organisations

A number of external organisations invite Council to represent the Bayside community. Council appoints our delegates to these organisations at the Annual Meeting of Council.

	Councillor representation					
External organisations	1 July 2016 to 22 October 2016	10 November 2016 to 30 June 2017				
Association of Bayside Municipalities	Cr Frederico	Cr Evans				
Inner South Metropolitan Mayors' Forum	The Mayor of the Day	The Mayor of the Day				
Metropolitan Transport Forum	Director Environment, Recreation and Infrastructure	Cr Martin				
Metropolitan Local Government Waste Forum Group	Cr Stewart or Director Environment, Recreation and Infrastructure	Cr Heffernan				
Municipal Association of Victoria (MAV)	Cr Frederico	Cr del Porto Cr Grinter (substitute)				
MAV Environment Committee	Director Environment, Recreation and Infrastructure	Director Environment, Recreation and Infrastructure				
Regional Kitchen Pty Ltd (Meals on Wheels supplier)		Director Corporate Services				

#### **Business of Council transacted at meetings**

During the period 1 July 2016 to 30 June 2017, the number of business items considered by the various Council and committee meetings was as follows:

	No. of items considered	five years				
	2016/2017 2015/2016 2014/2015 2013/2014 2					
Planning and Amenity Committee	134	134	113	99	86	
Ordinary Meeting of Council	256	308	222	214	231	
Special Council Meeting	5	4	3	11	18	
Special Committee Meeting	2	2	5	5	5	

At times, Council is required to discuss and consider matters of a confidential nature. Section 89(2) of the *Local Government Act 1989* allows Council to close meetings to the public in order to discuss sensitive issues such as staffing, industrial relations, contractual and financial matters, legal advice, proposed developments, and matters affecting the security of Council property.

If confidential reports are to be discussed by Council, the public is asked to leave the meeting during these discussions. Bayside City Council seeks to limit the number of matters that are discussed in confidential sessions.

	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
No. of confidential matters considered by Council	3	22	15	30	43	48

During 2016/2017, only three confidential reports were considered.

Section 89(2) LGA 1989 – Category	Number of reports to Ordinary Meetings	Number of reports to Special Meetings
(a) Personnel matters	2	Nil
(b) Personal hardship of any resident or ratepayer	Nil	Nil
(c) Industrial matters	Nil	Nil
(d) Contractual matters	Nil	Nil
(e) Proposed developments	Nil	Nil
(f) Legal advice	Nil	Nil
(g) Matters affecting the security of Council property	Nil	Nil
(h) Any other matter which Council or Special Committee considers would prejudice Council or any person	1	Nil

In addition to the reports specifically considered by a Special Committee or Council, Council also deliberated on notices of motion, petitions, public questions and general business items.

The following table summarises those activities for 2016/2017 and the trend over the past five years:

	No. if items considered	Trend over five years							
	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013				
Notices of motion	15	11	4	10	7				
Petitions	13	10	18	20	11				
Urgent business items	10	8	7	8	6				
Councillor reports	34	39	39	28	16				
Presentations at meetings	Nil	Nil	Nil	Nil	Nil				



#### **Public question time**

In accordance with Council's Governance Local Law No. 1, members of the public can each direct two questions to Council at an Ordinary Meeting by completing a public question time form.

The forms, available at the Corporate Centre or **www.bayside.vic.gov.au/councilmeetings**, must be submitted to Council by 11am on the day before the meeting, and the person asking the question must be present in the Chamber at the time the question is due to be read, for the answer to be audibly provided.

Where a questioner is not present in the Chamber, the question and response will not be read at the meeting, nor will it be recorded in the minutes of the meeting. A written response, however, will be forwarded to the questioner.

A total of 97 public questions were put to Council in 2016/2017.

# Requests to be heard at a committee meeting

Council's Governance Local Law No. 1 provides an opportunity for residents or ratepayers and applicants to have their say before the formal decision-making process. Accordingly, residents or ratepayers and applicants are granted three minutes each to speak to the issue being considered by the committee.

During the period of reporting, Council and committees heard a total of 495 speakers.

	Number of speakers heard
Planning and Amenity Committee	213
Special Committee of Council	12
Ordinary Meeting of Council	270

The following table provides a summary of Council's meeting activity and community participation over the past five years.

	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012
Total number of meetings per annum	33	31	33	38	40	42
Number of items considered at meetings	397	448	343	329	340	382
Number of items considered in confidential	3	22	15	30	43	48
Number of notice of motions submitted	15	11	4	10	7	8
Number of petitions	13	10	18	20	11	16
Number of public questions answered	97	89	60	84	92	189
Number of urgent business items	10	8	7	8	5	5
Number of Councillor reports presented	34	39	39	28	6	22
Number of requests to be heard at meetings	495	475	293	335	316	366
Number of section 223 submissions	27	7	20	22	23	33
Number of section 223 speakers	12	4	12	9	18	14

#### **Councillor Allowances**

In accordance with section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is entitled to receive a higher allowance.

The state government sets the upper and lower limits for all allowances and councils are divided into three categories based on their income and population. In this instance, Bayside City Council is recognised as a Category Two council.

For the period 1 July 2016 to 22 October 2016, the Councillors' annual allowance for a Category Two council was \$24,127 per annum and the allowance for the Mayor was \$74,654 per annum. The Minister for Local Government approved a 2.5 per cent adjustment from 1 December 2016, increasing the Councillors' allowance to \$24,730 per annum, and \$76,521 per annum for the Mayoral allowance.

These allowances are paid in recognition of the time spent by Bayside's Councillors in performing their role as representatives of the community.

#### Reimbursement of expenses of Councillors

In accordance with section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred while performing his or her duties as a Councillor.

Council adopted a policy in relation to the reimbursement of expenses for Councillors in February 2016. It provides guidance on the payment of allowances, reimbursements of expenses, and expectations in relation to the provision of resources and facilities to the Mayor and Councillors.

The policy also requires the payment of Councillors' expenses and allowances to be published in the Annual Report and audited from time to time. A copy of the policy can be found on Council's website. The expenses are broken down into the following specific categories:

- Councillor and Mayoral allowances
- mobile phone
- landline/fax
- internet connection
- car mileage reimbursement
- child care reimbursement
- out-of-pocket expenses reimbursement
- conferences
- travel expenses.

A table below provides a summary of allowances and out-of-pocket expenses payable to each Councillor for the period 1 July 2016 to 30 June 2017.

	Cr del Porto	Cr Heffernan	Cr Long	Cr Frederico	Cr Lowe	Cr Evans	Cr Stewart	Cr Castelli	Cr Grinter	Cr Martin
Allowances	\$55,954	\$23,300	\$38,035	\$7,005	\$7,005	\$22,824	\$7,005	\$16,361	\$16,361	\$16,361
Mobile phone	\$348	\$348	\$348	\$116	0	\$348	\$116	\$232	\$232	\$232
Internet connection	\$456	\$456	\$456	\$152	\$76	\$456	\$152	\$304	\$304	\$304
Car mileage	0	0	0	\$1,247	0	0	0	\$658	0	0
Child care	0	0	0	0	0	0	0	0	0	0
Out-of- pocket expenses	0	0	0	0	0	0	0	0	0	0
Conferences	\$4,244	0	\$2,044	0	0	0	0	\$3,312	0	0
Travel	\$510	0	0	0	0	0	0	\$510	0	0

# Open and accountable decision-making

The responsibility for making decisions rests with Councillors through a vote at formal Council meetings. In contrast, Council Officers do not vote on decisions, but instead provide independent advice to assist and inform Councillors in making their decisions and forming policy. Councillors are required to disclose any direct or indirect conflict of interest on an issue that may impact their impartiality and leave the meeting while that issue is being discussed. After the issue has been voted on, they must return to the meeting.

A register of disclosed conflict of interests is kept, and in 2016/2017, there were 24 conflicts of interest declared by Councillors.

	Cr del Porto	Cr Long	Cr Evans	Cr Heffernan	Cr Grinter	Cr Castelli	Cr Martin	Cr Lowes	Cr Stewart	Cr Frederico
Direct interest (section 77B)	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest by close association (section 78)	Nil	Nil	1	Nil	1	Nil	Nil	Nil	Nil	2
Indirect financial interest (section 78A)	Nil	Nil	Nil	1	Nil	Nil	1	Nil	Nil	Nil
Indirect interest because of conflicting duties (section 78B)	Nil	Nil	1	Nil	Nil	Nil	3	Nil	Nil	Nil
Indirect interest due to receipt of a gift, being of \$500 value or more (section 78C)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest as a consequence of becoming an interested party (section 78D)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Conflicting personal interest (section79B)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest – residential amenity (section 78E)	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Personal interest	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

#### **Register of interests**

Councillors and Senior Officers are also required under section 81 (5) of the *Local Government Act 1989* to complete a Register of Interests Ordinary Return every six months. These returns disclose property and investment interests that could be perceived as influencing their actions, advice or decisions. The public can view the Ordinary Returns by Council by completing an Application to Inspect Register of Interests.

#### **Senior Officers' register**

Senior Officers are Council staff employed under contracts up to a maximum of five years. A Senior Officer has management responsibilities and either reports directly to the Chief Executive, or has a total annual remuneration which exceeds \$139,000.

Their remuneration is available for public inspection and their performance plans are reviewed each year by the Chief Executive Officer.

As of 30 June 2017 Bayside City Council had 17 Senior Officers.

#### Chief Executive Officer and delegations

Bayside City Council's Chief Executive Officer is the only member of staff directly appointed by and responsible to Council.

The Chief Executive Officer implements Council decisions, ensures Council achieves our Council Plan objectives and manages the day-to-day operations of the organisation.

He or she has limited delegated powers which include the awarding of contracts up to the value of \$300,000.

The Chief Executive Officer's performance is reviewed annually by Council, and Council has established a Chief Executive Officer Employment Matters Committee consisting of the Mayor, three Councillors and a suitably qualified Chairperson.

The purpose of this Advisory Committee is to make recommendations to Council on contractual matters relating to the Chief Executive Officer and to conduct performance reviews of the Chief Executive Officer. A Charter for this advisory committee has been developed and is accessible on Council's website.

#### Local laws

The following list details the local laws that were current at the end of the 2016/2017 financial year.

Local law	Subject	Date of adoption / last amendment
	Governance Local Law	
	The purpose of this local law is to:	
	provide for the election of Mayor	
1	regulate the use of the common seal	28 November 2013
	<ul> <li>provide for the procedures governing the conduct of Council Meetings and other meetings</li> </ul>	
	<ul> <li>set the rules of behaviour for those participating in or present at various meetings of Council.</li> </ul>	
	Neighbourhood Amenity Local Law No. 2	
	The purpose of this local law is to:	
	(1) secure community safety	
	(2) protect public assets	
	(3) enhance neighbourhood amenity	
0	(4) embrace best practice local law making principles of accessibility, accountability, compliance, consistency, currency, efficiency, enforceability, necessity and transparency	
2	(5) be consistent with Council's overall objectives and policies, in particular:	20 April 2012
	(a) to maintain neighbourhood character	
	(b) to preserve our built and natural heritage	
	(c) to provide equitable access to services and facilities	
	(d) to provide equity in access to our open space and foreshore	
	(e) to maintain suitable infrastructure	
	(f) to provide a sense of community in our villages and activity centres.	
3	Amendment to Local Law No. 2	September 2014
0	Neighbourhood Amenity – Feeding of Birds on Private Property	

#### **Organisational memberships**

Bayside City Council maintained membership of a number of organisations during 2016/2017.

Membership	Annual Fee
Association of Bayside Municipalities	\$8,861
Australian Library and Information Association	\$1,170
FinPro Local Government Finance Professionals	\$715
LGPro Local Government Professionals	\$3,925
LoGIS Local Government Professionals Australia	\$2,529
Municipal Association of Victoria (MAV)	\$56,867
South East Councils Climate Change Alliance (SECCCA)	\$17,490
Parks and Leisure Australia	\$1,337
Leading Aged Services Australia (LASA)	\$5,301
Institute of Public Administration Australia (IPAA)	\$2,500
Vicsport	\$382
Victorian Chamber of Commerce and Industry (VECCI)	\$3,300
Volunteering Victoria	\$330
Youth Affairs Council of Victoria	\$225
Friends of the Elms	\$100

#### Information available for public inspection

In accordance with the *Local Government Act 1989* and section 11 of the Local Government (General) Regulations 2004, the following information is made available for public inspection on request at the Corporate Centre, 76 Royal Avenue Sandringham, during normal office hours from 8.30am to 5pm, weekdays:

- details of current allowances fixed for the Mayor and Councillors under section 74 of the *Local Government Act 1989*
- details of Senior Officers' total salary packages for the current financial year and the previous financial year
- details of overseas or interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months
- names of Senior Officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- agendas and minutes for Ordinary and Special Meetings held in the previous 12 months kept under section 93 of the Act, except where such minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act
- a list of all Special Committees established by Council and the purpose for which each committee was established
- a list of all Special Committees established by Council, which were abolished or ceased to function during the financial year
- minutes of meetings of Special Committees established under section 86 of the *Local Government Act 1989* and held in the previous 12 months, except where such minutes relate to meetings which have been closed to members of the public under section 89 of the Act
- register of delegations kept under section 87 and 98 of the Local Government Act 1989
- submissions received under section 223 of the *Local Government Act 1989* during the previous 12 months
- agreements to establish regional libraries under section 196 of the Local Government Act 1989
- details of all property, finance and operating leases involving land, buildings, plant, computer equipment and vehicles entered into by Council as lessor or lease
- register of authorised officers appointed under section 224 of the Local Government Act 1989
- a list of donations and grants made by Council during the financial year, including the names or persons or bodies which have received a donation or grant and the amount of each donation or grant
- a list of the names of the organisations of which Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by Council
- a list of contracts valued at \$100,000 or more than Bayside City Council entered into during the financial year which Council entered into without first engaging in a competitive process and are not contracts referred to in section 186(5) of the *Local Government Act 1989*
- copies of election campaign donations returns that are given under section 62 of the *Local Government Act 1989.* A summary of the election campaign donations is also available on Council's website
- Councillor Support and Reimbursement of Expenses Policy as prescribed by section 75B of the Local Government Act 1989. A copy is also available on Council's website.

Inspection of these documents can be arranged by contacting Council's Governance Department on 9599 4444.

#### **Freedom of information**

The *Freedom of Information Amendment Act 2012* provides the opportunity for the public to access Council documents.

Members of the public must apply for access, which can be limited by exemptions detailed in the legislation. The relevant fee and specific details of the information sought must accompany the application.

The application form can be found at www.bayside.vic.gov.au/freedom-of-information

The Act allows the Freedom of Information Commissioner to review of a decision made by Council in relation to access to information.

The Commissioner can deal with complaints regarding the performance of the agency's functions and obligations under the Act. For more details about Freedom of Information, visit **www.bayside.vic.gov.au/freedom-information** 

The following table outlines the number of requests in 2016/2017 and over the past six years.

Requests	2016/ 2017	2015/ 2016	2014/ 2015	2013/ 2014	2012/ 2013	2011/ 2012
Total number of new applications received for the period	45	31	49	36	64	68
Number requests where access was granted in full	2	22	25	27	60	55
Number of requests where access was granted in part	31	2	4	1	3	3
Number of requests where access was denied in full	0	0	0	0	1	0
Number of requests where information was unable to be provided	1	3	11	3	0	0
Number of requests not yet finalised	0	2	5	2	0	6
Number of requests not proceeded with	5	2	4	1	0	0
Number of requests withdrawn	2	0	0	0	0	0
Number of requests outside the Act	4	0	0	0	0	0

In accordance with Part 2 of the *Freedom of Information Act 1982*, certain documents or parts of documents kept by Council are exempt from disclosure, including:

- some internal working documents
- law enforcement documents
- documents considered by Council at a closed meeting including any deliberations or decisions (section 38a)
- documents covered by legal professional privilege, such as legal advice
- documents containing personal information about other people
- documents containing information provided to an agency in confidence
- documents containing information provided to an agency by a business where disclosure would cause unreasonable disadvantage
- documents covered by secrecy provisions in other legislation.

#### **Categories of documents**

Bayside City Council holds information relating to the management and delivery of a wide range of services to the community including:

- strategic planning and monitoring performance targets
- investigations, correspondence, complaints and consultations with communities or groups, businesses and other government agencies
- adherence to policy, legislation and industry standards
- internal administrative and operational documents
- internal policy and procedural documents
- financial records
- personnel documents.

Certain documents, depending on their content, are regularly destroyed or transferred to the Public Records Office of Victoria in accordance with the *Public Records Act 1973*.

#### Publicly available documents

A range of documents and publications may be downloaded from Council's website

#### www.bayside.vic.gov.au

These documents include newsletters, policies, strategies and plans. If there are other documents currently not available through Council's website that members of the public would like to inspect, they should contact Customer Services on 9599 4444. A full list of documents that are available for public inspection can be found on page 144.

#### **Information privacy**

Council's Information Privacy Policy is based on the principles outlined in the Information *Privacy Act 2000* and *Health Records Act 2001* and governs Council's approach to managing personal information. Both Acts include privacy guidelines that relate to the collection, use and disclosure of information.

Where relevant, Council always includes a privacy statement that advises the public why the personal information is being collected, how it will be used and how it can be accessed by the person providing it. Each year, Council's staff undertake Information Privacy training.

During 2016/2017, there were two complaints regarding breaches of customer privacy.

For further information on Council's Privacy Policy, please contact Council's Privacy Officer, Bayside City Council, PO Box 27, Sandringham 3191.

# Audit Committee

As part of Council's duty to fulfil our governance obligations to the community, Council established an Audit Committee as an independent advisory committee to Council in 1996 in accordance with section 139 of the Local Government Act 1989.

The Audit Committee operates in accordance with the best practice guidelines for audit committees prepared by Local Government Victoria.

Bayside City Council has adopted an Audit Committee Charter which clearly sets out the committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

#### **Role of the Audit Committee**

The primary role for the Audit Committee is to provide an independent review of Council's financial and management systems and reporting responsibilities, to ensure compliance with statutory rules and regulations and oversee effective and efficient internal and external audit functions. The Audit Committee also provides an effective means of communication between the external auditor, internal auditor, management and Council.

#### **Membership**

The Audit Committee consists of six members: up to four independent members and two Councillors. The Councillors are appointed for a two-year period with one Councillor retiring annually. Independent members are appointed for a three-year term and are eligible to be reappointed after the expiry of their term for a second three-year term. Independent members can only serve two consecutive terms.

The Chairperson of the committee is appointed on a two-year term from the independent membership of the committee by all members of the Audit Committee.

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The Chief Executive Officer, Director Corporate Services, Manager Finance, Manager Commercial Services, Manager Governance and internal auditors attend all meetings by invitation, to assist the committee, and do not have voting rights. The external auditor attends specific committee meetings to present the external Audit Plan and the presentation of the audited financial, standard and performance statements. An opportunity is provided for the Audit Committee to meet with the external auditors without management at each meeting.

The internal auditors also attend all meetings by invitation and present reports proposed by the internal auditor. An opportunity is also provided to the internal auditor to meet with the committee members to raise any concerns. During the 2016/2017 financial year the Audit Committee membership consisted of:

# Independent members

#### Dr A.J. (John) Purcell FCPA

1 July 2016 to 30 June 2017



1 July 2016 to 30 June 2017





Ms Lisa Woolmer

1 July 2016 to 30 June 2017



#### **Mr Mick Ulbrick**

1 July 2016 to 30 June 2017



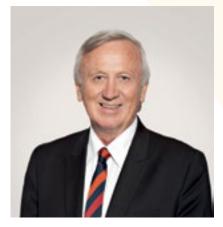
# **Councillor members**

#### **Cr Laurence Evans**

#### **Cr Bruce Lowe**

1 July 2016 to 22 October 2016

1 July 2016 to 22 October 2016





#### **Cr Robert Grinter**

#### Cr Sonia Castelli

10 November 2016 to 30 June 2017



10 November 2016 to 30 June 2017





#### **Schedule of meetings**

During the 2016/2017 year the Audit Committee met on five occasions to consider business on the agenda.

Date	Meeting
18 August 2016	General Meeting
1 September 2016	Financial statements and performance statements
10 January 2017	General Meeting
22 February 2017	General Meeting
10 May 2017	General Meeting

#### Attendance of Audit Committee members at meetings

Minutes of the Audit Committee are presented to Council at the next Ordinary Meeting of Council following the Audit Committee for consideration and adoption as a confidential attachment to a précis of the activities of the Audit Committee meeting. The précis is considered in the public forum of the Ordinary Meeting of Council.

Name	Role	Period	Attendance
Dr AJ (John) Purcell	Independent member	1 July 2016 – 30 June 2017	5 of 5 meetings
	•		Ū
Mr Brian Keane	Independent member – Chair	1 July 2016– 30 June 2017	5 of 5 meetings
Ms Lisa Woolmer	Independent member	1 July 2016 – 30 June 2017	5 of 5 meetings
Mr Mick Ulbrick	Independent member	1 July 2016 – 30 June 2017	5 of 5 meetings
Cr Laurence Evans	Councillor member	1 July 2015 – 22 October 2016	2 of 2 meetings
Cr Bruce Lowe	Councillor member	1 July 2015 – 22 October 2016	2 of 2 meetings
Cr Rob Grinter	Councillor member	10 November 2016 – 30 June 2017	3 of 3 meetings
Cr Sonia Castelli	Councillor member	10 November 2016 – 30 June 2017	3 of 3 meetings

## Remuneration for external members

External members receive a meeting fee in accordance with the *Local Government Act 1989*. From July 2016 to November 2016, the meeting fee was set at \$1,478 per meeting and the Chairperson fee was set at \$1,876 per meeting. At the Annual Meeting of Council held on 10 November 2016, Council resolved to increase the meeting fee by CPI to \$1,515 per meeting fee and the Chairperson fee be increased to \$1,923 per meeting.

These fees reflect the time, commitment and responsibility involved in serving as an independent member of the Audit Committee.

It is noted that Councillor-appointed members do not receive remuneration for attending Audit Committee meetings.

A summary of the remuneration fees to external members is shown below.

Total remuneration meeting fees for 2016/2017						
	Member meeting fee	Э	Chairperson meeting	g fee	Total	
	July 2016 to November 2016 \$1,478 per mtg	November 2016 to June 2017 \$1,515 per mtg	July 2016 to November 2016 \$1,876 per mtg	November 2016 to June 2017 \$1,923 per mtg		
External members						
Mr Brian Keane			\$3,752	\$5,769	\$9,521	
Dr AJ (John ) Purcell	\$2,956	\$4,545			\$7,501	
Ms Lisa Woolmer	\$2,956	\$4,545			\$7,501	
Mr Mick Ulbrick	\$2,956	\$3,030			\$5,986	
Council members	Council members					
Cr Laurence Evans						
Cr Bruce Lowe	Council oppointed r					
Cr Rob Grinter	Council-appointed members to the Audit Committee do not receive a meeting fee.					
Cr Sonia Castelli						

Council appoints members of the Audit Committee, and has reaffirmed the appointments of the external independent members as follows:

- Dr John (AJ) Purcell for a term expiring on 30 September 2017
- Mr Mick Ulbrick for a term expiring on 30 September 2018
- Ms Lisa Woolmer for a term expiring on 30 September 2018
- Mr Brian Keane for a term expiring on 30 September 2019.

During the 2016/2017 financial year, Council's internal auditors, Crowe Horwath attended each Audit Committee meeting over the period to present various Internal Audit Reports.

Council's external auditor, the Victorian Auditor-General's Office attended the 1 September 2016 meeting to present the financial, standard and performance statements for the year ended 30 June 2016, and the February meeting to present the Audit Strategy for the year ending 30 June 2017, and also attended the May meeting to present the Interim Financial Audit for 2016/2017 and Interim Management Letter. External audit

#### Key activities of the Audit Committee for 2016/2017

The key activities of the Audit Committee during the reporting year were as follows:

External audit
considered the 2015/16 Annual Statements consisting of Management Letter: 2015/2016 Financial Audit; financial statements; performance statements; standard statements; and Auditors' Closing Report.
reviewed the 2016/2017 External Audit Strategy
reviewed the 2016/2017 Interim Management Letter from VAGO
considered the 2016/2017 Annual Accounts Timetable
in camera meeting between the Audit Committee members only and the external auditor.
Internal audit
considered the final Internal Audit Report relating to Privacy Act Compliance
considered the final Internal Audit Report relating to Parking Enforcement
considered the final Internal Audit Report relating to Building Management – Essential Safety Measures
considered the final Internal Audit Report relating to Accounts Payable and Procurement
considered the final Internal Audit Report relating to Contract Management
considered the final Internal Audit Report relating to Tendering Processes
adopted the 1st Year Internal Audit Plan for 2017–2020.
quarterly Internal Status reports including the consideration of notable reports and publications of interest to the Audit Committee and Council.
Financial reporting
considered five management financial reports throughout the year:
considered five management financial reports throughout the year:
considered five management financial reports throughout the year: 12 months to 30 June 2016
considered five management financial reports throughout the year:12 months to 30 June 201612 months financial results as at 30 June 2016
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016 nine months to 31 March 2017.
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016 nine months to 31 March 2017. Ethical and statutory compliance
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016 nine months to 31 March 2017. Ethical and statutory compliance considered a status update report on a statutory compliance framework
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016 nine months to 31 March 2017. Ethical and statutory compliance considered a status update report on a statutory compliance framework considered the organisation's compliance approach.
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016 nine months to 31 March 2017. Ethical and statutory compliance considered a status update report on a statutory compliance framework considered the organisation's compliance approach. Internal controls
considered five management financial reports throughout the year: 12 months to 30 June 2016 12 months financial results as at 30 June 2016 four months to 31 October 2016 six months to 31 December 2016 nine months to 31 March 2017. Ethical and statutory compliance considered a status update report on a statutory compliance framework considered a status update report on a statutory compliance framework considered the organisation's compliance approach. Internal controls considered the effectiveness of Internal Control Environment across the organisation reviewed audit reports and recommendations from the Victorian Auditor-General's Office, the Ombudsman Victoria and

- VAGO Parliamentary Report Financial Systems Control Report
- VAGO Parliamentary Report Managing Public Sector Records
- VAGO Parliamentary Report Managing Victoria's Planning System for Land Use Development
- VAGO Parliamentary Report Managing and Reporting on the Performance and Cost of Capital Projects

#### Internal controls (cont)

- VAGO Parliamentary Report Reducing the burden of red tape
- VAGO Parliamentary Report A report on misuse of Council resources
- Ombudsman Victoria Investigation into the transparency of local government decision-making
- Ombudsman Victoria Good practice guide to handling complaints and resolving complaints informally
- Ombudsman Victoria Investigation of a protected disclosure by Councillors associated with political donations
- Ombudsman Victoria Investigation into allegations of improper conduct by officers at Mt Buller and Mt Stirling Resort Management Board
- Ombudsman Victoria Investigation into Casey City Council's Special Charge Scheme for Market Lane
- Commission of Inquiry into Greater Geelong City Council Self-assessment against the Governance Framework
- IBAC Report Operation Liverpool An investigation into the conduct of two officers of Bendigo Health
- IBAC Report Perceptions of corruption.

#### **Risk management**

received briefings from the organisation on divisional risks and mitigation strategies

received briefings from the organisation on major potential litigation issues

received quarterly updates on risk management and the organisation's processes on risk management

reviewed the organisation's 15 strategic risks bi-annually and recommended to Council that the strategic risks be noted in accordance with section 12, Schedule 1 of the Local Government (Planning and Reporting) Regulations 2014

reviewed key strategies and policies relating to risk management framework, fraud prevention and procurement

received insurance updates

reviewed the 2016/2017 Risk Register update.

Other responsibilities

reviewed and approved the 2016/2017 Work Plan for the Audit Committee

reviewed and adopted the 2015/2016 Annual Report of the Audit Committee

reviewed Council's Long Term Financial Strategy, Draft Budget and Revised Council Plan and Strategic Resource Plan

reviewed the Audit Committee Charter on two occasions

reviewed and considered the performance of the internal auditor

self-authorising invoices under \$500

considered the Directions Paper for a new Local Government Act relating to the Audit Committee.

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Number of matters considered by the Audit Committee	60	76	89	63	56	58	60

The Audit Committee developed a work plan based on the Charter of the Committee in order to program the work of the committee for each meeting and to ensure each role and responsibility of the Audit Committee is discharged through the consideration of a report on the agenda.

# Internal audit

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The internal audit function provided by Crowe Horwath provides an independent review of the effectiveness and efficiency of selected internal control processes and forms a vital component of the organisation's governance and risk management framework.

Council's internal audit function is governed by an Internal Audit Plan, which is endorsed by Council's Audit Committee. The Internal Audit Program that the committee has overseen is in place to assist both Council and management to achieve sound control over all Council activities. An internal audit is not involved in the day-today internal transaction checking, it provides an independent and objective assurance that the appropriate processes are in place.

The Audit Committee formally reviews the performance of the internal auditor each year through confidential conversations with management and the Audit Committee. Before accepting each Audit Report submitted by the internal auditor, the committee examines the recommendations made in each report and management's comments thereon. These reviews give the Audit Committee and Council a level of assurance about the systems, processes and procedures employed by Council in the governance and control of our day-to-day operations.

To enable the committee to closely monitor the implementation of management's agreed actions to address the recommendations contained in the internal audit reports, a progress report from management is provided to each meeting. It is particularly pleasing to note that during the year a large number of actions, including some very long-standing ones, have been completed by management. Management's ongoing focus on these was acknowledged and appreciated.

#### **Key activities**

An annual Internal Audit Plan was developed based on Council's strategic and operational risks. The Audit Plan is reviewed by the Audit Committee and approved by Council.

#### Achievements

In accordance with Council-adopted Audit Plan, Crowe Horwath undertook the following internal audit reviews:

- Road Management Plan\*
- Parking Enforcement
- Accounts Payable and Procurement
- Contract Management
- Tendering Processes
- IT Governance and General Controls\*.

\*Note: The internal auditor has completed the Internal Audit Reviews for 2016/2017; however, due to timing of both these reports, the Road Management Plan will be presented to the August meeting and the IT Governance and General Controls was not undertaken as an internal audit given the external auditor was undertaking an audit on these matters. As a result of the Internal Audit Program, the following summary provides a breakdown of the number of findings relating to each audit and level of rating of finding:

lateral cudit	No. of findings	l	g	
Internal audit	No. of findings	High	Moderate	Low
Road Management Plan	10	2	5	3
Parking Enforcement	8	0	5	3
Accounts Payable and Procurement	12	1	7	4
Contract Management	15	1	13	1
Tendering Processes	10	0	5	5
IT Governance and General Controls		No internal au	dit undertaken	

The monitoring and reporting of audit recommendation implementation has been enhanced over time. Status reports are provided by responsible managers and reviewed by internal audit. Progress reports are reviewed quarterly by the Audit Committee as part of the Business Bought Forward Report. The quarterly update to the Audit Committee has raised the profile of internal audit issues and promoted timely implementation of recommendations.

Following each internal audit from Crowe Horwath, a feedback survey from the relevant department is completed and forwarded to the internal auditor for observation and comment and which is then considered by the Audit Committee to provide an assessment of the internal auditor and consider audit improvement opportunities.

### Number of internal audits undertaken over the past seven years.

Number of internal	audits undertaken
2016/2017	5
2015/2016	6
2014/2015	6
2013/2014	6
2012/2013	6
2011/2012	6
2010/2011	5

# Summary of previous internal audits

Internal audit title	Y/E June 2011
Ticket Machine Revenue Collection	August 2010
Councillor and Employee Expenses	November 2010
Long Term Capital Works	December 2010
Business Continuity Plan	April 2011
Procurement and Contract Management	March 2011
Internal audit title	Y/E June 2012
Payroll Controls	August 2011
Risk Management Framework	October 2011
Procurement Framework Update	December 2011
Follow-up Prior Internal Audit Recommendations	March 2012
Event Management	April 2012
Service Driven Asset Management	April 2012
Internal audit title	Y/E June 2013
Organisation Development / Human Resources	September 2012
Organisation Development / Human Resources IT Disaster Recovery	
	September 2012
IT Disaster Recovery	September 2012 August 2012
IT Disaster Recovery Lease Revenue Management	September 2012 August 2012 October 2012
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File	September 2012 August 2012 October 2012 March 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management Asset Management and Maintenance	September 2012 August 2012 October 2012 March 2013 March 2013 May 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management	September 2012 August 2012 October 2012 March 2013 March 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management Asset Management and Maintenance	September 2012 August 2012 October 2012 March 2013 March 2013 May 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management Asset Management and Maintenance	September 2012 August 2012 October 2012 March 2013 March 2013 May 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management Asset Management and Maintenance Internal audit title Follow-up Prior Internal Audit Recommendations	September 2012 August 2012 October 2012 March 2013 March 2013 May 2013 Y/E June 2014 August 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management Asset Management and Maintenance Internal audit title Follow-up Prior Internal Audit Recommendations Rates Database Data Integrity	September 2012 August 2012 October 2012 March 2013 March 2013 May 2013 Y/E June 2014 August 2013 September 2013
IT Disaster Recovery Lease Revenue Management Accounts Payable and Accounts Payable Master File Procurement and Contract Management Asset Management and Maintenance Internal audit title Follow-up Prior Internal Audit Recommendations Rates Database Data Integrity Fraud Framework	September 2012 August 2012 October 2012 March 2013 March 2013 May 2013 Y/E June 2014 August 2013 September 2013 September 2013

Internal audit title	Y/E June 2015
Risk Identification and Assessment Procedures	October 2014
Building Asset Management and General Maintenance Review	August 2014
Occupational Health and Safety	December 2014
Maternal and Child Health	February 2015
Payroll	May 2015
Customer Service	June 2015
Internal audit title	Y/E June 2016
Statutory Building	July 2015
Food Act Management	August 2015
Sundry Debtors	November 2015
Grants (Incoming and Outgoing)	April 2016
Information Privacy	May 2016
Essential Safety Measures	June 2016
Internal audit title	Y/E June 2017
Road Management Plan	July 2016
Parking Enforcement	August 2016
Accounts Payable and Procurement	November 2016
Contract Management	April 2017
Tendering Processes	May 2017

# External audit

#### Council's external auditor, the Victorian Auditor-General's Office (VAGO), is authorised to conduct the annual financial audit.

VAGO was responsible for providing a recommendation to the Auditor-General that the annual financial statements of Council present a true and fair view of the financial affairs of Bayside City Council in accordance with applicable accounting standards and legislation.

For the first time since the introduction of the Local Government Performance Reporting Regulations, VAGO was also charged with the responsibility to audit Bayside City Council's Performance Statement based on a series of service, financial and non-financial indicators.

It should be noted that once again, Bayside City Council received an unqualified audit report for the financial statements for the year ended 30 June 2017. Council also received an unqualified audit report for the Performance Statement for the year ended 30 June 2017, which included the Local Government Performance Reporting Framework performance indicators. During the 2016/2017 year, the Audit Committee considered the 2016 annual financial statements, Closing Report, Arrangement Letter and 2017 Audit Strategy by the external auditor. The external auditor met with the Audit Committee on 1 September 2016 to discuss the financial statements in detail in accordance with the Audit Committee Charter.

At the February 2017 meeting, VAGO representatives met with the Audit Committee to discuss the 2017 Audit Strategy.

It is also normal practice for the external auditor to review the Internal Audit Program to better understand the internal control framework that exists at Council.

The external auditor is a standing attendee at all Audit Committee meetings.

#### **Fraud prevention**

Council's Fraud Prevention Controls aim to minimise risks related to fraud and corruption and the associated risks of significant fines or non-monetary sanctions for non-compliance with laws and regulations.

During 2016/2017 the Audit Committee reviewed the Fraud Prevention Policy and considered a Fraud Control Plan developed by Council. Fraud awareness training has been completed by all staff as part of Council's staff induction training which included mandatory e-learning. In addition, training is also provided on Fraud Prevention through the Governance Training Program across the organisation which is conducted bi-monthly.

During the 2016/2017 year, The Chief Executive Officer reported to the committee any incidents of fraud or corruption, or staff disciplinary action arising from breaches of the Fraud Prevention Policy.

Council's Fraud Prevention Policy is published on Council's website and intranet. The policy aims to minimise risks related to fraud and corruption.

#### **Other matters**

There were no conflicts of interest by Audit Committee members declared during the 2016/2017 year.

#### Looking forward 2016/2017

At the Audit Committee meeting in May 2017, the committee agreed to a proposed Internal Audit Plan for 2017/2018. The Internal Plan consists of the following proposed audit reviews:

- immunisation management
- asset management
- contract performance management
- management reporting
- human resource management
- business continuity.

#### Acknowledgements

#### Audit Committee members

I would like to acknowledge the professionalism and participation of all the members of the Audit Committee, for discharging their roles, responsibilities and activities of the Audit Committee.

The level of discussion on matters brought before the committee has been of a very high standard, which I believe has resulted in tangible benefits to the community, Council and Senior Officers. The committee has also greatly benefited from the contributions of the Councillor Committee members who bring significant local knowledge and local community experience, stability and common sense to the table.

#### Organisation

I also wish to record my appreciation of the work undertaken by Council staff in supporting the work of the committee, particularly the commitment and involvement of Mr Adrian Robb, Chief Executive Officer.

I would also like to record my appreciation of the support provided to the Audit Committee by Mr Mick Cummins, Director Corporate Services, Mr Bill Shanahan, Chief Financial Officer, Mr Jason Stubbs, Manager Commercial Services, and Terry Callant, Manager Governance, all who have made a significant contribution to assist the Audit Committee in discharging its duties in accordance with the Charter.

#### Mr Brian Keane Chairman – Audit Committee

This Annual Report of the Audit Committee for the year ending 30 June 2017 was presented to the Audit Committee for endorsement at its meeting held on 9 August 2017.

# Gallery@ BACC Board Annual Report

In August 2016, Bayside City Council appointed a new Section 86 Committee to build on the strategic direction and management of the Gallery at the Bayside Arts and Cultural Centre (BACC) and Bayside Art and Heritage Collection. The Section 86 Committee is known as the Gallery@ BACC Board and has formal delegation responsibilities from Council. The Gallery@ BACC Board is governed by a Charter and Instrument of Delegation which was adopted by Council on 23 August 2016.

#### Role of the Gallery@BACC Board

The Board will be responsible for developing a strategic plan to grow and strengthen the Gallery and oversee the management of the Art and Heritage Collection. With the advice from the Board, Council aims to set a new strategic vision for the Gallery and Collection and leverage new and exciting opportunities. The skill set of the Board represents expertise in finance, marketing, fundraising, governance and arts administration.

#### **Membership**

The Gallery@BACC Board consists of eight members: six independent members and two Councillors. The Councillors and independent members are appointed for a three-year term.

The Chairperson of the Board is appointed on a one-year term.

The Executive Manager, Communications, Customer and Cultural Services, the Arts and Culture Coordinator, Curator/Gallery Team Leader and the Manager Governance attend all meetings by invitation to assist the Board, and do not have voting rights.

During the 2016/2017 financial year, the Gallery@ BACC Board membership consisted of:

#### Independent members 31 July 2016 – 30 June 2017

Ms Angelina Beninati (Chairperson)

Ms Tiziana Borghese (Deputy Chairperson)

Mr Roger Boyce

Mr Patrick Christian

Ms Charlotte Christie

Independent member Ms Cindy Carrad advised the Board of her resignation on 14 March 2017. The Board resolved to wait until the end of 2017 to fill the vacancy.

#### Councillor members 29 November 2016 – 30 June 2017

Cr Alex del Porto

Cr Sonia Castelli

#### Schedule of meetings

During the 2016/2017 year, the Gallery@BACC Board met on two occasions to consider business on the agenda.

8 February 2017	General Meeting
3 May 2017	General Meeting

The Gallery@BACC Board also met on 4 March 2017 for a strategic planning day.

# Remuneration for external members

The Gallery@BACC is an honorary board and therefore Board members do not receive remuneration.

#### Key activities of the Gallery@BACC Board for 2016/2017

The key activities of the Gallery@BACC Board during the reporting year were as follows:

- adoption of Code of Conduct
- strategic planning day
- adoption of the Gallery@BACC Board Strategic Plan 2017–2021
- approval of the Gallery@BACC 2017–2018 Exhibition and Public Program
- approval of the acquisition of nine works to the Bayside Art and Heritage Collection and the deaccessioning of 54 works.

#### Attendance of Gallery@BACC Board members at meetings

Name	Role	Period	Attendance
Ms Angelina Beninati	Independent member – Chairperson	31 July 2016 – 30 June 2017	2 of 2 meetings
Ms Tiziana Borghese	Independent member – Deputy Chairperson	31 July 2016 – 30 June 2017	2 of 2 meetings
Mr Roger Boyce	Independent member	31 July 2016 – 30 June 2017	2 of 2 meetings
Mr Patrick Christian	Independent member	31 July 2016 – 30 June 2017	2 of 2 meetings
Ms Charlotte Christie	Independent member	31 July 2016 – 30 June 2017	2 of 2 meetings
Ms Cindy Carrad	Independent member	31 July 2016 – 14 March 2017	1 of 2 meetings
Cr Alex del Porto	Councillor member	29 November 2016 – 30 June 2017	2 of 2 meetings
Cr Sonia Castelli	Councillor member	29 November 2016 – 30 June 2017	2 of 2 meetings

Minutes of the Gallery@BACC Board are presented to Council at the next Ordinary Meeting of Council following the Board Meeting for consideration and adoption.

#### Acquisitions 2016/2017

Garry Bish	<i>Cauldron 2011</i> stoneware, wax resist, airbrushed glaze and stains 31.5 x 35.5 x 35.5cm	
Rob McHaffie	Why did we go further than monkeys, monkeys know how to be monkeys 2008 oil on linen 52 x 52cm	
Lisa Waup	Chosen before birth 2016 $40 \times 30 \times 45$ cm approx. Custom 2016 1 $5 \times 10 \times 10$ cm approx. Ties to Country 2016 $9 \times 9 \times 9$ cm approx. Nature 2016 $4 \times 9 \times 9$ cm approx. Mourning basket 2015 $7.5 \times 14.5 \times 14.5$ cm approx.	
Gerry Wedd	<i>Wayne Lynch pot 2015</i> Hand-built, slip decorated and glazed, mid-fired stoneware 46 x 37 x 37cm	
Peter Kennedy	Light as a feather 2017 Neon work, 85 x 150 x 4cm	

#### Exhibitions 2016/2017

Midwinter Masters: The ordinary instant	2 July – 11 September 2016
Habitat: Annemieke Mein	24 September – 6 November 2016
From the studios: Bayside Artist in Residence	19 November – 18 December 2016
Target: Bayside Art and Design Graduates	11 January – 12 March 2017
Nanou Dupuis Level of Awareness-Conscious, Preconscious, Unconscious	11 January – 5 February 2017
Focused: Photomedia Works from the Ten Cubed Collection	11 February – 26 March 2017
Gift Horse: Anna Louise Richardson	1 April – 23 April 2017
James Phoenix: Trans Palette Painting	18 March – 13 April 2017
Bayside Acquisitive Art Award	6 May – 18 June 2017

#### **Other matters**

There was one conflict of interest by Gallery@ BACC Board member declared during the 2016/2017 year.

#### Acknowledgements

The first year of the Gallery@BACC Board featured key highlights including the third Bayside Acquisitive Art Prize, which attracted over 400 entries Australia-wide, and two significant and popular exhibitions, *Midwinter Masters: The ordinary instant* and *Annemieke Mein:Habitat.* 

The Gallery at Bayside Arts and Cultural Centre plays an important role as the only purpose-built exhibiting space for the visual arts in Bayside.

#### Gallery@BACC Board members

I'd like to acknowledge all Board members who contributed their time and expertise in the 2016/2017 year and commend them for their work and achievements in the first year of operation.

#### Organisation

I also wish to record my appreciation of the work undertaken by Council staff in supporting the work of the Board, particularly the commitment and involvement of Ms Paulina Xerri, Executive Manager, Communications, Customer and Cultural Services.

I would also like to record my appreciation of the support provided to the Board by Ms Giacomina Pradolin, Arts and Culture Coordinators, Ms Joanna Bosse and Mr Michael Brennan, Curator/s, Gallery Team Leader, and Terry Callant, Manager Governance and Performance Reporting, all who have made a significant contribution to assist the Board in discharging its duties in accordance with the Charter.

#### Ms Angelina Beninati Chairperson – Gallery@BACC Board

This Annual Report of the Gallery@BACC Board for the year ending 30 June 2017 was presented to the Gallery@BACC Board for endorsement at its meeting held on 16 August 2017.

# Risk management

Risks are everyday occurrences that have the potential to impact on Bayside City Council's ability to meet our objectives. While many risks cannot be eliminated, they can be identified, controlled and managed.

To prepare for such risks, Council has developed a Risk Management Framework to provide policy and guidance in the management of risk across the organisation. Based on the ISO 31000:2009 Risk Management Standards, the framework is supported by risk management software, policies and procedures, and is reviewed each year to ensure it is up to date.

Council is progressively improving its approach to "root cause analysis" relating to incidents. This supports continuous improvement in mitigating risk by ensuring incidents are investigated to determine their root causes, and consequently introduce improvements to reduce the chance of a similar incident occurring. A number of reviews are undertaken throughout the year to minimise risk, including:

- Council's Audit Committee's review of quarterly status reports against Council's strategic risks
- the Executive Team's monthly risk management meeting to review trends, achievements and areas where greater controls may be required
- internal audits that focus on critical operational areas to determine weaknesses or opportunities for improvement
- departments reviewing operational risks to ensure the adequacy of controls, as part of the annual business planning cycle
- targeted risk assessment audits undertaken by Council's public liability insurer, based on highrisk areas.

Public liability insurance protects Council against financial risk associated with public claims.

A 2015/2016 tender process to test insurance products and appoint an insurance broker resulted in premium savings in excess of \$260,000 and improved coverage for the 2016/2017 insurance renewal.

There has been a steady increase in the number of claims that Council receives each year, and this is a trend experienced by many other Victorian local governments. As such, claims management is a significant component of managing risk and Council thoroughly investigates all claims. An external claims manager is employed to lead investigations and recommend settlement or otherwise.

#### Municipal Emergency Management Plan

Major emergencies can lead to loss of life, destruction of property and the environment, and impact the economic and social sustainability of the community.

Bayside City Council plays a key role in ensuring the provision of safety to the community through the activation of the Municipal Emergency Management Plan (MEMP)<sup>4</sup>. The plan addresses the prevention of, response to and recovery from emergencies within the municipality.

In 2016/2017, there were incidents that required Council to activate the MEMP. Staff also responded to a number of minor emergencies including storm damage to assets, fire damage to buildings and flooding damage to roads.

Council staff were involved in the "Brighton Siege" on 5 June 2017, where Council's resources were provided to police during the siege itself and significant assistance was provided throughout the night with relief accommodation as well as with the recovery phase in the weeks following the incident.

#### **Business Continuity Plan**

Council maintains an *Incident and Crisis Management Manual*, which incorporates business continuity and recovery management. By providing an overarching response framework for incidents and crises, the plan fulfils a number of functions including:

- integrating internal response with that required under State Emergency Response and Recovery Planning
- enabling re-establishment and continuity of services during any major disruption
- minimising adverse impacts on stakeholders, Council and staff
- minimising disruption to key Council assets, operations and services
- maintaining critical channels of communication
- outlining the roles and responsibilities of the Municipal Emergency Resource Officer and the Municipal Recovery Manager.

Council's additional plans and manuals that address emergency and/or disaster management and recovery include:

- IT Disaster Recovery Plan, which details recovery strategies for information technology (IT)
- Emergency Procedures Manual for the Corporate Centre, which details a number of procedures to be followed in the event of an emergency occurring at the Corporate Centre
- Municipal Emergency Management Plan (MEMP)
- Municipal Emergency Recovery Plan (MERP)<sup>5</sup>.

<sup>4</sup>The MEMP was developed in accordance with the requirements of the *Local Government Act 1989*, the *Emergency Management Act 1986* and the *Emergency Management Manual Victoria*.

<sup>5</sup>There are no provisions of the Business Continuity Plan that conflict with the provisions of the Bayside City Council MEMP or MERP.

# Report against the *Protected Disclosure Act 2012*

In 2013, the Protected Disclosure Act 2012, replaced the former *Whistleblowers Protection Act* 2001 and amended the *Ombudsman Act* 1973.

The Act established:

- the Independent Broad-based Anti-corruption Commission (IBAC), a body created to promote integrity and accountability across the Victorian public sector
- the Victorian Inspectorate, whose role it is to oversee both the IBAC and the Ombudsman
- the Accountability and Oversight Parliamentary Committee which has oversight over the Ombudsman.

The legislation is designed to encourage and facilitate the disclosure of information about improper conduct by Council Officers or Councillors. It protects those who disclose information and provides a framework for investigating and rectifying.

Bayside City Council acknowledges the value of transparent and accountable administration and management practices, and supports disclosures that reveal corruption, mismanagement or conduct involving a substantial risk to public health and safety or the environment. To this end, Council has implemented Protected Disclosure Procedures to establish a system to enable the making of disclosures of improper conduct or detrimental action by Council or our employees.

Inappropriate conduct should be reported to Council's Protected Disclosure Coordinator on 9599 4444 or by email to privacy@bayside.vic.gov.au

Alternatively, or in the case of reports about Councillors, disclosures can be made directly to IBAC on 1300 735 135.

In accordance with section 105 of the Act, reports by councils concerning disclosures relating to officers and employees of councils, the following information is supplied for the period 1 July 2016 to 30 June 2017.

Requirement of the Protected Disclosures Act 2012	Report (1 July 2016 to 30 June 2017)
Procedures established by Council	Procedures are available on Council's website <b>www.bayside.vic.gov.au</b> and available at the Corporate Centre during normal business hours.
The number and types of protected disclosures made to Council during the year	Nil
The number and types of protected disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) during the year by Council	Nil
The number and types of protected disclosure complaints investigated by an investigating entity	Nil
The number and types of protected disclosure complaints dismissed by the investigating entity	Nil
The number of applications for an injunction made by the investigating entity	Nil

# Report against the Road Management Act 2004

- The Bayside Road Management Plan sets out Council's methodology for inspection, maintenance and repair of our roads and road-related assets. It also forms the basis of Council's policy position with regard to our road and road-related assets in accordance with the *Road Management Act 2004.*
- A revised version of the Bayside Road Management Plan (Version 5.0) was reviewed and adopted by Council in June 2017 in accordance with the requirements of section 54 (5) of the Road Management Act of 2004.
- Section 22 of the *Road Management Act* 2004, requires Council to publish a summary of any Ministerial directions received within the respective financial year. Within the 2016/2017 financial year, Council received no Ministerial directions associated with the Act.

#### **Report against the Domestic Animal Management Plan**

The *Domestic Animals Act 1994* requires all Victorian councils to have a four-year plan in place for the management of dogs and cats within their municipality.

The Bayside Domestic Animal Management Plan 2012/2017\* caters for the needs of companion animals and their owners and addresses the concerns of the general public. In line with the requirements of the Act to annually review and report on the plan, Council has reviewed action on the current Bayside Domestic Animal Management Plan 2012–2017, and its key achievements include:

- animal procedures being process mapped and reviewed as part of the changeover process
- ongoing animal management training in customer service's Guiding Force
- updated animal information and registration page on Council's website – from August, animal owners will be able to complete a registration form and make payment online
- Pet Expo held in November was attended by approximately 2,000 pet owners
- pet microchipping and registration event held in April 2017 saw over 100 new pets registered
- Council's prosecution of 42 animal matters in the Magistrates' Court.

We are currently reviewing our policies and programs for pets in Bayside to develop a new Domestic Animal Management Plan. Consultation on the new plan will help to address differing concerns in the community by considering all points of view and the need for Council to balance the diversity of views across the municipality.

# Report against the Food Act 1984 7E(6)

As per section 7E(6) of the *Food Act 1984*, Council is required to publish a summary of any Ministerial directions received within the respective financial year. In the 2016/2017 financial year, Council received no Ministerial directions associated with the Act.

\*Extended an extra year due to Council elections.

## Report against the Carers Recognition Act 2012

Within the *Carers Recognition Act 2012*, Council is required to report annually on our care measurement obligations under section 11 of the Act. Council has taken all practicable measures to comply with our responsibilities outlined in the *Carers Recognition Act 2012*.

Council has promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by:

- distributing printed material through relevant Council services
- providing information to organisations represented in Council/community networks
- promoting services through Council publications.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Aged and Disability Services
- Council induction and training programs for staff working in front-line positions with the general community
- induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer's relationship and has provided the following additional activities and resources:

- recognising carers during National Carers Week in October 2016 at an event coordinated by Council and through the provision of respite services for carers to allow them time out to attend the event
- advocated for the needs of carers through participation on a range of local regional and state-wide networks.

#### **Charter of Human Rights**

The Victorian Charter of Human Rights and Responsibilities Act 2006 ('Charter') came into force in 2008 and protects the fundamental human rights of all people in Victoria.

The Charter contains 20 rights that reflect the four basic principles of freedom, respect, equality and dignity. It requires all public authorities and their employees to act compatibly with human rights in the delivery of services and when making decisions.

Bayside City Council recognises and respects that everyone has the same human rights entitlements allowing them to participate in, and contribute to, society and our community.

We recognise that all persons have equal rights in the provision of, and access to, Council services and facilities. We also recognise that, at times, such rights may be limited, insofar as to strike a balance between individual rights and the protection of public interest.

The Charter also complements other laws such as equal opportunity legislation and protects basic rights such as freedom of speech, freedom from forced work and freedom from treatment which previously had no legal protection.

During 2016/2017, one complaint was made to the Human Rights Commissioner, and the complaint was denied by the Commissioner.

Each year, the Victorian Equal Opportunity and Human Rights Commission produces a report on the Charter of Human Rights and Responsibilities and local government. The report details how local councils are meeting their human rights obligations and provides examples of good human rights outcomes in our local communities. This report can be found at **www.humanrightscommission.vic.gov.au** 

#### Victorian Local Government Women's Charter

Council continues our commitment to the Victorian Local Government Women's Charter and the promotion of gender equity, diversity and women's participation in active citizenship. The Charter recognises the need for increased women's participation in the key decision-making forums within the community.

#### Bayside City Council's Statement of Commitment

"We will work toward increasing the representation of women in local government, both as elected members and as senior managers and professionals. We will undertake ongoing reviews of policies and practices to remove barriers to women's participation and to engender safe, supportive working and decision-making environments that encourage and value a wide range of views."



## Legislation that impacts on Council

Council undertakes a broad range of activities and services and conducts our activities under a highly regulated environment.

Many Acts and regulations, including those listed below, have a direct impact on Council. The legislation may require compliance, contain specific provisions relevant to Council, have some form of indirect influence, or require specific knowledge by staff carrying out their duties.

- Aged Care Act 1997 (Commonwealth)
- Australian Accounting Standards
- Building Act 1993
- Building Regulations 2006
- Carers Recognition Act 2012
- Children, Youth and Families Act 2005
- Children's Services Act 1996
- Crown Land (Reserves) Act 1978
- Cultural and Recreational Lands Act 1963
- Disability Act 2006
- Domestic Animals Act 1994
- Drugs, Poisons and Controlled Substances Act 1981
- Education and Care Services National Law Act 2010
- Education and Care Services National Regulations 2011

- Emergency Management Act 1986
- Environment Protection Act 1970
- Food Act 1984
- Freedom of Information Act 1982
- Geographical Place Names Act 1998
- Health (Immunisation) Regulations 1999
- Health (Prescribed Accommodation)
   Regulations 2010
- Health Records Act 2001
- Heritage Act 1995
- Information Privacy Act 2000
- Land Acquisition and Compensation Act 1986
- Local Government Act 1989
- Local Government (General) Regulations 2004
- Local Government (Electoral) Regulations 2005
- Local Government (Planning and Reporting) Regulations 2014
- Occupational Health and Safety Act 2004
- Planning and Environment Act 1987
- Protected Disclosures Act 2012
- Public Health and Wellbeing Act 2008
- Public Health and Wellbeing Regulations 2009
- Public Records Act 1973
- Road Management Act 2004
- Road Safety (Road Rules) Regulations 1999
- Road Safety Act 1986
- Tobacco Act 1987

# Best value

During the 2016/2017 financial year, Bayside City Council complied with the Local Government (Best Value Principles) Act 1999 (Vic) by ensuring that each of Council's departments continued to review its services through consultation, benchmarking and performance monitoring, in addition to the program of strategic service reviews. The opportunities identified for service improvement were implemented through the departmental planning process.

#### **Strategic service reviews**

Throughout 2016/2017, Council undertook a program of strategic service reviews underpinned by Best Value Principles and the Better Place Approach, to ensure that services are:

- relevant to community needs
- financially sustainable
- being delivered efficiently and effectively to provide public value.

This year, Bayside City Council undertook five strategic service reviews, providing us with an opportunity to examine how we work to improve liveability for our community. Reviews were conducted into:

- Amenity Protection:
  - Local laws and appeals
  - Environmental health
  - Investigations
- Information Services
- Recycling and Waste Management.

These service reviews resulted in a number of recommendations that will improve the ways in which Council provides the service into the future.

Reviews of Library Infrastructure, Traffic Management and Transport Planning have also been provided to Council.

By assessing what we do, why we do it and how we might be able to do it better, the reviews form part of our commitment to continuous improvement. They also provide an opportunity to ensure we are delivering the right services, in the right way and at the right cost.

Recommendations arising from service reviews are implemented into departmental plans to monitor progress and are regularly reported back to Council.

# Business Excellence at Bayside

Bayside City Council uses Business Excellence at Bayside as a model to promote a strong internal focus on capability building and continuous improvement to achieve our organisational goals. This program is based on the Business Excellence Framework.

The framework focuses on the common features of successful organisations across all sectors. It demonstrates that ongoing sustainable performance and success comes from knowing what is important and how to achieve it, as well as from continuous review and improvement.

The seven categories of the Business Excellence Framework are:

- Leadership
- Strategy and Planning
- Information and Knowledge
- People
- Customers and Other Stakeholders
- Process Management, Improvement and Innovation
- Results and Sustainable Performance.

In 2016/2017, capability assessments at the

department-level once again used the Business Excellence Framework. By undertaking these assessments, teams were able to understand their capability relative to the practices of successful organisations and define what success looks like for their services. Each department identified actions for improving their capability, which will result in improved service performance in 2017/2018.

Importantly, process-mapping was an improvement opportunity identified by some departments through the capability assessments. In 2016/2017, over 100 processes were mapped with improvements adopted, thereby delivering customer service enhancements and higher productivity.

Council is committed to working on the improvement opportunities identified in the assessments to ensure that, across the entire organisation, we can continue to focus on the factors that will make a difference to our performance, enabling us to work together to make Bayside a better place.

# Cost shifting from state and federal governments

#### What is cost shifting?

Cost shifting from state and federal governments continues be a major problem for local government in Victoria.

Cost shifting occurs when other levels of government:

- fail to increase the recurrent grants to local government to match the increasing cost of providing services, eroding the grants' real value
- introduce new taxes, levies or charges on services councils provide
- shift responsibility for services to local government without providing the funding needed to discharge that responsibility
- introduce new laws or regulations that require councils to spend money on compliance
- restrict the increase in fees and charges for various services provided by councils to a level less than the increase in the cost of providing those services.

The major cost shifts in 2016/2017 were as follows:

#### Type 1: Cost shifting for specific services

- 1. Home and Community Care (HACC) the impact on Council for 2011/2012 to 2016/2017 was \$111,000.
- 2. Library Services the impact on Council for 2011/2012 to 2016/2017 was \$68,000.
- 3. Maternal and Child Health the impact on Council for 2011/2012 to 2016/2017 was \$165,000.
- 4. School Crossing Supervision the impact on Council for 2011/2012 to 2016/2017
- 4. was \$216,000.

#### Type 2: Loss of funding

A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014/2015 Budget that it would pause indexation of the total national pool

5. of financial assistance grants to local government for three years (2014/2015, 2015/2016, 2016/2017). The impact on Council for 2016/2017 was \$203,000.

Type 3: Statutory fee that prohibits full cost recovery

- 6. Planning fees (set by the state and have been frozen for most of the past 15 years).
- 7. Revenue foregone for 2016/2017 is \$1.5 million if Council was permitted to fully recover the cost of providing planning services.

#### Type 4: Levies

8.

The state government's landfill levy has increased from \$9 per tonne in 2008/2009 to \$62.03 per tonne in 2016/2017 (589 per cent increase in nine years). The levy paid by Council in 2016/2017 was \$1.3 million.

9. Animal Registration Levy – The levy paid by Council in 2016/2017 was \$49,000.

# Governance and management checklist Year ended 30 June 2017

In accordance with the Local Government Performance Reporting Framework, Bayside undertook a Governance and Management Audit during 2016/2017 on the key fundamental documents, plans and policies that assist in delivering good, sound and transparent governance practices within the organisation.

The purpose of the health check was to ensure that Council has in place the required documents and review the currency of documents. The health check included the following documents:

Gov	vernance and management items	Assessment	
1	<b>Community Engagement Policy</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	<b>Policy</b> Date of operation of current policy: 20 May 2014	~
2	<b>Community Engagement Guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	<b>Internal guidelines</b> Date of operation: 15 May 2015	~
3	<b>Strategic Resource Plan</b> (plan under section 126 of the <i>Local Government</i> <i>Act</i> outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 27 June 2017 Comment: The 2016/2017 Strategic Resource Plan was adopted on 27 June 2017	~

Gov	vernance and management items	Assessment	
4	Annual budget (plan under section 130 of the <i>Local Government</i> <i>Act</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 27 June 2017	~
5	<b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Drainage Asset Management Plan – 25 August 2015 Road Asset Management Plan – 21 June 2016 Buildings Asset Management Plan – 21 June 2016 Recreation and Open Space Asset Management Plan – 21 June 2016	~
6	Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	<b>Strategy</b> Date of operation of current strategy: 21 June 2016	~
7	<b>Risk Policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<b>Policy</b> Date of operation of current policy: 21 June 2016	~
8	<b>Fraud Policy</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	<b>Policy</b> Date of operation of current policy: 24 June 2014	~
9	Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency</i> <i>Management Act 1986</i> for emergency prevention, response and recovery)	<b>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 27 November 2014</b>	~
10	<b>Procurement Policy</b> (policy under section 186A of the <i>Local</i> <i>Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i> 1989 Date of approval: 27 June 2017	~
11	<b>Business Continuity Plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	<b>Plan</b> Date of operation of current plan: 18 July 2016	~
12	<b>Disaster Recovery Plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	<b>Plan</b> Date of operation of current plan: 18 July 2016	~
13	<b>Risk Management Framework</b> (framework outlining Council's approach to managing risks to the Council's operations)	<b>Framework</b> Date of operation of current framework: 28 January 2012	~

# Governance and management checklist year ended 30 June 2017 (cont.)

Gov	vernance and management items	Assessment	
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 13 September 2011	~
15	Internal audit (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	<b>Engaged</b> Date of Report: 24 June 2014	~
16	<b>Performance Reporting Framework</b> (a set of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 131 of the Act)	<b>Framework</b> Date of operation of current framework: 10 February 2014	~
17	<b>Council Plan reporting</b> (report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	<b>Report</b> Date of report: 28 February 2017	~
18	<b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 13 September 2016, 29 November 2016, 27 February 2017, and 23 May 2017	~
19	<b>Risk reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<b>Reports</b> Date of reports: 28 March 2017, 27 June 2017	~
20	<b>Performance reporting</b> (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	ReportsDate of reports: 13 September 2016 and 28 February 2017Comments: The reports were the Annual Report on Operations 2015/2016 and the Quarter 2 Performance Report 2016/2017	~
21	Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 18 October 2016	1

Gov	vernance and management items	Assessment	
22	<b>Councillor Code of Conduct</b> (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance woth section 76C of the Act Date reviewed: 14 February 2017	~
23	<b>Delegations</b> (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 29 March 2014	~
24	<b>Meeting procedures</b> (a local law governing the conduct of meetings of Council and Special Committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 28 November 2013	~

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

Adrian Robb Chief Executive Officer Dated: 19 September 2017

Ollo del

**Cr Alex del Porto** Mayor Dated: 19 September 2017

#### Part 4 Performance Statement and Annual Financial Report

# Performance Statement for the year ended 30 June 2017

#### **Description of municipality**

Bayside City Council (the Council) is situated on the coastline of Port Phillip Bay and has an estimated residential population of 102,882, which has been steadily increasing for over a decade.

The City of Bayside covers an area of 37 square kilometres, with its northern boundary eight kilometres from Melbourne's central business district. The coastline of Port Phillip Bay forms the western boundary of Bayside, while the Nepean Highway and the Melbourne to Frankston railway line form most of the eastern boundary.

The City of Bayside is adjoined by the Cities of Port Phillip, Glen Eira and Kingston. Bayside encompasses all or part of the Suburbs of Beaumaris, Black Rock, Brighton, Brighton East, Cheltenham, Hampton, Hampton East, Highett and Sandringham. Bayside is characterised by quality residential areas and is also home to a variety of businesses. Residents and visitors alike enjoy Bayside's numerous parks, reserves, foreshore, local retail centres, excellent sporting and recreational grounds and buildings, heritage buildings and sites, art galleries and festivals.

Bayside's coastline stretches for 17 kilometres from Head Street, Brighton, in the north to Charman Road, Beaumaris, in the south. It features many attractions such as Ricketts Point Marine Sanctuary, the Artists' Walking Trail, Red Bluff Cliffs, the bathing boxes at Dendy Street Beach and Middle Brighton Sea Baths.



## Sustainable capacity indicators for the year ended 30 June 2017

		Results		
Indicator/measure	2015	2016	2017	Commentary (as appropriate)
Population				
Expenses per head of municipal population [Total expenses / Municipal population]	\$950.82	\$942.46	\$954.76	Council is committed to providing high-quality services to the Bayside community in the most efficient way possible. Ongoing savings have been found over the last five years, which has reduced the expenses per head of population each year and Bayside is now over
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$4,166.50	\$4,234.35	\$4,703.42	20% below the cost per head of similar councils. Bayside has a lower figure on this measure compared to similar councils. Bayside has outsourced all of the maintenance works and therefore holds very low levels of plant and equipment. The value of Council's building stock is relatively low as much of it is old and in need of upgrade. Council has doubled the level of capital spend over the last three years to address this issue.
Population density per length of road [Municipal population / Kilometres of local roads]	270.13	273.84	277.31	The population density of Bayside is comparable to other metropolitan councils and reflects the relative low-density nature of these suburbs.
Own-source revenue				
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$996.12	\$1,041.52	\$1,052.61	Bayside is relatively low on this indicator as its operating costs are over 20% less than similar councils. This means it requires less revenue and other comparable councils receive more revenue from car parking fees and fines than Bayside.
Recurrent grants				··· ··· ··· ··· ···
Recurrent grants per head of population [Recurrent grants / Municipal population]	\$114.09	\$93.53	\$118.85	Bayside receives relatively low levels of government grants due to its low levels of socio-economic disadvantage. This places pressure on Council rates and charges as the main source of funding for community services and works.
				The Commonwealth paid 50% of the 2017/2018 Financial Assistance Grants funding allocation during 2016/2017.
Disadvantage				
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	10	10	10	The score indicates that, overall, Bayside had a relative lack of disadvantage when compared to most other local government areas in Victoria, and to metropolitan Melbourne. However, Bayside does have scattered pockets or neighbourhoods experiencing very significant disadvantage, which are masked by the affluence across the municipality.
Definitions "adjusted underlying revenue" means tota (a) non-recurrent grants used to fund cap (b) non-monetary asset contributions; and (c) contributions to fund capital expenditu those referred to above	ital expenditure; ar d	nd	not "rela rela year	n-source revenue" means adjusted underlying revenue other than revenue that is under the control of Council (including government grants) ative socio-economic disadvantage", in relation to a municipality, means the tive socio-economic disadvantage, expressed as a decile for the relevant financial r, of the area in which the municipality is located according to the Index of Relative is Economic Disadvantage (Categue Number 2023 0, 5001) of SUEA

(c) contributions to fund capital expenditure from sources other than those referred to above

"infrastructure" means non-current property, plant and equipment excluding land "local road" means a sealed or unsealed road for which Council is the responsible road authority under the *Road Management Act 2004* 

"population" means the resident population estimated by Council

year, of the area in which the municipality is located according to the index of Helative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA "SEIFA" means the Socio-Economic Indexes for Areas published from time to time by

the Australian Bureau of Statistics on its website

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

	-	-	-	
		Results		
oervice/indicator/ineasure	2015	2016	2017	commentary (as appropriate)
Aquatic facilities				
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0	0	0	Council owns two aquatic facilities within the Bayside area: Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths. Both facilities are operated and managed under private commercial lease agreements. Council is not responsible for the operation or management of the Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths is not technically defined as an aquatic facility.
Animal management				
Health and safety Animal management prosecutions [Number of successful animal management prosecutions]	o,	<b>0</b>	22	Council educates the community about responsible pet ownership to minimise breaches of the <i>Domestic Animals Act.</i> Council has successfully prosecuted 22 animal matters this year, the increase from previous years being driven by a significant increase in complaints.
Food safety				
Health and safety Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	100%	Council places a high importance on food safety and all critical and major non-compliance outcome notifications are followed up. This measure is now reported on a calendar year and performance is consistent with previous reporting periods.
Governance				
Satisfaction Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	56	56	54	The Victorian Government Community Satisfaction Survey results indicate a reduction compared to the 2016 rating, but is consistent with the state-wide average.
Home and Community Care (HACC)				
Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	44.50%	44.50% 43.46%	N/A	Reporting on HACC indicators ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme and the Commonwealth Home Support Program.
Participation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	37.89%	38.01%	N/A	Reporting on HACC indicators ceased on 1 July 2016 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme and the Commonwealth Home Support Program.
Libraries				
Participation Active library members [Number of active library members / Municipal population] x100	22.10%	23.56%	21.92%	The Bayside community has high engagement levels with Library Services. Active library membership is marginally lower than 2015/2016 and is reflective of the slightly lower loans statistics. This does not capture the usage of the service by people studying, using computers, WI-FI or attending events.

Service performance indicators for the year ended 30 June 2017

Carvica/indicator/mageura		Results		Commantary (ac annronriata)
	2015	2016	2017	
Maternal and Child Health (MCH)				
Participation Participation in the MCH service Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.50%	82.26%	81.31%	The participation rate is consistent with the 2015/2016 financial year figure of 82%. Council Maternal and Child Health nurses are proactive in contacting families who have missed key ages and stages visits.
Participation Participation in the MCH service by Indigenous Australian children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	89.19%	80.00%	65.52%	The participation rate of 66% is lower than the 2015/2016 figure of 80%. There were a small number of enrolled Indigenous Australian children who resided in the Bayside area. While some children actively participated in the MCH service, the decrease in participation reflects that some families did not participate, despite proactive outreach by the MCH service.
Roads				
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	67	70	69	Council has seen a slight decrease in community satisfaction which is consistent with the metropolitan and state-wide averages. The result is 3 points above the average score for metropolitan councils and 16 points above the state-wide average.
Statutory planning				
Decision-making Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	40.91%	44.05%	45.61%	The decision-making result area has seen an improvement on the previous year. While the percentage of cases set aside has improved by 2%, in 2016/2017 only 57 appeals to VCAT were determined at a hearing, compared to 84 cases in the previous year. Twenty appeals were withdrawn by the applicant or mediated before a hearing, saving costs and time for the community.
Waste collection				
Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins] x100	50.92%	49.45%	51.01%	A higher overall percentage of kerbside waste being diverted from landfill has resulted from a reduction in total garbage tonnages, while recycling tonnages have remained steady over the same period. Council's Don't Feed The Bin food waste community awareness campaign over the last six months of the financial year has targeted a reduction in the volume of food waste in domestic garbage.
* This figure has been updated from the 2014/15 Performance Statement to refle	ect changes	to the repor	ting method	* This figure has been updated from the 2014/15 Performance Statement to reflect changes to the reporting methodology and allow accurate comparison of results. The 2015 result was originally reported as 7.
Definitions         Performation           "Aboriginal child" means a child who is an indigenous Australian person         "Aboriginal child" means a child who is an indigenous Australian person         "Aboriginal child" means a child who is an indigenous Australian person           "Aboriginal child" means a child who is an indigenous Australian person         "Aboriginal child" means a child who is an indigenous Australian person           "Aboriginal child" means a child who is an indigenous Australian person         "Aboriginal child" means a child who is an inter Aboriginal           "Aboriginal person" has the same meaning as in the Aboriginal         "Calses 2 food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 130, 132 and 133 of the Act           "CALD" means an annual report, means an annual report, means a under section 131, 132 and 133 of the Act         "Cancommon Standards for that Act           "CaLD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national tanguage is not English         "Calse on outcome nutional to time by the Commonwealth "critical non-compliance outcome nutional to time and inguistically diverse and refers to that Act           "Calses 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises, means food premises, within the meaning as in the Food Act 1984 premises under section 19C of that Act	misses" means i 984, that have ection 19C of t ection 19C of t andards for thin the to time by the pliance outcom pliance outcom and a deficiency th as the same n as the same n	ood premises aat Act nat Act ndards "mean diards "mean diards "mean diards section not or out not section at poses an ir ieaning as in t	within the meaning as class 2 food as the Community ACC services, means a means a 19N(3) or (4) of the unantionisad offore inmediate serious ne Food Act 1984	<ul> <li>"HACC program" means the Home and Community Care provided by established under the Agreement entered into for the purpose of the Harth Service provided by a calculation within established under the Agreement entered into for the purpose of the Rommonwealth.</li> <li>"HACC program" means the Hacco monwealth in the Hacco provided by a council to support the health Service provided by a council to support the health Service provided by a council to support the health Service provided by a council provided under the HACC program.</li> <li>"HACC program" means the Hacco provided by a council provided under the HACC program.</li> <li>"Hacco service" means a sealed or unsealed road for which Council is the negonation" has the same meaning as in the Agreement the mean under the HACC program.</li> <li>"Iocal road" means a sealed or unsealed road for which Council is the negonation" has the same meaning as in the Agreement the mean provided under the HACC program.</li> <li>"Iocal road" means a sealed or unsealed road for which Council is the negonation" has the same meaning as in the Agreement and field for the purposes of the Lommonwealth.</li> <li>"Including to the Victorian WorkCover Authority under Part 5 of the Council by an authorits are or to be noticed aveliate service provided by a council upder to be noticed aveliate service provided to be noticed aveliate service.</li> </ul>

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2015         2016         2017         2018         2019         2020         2021           nial         \$1,829.22         \$1,896.97         \$1,928.35         \$1,976.61         \$2,017.10         \$2,064.38         \$2,111.88           nial         \$3,1,829.22         \$1,928.35         \$1,976.61         \$2,017.10         \$2,064.38         \$2,111.88           nial         \$3,2,181.16         \$2,204.74         \$2,340.94         \$2,463.41         \$2,532.91           strents         \$2,181.16         \$2,204.74         \$2,340.94         \$2,463.41         \$2,532.91			Results			Fored	Forecasts		
Irate per residential       \$1,829.22       \$1,896.97       \$1,926.35       \$1,976.61       \$2,017.10       \$2,064.38       \$2,111.88         Inter per residential       ************************************	Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	- Commentary (as appropriate)
\$1,829.22       \$1,896.97       \$1,928.35       \$1,976.61       \$2,017.10       \$2,064.38       \$2,111.88         ert        ************************************	Efficiency								
\$2,190.69 \$2,181.16 \$2,204.74 \$2,340.94 \$2,406.06 \$2,463.41 \$2,532.91	Il rate per residential ent e / Number of residential			\$1,928.35	\$1,976.61	\$2,017.10	\$2,064.38	\$2,111.88	To maintain a sound financial position, Council will increase investment in the capital program to ensure asset renewal targets are met, continue to increase repayment of debt, while maintaining service levels expected by the community. To achieve this, general rates and the municipal charge for 2016/2017 increased by 2.5%, in accordance with the new rate capping framework for 2016/2017. The waste charge has decreased by 0.9% for 2016/2017 which reflects a 6% increase in waste services offset by a one-off carbon tax rebate.
		\$2,190.69			\$2,340.94	\$2,406.06	\$2,463.41	\$2,532.91	Council has achieved savings in the operating budget, which has resulted in a reduction in expenditure per property assessment in 2017. Council is expected to continue to increase investment in the capital program which will increase depreciation expense. Excluding depreciation expense, Council expenses per property assessment are expected to increase modestly in future years impacted by the Consumer Price Index on materials and services and the Enterprise Bargaining Agreement on employee costs.

		Results			Forecasts	asts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Commentary (as appropriate)
Workforce turnover Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.05%	12.72%	11.01%	11.05%	11.05%	11.05%	11.05%	The workforce turnover figure has seen a marginal decrease over the past year. As part of Council's responsibilities in relation to providing best value, a number of strategic service reviews are conducted each year to help align Council services to the needs and expectations of the community. The implementation of recommendations from the strategic service reviews resulted in some staff redundancies during both the 2014/2015 and 2015/2016 periods.
Liquidity								
<b>Working capital</b> Current assets compared to current liabilities [Current assets / Current liabilities] ×100	259.03%	298.41%	356.71%	315.18%	298.44%	286.16%	289.83%	Council has a strong cash position; however, the expected increase of investment in the capital program will result in the reduction of cash and therefore resulting in a declining trend.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	158.24%	185.90%	174.26%	132.90%	123.55%	117.08%	121.85%	The expected increase of investment in the capital program will result in the reduction of cash and therefore resulting in a declining trend.
Obligations								
Asset renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	84.25%	96.87%	107.46%	144.56%	110.85%	100.50%	81.47%	To ensure assets are maintained and meet community expectations, Council is increasing expenditure on capital works to renew its ageing building infrastructure. From 2016/2017, expenditure will exceed depreciation leading to a significant increase in the standard of community assets over time.

Financial performance indicators for the year ended 30 June 2017 (cont.)

		Results			Forecasts	asts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	Commentary (as appropriate)
Obligations (cont)								
Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	14.58%	8.85%	2.49%	0.00%	0.00%	0.00%	0.00%	The accelerated debt reduction strategy will result in Council being debt free in 2018.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest-bearing loans and borrowings / Rate revenue] x100	3.92%	5.95%	6.58%	2.58%	0.00%	0.00%	0.00%	The accelerated debt reduction strategy to be applied over the next two years will see Council being debt free in 2018.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	8.28%	2.95%	0.90%	1.27%	1.44%	1.59%	1.74%	This declining trend is due to the Council's accelerated debt reduction strategy which will see \$2.1 million of debt paid off in 2018.
Operating position								
Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	14.69%	17.42%	19.05%	12.32%	11.75%	11.41%	10.74%	The strong adjusted underlying surplus is required to fund the increase in Council's capital program over the coming years, as well as the debt reduction strategy which will see debt of \$2.1 million paid off in 2018.

		Results			Forecasts	casts		
Dimension/indicator/measure	2015	2016	2017	2018	2019	2020	2021	- Commentary (as appropriate)
Stability								
Rates concentration Rates compared to adjusted underlying revenue Rate revenue / Adjusted underlying revenue] x100	70.82%	71.51%	70.47%	73.84%	73.90%	74.22%	74.45%	The shifting of costs from federal and state governments, by way of freezing operational grants and low or nil increase in statutory fees, means Council will continue to rely heavily on rate income to fund operational services and capital works.
Rates effort Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.17%	0.17%	0.15%	0.15%	0.16%	0.17%	0.17%	Council has achieved operational savings to keep rate increases at a modest level.

## Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"non-current assets" means all assets other than current assets "non-current liabilities" means all liabilities other than current liabilities "current liabilities" has the same meaning as in the AAS "current assets" has the same meaning as in the AAS

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

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of Council (including population grants) "population "means the resident population estimated by Council "rate revenue" means therewenue from general rates, municipal charges, service rates and service charges

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

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

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

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

## Other information for the year ended 30 June 2017

#### **Basis of preparation**

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

Where applicable the results in the Performance Statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (for example, Australian Bureau of Statistics).

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's Strategic Resource Plan. The Local Government (Planning and Reporting) Regulations 2014 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.

The forecast figures included in the Performance Statement are those adopted by Council in its Strategic Resource Plan on 27 June 2017 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan can be obtained by contacting Council.

#### Certification of the Performance Statement

#### Certification of the performance statement

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

Bill Shanahan CPA Principal Accounting Officer Dated: 19 September 2017

In our opinion, the accompanying performance statement of the *(council name)* for the year ended 30 June 2016 presents fairly the results of council's performance in accordance with the *Local Government* Act 1989 and the Local Government (Planning and Reporting) Regulations 2014

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

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

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

Sonia Castelli Councillor Dated: 19 Şeptomber 2017

R&6 Grinter Councillor Dated: 19 September 2017

Adrian Robb Chief Executive Officer Dated: 19 September 2017

#### Independent Auditor's Report

Opinion	<ul> <li>I have audited the accompanying performance statement of Bayside City Council (the council) which comprises the:</li> <li>description of municipality for the year ended 30 June 2017</li> <li>sustainable capacity indicators for the year ended 30 June 2017</li> <li>service performance indicators for the year ended 30 June 2017</li> <li>financial performance indicators for the year ended 30 June 2017</li> <li>other information and</li> <li>the certification of the performance statement.</li> <li>In my opinion, the performance statement of Bayside City Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</li> </ul>
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.
	My independence is established by the <i>Constitution Act 1975</i> . I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of</i> <i>Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.
	I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the performance statement	The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

#### To the Councillors of Bayside City Council

#### Independent Auditor's Report (cont.)

Auditor's responsibilities for the audit of the performance statement	As required by the <i>Audit Act 1994</i> , my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.
	As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:
	<ul> <li>identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.</li> </ul>
	• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
	<ul> <li>evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.</li> </ul>
	I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

7. J. Loughan

Tim Loughnan as delegate for the Auditor-General of Victoria

# Annual Financial Report

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# Comprehensive Income Statement for the year ended 30 June 2017

		2017	2016
	Note -	\$'000	\$'000
Income			
Rates and charges	3	85,518	82,698
Statutory fees and fines	4	6,361	5,292
User fees	5	8,353	8,168
Grants – operating	6	12,126	9,262
Grants - capital	6	4,903	2,118
Contributions – monetary	7	3,818	5,332
Net gain on disposal of property, infrastructure, plant and equipment	8	-	309
Rental income	9	4,057	4,010
Interest income	10	2,707	2,425
Other income	11	1,299	2,626
Total income		129,142	122,240
Expenses			
Employee costs	12	(39,593)	(38,727)
Materials and services	13	(41,817)	(40,220)
Bad and doubtful debts	14	310	(649)
Depreciation and amortisation	15	(14,934)	(14,757)
Borrowing costs		(435)	(730)
Net loss on disposal of property, infrastructure, plant and equipment	8	(1,377)	-
Other expenses	16	(382)	(408)
Total expenses		(98,228)	(95,491)
Surplus for the year		30,914	26,749
		00,014	20,140
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	28(a)	466,443	320,593
Total comprehensive result		497,357	347,342

#### Balance Sheet as at 30 June 2017

	Note	2017	2016
	Note	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	17	9,385	5,185
Trade and other receivables	19	8,969	6,070
Other financial assets	18	80,026	70,000
Inventories	20	108	76
Other assets	21	1,354	768
Total current assets		99,842	82,099
Non-current assets			
Trade and other receivables	19	167	154
Other financial assets	18	230	230
Property, infrastructure, plant and equipment	22	3,369,794	2,888,678
Intangible assets	23	2,681	1,751
Other assets	21	55	55
Total non-current assets		3,372,927	2,890,868
Total assets		3,472,769	2,972,967
Liabilities			
Current liabilities			
Trade and other payables	24	12,688	9,699
Trust funds and deposits	25	4,474	4,321
Provisions	26	8,272	7,785
Interest-bearing loans and borrowings	27	2,126	5,193
Income in advance		430	514
Total current liabilities		27,990	27,512
Non-current liabilities			
Provisions	26	980	983
Interest-bearing loans and borrowings	27	-	2,126
Total non-current liabilities		980	3,109
Total liabilities		28,970	30,621
Net assets		3,443,799	2,942,346
		., .,	,,
Equity		044770	000 103
Accumulated surplus		844,778	828,466
Reserves	28	2,599,021	2,113,880
Total equity		3,443,799	2,942,346

The above Balance Sheet should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity for the year ended 30 June 2017

	Note	Total	Accumulated surplus	Revaluation reserve	Other reserves
		\$'000	\$'000	\$'000	\$'000
2017					
Balance at beginning of the financial year		2,942,346	828,466	2,078,078	35,802
Recognition of found assets	22	4,096	4,096	-	-
Surplus for the year		30,914	30,914	-	-
Net asset revaluation increment	28(a)	466,443	-	466,443	-
Transfers to other reserves	28(b)	-	(27,419)	-	27,419
Transfers from other reserves	28(b)	-	8,721	-	(8,721)
Balance at end of the financial year		3,443,799	844,778	2,544,521	54,500

	Note	Total	Accumulated surplus	Revaluation reserve	Other reserves
		\$'000	\$'000	\$'000	\$'000
2016					
Balance at beginning of the financial year		2,595,004	814,359	1,757,485	23,160
Surplus for the year		26,749	26,749	-	-
Net asset revaluation increment	28(a)	320,593	-	320,593	-
Transfers to other reserves	28(b)	-	(17,976)	-	17,976
Transfers from other reserves	28(b)	-	5,334	_	(5,334)
Balance at end of the financial year		2,942,346	828,466	2,078,078	35,802

# Statement of Cash Flows for the year ended 30 June 2017

	Note	2017 Inflows/ (Outflows)	2016 Inflows/ (Outflows)
		\$'000	\$'000
Cash flows from operating activities			
Rates and charges		85,358	82,692
Statutory fees and fines		6,399	6,243
User fees		7,074	7,561
Rental income		4,057	4,010
Grants - operating		12,192	9,370
Grants - capital		4,903	2,118
Contributions - monetary		3,818	5,332
Interest received		2,254	2,177
Trust funds and deposits taken		2,503	1,733
Other receipts		1,221	2,702
Net GST refund		5,756	4,851
Employee costs		(38,970)	(38,356)
Materials and services		(46,461)	(45,820)
Trust funds and deposits repaid		(2,350)	(929)
Other payments		(382)	(408)
Net cash provided by operating activities	29	47,372	43,276
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(27,516)	(23,343)
Proceeds from sale of property, infrastructure, plant and equipment		-	3,425
Payments for investments		(10,026)	(17,000)
Net cash used in investing activities		(37,542)	(36,918)
Cash flows from financing activities			
Finance costs		(437)	(735)
Repayment of borrowings		(5,193)	(4,184)
Net cash used in financing activities		(5,630)	(4,919)
Net increase (decrease) in cash and cash equivalents		4,200	1,439
Cash and cash equivalents at the beginning of the financial year		5,185	3,746
Cash and cash equivalents at the end of the financial year	17	9,385	5,185
Financing arrangements	30		
Restrictions on cash assets	31		

# Statement of Capital Works for the year ended 30 June 2017

	Note	2017	2016
	Note	\$'000	\$'000
Property			
Buildings		7,769	5,115
Heritage buildings		65	165
Building improvements		1,329	1,519
Total buildings		9,163	6,799
Total property		9,163	6,799
Plant and equipment			
Arts and Culture Collection		90	10
Plant, machinery and equipment		5	-
Fixtures, fittings and furniture		484	269
Computers and telecommunications		1,419	865
Library books		427	373
Total plant and equipment		2,425	1,517
Infrastructure			
Roads		2,923	3,423
Footpaths and cycleways		3,605	1,990
Drainage		1,783	926
Parks, open space and streetscapes		7,008	6,121
Foreshore and conservation		539	1,065
Off-street car parks		306	442
Road management, traffic signals and street furniture		542	1,049
Total infrastructure		16,706	15,016
Total capital works expenditure		28,294	23,332
Represented by:			
New asset expenditure		3,088	3,986
Asset renewal expenditure		15,567	13,952
Asset expansion expenditure		2,467	458
Asset upgrade expenditure		7,172	4,936
Total capital works expenditure		28,294	23,332

#### Notes to the Financial Report for the year ended 30 June 2017

#### Introduction

The Bayside City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate.

The Council's main office is located at 76 Royal Avenue Sandringham 3191.

#### **Statement of compliance**

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

#### Note 1 Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (i) )

- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (j)) - the determination of employee provisions (refer to Note 1 (o)).

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

#### (b) Changes in accounting policies

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

#### Notes to the Financial Report for the Year Ended 30 June 2017

Note 1	Significant accounting policies (cont.)
(C)	Revenue recognition
	Income is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably.
	Rates and charges

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

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

#### Statutory fees and fines

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

#### **User fees**

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

#### Grants

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

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

#### Contributions

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

#### Sale of property, infrastructure, plant and equipment

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

#### Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

#### Interest

Interest is recognised as it is earned.

#### **Other Income**

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

#### Note 1 Significant accounting policies (cont.)

#### (d) Fair value measurement

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

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

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

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

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

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

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

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

#### (e) Cash and cash equivalents

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

#### (f) Trade and other receivables

Short-term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long-term receivables are carried at amortised cost using the effective interest rate method.

#### (g) Other financial assets

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

#### (h) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

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

#### Notes to the Financial Report for the Year Ended 30 June 2017

#### Note 1 Significant accounting policies (cont.)

Recognition and measurement of property, plant and equipment, infrastructure, intangibles

#### Acquisition

(i)

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

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

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

#### Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture and fittings, library books and intangible assets are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At balance date, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, Property, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from three to five years. The valuation is performed by independent experts.

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

#### Land under roads

Council recognises land under roads it controls at fair value.

#### (j) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

Buildings, plant and equipment, infrastructure, and other assets having limited useful lives (excluding heritage buildings, arts and culture assets and works in progress) are systematically depreciated over their useful lives to Council in a manner which reflects the consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciated as they are considered not to have limited useful lives. Works in progress are depreciated from the date the asset is first put into use or held ready for use.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component. Straight-line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

#### Note 1 Significant accounting policies (cont.)

(j)

Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont.)

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit
		\$'000
Property		
building improvements	25–100 years	10
heritage building	50–250 years	Nil
Plant and equipment		
plant, machinery and equipment	7–10 years	2
arts and culture collection	Nil	Nil
fixtures, fittings and furniture	3–9 years	2
computers and telecommunications	3–5 years	2
library books	6 years	Nil
Infrastructure		
roads		
pavement	125–255 years	25
surfacing	25–60 years	25
footpaths and cycleways	25–55 years	20
drainage	75–100 years	10
parks, open space and streetscapes	15–40 years	10
foreshore and conservation	15–30 years	10
bridges	100 years	20
off-street car parks	10–50 years	10
road management, traffic signals and street furniture	10–35 years	2
Intangible assets		
intangible assets	3–5 years	5

#### (k) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

#### (I) Impairment of assets

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

Note 1	Significant accounting policies (cont.)
(m)	Trust funds and deposits
	Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).
(n)	Borrowings

#### Borrowings

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

The classification depends on the nature and purpose of the interest-bearing liabilities. Council determines the classification of its interest bearing liabilities at initial recognition.

#### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred and include interest on borrowings.

#### (o) Employee costs and benefits

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

#### Wages and salaries and annual leave

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

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

#### Long service leave

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

Current Liability – unconditional LSL representing 7 years is disclosed as a current liability even when Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

#### The components of this current liability are measured at:

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

#### **Classification of employee costs**

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

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

#### Note 1 Significant accounting policies (cont.)

#### (o) Employee costs and benefits (cont.)

#### **Retirement gratuities**

The staff gratuity scheme entitlement of \$26,447 (2015/16 – \$25,903) is recognised at 31 January 1996 values (frozen in accordance with the Bayside Enterprise Bargaining Agreement) and is adjusted by Consumer Price Index less any leave taken.

#### **Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### Superannuation

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Bayside City Council to the relevant superannuation plans in respect to the services of Bayside City Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Bayside City Council is required to comply with. In addition Council may, periodically be required to contribute to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in Note 34.

#### (p) Leases

#### **Operating leases**

Lease payments for operating leases are required by the accounting standard to be recognised on a straight-line basis, rather than expensed in the years in which they are incurred.

#### **Finance leases**

Council does not have any finance leases.

#### (q) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (r) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the Balance Sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the Balance Sheet are disclosed at Note 35 Contingent liabilities and contingent assets.

#### Note 1 Significant accounting policies (cont.)

#### (s) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

#### (t) Pending accounting standards

The following new AASs have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

#### Revenue from contracts with customers (AASB 15) (applies 2018/2019)

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

#### Leases (AASB 16) (applies 2019/2020)

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

Council has a significant number of operating leases that will be impacted as a result of this change. Council is assessing the assets and liabilities that will be recognised in 2019/2020 as a result of applying this standard.

#### (u) Rounding

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

#### Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 5 percent or \$1m where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 21 June 2016. The budget was based on assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

#### a) Income and expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Var %	Ref
Income					
Rates and charges	85,285	85,518	233	0%	
Statutory fees and fines	4,388	6,361	1,973	45%	1
User fees	7,996	8,353	357	4%	2
Grants – operating	10,209	12,126	1,917	19%	3
Grants – capital	3,609	4,903	1,294	36%	4
Contributions – monetary	4,504	3,818	(686)	(15%)	5
Rental income	4,054	4,057	3	0%	
Interest income	1,775	2,707	932	53%	6
Other income	1,608	1,299	(309)	(19%)	7
Total income	123,428	129,142	5,714	5%	
Expenses					
Employee costs	(40,192)	(39,593)	599	1%	
Materials and services	(43,435)	(41,817)	1,618	4%	8
Bad and doubtful debts	(172)	310	482	280%	9
Depreciation and amortisation	(16,471)	(14,934)	1,537	9%	10
Borrowing costs	(440)	(435)	5	1%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(1377)	(1,377)	N/A	11
Other expenses	(426)	(382)	44	10%	
Total expenses	(101,136)	(98,228)	2,908	3%	
	00.000	00.014	0.000	00%	
Surplus/(deficit) for the year	22,292	30,914	8,622	39%	

Note 2	Bud	get comparison (cont.)	
	Expla	anation of material variations	
	Ref	Item	Explanation
	1	Statutory fees and fines	An increase in statutory planning and building application fees reflects an increase in both the number of statutory planning applications lodged and the increase in the value of state fees from 13 October 2016. An increase in parking fines reflects increased reports from residents of illegal parking near railway stations, schools and shopping precincts, which has also resulted in additional court recoveries for parking infringements. Fines for failure to vote at Council elections in November 2016 also resulted in an increase in fine revenue.
	2	User fees	An increase in non-statutory planning application fees and permits as well as skip bin applications and tree amenity improvements reflect an increase in building development activity which is currently growing at double the long-term average. Parking fees also increased reflecting increased beach patronage over summer. Merchant service fees charged to recover a 0.47% credit card merchant fees for credit card payments were introduced from 1 July 2016.
	3	Operating grants	50% of the 2017/2018 funding allocation for financial assistance grants was paid in advance during 2016/2017. The 2017/2018 full year funding for school crossing supervisors from VicRoads was also received in advance.
	4	Capital grants	Capital grants were favourable to budget due to funding received in advance for the Elsternwick Park No 1 oval precinct \$1.5 million and the Brighton Library Interior upgrade \$315,000. Unbudgeted funding for the Foreshore Risk Management Emergent Renewals was received during 2016/2017. Expected funding in 2016/2017 for the Banksia Reserve pavilion and Dendy Park Soccer/Cricket pavilion developments has been delayed and now aligns with their expected project completion in 2017/2018.
	5	Contributions monetary	Resort and Recreation Levy income was \$1.5 million favourable to budget for 2016/2017 offset by a delay in the receipt of club funding of \$1.28 million for the Banksia Reserve pavilion redevelopment, \$600,000 for Elsternwick Park No. 1 oval and \$500,000 for the Dendy Street Beach project. These projects are expected to be completed in 2017/2018.
	6	Interest income	The favourable operating and capital results compared to budget during the year as well as the timing of cash flows in relation to the delivery of capital projects has resulted in greater cash reserves than expected. Interest on late rate payment of rates was also greater than budgeted.

#### Note 2 Budget comparison (cont.)

Explanation of material variations

Ref	Item	Explanation
7	Other Income	One bathing box was sold during the year compared to the two budgeted. Employee contributions for the private use of fleet vehicles have also reduced, reflecting a rationalisation of the number of vehicles in the fleet and an overall reduction in fleet costs.
8	Materials and services	Savings in administrative expenditure including a reduction in insurance premiums and savings in Fleet due to a reduction in the number of leased vehicles. Departments have also reduced expenditure in other administrative categories including training, printing and consultancy. Savings against budgeted services contracts were also achieved during the year particularly in Open Space with lower contract CPI increases than predicted, road traffic management maintenance being lower than anticipated, contracts subject to a favourable fall in fuel prices, and reduced tipping fees due to a change in landfill site from April 2017. Continued savings resulted from more efficient public lighting installed in 2015/2016 and reduced water costs from higher rainfall in open spaces.
9	Bad and doubtful debts	The amount of the provision raised against one debtor for \$407,000 in 2015/2016 was reversed during 2016/2017 following the recovery of all outstanding debt. There was an increase in the provision for doubtful debts for parking infringements for 2016/2017 reflecting an increase in the fines issued and debt outstanding.
10	Depreciation and amortisation	The favourable result is due to the timing of the completion of a number of key projects which are now expected to be completed during 2017/2018 and 2018/2019
11	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Non cash accounting entry for the write-off of the written down value of infrastructure assets which have been replaced during the year as part of the capital renewal program including the Dendy Park Lower East pavilion, Jetty Road and Basterfield Park toilets.

2	Budget comparison (cont.)					
	Capital works					
		Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Var %	Re
	Property					
	Buildings	16,921	7,769	(9,152)	(54%)	
	Heritage buildings	28	65	37	132%	1
	Building improvements	1,614	1,329	(285)	(18%)	ć
	Total buildings	18,563	9,163	(9,400)	(51%)	
	Total property	18,563	9,163	(9,400)	(51%)	
	Plant and equipment					
	Arts and Heritage Collection	90	90	-		
	Plant, machinery and equipment	-	5	5	100%	
	Fixtures, fittings and furniture	83	484	401	483%	
	Computers and telecommunications	1,152	1,419	267	23%	
	Library books	420	427	7	2%	
	Total plant and equipment	1,745	2,425	680	39%	
	Infrastructure	0.005	0.000	(010)	(0.40())	
	Roads	3,835	2,923	(912)	(24%)	(
	Footpaths and cycleways	2,543	3,605	1,062	42%	
	Drainage	3,114	1,783	(1,331)	(43%)	8
	Parks, open space and streetscapes	11,903	7,008	(4,895)	(41%)	(
	Foreshore and conservation	586	539	(47)	(8%)	1(
	Off-street car parks	431	306	(125)	(29%)	
	Road management, traffic signals and street furniture	846	542	(304)	(36%)	1
	Total infrastructure	23,258	16,706	(6,552)	(28%)	
	Total capital works expenditure	43,566	28,294	(15,272)	(35%)	
	Represented by:					
	New asset expenditure	3,408	3,088	(320)	(9%)	
	Asset renewal expenditure	23,643	15,567	(8,076)	(34%)	
	Asset expansion expenditure	4,141	2,467	(1,674)	(40%)	
	Asset upgrade expenditure	12,374	7,172	(5,202)	(42%)	
	Total capital works expenditure	43,566	28,294	(15,272)	(35%)	

#### Note 2 Budget comparison (cont.)

Explanation of material variations

Ref	Item	Explanation
1	Buildings	The \$9.2 million favourable variance to budget relates to delays to a number of large projects including Banksia Reserve pavilion, Cheltenham Recreation Reserve pavilion, Dendy St Beach pavilion and Dendy Park soccer/cricket pavilion. A total budget of \$9.3 million will be carried forward to 2017/2018 for the completion of these projects.
2	Heritage buildings	Unfavourable variance due to the completion of the Brighton Town Hall climate control system which was carried forward from 2015/2016.
3	Building improvements	Favourable variance due to savings on the installation of solar panels and implementation of an alternative cost saving solution for climate control at the Corporate Centre.
4	Fixtures, fittings and furniture	Unfavourable due to the change in scope of the Brighton Library interior upgrade which was originally budgeted under buildings.
5	Computers and telecommunications	Unfavourable due to a number of IT projects which were carried forward from 2015/2016 and completed in 2016/2017 including HR/Payroll system \$202,000, Website development \$72,000, Electronic Rostering for Care Workers \$126,000.
6	Roads	Favourable variance due to delays with planning and approvals for the shared path stability works at 357 Beach Rd Black Rock. This project will be carried forward to 2017/2018 \$651,000. Cost savings were also achieved on installation of static signs instead of LED signs at Highett Road shopping centre.
7	Footpaths and cycleways	Unfavourable variance due to increased in scope in the footpath reconstruction program and the completion of the Elster Creek Trail works in 2016/2017 which was carried forward from 2015/2016 \$278,000.
8	Drainage	Favourable variance to budget relates to delays in completion of the Durrant Street drain and North Road drain projects which are being carried forward into 2017/2018 for completion \$1.4 million.
9	Parks, open space and streetscapes	Favourable variance due to delays in the completion of the Elsternwick Park oval No. 1 Precinct \$3.3 million and to the Sandringham Village Activity Centre streetscaping works \$1.6 million. These projects are expected to be completed in 2017/2018.
10	Foreshore and Conservation	Favourable variance due to savings in unscheduled budgets for emergency works on the foreshore.
11	Road management, traffic signals and street furniture	Budget includes allowances for emergency unscheduled works which were not required during the year.

Note 3	Rates and charges					
	Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value of land and improvements. The valuation base used to calculate general rates for 2016/2017 was \$56,729 million (2015/2016 \$47,239 million).					
		2017	2016			
		\$'000	\$'000			
	General rates	69,193	66,856			
	Municipal charge	6,342	6,130			
	Waste management charge	8,888	9,000			
	Supplementary rates and rate adjustments	790	401			
	Cultural and recreational	305	311			
	Total rates and charges	85,518	82,698			
	The date of the latest general revaluation of land for rating purposes within the 01/01/2016, and the valuation was first applied in the rating year commencing (		5			
Note 4	Statutory fees and fines					
		2017	2016			

	\$'000	\$'000
Infringements and costs		
- parking	2,913	2,911
- animal management	76	56
- compulsory voting enforcement	237	-
- other	74	4
Court recoveries	843	752
Town planning fees	1,489	833
Land information certificates	119	104
Building permits	548	532
Other	62	100
Total statutory fees and fines	6,361	5,292

Note 5 User fees

	2017	2016
	\$'000	\$'000
Aged and health services	1,242	1,286
Open space and recreation	676	601
Planning and infrastructure	1,171	1,019
Children's services	34	179
Parking	1,458	1,400
Animal registration permits	1,120	1,117
Amenity protection	1,277	1,135
Waste management services	685	1,010
Other fees and charges	690	421
Total user fees	8,353	8,168

#### Note 6 Grants

Youth and recreation

	2017	2016
	\$'000	\$'000
Grants were received in respect of the following :		
Summary of grants		
Commonwealth-funded grants	9,023	2,669
State-funded grants	7,928	8,558
Other	78	153
Total grants	17,029	11,380
Operating grants		
Recurrent – Commonwealth Government		
Financial assistance grants	3,902	1,275
General home care	2789	-
Aged care	1,094	355
Assessment and review	641	707
Other	14	14
Recurrent – state government		
Aged care	28	730
General home care	836	3,453
Assessment and review	43	-
School crossing supervisors	500	189
Youth services	72	72
Libraries	604	590
Maternal and child health	611	594
Community safety and wellbeing	221	272
Other	-	1
Recurrent – other		
Environmental health	19	18
Organisational improvement	4	3
Youth services planning and development	16	11
Total recurrent operating grants	11,394	8,284
Non-recurrent – Commonwealth Government		
Regional projects	371	-
Environmental planning	-	36
Respite and home care	-	17
Non-recurrent – state government		
Aged and disability services	53	91
Regional projects	231	694
Library	47	47

23

7

Note 6	Grants (cont.)		
		2017	2016
		\$'000	\$'000
	Other	23	30
	Non-recurrent – other		
	Environmental sustainability	-	35
	Policy and planning	-	5
	Total non-recurrent operating grants	732	978
	Total operating grants	12,126	9,262
	Capital grants		
	Recurrent – Commonwealth Government		
	Roads to recovery	834	722
	Total recurrent capital grants	834	722
	Non-recurrent – Commonwealth Government		
	Nation Building Blackspot Program	-	212
	Infrastructure	19	39
	Non-recurrent – state government		
	Buildings	4,010	1,065
	Non-recurrent – Other		
	Living Rivers Program	40	80
	Total non-recurrent capital grants	4,069	1,396
	Total capital grants	4,903	2,118
	Total operating and capital grants	17,029	11,380

Unspent grants received on condition that they be spent in a specific mar	nner	
Balance at start of year	934	345
Received during the financial year and remained unspent at balance date	5,992	934
Received in prior years and spent during the financial year	934	345
Balance at year end	5,992	934

#### Note 7 Contributions – monetary

	2017	2016
	\$'000	\$'000
Contributions – monetary – operating		
VicRoads road maintenance	27	26
Other	65	102
Total contributions – monetary – operating	92	128

#### Contributions - monetary - capital

Total loss on disposal of assets

3,526	5,010
-	169
11	-
189	7
-	18
3,726	5,204
3,818	5,332
	- 11 189 - <b>3,726</b>

#### Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2017	2016
	\$'000	\$'000
Asset held for sale		
Proceeds of sale	-	3,425
Written down value of assets disposed	-	(2,209)
Net gain from disposal of asset held for sale	-	1,216
Written down value of asset disposed		
Roads	(1,112)	(509)
Drains	(26)	(33)
Buildings	(239)	(365)

Total net gain/(loss) on disposal of property,	(4.077)	000
infrastructure, plant and equipment	(1,377)	309

(1,377)

(907)

Note 9	Rental income		
		2017	2016
		\$'000	\$'000
	Golf courses	1,145	1,194
	Other recreation facilities	1,312	1,254
	Mobile phone facilities	743	729
	Food premises	614	591
	Other rentals	243	242
	Total rental income	4,057	4,010
Note 10	Interest income		
		2017	2016
		\$'000	\$'000
	Interest – Cash and cash equivalents	2,392	2,148
	Interest – Rates late payment	315	277
	Total interest income	2,707	2,428
Note 11	Other income		
		2017	2010
		\$'000	\$'00
	Cost recovery	670	803
	Sale of roads and laneways	_	27
	Sales of bathing boxes	326	565
	Employee contributions	262	300
	Carbon tax refund	-	598
	Other	41	80
	Total other income	1,299	2,626
Note 12	Employee costs		
(a)	Employee costs		
		2017	201
		\$'000	\$'000
	Wages and salaries	32,668	32,472
	WorkCover	429	350
	Casual staff	466	605
	Superannuation	3,084	2,88
	Fringe benefits tax	302	40
	Agency staff	2,644	2,01
	Total employee costs	39,593	38,72

#### Note 12 Employee costs (cont.)

#### (b) Superannuation

Contributions by Bayside City Council (excluding any unfunded liability payments) to superannuation plans for the financial year ended 30 June 2017 are detailed below:

Scheme	Type of scheme	Rate	2017	2016
Scheme	Type of scheme	nale	\$'000	\$'000
Vision Super	Defined benefits	9.50%	\$264	\$288
Vision Super	Accumulation	9.50%	\$1,566	\$1,597
Other funds	Accumulation	9.50%	\$1,161	\$1,000

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2018 is \$272,000.

Refer to Note 34 for further information relating to Council's superannuation obligations.

#### Note 13 Materials and services

	2017	2016
	\$'000	\$'000
Contracts		
- environmental sustainability and open space services	17,284	16,001
- city works services	2,463	2,818
- other services	2,099	1,746
– general maintenance	3,442	3,598
- building maintenance	1,904	1,768
Services and purchases	7,735	7,195
Motor vehicle costs	816	1,028
Rental/leases	649	656
Office administration	660	790
Insurance	680	1,030
Community grants and sponsorship	717	742
Utilities and taxes	2,164	2,149
Other	1,204	699
Total materials and services	41,817	40,220

#### Note 14 Bad and doubtful debts

	2017	2016
	\$'000	\$'000
Parking fine debtors	201	280
Other debtors	(511)	369
Total bad and doubtful debts	(310)	649

#### Note 15 Depreciation and amortisation

	2017	2016
	\$'000	\$'000
Buildings	3,878	3,917
Plant and equipment	969	934
Infrastructure	9,639	9,552
Total depreciation	14,486	14,403
Intangible assets	448	354
Total depreciation and amortisation	14,934	14,757

Refer to Notes 22 and 23 for a more detailed breakdown of depreciation and amortisation charges

#### Note 16 Other expenses

	2017	2016
	\$'000	\$'000
Auditor's remuneration – VAGO – audit of the financial statements, Performance Statement and grant acquittals	63	74
Auditor's remuneration – internal audit	89	102
Councillors' allowances	230	232
Total other expenses	382	408

#### Note 17 Cash and cash equivalents

Cash at bank and on hand6,385Term deposits (90 days or less)3,000	2016	2017	
Term deposits (90 days or less)     3,000	\$'000	\$'000	
	5,185	6,385	Cash at bank and on hand
Total cash and cash equivalents 0.385	-	3,000	Term deposits (90 days or less)
	5,185	9,385	Total cash and cash equivalents

Refer to Note 31 for disclosure of restrictions on cash assets.

#### Note 18 Other financial assets

	2017	2016
	\$'000	\$'000
Current		
Term deposits (greater than 90 days)	80,026	70,000
	80,026	70,000
Non-current		
Unlisted shares at cost – Regional Kitchen Group	230	230
	230	230
Total financial assets	80,256	70,230

#### Note 19 Trade and other receivables

	2017	2016
	\$'000	\$'000
Current		
Statutory receivables		
Rates debtors	1,965	1,818
Parking infringement debtors	2,291	2,059
Provision for doubtful debts – parking infringements	(1,389)	(1,133)
Non statutory receivables		
Aged and disability	155	136
Other infringemnet debtors	275	253
Provision for doubtful debts – other infringements	(47)	(140)
Domestic waste	42	895
Rental debtors	488	300
Net GST receivables	1,335	926
Other debtors	3,953	1,592
Provision for doubtful debts – other debtors	(99)	(636)
Total current trade and other receivables	8,969	6,070
Non-current		
Statutory receivables		
Rates debtors	167	154
Total non-current trade and other receivables	167	154
Total trade and other receivables	9,136	6,224

Note 19	Trade and other receivables (cont.)		
(a)	Ageing of receivables		
	At balance date other debtors representing financial assets were past due bu Council's trade and other receivables (excluding statutory receivables) was:	t not impaired. The age	eing of the
		2017	2016
		\$'000	\$'000
	Current (not yet over due)	4,053	1,781
	Past due by up to 30 days	130	277
	Past due between 31 and 60 days	147	106
	Past due by more than 60 days	308	759
	Total trade and other receivables	4,638	2,923
(b)	Movement in provisions for doubtful debts		
		2017	2016
		\$'000	\$'000
	Balance at the beginning of the year	1,909	1,305
	New provisions recognised during the year	(310)	649
	Amounts already provided for and written off as uncollectible	(64)	(45)
	Balance at end of year	1,535	1,909
(C)	Ageing of individually impaired receivables		

At balance date, there were no debtors individually impaired (2016: \$895,000). No provisions have been raised against any individual debtors (2016: \$406,572 ).

#### Note 20 Inventories

	2017	2016
	\$'000	\$'000
Inventories held for sale	108	76
Total inventories	108	76

#### Note 21 Other assets

	2017	2016
	\$'000	\$'000
Current		
Prepayments	607	514
Accrued income	747	254
	1,354	768
Non-current		
Deposits held by suppliers – refundable	55	55
	55	55
Total other assets	1,409	823

Note 22 Property, infrastructure, plant and equipment	l equipment							
Summary of property, infrastructure, plant and equipment	At fair value 30 June 2016	Acquisitions	Found Assets	Revaluation	Depreciation	Disposal	Transfers	At fair value 30 June 2017
	\$'000	\$,000	\$*000	\$'000	\$,000	\$,000	\$'000	\$,000
Land	2,461,400	ı	ı	427,178	ı	ı	ı	2,888,578
Buildings	144,204	2,023	ı	5,275	(3,878)	(239)	3,056	150,441
Plant and equipment	8,198	1,016	ı	ı	(696)	I	286	8,531
Infrastructure	264,331	14,543	4,096	33,990	(9,639)	(1,138)	4,842	311,025
Work in progress	10,545	9,293	ı	ı	ı	(476)	(8,143)	11,219
Total	2,888,678	26,875	4,096	466,443	(-14,486)	(-1,853)	41	3,369,794

Summary of work in progress	Opening WIP	Additions	Transfers	Write-offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	4,050	7,140	3,056	156	7,978
Plant and equipment	11	ı	11	1	ı
Infrastructure	6,484	2,153	5,076	(-320)	3,241
Total	10,545	9,293	(8,143)	(476)	11,219

equipment
plant and
frastructure
Property, in
Note 22

Land and buildings	Note	Land – specialised	Land - Land - non- cialised specialised	Land under roads	Total land	Buildings – specialised	Building - non- specialised	Heritage building	Total buildings	Work in progress	Total property
		\$'000	\$*000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016		1,616,247	264,004	581,149	2,461,400	223,457	1,487	26,203	251,147	4,050	2,716,597
Accumulated depreciation at 1 July 2016		I	I	I	I	(100,907)	T	(6,036)	(106,943)	I	(106,943)
Fair value as at 1 July 2016		1,616,247	264,004	581,149	2,461,400	122,550	1,487	20,167	144,204	4,050	2,609,654

Movements in fair value										
Acquisition of assets at fair value		ı	I	ı	1,955	c	65	2,023	7,140	9,163
Cost of found assets	ı	ı	I	I	I	I	ı	I	I	I
Revaluation increments/decrements	270,162	58,221	98,795	427,178	11,418	182	1,119	12,719	I	439,897
Fair value of assets disposed	1	ı	I	I	(1,030)	ı	ı	(1,030)	(156)	(1,186)
Transfers	ı	ı	I	I	3,056	ı	ı	3,056	(3,056)	ı
Total	270,162	58,221	98,795	427,178	15,399	185	1,184	16,768	3,928	447,874

Movements in accumulated depreciation										
Depreciation and amortisation		I	ı	ı	(3,863)	(2)	(13)	(3,878)	I	(3,878)
Accumulated depreciation of found assets	ı	I	I	I	ı	I	I	ı	I	I
Accumulated depreciation of disposals	ı	I	I	I	791	T	I	791	I	791
Accumulated depreciation revaluation reversal	ı	I	I	I	(7,444)	I	I	(7,444)	I	(7,444)
Total				I	(10,516)	(2)	(13)	(10,531)	ı	(10,531)
At fair value 30 June 2017	1,886,409	322,225	679,944	2,888,578	238,856	1,672	27,387	267,915	7,978	3,164,471

At fair value 30 June 2017	1,886,409	322,225	679,944	2,888,578	238,856	1,672	27,387	267,915	7,978	3,164,471
Accumulated depreciation at 30 June 2017	I	I	I	I	(111,423)	(2)	(6,049)	(117,474)	I	(117,474)
Fair value as at 30 June 2017	1,886,409	322,225	679,944	2,888,578	127,433	1,670	21,338	150,441	7,978	3,046,997

# Note 22 Property, infrastructure plant and equipment (cont.)

Plant and equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Library books	Art and culture assets	Work in progress	Total plant and equipment
At fair value 1 July 2016		1,996	2,918	4,994	4,825	11	14,744
Accumulated depreciation at 1 July 2016		(1,057)	(1,770)	(3,708)		1	(6,535)
Fair value as at 1 July 2016		939	1,148	1,286	4,825	7	8,209
Movements in fair value							
Acquisition of assets at fair value		16	484	426	06	T	1,016
Cost of found assets		I	I	I	1	I	I
Revaluation increments/decrements		I	I			1	I
Fair value of assets disposed		I	I	I	ı	I	I
Transfers		28	36	Q	216	(11)	275
Total		44	520	432	306	(11)	1,291
Movements in accumulated depreciation							
Depreciation and amortisation		(214)	(263)	(492)	ı	I	(696)
Accumulated depreciation of found assets		I	ı	I	ı	I	I
Accumulated depreciation of disposals		I	ı	ı	ı	ı	I
Accumulated depreciation revaluation reversal		I	I	ı	ı	I	I
Total		(214)	(263)	(492)		ı	(696)
At fair value 30 June 2017		2,040	3,438	5,426	5,131	I	16,035
Accumulated depreciation at 30 June 2017		(1,271)	(2,033)	(4,200)	ı	ı	(7,504)
Fair value as at 30 June 2017		769	1,405	1,226	5,131		8,531

Note 22 Property, infrastructure plant and equipment (cont.)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Parks open spaces and streetscapes	Foreshore and conservation	Off-street car parks	Road mgmt, traffic signals and street furnitures	Work in progress	Total infrastructure	Total property, infrastructure plant and equipment
At fair value 1 July 2016	196,256	5,837	142,961	153,717	46,890	11,134	5,038	12,440	6,484	580,757	3,312,098
Accumulated depreciation at 1 July 2016	(79,193)	(3,096)	(89,819)	(106,140)	(19,590)	(4,359)	(1,174)	(6,571)	ı	(309,942)	(423,420)
Fair value as at 1 July 2016	117,063	2,741	53,142	47,577	27,300	6,775	3,864	5,869	6,484	270,815	2,888,678
Movements in fair value											
Acquisition of assets at fair value	2,884	1	3,516	679	6,033	588	301	542	2,153	16,696	26,875
Cost of found assets	1	I		I	1		I	5,038	1	5,038	5,038
Revaluation increments/decrements	(4,389)	314	924	125,552	1		I	(1,899)	1	120,502	560,399
Fair value of assets disposed	(1,689)	I	(1,754)	(32)	1	I	1	I	(320)	(3,855)	(5,041)
Transfers	(28)	I	150	227	3,787	(02)	776	I	(5,076)	(234)	41
Total	(3,222)	314	2,836	126,366	9,820	518	1,077	3,681	(3,243)	138,147	587,312
Movements in accumulated depreciation											
Depreciation and amortisation	(1,763)	(28)	(2,089)	(1,756)	(2,539)	(678)	(432)	(324)	I	(9,639)	(14,486)
Accumulated depreciation of found assets	ı	I	ı	I	ı	T	ı	(942)	ı	(942)	(942)
Accumulated depreciation of disposals	875	I	1,456	66	I	T	ı	I	ı	2,397	3,188
Accumulated depreciation revaluation reversal	(1,559)	(172)	1,103	(86,723)	I	1	T	839	I	(86,512)	(93,956)
Total	(2,447)	(230)	470	(88,413)	(2,539)	(678)	(432)	(427)	•	(94,696)	(106,196)
At fair value 30 June 2017	193,034	6,151	145,797	280,083	56,710	11,652	6,115	16,121	3,241	718,904	3,899,410
Accumulated depreciation at 30 June 2017	(81,640)	(3,326)	(89,349)	(194,553)	(22,129)	(5,037)	(1,606)	(6,998)	I	(404,638)	(529,616)
Fair value as at 30 June 2017	111,394	2,825	56,448	85,530	34,581	6,615	4,509	9,123	3,241	314,266	3,369,794
Note: During the 2016/2017 valuation of infrastructure assets 22 traffic signals wer	tructure asse	ets 22 traffic	signals were	e included in	Council's asse	st reaister for the	e first time. C	ouncil owns ar	nd is respor	e included in Council's asset register for the first time. Council owns and is responsible for the traffic signals	fic signals

which are maintained on its behalf by VicRoads. Adjustments have been made by reporting the found assets in the Balance Sheet under Property, infrastructure, plant and equipment and increasing retained earnings by \$4.096 million. See Statement of Changes in Equity.

#### Note 22 Property, infrastructure, plant and equipment (cont.)

#### Valuation of land and buildings

Valuation of land and buildings was undertaken by a qualified independent valuer Matheson Stephen Valuer Registration number 62718 dated 30 June 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3
Land specialised	-	-	1,886,409
Land non-specialised	-	322,225	-
Land under roads	-	-	679,944
Heritage buildings	-	8,409	12,929
Building specialised	-	-	127,433
Building non-specialised	-	1,670	-
Total	-	332,304	2,706,715

#### Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr. B Robertson BE (Civil). MInfrastructEng&Mgt

The date of the current valuation was 30 June 2017 and was a full revaluation.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	111,394
Bridges	-	-	2,825
Footpaths and cycleways	-	-	56,448
Drainage	-	-	85,530
Parks, open space and streetscapes	-	-	34,581
Foreshore and conservation	-	-	6,615
Off-street car parks	-	-	4,509
Road management, traffic signals, street furniture	_	-	9,123
Total	-	-	311,025

#### Note 22 Property, infrastructure, plant and equipment (cont.)

#### Description of significant unobservable inputs into Level 3 valuations

**Specialised land and land under roads** is valued using a market-based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 10 per cent and 85 per cent The market value of land varies significantly depending on the location of the land and the current market conditions. Currently, land values range between \$160 and \$3,360 per square metre. The methodology for valuing land under roads is based on Council's Municipal Site Value which was completed for rate revaluation purposes in March 2016. The average rate per square metre has been discounted by 95 per cent to account for its undeveloped state, limits to rights of access and infrastructure easements which resulted in a value of \$117 per square metre.

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and range from \$110 to \$104,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from three years to 79 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from one years to 199 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2017	2016
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	679,944	581,149
Parks and reserves	1,886,409	1,616,247
Total specialised land	2,566,353	2,197,396

3	Intangible assets		
		2017	2016
		\$'000	\$'000
	Software	2,681	1,751
	Total intangible assets	2,681	1,751
			Software
			\$'000
	Gross carrying amount		
	Balance at 1 July 2016		4,115
	Additions		1,254
	Transfers		(41
	Work in progress		165
	Balance at 1 July 2017		5,493
	Accumulated amortisation and impairment		
	Balance at 1 July 2016		(2,364
	Amortisation expense		(448
	Balance at 1 July 2017		(2,812)
	Net book value at 30 June 2016		1,75 <sup>-</sup>
	Net book value at 30 June 2017		2,681

#### Note 24 Trade and other payables

	2017	2016
	\$'000	\$'000
Trade payables	6,528	4,744
Accrued expenses		
- capital	2,997	2,350
- materials and service	1,714	1,293
- employee cost	1,436	1,297
- Ioan interest	13	15
Total trade and other payables	12,688	9,699

#### Note 25 Trust funds and deposits

	2017	2016
	\$'000	\$'000
Building and Infrastructure refundable deposits	3,002	2,954
Fire services levy	598	552
Retention amounts	64	68
Other refundable deposits	810	747
Total trust funds and deposits	4,474	4,321

#### Purpose and nature of items

Building and Infrastructure refundable deposits – Deposits are taken by Council as a form of surety in relation to building and infrastructure works. Amount will be refunded if Council's assets are maintained in their original condition.

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

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

Other refundable deposits – Deposits are taken by Council as a form of surety in relation to leasing or hiring transactions for Council assets. Amount will be refunded if Council's assets are maintained in their original condition.

#### Note 26 Provisions

	Annual leave	Long service leave	Staff gratuity scheme	Total
2017	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	2,794	5,948	26	8,768
Additional provisions	2,518	1,199	-	3,717
Amounts used	(2,412)	(640)	-	(3,052)
Increase/decrease in the discounted amount arising because of time and the effect of any change in the discount rate	-	(181)	-	(181)
Balance at the end of the financial year	2,900	6,326	26	9,252
2016				
Balance at beginning of the financial year	2,831	5,814	26	8,671
Additional provisions	2,384	865	-	3,249
Amounts used	(2,421)	(724)	-	(3,145)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	-	(7)	-	-7
Balance at the end of the financial year	2,794	5,948	26	8,768

te 26	Provisions (cont.)		
Note 26 (a)	Employee provisions		
		2017	2016
		\$'000	\$'000
	Current provisions expected to be wholly settled within 12 months		
	Annual leave	1,924	1,853
	Long service leave	687	618
	Staff gratuity scheme	26	26
		2,637	2,497
	Current provisions expected to be wholly settled after 12 months		
	Annual leave	976	941
	Long service leave	4,659	4,347
		5,635	5,288
	Total current provisions	8,272	7,785
	Non-current		
	Long service leave	980	983
	Total non-current provisions	980	983
	Aggregate carrying amount of employee provisions		
	Current	8,272	7,785
	Non-current	980	983
	Total aggregate carrying amount of employee provisions	9,252	8,768

#### Note 27 Interest-bearing loans and borrowings

(a)

(b)

Current       2,126       5,193         Loans – secured*       2,126       5,193         Non-current       2,126       5,193         Loans – secured*       -       2,126         Total       2,126       7,315         * All loans are secured against Council's rates and charges       -       2,126         The maturity profile for Council's borrowings is:       -       2,126       5,193         Not later than one year       2,126       5,193       2,126       5,193         Later than one year and not later than five years       -       2,126       7,315         Aggregate carrying amount of interest-bearing loans and borrowings:       -       2,126       5,193         Current       2,126       5,193       -       2,126       7,315		2017	2016
2,126       5,193         Non-current       2,126         Loans – secured*       -       2,126         Total       2,126       7,319         * All loans are secured against Council's rates and charges       -       -         The maturity profile for Council's borrowings is:       -       2,126       5,193         Not later than one year       2,126       5,193       -       2,126         Later than one year and not later than five years       -       2,126       7,315         Aggregate carrying amount of interest-bearing loans and borrowings:       -       2,126       5,193         Non-current       2,126       5,193       -       2,126		\$'000	\$'000
2,126       5,193         Non-current       2,126         Loans – secured*       -       2,126         Total       2,126       7,319         * All loans are secured against Council's rates and charges       -       -         The maturity profile for Council's borrowings is:       -       2,126       5,193         Not later than one year       2,126       5,193       -       2,126         Later than one year and not later than five years       -       2,126       7,315         Aggregate carrying amount of interest-bearing loans and borrowings:       -       2,126       5,193         Non-current       2,126       5,193       -       2,126	Current		
Non-currentLoans – secured*-2,126Total2,1267,319* All loans are secured against Council's rates and chargesThe maturity profile for Council's borrowings is:-2,1265,193Not later than one year2,1265,1932,1267,319Later than one year and not later than five years-2,1267,319Aggregate carrying amount of interest-bearing loans and borrowings:2,1265,193Current2,1265,1932,126Non-current2,1265,1932,126	Loans – secured*	2,126	5,193
Loans – secured* - 2,126 - 2,126 Total 2,126 7,319 * All loans are secured against Council's rates and charges The maturity profile for Council's borrowings is: Not later than one year Later than one year and not later than five years - 2,126 2,126 7,319 Aggregate carrying amount of interest-bearing loans and borrowings: Current 2,126 5,190 Non-current - 2,126		2,126	5,193
Total-2,126Total2,1267,319* All loans are secured against Council's rates and charges-The maturity profile for Council's borrowings is:-Not later than one year2,126Later than one year and not later than five years-2,1267,319Aggregate carrying amount of interest-bearing loans and borrowings:-Current2,126Non-current-2,1265,193	Non-current		
Total2,1267,319* All loans are secured against Council's rates and charges	Loans – secured*	-	2,126
* All loans are secured against Council's rates and charges The maturity profile for Council's borrowings is: Not later than one year Later than one year and not later than five years - 2,126 <b>2,126</b> <b>7,319</b> Aggregate carrying amount of interest-bearing loans and borrowings: Current 2,126 Non-current - 2,126		-	2,126
The maturity profile for Council's borrowings is:         Not later than one year       2,126       5,193         Later than one year and not later than five years       -       2,126       7,319         Aggregate carrying amount of interest-bearing loans and borrowings:       2,126       5,193         Current       2,126       5,193       2,126         Non-current       -       2,126       5,193	Total	2,126	7,319
The maturity profile for Council's borrowings is:         Not later than one year       2,126       5,193         Later than one year and not later than five years       -       2,126         Aggregate carrying amount of interest-bearing loans and borrowings:       -       2,126         Current       2,126       5,193         Non-current       -       2,126	* All loans are secured against Council's rates and charges		
Not later than one year2,1265,193Later than one year and not later than five years-2,1262,1262,1267,319Aggregate carrying amount of interest-bearing loans and borrowings:-Current2,1265,193Non-current-2,126			
Later than one year and not later than five years - 2,126 2,126 7,319 Aggregate carrying amount of interest-bearing loans and borrowings: Current 2,126 5,193 Non-current - 2,126	The maturity profile for Council's borrowings is:		
2,1267,319Aggregate carrying amount of interest-bearing loans and borrowings:2,126Current2,1265,193Non-current-2,126	Not later than one year	2,126	5,193
Aggregate carrying amount of interest-bearing loans and borrowings:         Current       2,126       5,190         Non-current       -       2,126	Later than one year and not later than five years	-	2,126
Current         2,126         5,193           Non-current         -         2,126		2,126	7,319
Current         2,126         5,193           Non-current         -         2,126			
Non-current - 2,126	Aggregate carrying amount of interest-bearing loans and borrowings:		
	Current	2,126	5,193
2,126 7,319	Non-current	-	2,126
		2,126	7,319

8	Reserves			
e 28	Asset revaluation reserves			
		Balance at beginning of reporting period	Increment/ (Decrement)	Balance at end o reporting perio
		\$'000	\$'000	\$'00
	2017			
	Property			
	Land	1,685,014	328,383	2,013,397
	Land under roads	141,735	98,795	240,530
	Buildings	88,552	5,275	93,82
		1,915,301	432,453	2,347,754
	Infrastructure			
	Roads	134,890	(7,009)	127,88 <sup>-</sup>
	Bridges	-	142	142
	Footpaths and cycleways	-	2,027	2,02
	Drainage	25,518	38,830	64,34
   		160,408	33,990	194,398
	Plant and equipment			
	Arts and culture	2,369	-	2,369
		2,369	-	2,369
	Total asset revaluation reserves	2,078,078	466,443	2,544,52
	2016			
	Property			
	Land	1,445,280	239,734	1,685,014
	Land under roads	65,912	75,823	141,73
	Buildings	83,516	5,036	88,55
		1,594,708	320,593	1,915,30 <sup>-</sup>
	Infrastructure			
	Roads	134,890	-	134,890
	Drainage	25,518	-	25,518
		160,408	-	160,408
	Plant and equipment			
	Arts and culture	2,369	-	2,36
		2,369	-	2,369

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

#### Note 28 Reserves (cont.)

#### (b) Other reserves

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
2017				
Statutory reserves				
Car parking reserve	388	10	-	398
Recreational land reserve	13,299	3,858	(2,148)	15,009
Total statutory reserves	13,687	3,868	(2,148)	15,407
Discretionary reserves				
Infrastructure reserve	6,824	3,292	(1,896)	8,220
Dendy Street Beach improvement reserve	1,244	317	-	1,561
Community facilities enhancement reserve	924	23	-	947
Defined superannuation shortfall	1,500	500	-	2,000
Unspent conditional grants reserve	934	5,992	(934)	5,992
Capital works carried forward reserve	5,099	13,200	(3,535)	14,764
Early childhood facilities reserve	5,590	140	(208)	5,522
Street and park tree management carried forward reserve	-	87	-	87
Total discretionary reserves	22,115	23,551	(6,573)	39,093
Total other reserves	35,802	27,419	(8,721)	54,500
Total reserves				2,599,021
2016				
Statutory reserves				
Car parking reserve	381	7	-	388
Recreational land reserve	8,926	5,161	(788)	13,299
Total statutory reserves	9,307	5,168	(788)	13,687
Discretionary reserves				
Infrastructure reserve	4,990	3,390	(1,556)	6,824
Dendy Street Beach improvement reserve	764	480	-	1,244
Community facilities enhancement reserve	908	16	-	924
Defined superannuation shortfall	1,000	500	-	1,500
Unspent conditional grants reserve	345	934	(345)	934
Capital works carried forward reserve	3,286	4,033	(2,220)	5,099
Early childhood facilities reserve	2,560	3,455	(425)	5,590
Total discretionary reserves	13,853	12,808	(4,546)	22,115
Total other reserves	23,160	17,976	(5,334)	35,802
Total reserves				2,113,880
10(0) 10301 403				2,113,000

Note 28	Reserves (cont.)						
(b)	Other reserves (cont.)						
	The car parking reserve is a statutory reserve designed to hold funds for allocation to car park projects works.						
	The recreational land reserve is a statutory reserve that contains contributions rec levies and is used to fund future recreational land facilities.	ceived as public op	en space				
	The infrastructure reserve is to quarantine identified savings from the operating bu infrastructure or held as a contingency to finance projects deemed as "unavoidab the repayment of interest only loans that are to be refinanced.						
	The Dendy Street Beach improvement reserve receives the net proceeds from the used to fund future works in the Dendy Street Beach precinct.	e sale of bathing be	oxes and is				
	The community facilities enhancement reserve holds the proceeds from the sale of to fund new or improvements to community facilities that provide direct benefit to		-				
	The defined superannuation shortfall reserve is to quarantine \$0.50 million annually sufficient cash to cover for future defined benefit superannuation shortfall calls, which ar						
	The unspent conditional grants reserve is to quarantine grants received during the fully spent at 30 June 17. Council is obligated to expedite the funded programs in						
	The capital works carried forward reserve is to quarantine budgeted capital project 30 June 17 and will require the funds in order to complete the projects.	cts which are in pro	ogress at				
	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities.	d care centres to f	und the				
	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil	e surplus from inco	me				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees	e surplus from inco s elsewhere to fund	me				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district.	e surplus from inco s elsewhere to fund	me				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district.	e surplus from inco s elsewhere to fund cit)	me d the				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district.	e surplus from inco s elsewhere to fund cit) 2017	me d the 2016				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b>	e surplus from inco s elsewhere to fund cit) 2017 \$'000	me d the 2016 \$'000				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defici Surplus/(deficit) for the year</b>	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914	me d the <b>2016</b> \$'000 26,749				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defice</b> Surplus/(deficit) for the year Depreciation/amortisation	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934	me d the <b>2016</b> \$'000 26,749 14,757				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defici </b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435	me d the <b>2016</b> <b>\$'000</b> 26,749 14,757 730				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defice</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377	me d the <b>2016</b> \$'000 26,749 14,757 730 (309)				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377	me d the <b>2016</b> \$'000 26,749 14,757 730 (309)				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b>	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477	me d the <b>2016</b> <b>\$'000</b> 26,749 14,757 730 (309) 103				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b> (Increase) in trade and other receivables	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477 (2,912)	me d the <b>2016</b> <b>\$'000</b> 26,749 14,757 730 (309) 103 (218)				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b> (Increase) in trade and other receivables (Increase) in prepayments	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477 477 (2,912) (93)	me d the <b>2016</b> <b>\$'000</b> 26,749 14,757 730 (309) 103 (218) (218) (67)				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b> (Increase) in trade and other receivables (Increase) in prepayments Increase) in accrued income	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477 (2,912) (2,912) (93) (493)	me d the <b>2016</b> <b>\$'000</b> 26,749 14,757 730 (309) 103 (309) 103 (218) (67) 364				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b> (Increase) in trade and other receivables (Increase) in prepayments Increase) in accrued income Increase in trade and other payables	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477 (2,912) (2,912) (93) (493) 2,212	me d the <b>2016</b> <b>\$'000</b> 26,749 14,757 730 (309) 103 (218) (67) 364 142				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b> (Increase) in trade and other receivables (Increase) in prepayments Increase in trade and other payables (Decrease)/increase in income in advance	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477 (2,912) (2,912) (93) (493) 2,212 (84)	me d the 2016 \$'000 26,749 14,757 730 (309) 103 (218) (67) 364 142 76				
Note 29	Early Childhood Facilities Reserve holds the proceeds from the sale of former chil redevelopment of early childhood facilities. Street and Park Tree Management Carried Forward Reserve holds the cumulative received from applications to remove trees less the amount spent to re-plant trees continued re-planting of trees within the district. <b>Reconciliation of cash flows from operating activities to surplus/(defic</b> Surplus/(deficit) for the year Depreciation/amortisation Finance costs (Profit) /Loss on disposal of property, infrastructure, plant and equipment Work in progress transferred to comprehensive Income <b>Change in assets and liabilities:</b> (Increase) in trade and other receivables (Increase) in prepayments Increase/(decrease) in accrued income Increase in trade and other payables (Decrease)/increase in income in advance (Increase)/decrease in inventories	e surplus from inco s elsewhere to fund cit) 2017 \$'000 30,914 14,934 435 1,377 477 (2,912) (2,912) (93) (493) 2,212 (84) (32)	me d the 2016 \$'000 26,749 14,757 730 (309) 103 (218) (67) 364 (42) 76 48				

#### Note 30 Financing arrangements

	2017	2016
	\$'000	\$'000
Credit card facilities	105	95
Total facilities	105	95
Used facilities	8	8
Unused facilities	97	87

#### Note 31 Restrictions on cash assets

	2017	2016
	\$'000	\$'000
Other restricted assets		
Total cash and cash equivalents (Note 17)	9,385	5,185
Term deposits (greater than 90 days) (Note 18)	80,026	70,000
Total cash and cash equivalents and term deposits	89,411	75,185
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Total statutory reserves (Note 28)	15,407	13,687
Trust funds and deposits (Note 25)	4,474	4,321
Total restricted funds	19,881	18,008
Unrestricted financial assets	69,530	57,177
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Total discretionary reserves (Note 28)	39,093	22,115
Total funds subject to intended allocations	39,093	22,115
Total unallocated unrestricted financial assets	30,437	35,062

#### Note 32 Commitments

Council has entered into the following commitments

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste collection and disposal	5,170	4,730	-	-	9,900
Cleaning	875	-	-	-	875
Parks and gardens	7,222	7,402	-	-	14,624
Building maintenance	1,073	-	-	-	1,073
City works	3,307	-	-	-	3,307
HR/Payroll	452	-	-	_	452
Other	520	85	-	-	605
Total	18,619	12,217	-	-	30,836
Capital					
Buildings	5,450	-	-	_	5,450
Drainage	3,284	-	-	-	3,284
Parks, open space and streetscapes	220	-	-	-	220
Total	8,954	-	-	-	8,954

2016	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste collection and disposal	6,243	4,615	4,730	-	15,588
Cleaning	860	-	-	-	860
Parks and gardens	7,045	7,222	7,402	-	21,669
Building maintenance	1,047	1,073	-	-	2,120
City works	3,408	-	-	-	3,408
Other	1,452	505	4	-	1,961
Total	20,055	13,415	12,136	-	45,606
Capital					
Buildings	554	-	-	-	554
Road management, traffic signals and street furniture	154	-	-	-	154
Drainage	363	-	-	_	363
Footpaths and cycleways	96	-	-	_	96
Foreshore and conservation	349	-	-	-	349
Off-street car parks	301	-	-	-	301
Parks, open space and streetscapes	1,443	-	-	-	1,443
Total	3,260	-	-	-	3,260

#### Note 33 Operating leases

#### (a) Operating lease commitments

At the reporting date, Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2017	2016
	\$'000	\$'000
Not later than one year	608	689
Later than one year and not later than five years	497	645
Total	1,105	1,334

#### (b) Operating lease receivables

Council has entered into commercial property leases on its property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 20 years. All leases include a CPI-based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2017	2016
	\$'000	\$'000
Not later than one year	3,256	3,206
Later than one year and not later than five years	9,925	11,059
Later than five years	6,814	8,326
Total	19,995	22,591

#### Note 34 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5 per cent as required under Superannuation Guarantee legislation).

#### **Defined benefit**

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

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

#### **Funding arrangement**

Bayside City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0 per cent. To determine the VBI, the fund Actuary used the following long-term assumptions:

- Net investment returns 7.0 per cent p.a.
- Salary information 4.25 per cent p.a.
- Price inflation (CPI) 2.5 per cent p.a.

Vision Super has advised that the estimated VBI as at 30 June 2017 was 103.1 per cent.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

## Note 34 Superannuation (cont.)

## **Employer contributions**

### **Regular contribution**

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5 per cent of members' salaries (9.5 per cent in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

## **Funding calls**

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97 per cent. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer's successor.

### 2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$40.3 million
- A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

### 2017 full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

### Future superannuation contributions

In addition to the disclosed contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 (2015/2016 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$272,000.

# Notes to the Financial Report for the year ended 30 June 2017

## Note 35 Contingent liabilities and contingent assets

**Contingent liabilities** (a) Guarantees for loans to other entities Loan Balance Entity Bank Guarantee (\$) Project 2017 (\$) 2016 (\$) Beaumaris Yacht Bendigo (i) \$45,000 Repairs to the club's building. \$6,742 \$12,998 Club Bank

Tota	al				\$176,925	\$237,094
(v)	Hurlingham Park Tennis Club Inc.	Bank of Queensland	\$40,000	Court renewal program.	\$30,927	\$38,232
(i∨)	Basterfield Park Tennis Club Inc.	Bendigo Bank	\$40,000	Court renewal program.	\$30,980	\$40,102
(iii)	Highett Youth Club Inc.	Bendigo Bank	\$150,000	To assist with its commitment to the Highett Recreation Centre Community Hub.	\$72,968	\$99,313
(ii)	Sandringham Football Club	Bendigo Bank	\$100,000	Refurbishment of the club's social club building.	\$35,308	\$46,449

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

## (b) Contingent liability – Contaminated sites

The Bayside Planning Scheme Review (2011) identified a number of Council sites that based on their prior use may be at risk of contamination. At balance date Council is unable to accurately assess the financial implications of this risk.

## Note 36 Financial instruments

## (a) Objectives and policies

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

## (b) Market risk

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

## Note 36 Financial instruments (cont.)

## (c) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long-term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

## (d) Credit risk

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

- Council have a policy for establishing credit limits for the entities Council deal with
- Council may require collateral where appropriate
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 35.

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

# Notes to the Financial Report for the year ended 30 June 2017

Note 36	Financial instruments (cont.)
(e)	Liquidity risk
	Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.
	To help reduce these risks Council:
	<ul> <li>has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained</li> </ul>
	<ul> <li>has readily accessible standby facilities and other funding arrangements in place</li> <li>has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments</li> </ul>
	<ul> <li>monitors budget to actual performance on a regular basis</li> <li>sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.</li> </ul>
	The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.
	There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.
	With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.
	Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.
(f)	Fair value
	Fair value hierarchy
	Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.
(g)	Sensitivity disclosure analysis
	Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are "reasonably possible" over the next 12 months:
	<ul> <li>A parallel shift of +0.75 per cent and -0.5 per cent in market interest rates (AUD) from year-end rates of 2.67 per cent.</li> </ul>

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

e 37	Related party transaction	าร	
	Related parties		
	<b>Parent entity</b> Bayside City Council is the pa	arent entity.	
	Subsidiaries and Associat No Interests in subsidiaries o		
	Key management personne		
	Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
		Alex del Porto (Mayor 10 November 2016 to 30 June 2017, Councillor from 1 July 2016)	
	Councillors	James Long (Mayor 1 July 2016 to 22 October 2016, Councillor to 30 June 2017)	
		Sonia Castelli (Councillor from 10 November 2016)	
		Laurence Evans (Councillor)	
		Felicity Frederico (Councillor to 22 October 2016)	
		Rob Grinter (Councillor from 10 November 2016 )	
		Michael Heffernan (Councillor)	
		Bruce Lowe (Councillor to 22 October 2016)	
		Clarke Martin (Councillor from 10 November 2016)	
		Heather Stewart (Councillor to 22 October 2016)	
	Other key management personnel	Adrian Robb (CEO)	
		Michael Cummins (Director)	
		Steven White (Director)	
		Shiran Wickramasinghe (Director to 1 June 2017)	
	personner	Matthew Kelleher (Director from 2 June 2017)	
		Leanne Ansell-McBride (Executive Manager)	
		Paulina Xerri (Executive Manager)	
		20	
		М	
	Total number of Councillors		
	Chief Executive Officer and c	ther key management personnel	

17

Total key management personnel

# Notes to the Financial Report for the year ended 30 June 2017

e 37	Related party transactions (cont.)	
	Remuneration of key management personnel	
	Total remuneration of key management personnel was as follows:	
		2017
		No.
	Short-term benefits	1,564,790
	Post-employment benefits	143,658
	Long-term benefits	29,412
	Total	1,737,860
	The numbers of key management personnel whose total remuneration from Council fall within the following bands:	and any related entities,
		2017
		No.
	\$1 – \$9,999	3
	\$10,000 – \$19,999	4
	\$20,000 - \$29,999	2
	\$40,000 – \$49,999	1
	\$50,000 – \$59,999	-
	\$60,000 – \$69,999	1
	\$70,000 – \$79,999	-
	\$120,001 – \$129,999	1
	\$190,001 – \$199,999	1
	\$250,001 – \$259,999	1
	\$260,001 – \$269,999	1
	\$270,001 – \$279,999	1
	\$360,000 – \$369,999	1
		17
	Tatal your anotice for the new orting your for last more and	
	Total remuneration for the reporting year for key management personnel included above amounted to:	\$1,737,860

## (iv) Transactions with related parties

No transactions between Council and related parties have taken place during 2016/2017 which require disclosure.

## (v) Outstanding balances with related parties

personnel included above amounted to:

There were no outstanding balances with related parties at the end of the reporting period which require disclosure.

# Note 37 Related party transactions (cont.) (vi) Loans to/from related parties No loans have been made, guaranteed or secured by Council to related parties during the reporting year. (2015/2016: nil) (vii) Commitments to/from related parties There were no commitments in existence at balance date that had been made, guaranteed or secured by the Council to related parties. Note 38 Senior Officers' remuneration

A Senior Officer is an officer of Council, other than key management personnel, who:

a) has management responsibilities and reports directly to the Chief Executive; or b) whose total annual remuneration exceeds \$142,000.

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

	2017	2016
	No.	No.
Income range:		
\$142,000 – \$149,999	-	3
\$150,000 – \$159,999	2	3
\$160,000 – \$169,999	4	4
\$170,000 – \$179,999	3	2
\$180,000 – \$189,999	1	-
\$190,000 – \$199,999	-	1
	10	13

Total remuneration for the reporting year for Senior Officers\$1,673,884\$2,112,944included above, amounted to\$1,673,884\$2,112,944

## Note 39 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the Financial Report.

# Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements

Bit Shanshan CPA Principal Accounting Officer

Date : 19 September 2017 Senditughan

In our opinion the accompanying financial statements present fairly the financial transactions of Bays de City Council for the year ended 30 June 2017 and the financial position of the Council as at that Cato.

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

We have been authorised by the Council and by the Local Government (Plenning and Reporting) Regulations 2014 to certify the financial statements in their linel form.

Sonia Castelli Councilior

Date : 19 September 2017 Sendringhem

Rob Gritilar Councillor

Date : 19 September 2017 Sendringhern

Adrian Robb Chief Executive Officer

Data : 19 September 2017 Sandringhem

# Independent Auditor's Report

# To the Councillors of Bayside City Council

Opinion	I have audited the financial report of Bayside City Council (the council) which comprises the:
	balance sheet as at 30 June 2017
	<ul> <li>comprehensive income statement for the year then ended</li> </ul>
	<ul> <li>statement of changes in equity for the year then ended</li> </ul>
	<ul> <li>statement of cash flows for the year then ended</li> </ul>
	<ul> <li>statement of capital works for the year then ended</li> </ul>
	<ul> <li>notes to the financial statements, including a summary of significant accounting policies</li> </ul>
	certification of the financial statements.
	In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.
	My independence is established by the <i>Constitution Act 1975</i> . My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.
	I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Councillors' responsibilities for the financial report	The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i> , and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.
	In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

# Independent Auditor's Report

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

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

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

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

7. G. Loughne

Tim Loughnan as delegate for the Auditor-General of Victoria

MELBOURNE 20 September 2017

# Glossary

Actual 2016/2017	Actual performance achieved where this measure was used in the 2016/2017 financial year.
Balance Sheet	Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.
Best value	The continuous review of all services provided by Council to ensure they meet the required cost standards and needs of the community to deliver value for money.
Buildings and improvements	Includes all capital building improvements to any land owned or controlled by Council.
Statement of Cash Flows	Reports all cash movements during the financial year. Cash movements consist of cash inflows (receipts/proceeds) less cash outflows (payments).
Council Plan	Council Plan 2013–2017 guides the development and strategic priorities for the City of Bayside and Council over a four-year period. This plan is reviewed annually.
FTE	Full Time Equivalent (FTE) – 1 FTE is equivalent to one person working 38 hours per week.
Financial year	This document reports on the financial year of 1 July 2016 to 30 June 2017.
Financial statements	Incorporates the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows plus the notes to and forming part of the accounts that support these statements.
	Equity, Statement of Cash Flows plus the notes to and forming part of the accounts that support
statements Furniture and	Equity, Statement of Cash Flows plus the notes to and forming part of the accounts that support these statements. Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances,
statements Furniture and fittings	Equity, Statement of Cash Flows plus the notes to and forming part of the accounts that support these statements. Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances, furniture, fixtures and fittings.
statements Furniture and fittings Goal Heritage	<ul> <li>Equity, Statement of Cash Flows plus the notes to and forming part of the accounts that support these statements.</li> <li>Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances, furniture, fixtures and fittings.</li> <li>Goals represent the key issues for the Bayside community as identified by Council.</li> <li>Includes antiques, artifacts, artworks, photographs, mayoral chains, and heritage buildings owned</li> </ul>

Internal audit	An independent appraisal function which examines and evaluates Bayside's financial, management and internal control systems.
Land	All land owned or controlled by Council.
Land improvements	Includes all capital improvements, other than buildings, to any land owned or controlled by Council.
Performance measures	Mechanisms such as unit costs or response times which can be used to measure Council's performance over time.
Plant and equipment	Assets owned by Council including ticket machines, garbage bins, caravans and trailers.
Roads	Includes road pavements, footpaths, kerb and channel, traffic signals and speed restriction devices.
Statement of Changes in Equity	Identifies Council's overall movement in equity consisting of the accumulated surplus, asset revaluation and statutory reserves. Equity is also represented by total assets less total liabilities.
Strategic objectives	Establish where we want to be for each of the Council Plan Goals.
Strategies	Define how Council will endeavour to achieve the strategic objectives.
Strategy	A document that outlines an initiative, program or project that will contribute to achieving a longer- term goal or outcome.
Values	Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.
Ward	Defined electoral area to which a representative is elected as Councillor.

# Abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ALGWA	Australian Local Government Women's Association
ARA	Australasian Reporting Awards
AUD	Australian dollars
BBN	Bayside Business Network
BBBA	Brighton Bathing Box Association
BEYCEC	Bayside Early Years Community Education and Care
BPSR	Bayside Planning Scheme Review
CEO	Chief Executive Officer
CO <sub>2</sub> e	Carbon dioxide equivalent
СРА	Certified Practising Accountants
CR	Councillor
CRMS	Customer Request Management System
DHS	Department of Human Services
DMA	Disclosure on Management Approach
FCPA	Fellow of the Society of Certified Practising Accountants
FINSIA	Financial Services Institute of Australasia
FTE	Full Time Equivalent
GIS	Geographic Information System
GJ	Gigajoule
Grad Dip	Graduate diploma
GRI	Global Reporting Initiative
GST	Goods and Services Tax
HACC	Home and Community Care
IAP2	International Association for Public Participation
IBAC	Independent Broad-based Anti-corruption Commission
ІСТ	Information and Communication Technology
IPAA	Institute of Public Administration Australia
ІТ	Information Technology

JMAPP	JLT Municipal Asset Protection Plan
kL	kilolitre
KLU	Kids Like US
Km	kilometre
LGPRF	Local Government Victoria Performance Reporting Framework
LGPro	Local Government Professionals
MAICD	Member of the Australian Institute of Company Directors
MAV	Municipal Association of Victoria
MEMP	Municipal Emergency Management Plan
MEMPC	Municipal Emergency Management Committee
MERO	Municipal Emergency Resource Officer
MERP	Municipal Emergency Recovery Plan
MESAC	Marine Environment Science and Community Centre
MFB	Metropolitan Fire Brigade
MNGV	Multicultural Nature Guides Victoria
MRM	Municipal Recovery Manager
MSS	Municipal Strategic Statement
OH&S	Occupational Health and Safety
RCA	Registered Company Auditor
SACA	Sandringham Aged Care Association
SECCCA	South East Councils Climate Change Alliance Inc.
SES	State Emergency Service
SFA	Sandringham Foreshore Association
SUP	Stand Up Paddle
VAGO	Victorian Auditor-General's Office
VCAT	Victorian Civil and Administrative Tribunal
VEC	Victorian Electoral Commission
VICSES	Victoria State Emergency Service
VPO	Vegetation Protection Overlay
WAAA	Wellbeing for All Ages and Abilities Strategy

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# **Contact details**

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Corporate Centre opening hours 8.30am – 5pm Monday to Friday (except public holidays)

Postal address

Telephone Facsimile

Email Website ABN 65 486 719 651 (03) 9598 4474 enquiries@bayside.vic.gov.au

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