A photograph of the Bayside City Council building, a grand white stone structure with a prominent clock tower. The tower has a green-tiled roof and a clock face. An Australian flag flies from a tall pole on top of the tower. The building features arched windows and classical architectural details. Trees with yellowing leaves are in the foreground, and the sky is clear blue.

# Bayside City Council Annual Report 2017-2018



### **Acknowledgment 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.



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## Purpose of this Annual Report

Bayside City Council (“Council”) is committed to open and accountable governance, and this report of operations for 2017/2018 is just one of the ways we share information with the community about how we have made Bayside a better place.

# Welcome

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## Our purpose

Our purpose is to work with the community to make Bayside a better place. By setting out our commitments and establishing what we need to do to address these, we can, with the community, make Bayside a better place.

Our aim as an organisation is to:

- build and participate in partnerships
- demonstrate leadership to empower the community to achieve their aspirations
- adapt to challenges and changes in our internal and external environments
- advocate and influence decision makers
- strive for organisational excellence and professionalism
- respond in a strategic manner
- actively engage people
- deliver a range of appropriate and well-planned services.

We will also be accountable, strive for continuous improvement and commit to being open and transparent.

Bayside City Council's vision is to *work together with the community to make Bayside a better place*.

The Bayside vision is articulated through the Council Plan 2017–2021 and the eight goal areas of liveability:

1. Infrastructure
2. Transport
3. Housing and neighbourhoods
4. Open space
5. Environment
6. Local economy and activity centres
7. Community health and participation
8. Governance

## Snapshot of Bayside

Spent \$2.9 million on footpaths and shared paths



Supporting 45 organisations and individuals through \$133,945 worth of annual community grants



Provided 101,000 hours of in-home support for older and less-abled residents and their carers



Emptied 4,045,017 million bins



Cared for 66,000 park and street trees. Tended more than 416 hectares of open space, playing fields, golf courses and reserves



Maintained 42 shopping centres



Provided more than 15,640 child health consultations



Bayside spent \$6.9 million on capital works parks, open space, streetscapes plus foreshore and conservation

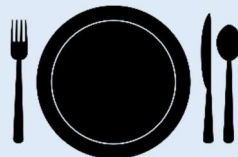
Spent \$4.6 million on maintaining local roads



Returning on average 3 lost pets to their owners every week



Delivered more than 24,700 meals



Spent \$17.71 million on buildings such as the construction of Banksia Reserve and Dendy Park pavilions and the purchase of Sandringham Masonic Hall



In addition to maintenance and capital works and maintaining roads, we also supported more than 45 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 both large and small of the dedicated staff and volunteers that keep City of Bayside running and make Bayside a better place.

In 2017/2018, Bayside City Council Services included:

**Environment**

7 solar panels installed at Council Capital Buildings in 2017/2018



**Sports facilities**

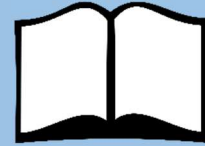
45 playing services



Sport and recreation 18,750 community sports players

**Libraries**

877,606 library collection loans



**Health**

1,900 inspections of food premises



**Roads**

371km of sealed local roads maintained



**Venues**

Oversaw 4,483 community facilities



**Planning and Building**

1,450 planning decisions made



**Youth services**

5,300 attendees at youth events



**Parking and traffic**

57 supervised school crossings



**Customer service**

98% of customer service requests actioned within target timeframe



**Waste**

4,045,017 million kerbside garbage and recycling bin lifts



41,630 tonnes of garbage, recyclables and green waste collected from kerbside bins

**Animals**

11,874 dog and 3,866 cat animal registrations



32 dog off-leash areas (including along the foreshore)

**Children and family**

11,313 immunisations



**Arts and culture**

5,918 visitors to the Gallery@BACC



**Parks and gardens**

1,540 trees planted



## A message from our Mayor

This has been a year of significant progress for Bayside City Council. We started the year by adopting a new Council Plan that is focused on making the best of our strong financial position and investing in new community facilities to improve our City.

In February, we finally paid off debt inherited from the amalgamation of the Cities of Brighton and Sandringham in 1994. This has set us up to embark on a significant program of works to transform our sporting facilities, libraries, playgrounds, parks and foreshore.

We celebrated the opening of new sporting facilities at Banksia Reserve in Beaumaris and Dendy Park in Brighton and commenced construction of new pavilions at Cheltenham Park in Cheltenham, Castlefield Reserve in Hampton, Chisholm Reserve in Sandringham and Elsternwick Park in Brighton.

We upgraded a further six playgrounds as part of our \$10 million plan to upgrade all 61 playgrounds within 10 years, and will complete a \$0.79 million renovation of Brighton Library to create flexible study spaces, quiet reading areas, and better meeting and program facilities.

We seized the opportunity to create more space for community services and activities, purchasing the heritage-listed Masonic Hall in Abbott Street, Sandringham. This will also enable the expansion of the nearby Sandringham Library and a new purpose-built maternal and child health centre.

The sustainability of Council operations is an important focus of our environmental stewardship. This year we embarked on a \$2.9 million project to divert 86 mega litres of stormwater to irrigate Dendy Park and Brighton Golf Course. This will reduce our reliance on drinking water to maintain these public facilities and represents our largest ever capital investment to improve our sustainability.

Confirmation that the tenants at Elsternwick Park golf course would not renew their lease beyond the end of the year paved the way for Council to act on community aspirations expressed through our first deliberative community engagement process for this significant parcel of land to be turned into an environmentally focused public park.

After a protracted process spanning several years, this year we identified a preferred location for the 12 new outdoor and two indoor netball courts that will meet the needs of Bayside's 2,500 netballers and allow for future growth in the sport.

One of my most important roles as Mayor is to represent and advocate the interests of the local community to other levels of government to make Bayside a better place.

This year we saw the much anticipated opening of the new Southland Station and the culmination of several years of advocacy. Council was able to achieve some important concessions in the design of the new station to protect neighbouring properties from the impacts of the new station and ensure station facilities catered for passenger needs.

We also joined with a number of other councils to campaign for increased public housing in the redevelopment of key sites such as that in New Street, Brighton. This fight still has some way to go with councils being stripped of their planning controls for these sites, making it harder for us to influence the design and scale of these developments.

We had an important win at VCAT over the development of state government-owned land at Hampton railway station. The tribunal upheld Council's position that the proposed eight-storey development represented an overdevelopment of the site and validated community concerns about excessive height.



We also threw our support behind a community push for national heritage status for Beaumaris Bay, recognising that this rare urban fossil site is one of national significance.

Of course, we've also had our challenges. A global crisis in recycling had a significant effect in Bayside, substantially increasing the costs of our waste management operations.

A frustration to us has been the slow progress of the new lifesaving club at Dendy Street Beach. This important project has been held up by VCAT appeals including the requirement for more investigations to satisfy Aboriginal Victoria that the development will not negatively impact cultural heritage and the subsequent discovery of soil contamination.

After almost a decade as Bayside City Council's Chief Executive Officer, Adrian Robb resigned in April leaving a commendable legacy. Adrian deserves to be very proud of the many achievements made under his leadership, and I thank him for his contribution and dedicated service.

I would like to take this opportunity to thank the Director of Corporate Services, Mick Cummins who stepped in to the acting Chief Executive Officer role with only a few months of the year left to deliver our ambitious program. Under his leadership the staff achieved a great deal in a short time, and I thank them for their support and professional advice to Council.

**Cr Laurence Evans**

**Mayor, Bayside City Council**

## A message from our Acting CEO

Council plays a pivotal role in understanding our community's needs and aspirations and responding by delivering vital services and infrastructure. Through a concerted effort to improve our service, efficiency and our people's performance we are making a real difference to the lives of people who live and work in Bayside.

Our strong financial position has enabled Council to focus on the things that are important to the community and therefore improve the lives of residents. Expenditure on community infrastructure is progressively bringing our facilities up to a standard of quality more commensurate with the beauty of the natural and built environs of Bayside.

Our results against the state government's reporting framework, which benchmarks the performance of Victorian councils across a range of services, demonstrate that many of our services are up there with the best, and complaints consistently represent less than 1 per cent of the total volume of requests we manage every day.

Most pleasingly, residents reported high levels of satisfaction with Council services and facilities in this year's Community Satisfaction Survey. The majority of residents were satisfied with our overall performance, giving us a score of 6.9 out of 10, while more than 37 per cent of respondents were very satisfied, scoring us 8 or more out of 10.

We have achieved these results at an expenditure level of 21 per cent lower per head of population, and 13 per cent lower per rateable property than similar councils. We have very strong foundations and many opportunities to continue to improve our services to the community.

One of our services that has been singled out for improvement is statutory planning. This year we set some ambitious targets and our performance is now the equal to or better than equivalent councils.

The average time taken to decide applications is now half of what it was a year ago. The number of planning applications that are decided within the target of 60 days has increased from 47 per cent to 63 per cent and complaints have reduced by more than 60 per cent.

Part of the turnaround in our statutory planning services is a concerted effort to improve services and information that are available online. This year Council approved a transformational program to improve the experience of our customers and eventually make every service available online.

Many of our services were designed well before digital transformation was even a consideration. In redesigning our services to make them available online, there are many opportunities to improve our whole service offering and provide an experience that is consistently good, regardless of how our customers choose to transact with us.

This year we negotiated a new enterprise agreement with staff. In the context of rate capping limiting councils' capacity to increase wages, these bargaining processes have been highly disruptive in some local government areas. At Bayside, discussions were conducted in a respectful and constructive manner which assisted all parties to quickly reach agreement.

One of the changes to the agreement was enhanced family violence provisions to support staff experiencing family violence. This was part of a broader program of work to help prevent male violence against women in Bayside, which saw Council achieve White Ribbon accreditation.

The resignation of Council's Chief Executive Officer, Adrian Robb was a significant moment for the organisation. Adrian served Bayside City Council with integrity, professionalism and courage and displayed great diplomacy in often challenging circumstances.

He has left the organisation in excellent shape. Our financial position is strong, a rolling program of service reviews is ensuring we are delivering the right services to meet community needs and employee engagement is at an all-time high.

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 the Councillors for their great support to the organisation over the past 12 months.

**Mick Cummins**

**Acting Chief Executive Officer**



## Community vision 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 structure of the Bayside Community Plan and the Council Plan is based on the “domains of liveability”; that is, what would make Bayside a great place to live, work and visit. These domains are drawn from the World Health Organization’s Age-Friendly Cities Framework, the Community Indicators Victoria Data Framework, and the University of Melbourne’s Place, Health and Liveability Research Program.

The Community Plan sets out the community’s vision for Bayside and the Council Plan 2017–2021 is Council’s commitment to its community. The Council Plan identifies the following eight goal areas of liveability to realise our ultimate purpose – to “work with our community to make Bayside a better place”:

Goal 1 Infrastructure

Goal 2 Transport

Goal 3 Housing and neighbourhoods

Goal 4 Open space

Goal 5 Environment

Goal 6 Local economy and activity centres

Goal 7 Community health and participation

Goal 8 Governance

## Highlights of 2017/2018

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### Infrastructure

This year Council spent a record \$17.71 million on improving facilities that meet community needs. This included the delivery of new sporting pavilions at Banksia Reserve, Elsternwick Park and Dendy Park to meet the growing participation in sport, particularly among females. The Brighton Library also underwent a significant upgrade to provide more study space and quiet reading areas. Early years' service providers and service users were engaged in the development of a 10-year, \$15 million plan to ensure Council facilities meet the future needs of services including kindergarten, maternal and child health, occasional care, playgroups and toy library.

### Transport

More than 300 residents participated in community engagement activities to inform actions to improve transport options across the municipality. Over 450 metres in new footpaths have been installed at high-priority locations to assist pedestrians with limited mobility and new refuges have been installed to assist pedestrians to cross the road in two stages. Improvements to encourage more cycling include duplicating a section of the Bay Trail in Brighton, an on-road bicycle lane to complete the Elster Creek Trail within Bayside, new bicycle way finding signage and improved connectivity with the Bay Trail at key intersections.

### Housing and neighbourhoods

Council is tackling the ongoing challenge of achieving the increase in housing needed to accommodate our growing population while effectively managing the height and scale of new development to protect Bayside's valued attributes through changes to our planning scheme. Amendments were progressed to manage development in our small neighbourhood shopping strips, the boutique shopping precinct of Martin Street and the major activity centred around Moorabbin railway station. Further planning scheme amendments were progressed to protect against flooding risks, manage potentially contaminated land and encourage local industry and jobs.

### Open space

Following the closure of Elsternwick Golf Course 12.7 hectares were returned to open space. Located in an area of major urban growth and increasing population density, the creation of environmentally focused open space at Elsternwick Park North represents a unique and regionally significant opportunity to improve liveability. A plan was also developed to protect habitat and increase biodiversity in Bayside through a range of environmental initiatives to conserve 77 hectares of open space along the foreshore and inland reserves.

### Environment

A major stormwater harvesting project will save 86 mega litres of drinking water used to irrigate Dendy Park and Brighton Golf Course. Two hundred and twenty-two solar panels were installed on seven Council-owned community buildings. This will save more than \$18,000 annually and reduce Council's greenhouse gas emissions by 80 tonnes per year. A lighting upgrade will save a further \$10,000 annually and reduce emissions by over 150 tonnes per year. This year the Environmental Program for Bayside council invited residents to participate in an offer to shrink their bin size, in total 3,787 residents took up an offer to shrink their bin size, and are being supported with information to help reduce their waste.



## Local economy and activity centres

Important changes to our planning scheme were progressed to encourage local industry and jobs. The first is to ensure that our small neighbourhood shopping strips continue to thrive into the future. The second aims to support the growth of Bayside's commercial precincts and business district in order to provide for an increase in employment and business opportunities to meet the needs of Bayside's growing population. Christmas is the single biggest period of trade for Bayside's shopping villages. Initiatives to help traders compete with major shopping centres at this important time included Christmas decorations, a shop window display competition and a program of street events and performances.

## Community health and participation

Council joined with other local agencies to develop plans to address key challenges for the health and wellbeing of the Bayside community. The plans aim to reduce harm from alcohol, improve mental health and youth resilience, support our community to be physically active and respond to the increasing prevalence of dementia and diabetes. More than \$130,000 in grants was provided to 45 community groups to deliver programs and services that respond to local needs, encourage community participation or promote sustainable community development.

## Governance

A rolling program of service reviews is ensuring Council is providing services that meet the needs and expectations of the Bayside community, and service delivery is achieving optimal operational efficiency. Reviews this year included recycling and waste services, building and infrastructure maintenance, local laws, environmental health, investigations and information services. Council also reviewed its approach to managing property holdings to ensure that Council-owned property delivers the highest possible public value through effective planning, utilisation and management.

For further information about each goal of liveability, see 'Our performance' section.

## Year at a glance

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 businesses, 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 2017/2018 included:

Month	Event
July 2017	Bayside Business Network Luncheon Advocating for increased services and programming for public housing residents
August 2017	Young People of Bayside Youth Art Exhibition Bayside Says No To Bullying forum Bayside Art Show Citizenship Ceremony
September 2017	Bayside Business Network Breakfast Beaumaris Concourse Car and Bike Show
October 2017	Youth marquee at the Sandringham Village Festival Children's Week event Seniors Festival event Built Environment Awards Citizenship Ceremony Sandringham Village Festival
November 2017	<i>Bayside Says No To Bullying</i> film project launch
December 2017	Freeza outdoor youth cinema Seniors Christmas Luncheon hosted by Brighton Rotary and supported by Council Bayside Business Network Luncheon Christmas decorations and celebratory events at Major Activity Centre (MAC) Public art launch of <i>Summertime</i> by Anne Ross Christmas Carols
January 2018	Australia Day Award Reception Australia Day Citizenship Ceremony <i>A Shared Horizon</i> : Brighton and Beaumaris Art Societies (Jan–Mar 2018)
February 2018	Bright and Sandy Festival
March 2018	Highbett traders/community event Citizenship Ceremony Achieved White Ribbon Workplace Accreditation
April 2018	Boombox Music (Youth Week event) Seniors Wiser Driver course Martin Street, Brighton traders/community event Citizenship Ceremony
May 2018	Elder Abuse forum with Gerard Mansour, Commissioner for Senior Victorians Bayside Business Network Breakfast Bayside Business Network Workshop National Reconciliation Week Flag Raising Ceremony Citizenship Ceremony Bayside Acquisitive Art Prize awarded Council-wide volunteer celebration event hosted

Month	Event
June 2018	RACV – Years Ahead Lifestyle Series for Seniors Bayside Business Network Breakfast Council signed the declaration of commitment to become a Refugee Welcome Zone

### 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 the Australia Day Awards, Carers' Week and Volunteers' Week.

### Bayside acquisitive art prize

A record number of entries attracted 477 entries from across Australia. This annual competition provides an opportunity for younger and less recognised artists to be exhibited alongside those with strong reputations built over many years. Moya McKenna won the prize with her painting, *Boom Box*.

### Public housing

Council partnered with community organisations to deliver a series of community events on a local public housing estate. Relationships between Council and the public housing residents have strengthened.

### LGPro Awards

Council received a high commendation from the 2018 LGPro Awards of Excellence for the YouMeUs Program. This partnership program aimed to promote inclusion of people with disabilities.

### VicHealth Awards

Council was highly commended in the VicHealth Awards 2018. This award recognised the community art project *One million stars to prevent violence against women*.

### National Volunteers Week

Council held an inaugural National Volunteers Week event for all Council volunteers. More than 130 Council volunteers attended and we received significant positive feedback.

### 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, 26 May 2018 at the Bayside Corporate Centre in Sandringham.

### Built Environment Awards

Each year, in addition to Bayside City Council's 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.

### Civic receptions

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 for Australia Day, Carers' Week and Volunteers' Week.

## Australia Day Awards

More than 200 people celebrated Australia Day 2018 at Council's Australia Day Awards Reception at Sandringham Yacht Club on 25 January 2018. For the first time a specific reception was held to acknowledge all nominations for the awards.

The following is a list of the various nominations in each category and the winner.

### The 2018 Australia Day Citizen of the Year: Sergeant Arran Ferguson

Category	Nominations
Citizen of the Year	Carolyn Brown
	David Hone
	Debra Hansen
	Justine Birchall
	Sergeant Arran Ferguson
	Faye Powderly
	Dr James McDonald

### The 2018 Winner of the Young Citizen of the Year Award: Millicent Roper and Stevie-Lou Answerth

Category	Nominations
Young Citizen of the Year	Jackson Court
	Hannah Schmidt
	Jessi Esplan
	Steph Gotze
	Millicent Roper
	Stevie-Lou Answerth
	Matthew Jenkins
	Meg O'Sullivan
	Scarlett Tucker
	Stella Wadeson
	Nicolas Mouselimis
	Jack Olivier

### **The 2018 Community Event of the Year: PRG 24-hour Charity Bike Ride**

<b>Category</b>	<b>Nominations</b>
Community Event of the Year	Our Garden Our Refuge Brighton Rotary Art Show PRG 24-hour Charity Bike Ride on behalf of Sandringham Hospital Discover Sailing Day conducted by Sandringham Yacht Club

### **The 2018 Environment Award for an Individual: Ms Meren Reid and Mr Robert Saunders**

<b>Category</b>	<b>Nominations</b>
Environment Award for an Individual	Meren Reid Rob Saunders

Two of Bayside's most active volunteers jointly won the Individual Environmental Award. The award was presented to Ms Meren Reid and Mr Robert Saunders for their long-standing volunteer contribution to Bayside's natural environment.

### **The 2018 Environment Award for a Community Organisation: 1st/14th Brighton Sea Scouts**

<b>Category</b>	<b>Nominations</b>
Environment Award for a Community Organisation	Bayside Environment Friends Network 1st/14th Brighton Sea Scouts Boomerang Bags Bayside

### **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 2017/2018, Bayside City Council hosted six citizenship ceremonies and a special ceremony at the Brighton Town Hall as part of celebrations to mark 2018 Australia Day. During the year, Certificates of Australian Citizenship were presented by the Mayor to more than 300 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 2017/2018, letters under seal were presented to the following individuals.

#### **Letters of congratulations:**

- 6 September 2017, Dr John (AJ) Purcell was recognised for his ongoing service over many years and recent retirement from the Council's Audit Committee
- 9 November 2017, Cr Alex del Porto was recognised for his Mayoral term of office for the 2016/2017 Council year
- 6 April 2018, Mr Adrian Robb was recognised for his service to the City of Bayside as Chief Executive Officer.



## Overview

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### Our community

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 William clan of the Boon Wurrung people.

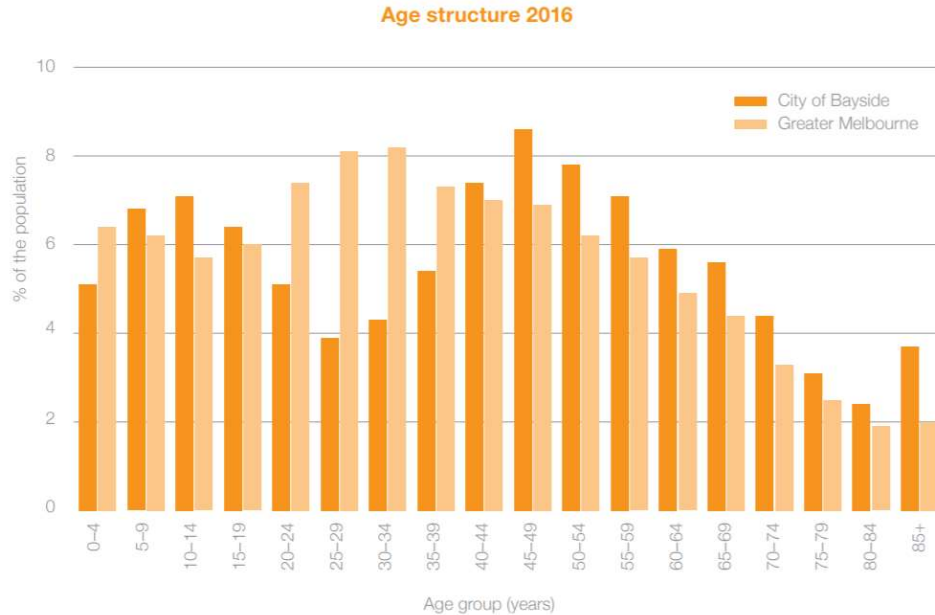
Home to more than 104,030 individuals, which has been steadily increasing for over a decade, the Bayside municipality covers an area of 37 square kilometres, with its northern boundary along Glen Huntly Road, eight kilometres from Melbourne's central business district. The coastline stretches along the coast of Melbourne's picturesque Port Phillip Bay ("the Bay") which forms the western boundary of Bayside, while the Nepean Highway and the Melbourne to Frankston railway line forms most of the eastern boundary.

The City of Bayside is adjoined by the Cities of Port Phillip, Glen Eira and Kingston and encompasses all or part of the suburbs of Beaumaris, Black Rock, Brighton, Brighton East, Cheltenham, Hampton, Hampton East, Highett and Sandringham.

Renowned for its quality of life, Bayside is characterised by unique and appealing villages, sandy beaches, coastal environments, 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.

Bayside's estimated population for 2018 is 104,030 residents – an increase of 1,293 people (1.3 per cent) from 2017. Over the previous 12-month period, Bayside's population growth occurred predominately in Highett 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.



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, long-term 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).

## Our Council

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



### Northern Ward

Includes 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 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 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.*

## 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 Council staff, led by the Chief Executive Officer.

## 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 2017/2018, 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 more than 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.

## Role of 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 2017/2018 Bayside City Council's Mayors were:

- Alex del Porto elected 10 November 2016
- Laurence Evans elected 9 November 2017.

## 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. In 2016, local government elections were held on 22 October 2016.

The current Council comprises:

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



## Councillor profiles

### **Cr Laurence Evans – Southern Ward**

Mayor (November 2017 – June 2018)

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Councillor support: (03) 9598 2046

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### **Cr Robert Grinter – Central Ward**

Deputy Mayor

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### **Cr Alex del Porto – Northern Ward**

Mayor (July 2017 – November 2017)

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### **Cr Michael Heffernan – Northern Ward**

Councillor

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**Cr James Long BM JP – Central Ward**

Councillor

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**Cr Sonia Castelli – Central Ward**

Councillor

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**Cr Clarke Martin –Southern Ward**

Councillor

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## Our organisation

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

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

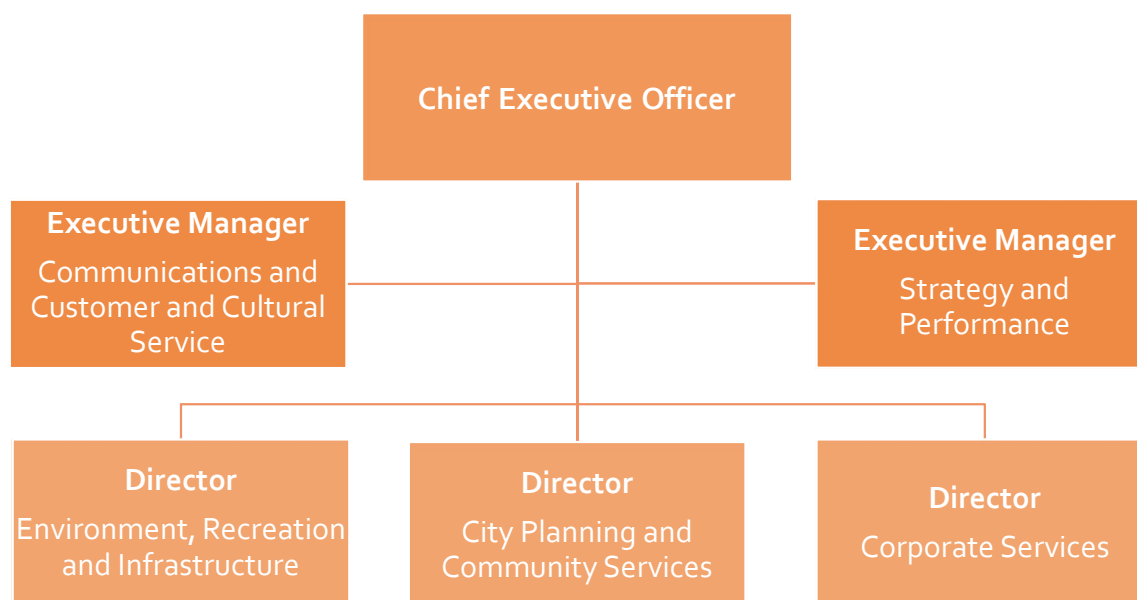
These divisions undertake Council's major operational activities, including services to the community, as well as the business and governance functions necessary for an effective and publicly accountable body.

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.

## Organisational structure

"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*



## Senior executives

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.

## **Chief Executive Officer**

### **Adrian Robb**

Bachelor of Arts, Deakin University

Bachelor of Social Work, University of Melbourne

Graduate, Australian Institute of Company Directors

Adrian Robb was appointed to Bayside City Council in June 2018.

After 30 years' service to local government, and almost 10 years at Bayside, Adrian resigned from Bayside in April 2018.



## **Director Corporate Services/ Acting Chief Executive Officer**

### **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.

On Adrian's retirement Mick was appointed as Acting Chief Executive Officer and the Director Corporate Service role was backfilled by Bill Shanahan.



## **Director City Planning and Community Services**

### **Dr Hamish Reid**

Bachelor of Science (Honours)

PhD (Environmental Toxicology)

Graduate Australian Institute of Company Directors

Hamish joined Bayside in July 2017 from his previous role at South East Water. Hamish has more than a decade of executive-level experience, with his roles covering corporate strategy, customer service, digital transformation, economic regulation and communications and marketing functions.

Services provided by his directorate include:

- strategic planning and urban design
- economic development
- statutory planning
- building services
- local law, environmental health and parking enforcement
- community services.



## **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 customer-focused 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. Paulina resigned from Bayside City Council in April 2018. In Paulina's absence, Imogen Kelly was Acting Executive Manager.





## **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 an organisational restructure. Prior to this, he was Manager Projects and Strategy at Boroondara City Council. Steven has more than 25 years' experience in local government and is a Fellow of the Institute of Public Works Engineering Australasia.

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 and building maintenance
- asset management
- 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.



# Making Bayside a better place

## 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:

- **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.



## Liveability

### Eight goals of liveability

Each Council Plan liveability goal has strategic objectives Council strives to achieve.

### Infrastructure

Council will work together with the Bayside community to plan and deliver community infrastructure that responds to the changing needs of the Bayside community.

### Transport

Sustainable transport is the mode of choice, facilitated through the creation of a well-connected, safe, accessible and convenient transport system that positively contributes to a strong economy, the health and wellbeing of the community and a low-carbon future within Bayside.

### Housing and neighbourhoods

Neighbourhood housing development across Bayside will respect and enhance Bayside's valued built and natural heritage and neighbourhood character. New housing growth will be focused on identified activity centres, demonstrating strong environmental credentials and providing a range of housing types to accommodate changing community needs.

### Open space

We will work together to build our open space network to support biodiversity, improve health and wellbeing and community connections, and provide access for current and future generations.

### Environment

Council and the Bayside community will be environmental stewards, taking action to protect and enhance the natural environment, while balancing appreciation and use with the need to protect natural assets for future generations.

### Local economy and activity centres

Bayside will be an attractive place to live and work, with new growth and investment in the local economy and business community increasingly structured around innovative, knowledge and service-oriented enterprises.

### Community health and participation

Bayside's community will be supported and engaged to live an active and healthy lifestyle regardless of age, geographical location, personal circumstance or physical ability.

### Governance

Bayside will enjoy strong and effective democratic representation from its Council and responsive and financially-responsible services and facilities that meet community needs.

## Efficiency

### Financial summary

Council's financial position remains strong. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the financial statements and Performance Statement sections of this report.

### Operating position

Council achieved an operating surplus of \$26 million for the year which was \$4.9 million lower than the previous year's surplus but \$4.2 million favourable to the 2017/18 budget. This surplus is used to fund the Capital Works Program in line with Council's Long Term Financial Plan. The favourable variance to budget is due mainly to:

- \$2.7 million Resort and Recreation Levy income and \$0.4 million unbudgeted developer drainage contributions reflecting an increase in building activity across the municipality. These funds are quarantined in statutory reserves to be made available for future open space investment and drainage works respectively
- \$1.8 million savings in employee costs due to staff vacancies and extended leave arrangements during the year
- \$1.4 million operating grants received in advance from the Victorian Grants Commission representing 50 per cent of Council's 2018/19 funding
- \$0.9 million parking fines were favourable to budget reflecting an increase in patrols and reports from residents of illegal parking near railway stations, schools and shopping precincts. This has also resulted in additional court recoveries of \$0.4 million for parking infringements
- \$0.8 million interest revenue from term deposits due to favourable opening cash position.

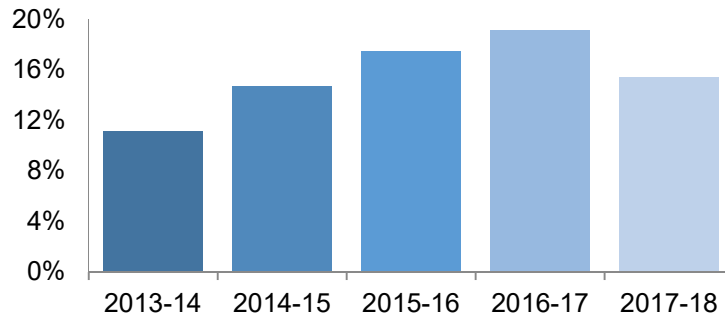
The adjusted underlying surplus of Council after removing non-recurrent capital grants and cash capital contributions is a surplus of \$19.37 million, or 15.4 per cent, when compared with adjusted underlying revenue. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$3.73 billion of community assets under Council's control.

### Stability and efficiency

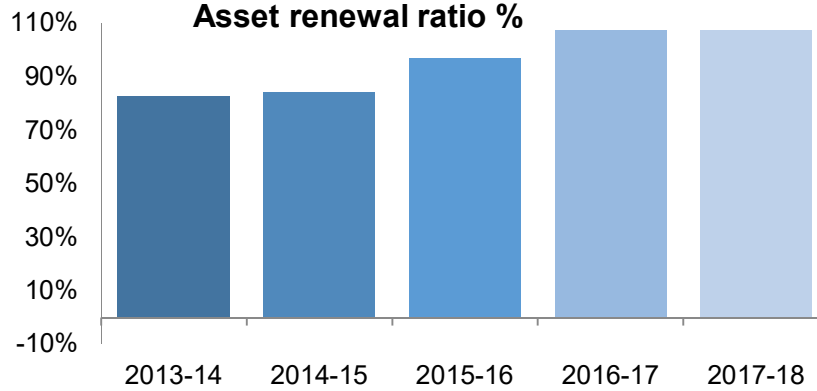
Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 71 per cent for the 2017/2018 year, which is towards the top end of the expected target band of 30–80 per cent. The average residential rate per residential assessment is \$1,983, which compares equally to similar councils in the inner-metropolitan area.



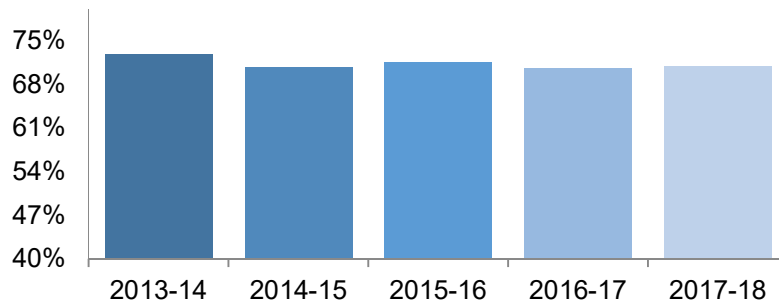
**Adjusted underlying result ratio %**



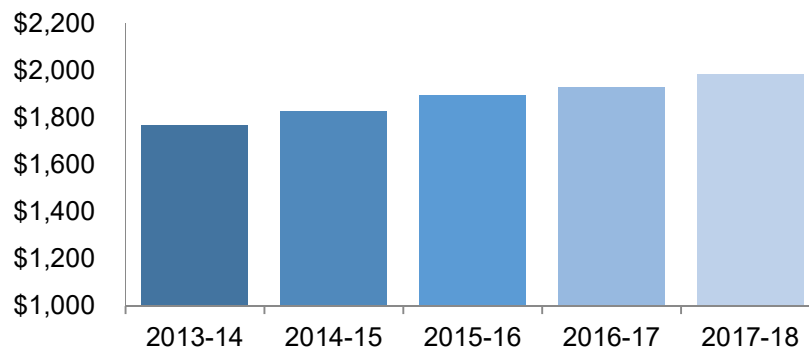
**Asset renewal ratio %**



**Rates concentration ratio %**



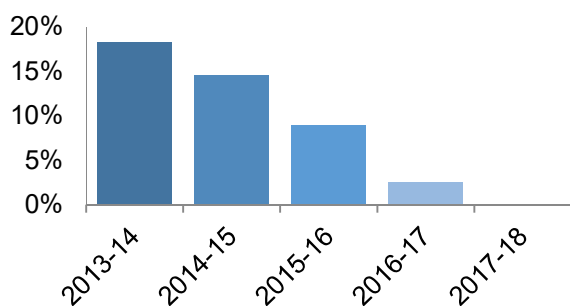
**Average rates per residential assessment**



## Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. Council invested \$28.7 million in renewal and upgrade works during the 2017/2018 year and repaid \$2.1 million of debt during the year. This was funded from cash from operations and reserves. At the end of the 2017/2018 year, Council is debt-free and this is reflected in the nil debt ratio measured by comparing interest-bearing loans and borrowings to rate revenue. Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 107.4 per cent and reflects Council's accelerated Capital Works Program.

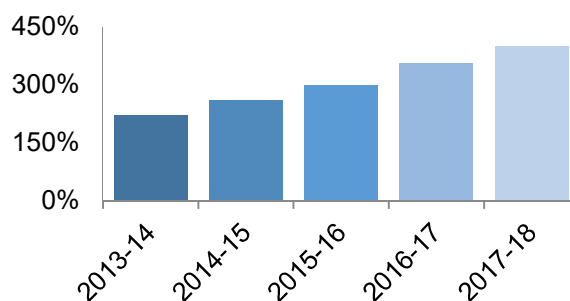
**Loans and borrowing ratio %**



## Liquidity

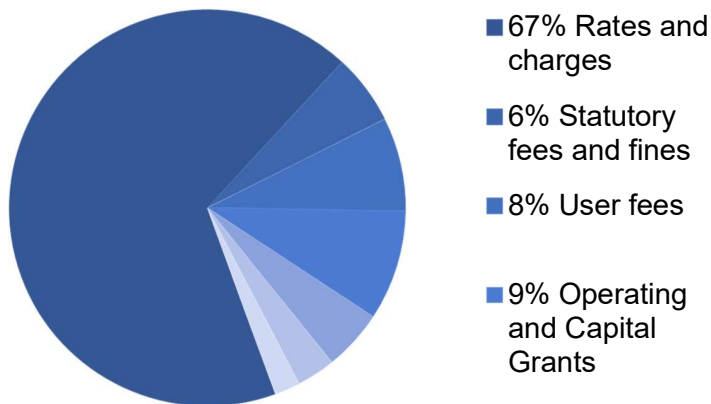
Cash and investments have increased by \$1.8 million from the prior year mainly driven by the favourable operating and capital results for the year. Statutory and discretionary reserves reduced by \$5.1 million. These funds were used to fund Council's accelerated Capital Works Program, including the purchase of the Sandringham Masonic Hall. 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 399.8 per cent is an indicator of a strong financial position.

**Working capital ratio %**



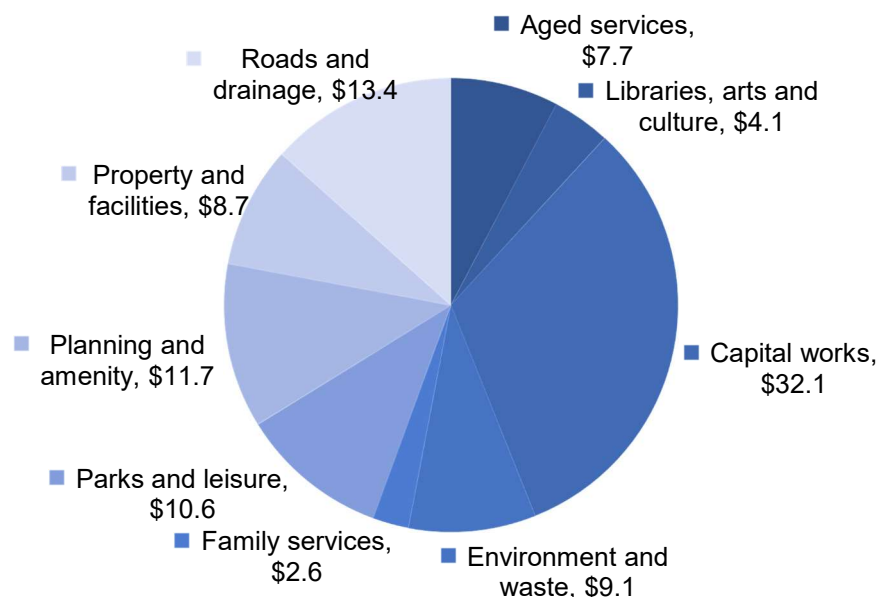
### Where does the money come from?

Compared with most councils, Bayside is heavily dependent upon rate revenues for its income. Rate revenue during the 2017/2018 financial year made up 67 per cent of total income and is due largely to the residential suburban nature of land use in Bayside. The following chart indicates Council's revenue streams.



### Where does the money go?

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





## Major capital projects

This year, Council spent \$40,421,180 in high-quality infrastructure for our community. These investments included:

Major capital projects	
<b>Council Land and buildings</b>	<p>The total spent on Council land and buildings and improvements in 2017/18 was \$17.71 million. This includes the following major projects:</p> <ul style="list-style-type: none"><li>• Banksia Reserve pavilion redevelopment Beaumaris (\$3,478,082)</li><li>• Purchase of Sandringham Masonic Hall (\$2,503,490)</li><li>• Dendy Park Soccer/Cricket pavilion redevelopment (\$1,450,314)</li><li>• Castlefield Reserve pavilion redevelopment (\$950,984)</li><li>• Cheltenham Recreation Reserve pavilion (\$894,457)</li><li>• Minor Building Renewal Program (\$609,004)</li><li>• Furniture (\$6.58)</li><li>• Asbestos Removal Program (\$277,943)</li><li>• Elsternwick Park Oval 1 (\$4,951,152)</li></ul>
<b>44%</b>	
<b>Parks, open space and streetscape</b>	<p>The total spent on parks, open space and streetscape was \$6.5 million. Some of these works include:</p> <ul style="list-style-type: none"><li>• Elsternwick Park No. 1 Oval Precinct (\$1,153,000)</li><li>• Spring Street Reserve Sportsground reconstruction (\$853,469)</li><li>• Dendy Park ground stabilisation works (\$1,894,601)</li><li>• Playground Renewal projects (\$557,170)</li><li>• Black Rock Village – Ebdon Avenue pedestrian crossing (\$271,063)</li><li>• Hurlingham Park Masterplan implementation (\$92,119)</li><li>• Spring Street Reserve Sportsground lighting (\$218,719)</li><li>• Destructor Reserve Sportsground lighting (\$150,149)</li><li>• William Street Reserve Sportsground lighting (\$124,301)</li><li>• Cheltenham Park Masterplan implementation (\$136,837)</li></ul>
<b>16%</b>	
<b>Roads infrastructure management</b>	<p>The total spent on roads infrastructure management was \$7.5 million and includes some of the following works:</p> <ul style="list-style-type: none"><li>• Footpath Reconstruction Program (\$1,582,722)</li><li>• Annual Road Reseal and Re-sheet Program (\$2,024,851)</li><li>• Shared path stability works at 357 Beach Road, Black Rock (\$446,669)</li><li>• Road Reconstruction Program (\$720,705)</li><li>• Kerb and Channel Replacement Program (\$815,226)</li><li>• Shared path emergency works (\$290,029)</li><li>• Roundabout at New, Wellington and Carpenter streets, Brighton (\$280,614)</li><li>• Laneway constructions at Asling Street, Rusden Street and Charlotte Street (\$552,313)</li></ul>
<b>19%</b>	

Major capital projects	
<b>Drainage infrastructure</b>  <b>12%</b>	<p>The total spent on drainage infrastructure management was \$4.86 million. This includes some of the following:</p> <ul style="list-style-type: none"> <li>• Stormwater harvesting at Brighton Golf Club and Dendy Park (\$2,875,501)</li> <li>• North Road drain, Brighton (\$463,708)</li> <li>• Dalgetty Road drain, Beaumaris (\$335,283)</li> <li>• Ardoyne Street drain, Black Rock (\$304,660)</li> <li>• Billson Street drain, Brighton East (\$280,915)</li> <li>• Wagstaff Court drain, Brighton (\$107,399)</li> </ul>
<b>IT systems, network, servers, and communication</b>  <b>2%</b>	<p>The total spent on information systems was \$0.78 million and includes:</p> <ul style="list-style-type: none"> <li>• Upgrade and improvement of intranet (\$115,629)</li> <li>• New telecommunications solutions (\$79,570)</li> <li>• Scanning of all hardcopy HR information and plans (\$70,608)</li> <li>• Contract Management System (\$61,368)</li> <li>• Authority MS SQL database migration (\$60,597)</li> <li>• Capital Value Register (\$59,531)</li> </ul>
<b>Off-street car parks</b>  <b>2%</b>	<p>The total spent on off-street car parks was \$0.72 million. This includes some of the following works:</p> <ul style="list-style-type: none"> <li>• Council Car Park Renewal Program (\$579,346)</li> <li>• B9 and B13 Car Park Renewal design (\$30,597)</li> <li>• B6 Car Park Renewal design (\$50,640)</li> <li>• 7 Well Street, Brighton – Conversion to Car Park design (\$55,752)</li> </ul>
<b>Fixtures, Fittings and Furniture</b>  <b>2%</b>	<p>The total spent on fixtures, fittings and furniture was \$0.76 million. This includes some of the following works:</p> <ul style="list-style-type: none"> <li>• Brighton Library Interior Upgrade (\$453,677)</li> <li>• Audio Visual Council Chambers (\$153,008)</li> <li>• Furniture and Equipment Renewal Program (\$139,753)</li> </ul>
<b>Foreshore and conservation areas</b>  <b>1%</b>	<p>The total spent on new and upgraded foreshore and conservation areas was \$0.35 million and includes: some of the following works:</p> <ul style="list-style-type: none"> <li>• Promenade Path programmed renewal works (\$83,648)</li> <li>• Foreshore and conservation minor renewals (\$76,382)</li> <li>• Foreshore risk management emergent renewals (\$73,880)</li> </ul>
<b>Library assets</b>  <b>1%</b>	<p>The total spent on library books and material resources was \$0.42 million.</p>
<b>Arts and culture</b> <b>&lt;1%</b>	<p>The total invested in artwork was \$0.13 million.</p>



## 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 more than a third of our workforce working part-time and a fifth of staff using flexible working arrangements, including the purchase of additional leave.

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

As at 30 June 2018	
Total employees	602
Total full-time equivalent (FTE)	415.44
Turnover (excludes casual and temporary arrangements <6 months)	12.73%
Employee's commencing in 2017/18	109
Employee's departing in 2017/18	119
Employee's living in Bayside	193
Flexible employee arrangements (for example, purchase leave and varied working locations)	110 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 Policy, which considers diversity, including gender. In addition, a People Strategy has been developed for 2018/2019 which will include a focus on diversity and inclusion. The program set 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	40	46	86
Band 2	60	6	66
Band 3	35	14	49
Band 4	74	21	95
Band 5	55	25	80
Band 6	48	31	79
Band 7	26	12	38
Band 8	16	21	37
Nurse	35	0	35
Senior Officer contract	8	12	20
Junior	3	2	5
Other	8	4	12
<b>Total</b>	<b>408</b>	<b>194</b>	<b>602</b>

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 50.8 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 2018

Division	Number of employees
Environment, Recreation and Infrastructure	55
Corporate Services	67
City Planning and Community Services	306
CEO	174
<b>Total</b>	<b>602</b>

## Professional development

Bayside City Council offered a wide range of development from general specialist training to executive-level coaching. This included inductions, foundation-level courses, individual contributor and team leader training. More than 60 sessions were delivered throughout 2017/2018.

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 mid-June 2017, Council staff completed our biennial employee survey to measure and understand employee engagement. Council has been actively working on improving employee engagement over the last 12 months.

Our employee engagement has moved from the moderate zone last year (50 per cent of organisations have engagement in this zone) to the top 25 per cent of the 620 Australian and New Zealand organisations participating in the survey. Our engagement is also 15 per cent higher than the average of the 15 councils using the survey.

Our strengths lie within our teams, including relationships with colleagues and supervisors. Employees feel supported, encouraged and motivated within our teams and have a strong focus on customer outcomes.

Our ongoing focus is to lock-in the increase in our engagement through a focus on cross-organisational collaboration and improving our approach to managing performance. Through locking in our employees' engagement, we'll see the benefits of organisations in the top quartile that experience 10 per cent higher customer results; 17 per cent higher productivity; 41 per cent lower absenteeism; and 24 per cent lower turnover.

## 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.

Bayside Council has now commenced with the MAV WorkCare OHS self-insurance scheme with progress being made against a three-year project plan, with various deliverables and milestones. A staged approach is being implemented at Bayside City Council intended to raise the bar organisationally in the pursuit of best practice and a good culture around health and safety at Council.

During 2017/2018, 10 new procedures were rolled out, 120 coordinators, managers and team leaders were trained as per the self-insurance scheme, plus the Occupational Health and Safety Policy was downloaded to the internet, with all staff were trained by 31 August 2018.

Bayside City Council's premium incurred a like for like increase of 1 per cent for the 2018/2019 period. In 2017/2018, four WorkCover claims were lodged and no significant breaches of OHS laws occurred.

## 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
- 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.

## 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 2017/2018:

- 68 employees were recognised for 5 years of service
- 33 employees were recognised for 10 years of service
- 13 employees were recognised for 15 years of service
- 4 employees were recognised for 20 years of service
- 2 employees were recognised for 25 years of service

## Our Services

Bayside City Council's services 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 also for the many other internal and external functions they undertake. In 2017/2018, Bayside City Council services included:



<b>Communications, Customer &amp; Cultural Service</b> <ul style="list-style-type: none"> <li>Arts and Cultural Services</li> <li>Communications</li> <li>Community Engagement and Research</li> <li>Customer Experience</li> <li>Libraries</li> </ul>	<b>Amenity Protection</b> <ul style="list-style-type: none"> <li>Local Laws</li> <li>Planning Investigations</li> <li>Appeals</li> <li>Public Health and Food Safety</li> <li>School Crossings</li> </ul>	<b>Commercial Services</b> <ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Procurement and Purchasing</li> <li>Property Management Risk Claims Management</li> </ul>
<b>Community Services</b> <ul style="list-style-type: none"> <li>Aged and Disability</li> <li>Families and Children</li> <li>Youth</li> </ul>	<b>Development Services</b> <ul style="list-style-type: none"> <li>Building Surveying and Asset Protection</li> <li>Statutory Planning</li> </ul>	<b>Urban Strategy</b> <ul style="list-style-type: none"> <li>Business and Tourism Development</li> <li>Land Use Strategy</li> <li>Urban and Landscape Design</li> </ul>
<b>Open Space, Recreation &amp; Wellbeing</b> <ul style="list-style-type: none"> <li>Community Development</li> <li>Open Space Management Recreation, Sports and Events</li> </ul>	<b>Human Resources</b> <ul style="list-style-type: none"> <li>Human Resources</li> <li>Payroll</li> </ul>	
	<b>Finance</b> <ul style="list-style-type: none"> <li>Accounting</li> <li>Fleet Management</li> <li>Rates and Revenue</li> </ul>	<b>Governance</b> <ul style="list-style-type: none"> <li>Governance</li> </ul>
	<b>Information Services</b> <ul style="list-style-type: none"> <li>Corporate Information Technology Services</li> </ul>	<b>Strategy &amp; Performance</b> <ul style="list-style-type: none"> <li>Strategy Performance and Development</li> </ul>
<b>Open Space, Recreation &amp; Wellbeing</b> <ul style="list-style-type: none"> <li>Community Development</li> <li>Open Space Management Recreation, Sports and Events</li> </ul>	<b>Sustainability &amp; Transport</b> <ul style="list-style-type: none"> <li>Environmental Sustainability</li> <li>Recycling and Waste Management</li> <li>Traffic Management and Transport Planning</li> </ul>	<b>City Assets &amp; Projects</b> <ul style="list-style-type: none"> <li>Asset Management</li> <li>Building Infrastructure Maintenance</li> <li>Capital Projects Management</li> </ul>





## Our performance

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The following section details the performance of Council during 2017/2018 against the eight goals of the Council Plan 2017–2021. Progress is measured through the delivery of specific objectives set out in the Council Plan and other strategies and activity progress is reported to Council on a quarterly basis. This year 23 of the 57 planned activities were completed, with the remainder on track for completion in the latter half of 2018.

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 2017/2018 budget.

Goal 1: Infrastructure

Goal 2: Transport

Goal 3: Housing and neighbourhoods

Goal 4: Open space

Goal 5: Environment

Goal 6: Local economy and activity centres

Goal 7: Community health and participation

Goal 8: Governance



## Goal 1: Infrastructure

### Goal statement

Council will work together with the Bayside community to plan and deliver community infrastructure that responds to the changing needs of the Bayside community.

### Overview

Bayside Council's infrastructure includes physical assets Council provides to deliver services to the Bayside community, such as underground drainage services, local roads, parks, reserves, pathways and buildings. Our research showed that community values seamlessly functioning infrastructure which is attractively presented and well maintained.

The community wants facility locations to be spread across the municipality and conveniently placed for easy access, particularly community buildings, sporting grounds and playgrounds. Residents also want sporting facilities that are accessible and promote gender equity.

The key strategic documents that relates to this goal of liveability are:

- 'Active by the Bay' Recreation Strategy 2013–2022
- Buildings Service Driven Asset Management Plan 2016–2026
- Roads Service Driven Asset Management Plan June 2016
- Drainage Service Driven Asset Management Plan 2015
- Open Space Strategy April 2012

## Highlights



### Dendy Park

Final works at Dendy Park involved completion of final stages of a complete sportsground stabilisation project in Mid-2017, providing a safe and suitable playing surface for more than 2,000 members of tenant soccer and cricket clubs.

### Banksia Pavilion

Banksia pavilion was opened in late 2017 for use to the Beaumaris Sports Club who contributed funding to the project, along with a number of other external funding partners.

The pavilion is now used daily by the Beaumaris Football Club, the Beaumaris Cricket club and the Beaumaris Lawn Tennis Club. The Pavilion has assisted in the sporting groups gaining new members and greater participation.

### Stormwater harvesting project

Completion of sustainable water harvesting to irrigate Brighton Golf Course and Dendy Park playing fields.

### Roads & shared paths

Approximately \$4.6M was spent on capital improvement to the roads within Bayside in 2017/18. Some of the roads that were improved included Thomas St, and Highett Road.

Improvements were undertaken to share paths within Bayside. This included a duplication of part of the bay trail in Brighton.

## Challenges

A number of significant property projects were undertaken in 2017/2018 such as the purchase of the Masonic Hall, which created a high level of community interest and required a wide range of expectations to be managed.

## Major consultation and advocacy initiatives

Community and/or stakeholder engagement was conducted during 2017/2018 for a range of infrastructure projects including:

- playground upgrades (planning and design under the Playground Improvement Plan)
- sportsground pavilions (planning and design under the Pavilion Improvement Plan)
- Beaumaris Reserve facilities
- Sandringham golf links
- Sandringham Library precinct
- Sandringham Family Leisure Centre
- Hampton community buildings
- Brighton Recreational Centre.

## Strategic objectives

We want a Bayside where infrastructure:

- is fit for purpose for today and into the future
- is innovative, environmentally sustainable, and reflects the local character of the area
- is safe, accessible, adaptable and is highly used, providing high levels of value.



## Performance against Council Plan


































The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against 10 non-financial actions.

Strategy	Action	2017/2018 result	Status
<b>Provide modern library services that meet the needs of the community</b>	Complete and commence implementation of an improvement plan for library infrastructure and services that addresses municipal and local area needs	In February 2018 Council resolved to commence redevelopment of Sandringham Library with a Library Services improvement plan being developed to address community needs.	● ● ● Completed
<b>Upgrade recreation and sporting pavilions to provide female-friendly facilities and disability access, and to meet the identified needs of users</b>	Continue the works program in the Sportsground Pavilion Improvement Plan to progressively upgrade all of our pavilions	Elsternwick Park, Banksia Reserve, Cheltenham Recreation Reserve and Dendy Park Soccer pavilions completed in 2017/18.	● ● ● Completed
<b>Provide safe and contemporary play facilities by upgrading playgrounds</b>	Continue the works program in the 10-year Playground Improvement Plan	Slight delay in delivery of 2017/18 playgrounds due to extensive consultation phase and equipment supply delays from overseas.	○ ● ● Monitor
<b>Develop upgraded and expanded facilities to meet the current and future needs of basketball and netball</b>	Review the needs assessment for netball and identify locations for additional netball facilities	Netball needs assessment review completed with concept designs for two options completed.	● ● ● Completed
	Undertake the design for additional basketball courts	Design for four additional basketball courts adjacent to the existing courts completed. Delivery of project is subject to the approval of the proposed Sandringham Golf Club driving range.	○ ● ● Monitor

Strategy	Action	2017/2018 result	Status
<b>Meet community and visitor amenity needs in relation to the location, safety and quality of public toilets</b>	Continue the works program in the Public Toilet Strategy to progressively improve all of our lowest-performing public toilets that require major works	Review of Public Toilet Strategy completed. Report to be provided to Council in quarter one 2018/19. Year 1 activities completed.	● ● ● Completed
<b>Provide fit-for-purpose, modern multi-use facilities that are effectively used for our children's early years</b>	Develop an Early Years Plan including Preschool and Maternal and Child Health services and incorporating service and supporting asset and infrastructure plans	High-level findings presented to Council March 2018. Council resolved to receive final report with 10-year plan. Targeted consultation with key stakeholders completed April to May 2018.	● ● ● Completed
<b>Plan for the future of recreation centres, senior centres, U3A and similar community facilities to ensure the assets meet future service needs and deliver strategies for renewal</b>	Develop a Community Facilities and Services Strategy that identified suitability, including Brighton Recreation Centre and other community facilities	Social Infrastructure Assessment and Parking and Traffic reports completed. A report and community engagement plan will be presented to Council in August 2018. Year 1 activities completed.	● ● ● Completed
<b>Establish a plan for the future renewal of the Sandringham Leisure Centre</b>	Undertake a service needs analysis and identify potential costs and funding models for the Sandringham Leisure Centre	Service Needs Assessment completed. Potential costs and funding models to be developed and presented to Council in 2018/19. Year 1 activities completed.	● ● ● Completed



## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
Improvement plan developed and Year 1 actions completed	Year 1 actions completed	Year 1 actions completed	   Completed
Maintain community satisfaction with art centres and libraries	74* Index score	76* Index score	   Completed
Upgrade pavilions	2	4	   Completed
Upgrade playgrounds	3	Equipment supply delays	   Monitor
Needs assessment conducted for Netball Courts	Needs assessment completed	Needs assessment conducted	   Completed
Netball courts constructions commenced	Design completed	Design and cost plan completed	   Completed
Basketball courts construction commenced	Design completed	Design completed	   Completed
Renew existing toilets	2	Review completed	   Completed
Increased utilisation for early years facilities	Target baseline established	Target baseline established	   Completed
Community Facilities and Services Strategy developed	Development of funding and costs	10-year Plan Presented to include funding and costs	   Completed
Completion of a needs assessment for Sandringham Leisure Centre	Needs assessment completed	Needs assessment completed	   Completed

\*In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiatives

Initiative	Budget	Actual	Progress comment
<b>Pavilion redevelopment at Banksia Reserve (Beaumaris Sports Club)</b>	\$2,000,000	\$3,478,082	Variations required for compliance with safety requirements and addressing latent site conditions not included in original scope.
<b>Pavilion redevelopment at Elsternwick Park No. 1 Oval Precinct</b>	\$5,223,000	\$4,951,152	Minor underspend due to service authority delays. Pavilion and Oval complete. Demolition to be carried out in 2018/19.
<b>Pavilion redevelopment at Dendy Park</b>	\$1,721,000	\$1,450,314	Project delivered with cost savings.
<b>Pavilion redevelopment at Cheltenham Park</b>	\$620,000	\$157,623	Tender process closed early February 2018. Contract awarded end of March 2018. Continuation of construction into 2018/19 with budget allocated.
<b>Pavilion redevelopment at Castlefield Reserve</b>	\$827,000	\$950,984	Minor overspend in 2017/18. Project to continue into 2018/19 with budget allocated.
<b>Pavilion redevelopment at Chisholm Reserve</b>	\$827,000	\$107,509	Delays due to planning approvals and service authorities. Tender process will close late October 2018. Construction to commence in late December 2018.

## Key Council departments

- Asset Management
- Building Maintenance
- Capital Projects
- Infrastructure Maintenance

The major services listed below contribute to the performance of Council objectives across the Infrastructure domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Asset Management</b>	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.	1,121 <u>1,300</u> <b>179</b>
<b>Building Maintenance</b>	This service delivers ongoing building maintenance work to ensure Council buildings are accessible and safe and meet the needs of both Council and the Bayside community.	1,671 <u>1,814</u> <b>143</b>
<b>Capital Projects</b>	The service undertakes design, tendering, contract management and supervision of various works within Council's Capital Works Program.	3,359 <u>3,365</u> <b>6</b>
<b>Infrastructure Maintenance</b>	This service delivers maintenance work and improvements to Council's infrastructure and assets to meet the needs of the Bayside community.	3,391 <u>3,358</u> <b>(33)</b>

## Goal 2: Transport

### Goal statement

Sustainable transport is our mode of choice, facilitated through the creation of a well-connected, safe, accessible and convenient transport system that positively contributes to a strong economy, the health and wellbeing of the community and a low-carbon future within Bayside.

### Overview

The Bayside community enjoys access to a variety of transport options and the convenience that this choice provides; however, this access varies across Bayside. Walking and cycling are preferred by our residents for exercise. Commuters value the frequent train services for work and education. Private cars are used by residents for distances more than a kilometre, for social and shopping trips, school drop-offs and pick-ups, and travel outside the municipality.

The Bayside community seeks safer and more convenient infrastructure for cyclists and pedestrians, seeks safer streets and less congestion in residential areas, and wants to encourage and improve public transport use and access. Car parking is also an important issue for Bayside residents, especially with commuters' parking in residential streets, and with the increasing numbers of multi-car families.

The key strategy that relates to this goal of liveability is the Integrated Transport Strategy 2018–2028. During 2017/2018 Council has progressed against five of the actions as set out in the 2017–2021 Council Plan.

## Highlights



### Integrated Transport Strategy

More than 300 residents participated in a range of community engagement activities to inform the development of the new Bayside Integrated Transport Strategy 2018–2028 which was adopted by Council in June 2018. The strategy contains a range of actions that will improve transport options across the municipality.

### Public transport advocacy

Advocacy to the Level Crossing Removal Authority was ongoing throughout 2017/18 to ensure that facilities such as a pedestrian crossing and a shared user path are included in the design of the level crossing removal works planned for Park and Charman roads, Cheltenham.

### Improved pedestrian safety

New pedestrian refuge facilities have been installed at Ebden Avenue/Balcombe Road, Black Rock and Were Street, Brighton to assist pedestrians to cross the road in two stages at these locations.

### Footpath network

More than 450 metres of new footpaths have been installed at high-priority locations across the municipality, including Tibrockney Street, Hightett and Reynolds Street, Hampton East. These new footpaths will assist all pedestrians, particularly if they have limited mobility.

## Challenges

Updated Australian Bureau of Statistics (ABS) data is showing that private vehicle registrations in Bayside are growing on average by 1.9 per cent. If this trend continues, there will be approximately an additional 20,000 cars on Bayside's roads in the next 10 years, worsening traffic and parking congestion. Council has adopted an updated Integrated Transport Strategy to guide decision making to keep our community mobile and connected.

## Major consultation and advocacy initiatives

- Review of the Integrated Transport Strategy – feedback on key transport issues was sought via online engagement platform and four listening posts in key transport locations.
- Improvements to the Bay Trail (Middle Brighton Baths) – feedback from Bay Trail cyclists and walkers was sought via onsite listening posts.
- Research on demand for a Commuter Shuttle Bus – train commuters at three train stations were surveyed regarding future demand for a shuttle bus service.

## Strategic objectives

We want a Bayside:

- where public transport is safe, frequent and connected to other modes of transport, such as bike or walking trails, to reduce the reliance on cars
- in which a variety of transport options meet the needs of the community
- with appropriate parking facilities at train stations and shopping centres that reflect shifting demand, such as increases in public transport use, electric vehicles and plans for the future of driverless vehicles.

## Performance against Council Plan













The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against four non-financial actions.

Strategy	Action	2017/2018 result	Status
<b>Facilitate transport options to meet community needs</b>	<p>Update and implement the Integrated Transport Strategy to reflect the new Council's priorities, including:</p> <ul style="list-style-type: none"> <li>opportunities for increased parking capacity in activity centres and "private car park sharing" for residents</li> <li>lessening resident reliance on cars, including a trial of car share schemes, encouraging ride-sharing and proactive education</li> <li>exploring the feasibility of installing recharging facilities in Council buildings for mobility scooters and vehicles.</li> </ul>	Updated Integrated Transport Strategy informed by extensive community engagement and adopted in June 2018.	 Completed
<b>Influence state government planning through advocacy for:</b> <ul style="list-style-type: none"> <li>enhanced bus routes through the Public Transport Victoria route review</li> <li>increased commuter and bicycle parking, including drop zones and options for double-deck parking</li> <li>Pennydale and Cheltenham stations redevelopments that meet community needs</li> </ul>	Develop and implement an advocacy action plan for bus routes, commuter parking (including bicycle parking) and the Pennydale and Cheltenham stations redevelopments	<p>Fifteen new bus shelter sites nominated to Public Transport Victoria for implementation in quarter four. Level Crossing Removal Authority advocacy continued for Cheltenham level crossing removal works. Advocacy action plan development aimed at securing public transport improvements within the municipality.</p>	 Completed

Strategy	Action	2017/2018 result	Status
<b>Improve bicycle and pedestrian facilities to make cycling and walking more attractive options for short trips</b>	Improve cyclist and pedestrian safety by upgrading high-risk zones on the Bay Trail Implement the bicycle strategy to: <ul style="list-style-type: none"> <li>• provide bicycle parking in public locations where there is an identified need, such as shops, libraries and sports clubs</li> <li>• develop a network of well-connected bicycle routes</li> <li>• enforce the state provision in the planning scheme to ensure the specified number of bicycle parking stations in new developments.</li> </ul>	Bay Trail duplication between Sandown Street and Brighton completed. Construction of the Middle Brighton Baths project was scheduled to commence in May 2018, however has been delayed due to the Melbourne Water sewer upgrade along Beach Road between May and October 2018.	 Monitor
		On-road bicycle lane along Union Street, Brighton East implemented to complete the Elster Creek Trail within Bayside. Bay Trail duplication completed between Sandown Street and Bay Street. Bicycle way finding signage implemented in Brighton, Brighton East and Hampton East. Bay Trail connectivity improvements implemented at Bay Road, Balcombe Road and Bayview Crescent. Union Street on-road bicycle lane completed in May 2018.	 Completed



## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
<b>Maintain community satisfaction with parking facilities</b>	52* Index score	67* Index score	   Completed
<b>Maintain community satisfaction with traffic management</b>	60* Index score	53* Index score	   Off track
<b>Maintain community satisfaction with Council's advocacy</b>	53* Index score	63* Index score	   Completed
<b>Reduction in pedestrian and cyclist casualty accidents on local roads</b>	2% decrease	21% decrease	   Completed

\*In previous years Bayside City Council has participated in the annual LGV Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiative

Initiative	Budget	Actual	Progress comment
Update and commence implementation of the Integrated Transport Strategy to reflect Council's priorities including opportunities for increased parking capacity in activity centres and "private car park sharing" for residents	\$40,000	\$32,618	Updated Integrated Transport Strategy informed by extensive community engagement and adopted in June 2018. Year 1 activities completed.

## Key Council departments

- Local Laws (including parking control)
- Traffic and Transport

The major services listed below contribute to the performance of Council objectives across the Transport domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Local Laws (inc. parking control)</b>	This service protects the safety and amenity of our community through the provision and administration of relevant laws and regulation, parking enforcement services and community education for those who live, work and visit Bayside.	(2,500) <u>(1,589)</u> <b>911</b>
<b>Traffic and Transport</b>	This service works to deliver a transport system that meets the need of the community through well-connected, safe, accessible and convenient transport options that positively contribute to a strong economy local amenity, the health and wellbeing of the community and low-carbon future.	721 <u>728</u> <b>7</b>

## Service performance indicators

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

Results				Comments
2015	2016	2017	2018	
Roads				
Satisfaction 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	104.04	The number of customer service requests received by Council is slightly higher than the state average which may be a result of an increase in works within the road reserve by third party Authorities in particular with the roll out of the NBN which the public may have attributed to Council and the implementation of a new website in 2016/17 that enables the customer easier access to log a complaint. The road renewal program is currently in its busiest phase and may have contributed to a further increase.
Condition				
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%	97.57%	The road resealing activities carried out during the 2016/2017 financial year have resulted in an adjustment to 97% of roads that are within intervention levels.
Service 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	\$145.50	Cost of sealed local road resealing is consistent with prior year's costs.
Service cost				
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	\$19.75	Cost of sealed local road reconstruction shows a slight increase from last year associated with increased costs year over year.

Results				Comments
2015	2016	2017	2018	
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	72.00	The Annual Community Satisfaction Survey, conducted by Metropolis, indicates an increased level of community satisfaction with sealed local roads compared to 2016/17. This may be partly attributable to an improved methodology with a higher level of confidence in the survey results. The number of survey respondents increased from 400 to 700 and was undertaken through proportional and randomised door-to-door interviews rather than over the phone. The results indicate a high level of satisfaction with Council compared to other councils represented in the Metropolis survey.

## Goal 3: Housing and neighbourhoods

### Goal statement

Neighbourhood housing development across Bayside will respect and enhance Bayside's valued built and natural heritage and neighbourhood character. New housing growth will be focused on identified activity centres, demonstrating strong environmental credentials and providing a range of housing types to accommodate changing community needs.

### Overview

Bayside Council's community values the benefits of living in Bayside, whether it is raising a family, enjoying retirement or finding independence as a young person. Residents enjoy Bayside's proximity to Melbourne, supported by the network of roads and public transport that provide convenient and easy access. Bayside residents have a strong desire to see neighbourhood character preserved, with development that is sympathetic or responsive to the natural environment.

As Bayside's population increases, the community is keen to see these qualities enhanced and protected. These qualities vary across Bayside, with residents strongly identifying with the individual character of their local area.

The key strategic documents that relate to this goal of liveability are:

- Municipal Strategic Statement
- Housing Strategy 2012–2032

## Highlights



### Awarding excellence in our built environment

Bayside City Council's Built Environment Awards were held in September 2017 to raise awareness of design, landscape, sustainability and heritage values, and recognise those who have contributed positively to our built environment. Council received 120 community nominations across eight categories.

Seven awards and one High Commendation were presented, including Most Outstanding Contribution to the Bayside Built Environment which was won by Ron Eggleston from March Studio for their project at 24 Victoria Street, Brighton.

### Bayside Planning Scheme amendments

Six amendments were proposed, progressed and or adopted by Council and submitted to the Minister for Planning for approval:

- Amendment C126  
Small Neighbourhood Activity Centres
- Amendment C150  
Retail Commercial and Employment Strategy
- Amendment C151  
Hampton East (Moorabbin) Structure Plan
- Amendment C152  
Martin Street Structure Plan
- Amendment C153  
Special Building Overlay (land subject to flooding)
- Amendment C155  
Environmental Audit Overlay (potentially contaminated land)

## Challenges

The ongoing challenge for Bayside is how to balance the community's desire to preserve local neighbourhood character, while balancing community aspirations regarding population growth and impact on amenity, housing affordability and pressures from household demographic changes that are responded through diverse housing choices to support our ageing population and young adults leaving home to continue to live in the area. In addition, revised population forecasts and state government planning rules continue to increase the requirements on Bayside to house an increasing population.

Bayside has had significant success in addressing this challenge through the provision of conservative planning controls, while still meeting the population forecast requirements. The designation of minimal and moderate change areas throughout our residential zoned land has allowed Bayside to provide a mix of dwelling types to respond to the demographic change.

Despite the fact that Bayside has some of the most conservative planning controls in Victoria, Council is committed to retaining and enhancing the liveability of our municipality and looking at opportunities to enhance our planning policy framework to provide more certainty to our community to deliver on this aspiration while meeting state government requirements.

## Major consultation and advocacy initiatives

- Southland and Pennydale Structure Plan – a three-stage engagement process was conducted targeting local residents, traders and visitors to the area. A variety of research and engagement activities were conducted.
- Highett Structure Plan – a three-stage engagement process was conducted targeting local residents, traders and visitors to the area. A variety of research and engagement activities were conducted.

## Strategic objectives

We want a Bayside:

- where significant development is directed to specified and planned activity centres and strategic locations, providing a transition to surrounding residential areas and incorporating improved infrastructure and open space
- where neighbourhood character, streetscapes and heritage are respected and enhanced, and the community has a strong connection to place
- with village-style activity centres, combining retail at ground floor with increased opportunities for apartment-style living above
- where development contributes to a high-visual amenity, is ecologically sustainable, demonstrates high-quality compliant design, and responds to the streetscape and neighbourhood context
- where a range of housing types are provided to accommodate the changing needs of the community, enabling people to age in place and providing opportunities for young adults and families to live and remain in the municipality.



## Performance against Council Plan

The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against eight non-financial actions.

Strategy	Action	2017/2018 result	Status
<b>Make discretionary planning controls stronger by advocating for Council's planning and urban design objectives to state government</b>	Develop an advocacy action plan to promote Council's planning and urban design objectives	Urban design objectives advocacy presented for the following projects: Public Housing Renewal Program, Level Crossing Removal Authority, Cheltenham Station development and Inner South Metro Mayor's Forum priorities. The Advocacy Action Plan was adopted in June 2018.	● ○ ○ Completed
	Work with the Minister for Planning to identify and pilot new policy and process options to strengthen discretionary controls for activity centres	Council was not selected as part of the government's discretionary height control pilot program. Advocacy work has continued through the Inner South East Region Economy and Planning Working Group and Inner South Metro Mayor's Forum.	● ○ ○ Completed
<b>Develop and review structure plans to ensure localities are developed in line with Council's Housing Strategy</b>	Develop a Pennydale/Southland Structure Plan and review the Highett Structure Plan	Southland and Pennydale Structure Plan: a three-stage engagement process was conducted targeting local residents, traders and visitors to the area. The process involved establishing an advisory group that met regularly throughout the preparation of the Structure Plan, two workshops, and drop-in sessions and a variety of research and engagement activities to ensure the community was informed and involved in the project. The consultation and engagement resulted in over 950 participants throughout all engagement activities.	● ○ ○ Completed

Strategy	Action	2017/2018 result	Status
Develop and review structure plans to ensure localities are developed in line with Council's Housing Strategy	Develop a Pennydale/Southland Structure Plan and review the Highett Structure Plan	Highett Structure Plan: a three-stage engagement process was conducted targeting local residents, traders and visitors to the area. The process involved café conversations and walking tours of the study area to understand community concerns and aspirations for the area, drop-in sessions and research activities including an apartment dwellers survey that looked into apartment residents' needs and aspirations and engagement activities to ensure the community was informed and involved in the project. The consultation and engagement for this process resulted in over 740 participants throughout all engagement activities.	● ○ ○ Completed
	Implement the planning controls for the Martin Street and Hampton East Structure plans into the Planning Scheme to manage new development	Hampton East Panel Report was considered at the September 2017 Council meeting. Council resolved to adopt Amendment C151 in part and submitted part one for Minister for Planning for a decision.	● ○ ○ Completed
		Martin Street Structure Plan Panel Report was considered at the December 2017 Council meeting. Council resolved to adopt Amendment C152 and submitted to Minister for Planning for a decision.	

Strategy	Action	2017/2018 result	Status
<b>Develop and review structure plans to ensure localities are developed in line with Council's Housing Strategy</b>	Implement the planning controls for Bayside's Small Neighbourhood Activity Centres into the Planning Scheme to manage development and protect the important role of local centres and convenience retailing	Amendment C126 was updated to reflect community input. In February 2018, Council resolved to seek Ministerial authorisation to re-exhibit Amendment C126. Public exhibition has commenced and will close on 16 July 2018.	● ○ ○ Completed
<b>Ensure new development responds to preferred neighbourhood character in activity centres</b>	Undertake a review of Council's Housing Strategy and Neighbourhood Character and Residential Design Policy Framework to review boundaries of activity centres	Background research and scoping of the Housing Strategy and Neighbourhood Character and Residential Design Policy Framework commenced. The expected deliverable for 2017/18 completed.	● ○ ○ Completed
<b>Implement improvements to the service, quality, efficiency and communication of Council's planning permit assessment service to enable prompt assessment of applications that comply with development controls</b>	Complete the implementation of an effective and efficient development application process that facilitates greater certainty for applicants and objectors and encourages compliance with development controls	There was a significant focus on improving application process timeframes, with a historical backlog of planning applications removed in early 2018. By the end of 2017/18, application processing timeframes and complaint volumes had halved. However, annual performance targets were not achieved due to the backlog in the first half of the year. A range of improvements to the website, template letters and guidance were implemented and a customer journey mapping consultancy was released.	○ ● ○ Monitor
<b>Improve housing affordability (including social housing) and housing needs of various life stages through advocacy</b>	Develop an advocacy action plan in Year 1 to improve housing affordability and social housing options	The Housing Affordability and Social Housing Advocacy Action Plan adopted in June 2018.	● ○ ○ Completed

## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
Maintain community satisfaction with Council's advocacy	53* Index score	57* Index score	● ● ● Completed
Increased community satisfaction with Council's town planning policy	54* Index score	63* Index score	● ● ● Completed
Council and delegate planning decisions upheld at VCAT	50%	60%	● ● ● Completed
Council adoption of new structure plan for Pennydale and Highett	Council adoption of new structure plan	To be presented in September 2018	○ ● ● Monitor
Council adoption of new planning controls for Pennydale and Highett	Council adoption of new planning controls	Planning controls adopted	● ● ● Completed
Council adoption of new planning controls for Martin Street and Hampton East	Year 3 target Council adoption of new planning controls	Amendment adopted submitted to the Minister for approval	○ ● ● Monitor
Council adoption of new planning controls for Bayside's Small Neighbourhood Activity Centres	Council adoption of new planning controls	Exhibition of amendment	○ ● ● Monitor
Planning applications decided within 60 days	60%	50%	○ ● ● Monitor
Average time taken to decide planning applications	75 days	85 days	○ ● ● Off track

\* In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiative

Initiative	Budget	Actual	Progress comment
Develop a Southland Structure Plan and review the Highett Structure Plan	\$95,500	\$233,340	Draft Pennydale Structure Plan presented at June 2018 Council meeting. Council resolved to defer decision to allow further community engagement.

## Key Council departments

- Building Surveying (including Asset Protection)
- Investigations
- Statutory Planning
- Urban Places Design
- Urban Strategic Planning

The major services listed below contribute to the performance of Council objectives across the Housing and Neighbourhoods domains.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Building Surveying (inc. Asset Protection)</b>	This service provides statutory building and asset protection services to the Council and the community including assessment and processing of report and consent applications, enforcing buildings acts, regulations and local laws to ensuring compliance of buildings, structures, pools. This service also ensures Council assets are protected.	(116) <u>233</u> <b><u>349</u></b>
<b>Investigations</b>	This service protects and enhances Bayside's neighbourhood amenity, natural environment, built form and heritage places while maintaining public safety through seeking compliance with the use and development of land as prescribed in regulations; supporting local businesses to provide safe and accessible footpath trading; assessing vegetation control and tree removal applications.	274 <u>197</u> <b><u>(77)</u></b>
<b>Statutory Planning</b>	This service provides statutory planning for the community through exercising acts and regulations protecting neighbourhood and landscape character, determination of planning applications and requests, planning for the future of Bayside through implementation of the Bayside Planning Scheme, as well as providing a General Information Service.	1,559 <u>1,889</u> <b><u>330</u></b>
<b>Urban Places Design</b>	This service provides high quality, comfortable, attractive, vibrant and unique urban places that are the hubs of our community that people are proud of, and that foster economic prosperity and exchange to improve social wellbeing and connection.	259 <u>296</u> <b><u>37</u></b>
<b>Urban Strategic Planning</b>	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 that shape 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.	1,433 <u>1,354</u> <b><u>(79)</u></b>

## Service performance indicators

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

Results				Comments
2015	2016	2017	2018	
Statutory Planning				
Timeliness				
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	97.00	Focus has been placed on time taken to decide planning applications to include additional resources implementing efficiencies. This has made a significant decrease from last year's reportable numbers.
Service 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%	65.44%	The improvement plan was implemented for this year and results showed significant improvements from last year's reported in addition continued focus remains to improve these results year over year.
Service 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	\$2,900.26	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 is funded from private application fees.
Decision-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%	60.00%	An investment by Council in increased resources in the Planning department has reduced application processing times and improved the quality of decisions.







## Goal 4: Open space

### Goal statement

We will work together to build our open space network to support biodiversity, improve health and wellbeing and community connections, and provide access for current and future generations. During 2017/2018, Council has progressed against the four actions as set out in the 2017–2021 Council Plan.

### Overview

Open space is one of the key attractions for our residents living in Bayside. Our open space includes more than 17 kilometres of coastline that is highly valued by our community. Bayside residents appreciate our parks and gardens for leisure and recreation, and the opportunities they provide for tourism, celebrations and other events.

The key strategy that relates to this goal of liveability is the Bayside Open Space Strategy 2012–2032.

## Highlights



### Elsternwick Park North

In March 2018 Council resolved to return almost 14 hectares of land previously used for golf (Elsternwick Park Golf Course) to open space. Council has begun the process of creating an environmentally focused passive open space. The new space is currently open to the public, and a community lead master plan will be developed.

### Dredging at Half Moon Bay

In December 2017, Council dredged approximately 300m<sup>2</sup> of sand from the boat ramps at Half Moon Bay. Sand that naturally builds up in the boat ramp area needs to be periodically removed to improve safety for recreational and emergency boats being launched and/or retrieved in Half Moon Bay.

### Cheltenham Park burn

In December 2017 a fire was started at Cheltenham Park. The fire was not a controlled burn organised by Council, but once the fire was extinguished by the MFB, Council staff were able to treat the area as they would if it was a controlled burn site. Therefore, biodiversity benefits have also been achieved at Cheltenham Park.

### Habitat trees

Council now manage approximately 42 habitat trees across Bayside. These trees would normally have been removed because they were dead or dying. But following a suitability assessment, they have been retained and hollows have been added or expanded so that they can provide suitable habitat for nesting birds.

### Bay Road ecological burn

Approximately 2,000m<sup>2</sup> of Bay Road Heathland Sanctuary was burnt, in a controlled manner, in April 2018. Controlled burns are an important environmental management tool to promote revegetation of Bayside's indigenous heathlands and aim to increase biodiversity within the area.

## Challenges

Open Space within Bayside is experiencing higher levels of passive and organised usage. This increase is due to a number of factors, including an increasing local population, an increase in the number of people participating in sport, and an increase in visitors to Bayside. Council embraces this additional usage as it contributes towards providing people with the opportunities to have a healthy lifestyle, but also understands that open space has to be managed in a way that protects it for generations to come.

## Major consultation and advocacy initiatives

- Biodiversity Action Plan – feedback on the draft plan was sought from interested community members and key community groups.
- National Heritage List Nomination for Beaumaris Bay – feedback on the nomination proposal was sought from interested community members and key stakeholders.
- Half Moon Bay and Red Bluff Masterplan – feedback on the draft masterplan was sought from interested community members and key stakeholders (lifesaving club, onsite businesses).
- Domestic Animal Management Plan – two research activities were conducted: a random household survey with representative numbers of pet owners and non-pet owners; and an open community survey. Other stakeholders were invited to provide feedback including users of public open space (sporting, recreation), community groups (environment, lifesaving) as well as industry partners (vets, shelters). Following this research phase, feedback on the draft plan was sought from interested community members and key stakeholders.
- Elsternwick Park North – Closure of Golf Course – Council Decision.

## Strategic objectives

We want a Bayside where:

- the foreshore is protected, beaches are clean and accessible and competing interests are balanced
- we have a mix of quality formal and informal recreation space and bushland that are well used, connected and distributed across the municipality.

## Performance against Council Plan

The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against four non-financial actions.

Strategy	Action	2017/2018 result	Status
<b>Gain access to increased-quality open space to meet the needs of Highett and the wider community</b>	Secure 4 hectares of open space at the CSIRO site	Revised draft legal agreements have been finalised to incorporate 3,500m <sup>2</sup> of land for Council purchase and provision of community facilities. Agreements have been circulated to CSIRO for final comment and review.	● ● ● Completed
<b>Protect and ensure the quality of our open space, including beaches and foreshore</b>	Improve collaboration with community groups and government agencies by developing an action plan to foster existing relationships and explore opportunities for new relationships	Biodiversity Action Plan developed in collaboration with community groups and peak agencies and adopted in June 2018.	● ● ● Completed
<b>Prioritise the allocation of the development open space contributions to optimise provision and community access to open space</b>	Develop a decision-making framework for the allocation of funds to open space projects from the Resort and Recreation Levy	Determined allocation of funds best considered through Council's budget processes, including the Capital Works Program.	● ● ● Completed
<b>Encourage the planting of local indigenous vegetation</b>	Promote community awareness and visitation to the community nursery	Nursery promoted through Council communications and publications. Signage reviewed and installed. Commenced engagement with Bayside developers/ landscape designers.	● ● ● Completed

## Performance against strategic indicators

Strategic Indicator	2017/2018 target	2017/2018 result	Status
<b>Increase in community satisfaction with the appearance of public areas</b>	75* Index score	76* Index score	● ● ● Completed
<b>Decision-making framework developed and implemented</b>	Framework developed and implemented	Framework developed and implemented	● ● ● Completed

\* In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiatives

Initiative	Budget	Actual	Progress comment
Deliver stage 4 of the ground stabilisation works at Dendy Park Sportsground	\$2,026,000	\$1,894,601	Stages 4 and 5 completed in 2017/18. Minor savings due to favourable tender results.
Commence development of a masterplan that articulates the future layout and management of the Council-owned component of the CSIRO site in Highett	\$10,000	\$0	Draft legal agreements are currently being revised to incorporate 3,500m <sup>2</sup> of land for Council purchase and provision of community facilities. Negotiations with CSIRO are progressing and it is expected that legal agreements will be finalised by quarter 2 of the 2018/2019 financial year.

## Key Council department

- Open Space

The major service listed below contributes to the performance of Council objectives across the Open Space domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Open Space</b>	This service develops open space planning and policy. It also provides quality services in open space management, tree management and foreshore cleansing.	9,673 <u>10,052</u> <b>379</b>

## Goal 5: Environment

### Goal statement

Council and the Bayside community will be environmental stewards, taking action to protect and enhance the natural environment, while balancing appreciation and use with the need to protect natural assets for future generations.

### Overview

The Bayside community expects to live in a place where the air, water and land are free from contaminants and pollutants. Our beaches and foreshores are our most valued environmental asset, and their protection and maintenance a first-order priority for our residents. There is also a strong desire to protect the biodiversity within marine reserves and along the foreshore, and in bushland and heathland reserves. Preserving Bayside's tree canopy and vegetation is profoundly important to the community, especially for residents who live close to developing areas.

The key strategy that relates to this goal of liveability is the:

- Environmental Sustainability Framework 2016–2025.

## Highlights



### Food waste education

Reducing the amount of food waste going to landfill is a key objective for Council. After three years, Council's successful Don't Feed the Bin program has concluded. The program has provided valuable education and community engagement on reducing food waste in household bins.

The Help Stop Food Waste research project, involving more than 100 local households, developed resources and understanding of household behaviours relating to food waste. These programs have led the way for a successful transition for a combined food waste and green waste bin service, which Council will implement from 2019.

### Waste management

A total of 20,821 tonnes of recyclables and green waste was diverted from landfill in 2017/2018. The number of households using the green waste collection service increased by 391 households from the previous year.

Community recycling stations at Beaumaris Library and Bayside Corporate Centre accepted more than 3,628 kilograms of recyclable material that is not ordinarily suitable for kerbside collection and a further 1,026 kilograms of soft plastics.



## Challenges

China's decision to ban the import of mixed recyclables in January 2018 sent the Victorian recycling industry into turmoil. Despite this challenge, Council's recycling processor Polytrade has continued to accept Bayside's kerbside recyclables, investing in new processing technologies and finding new markets for this material. This has had a financial impact to Council's operating budget, as recycling has transitioned from a source of revenue from the sale of this material to a cost for processing services.

## Major consultation and advocacy initiatives

- Carbon Neutrality Action Plan – feedback on the draft action plan was sought from interested community members and key stakeholders.
- Food Waste Avoidance Research – Council undertook research on three different interventions for reducing food waste behaviour, involving more than 100 local residents.

## Strategic objectives



We want a Bayside where:

- erosion is minimised and managed on our foreshore cliffs and beaches
- our environmental impact is decreased through reduced community waste and efficient water and energy usage in Council operations
- Council and the Bayside community lead the way in environmental citizenship
- we protect and enhance Bayside's tree canopy and vegetation on public and private land.

## Performance against Council Plan

The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against five non-financial actions.

Strategy	Action	2017/2018 result	Status
<b>Protect the unique ecological and environmental value of Ricketts Point</b>	Develop a masterplan to guide infrastructure at Ricketts Point to ensure it meets community standards and protects the environment	Ricketts Point study developed. In June 2018 Council resolved that development of masterplan for Ricketts Point was not required.	● ● ● Completed
<b>Influence state and federal governments for improved response to climate change, aimed at reducing impacts such as foreshore erosion, beach replenishment and Bay health</b>	Develop and implement an advocacy action plan for beach erosion and Bay health	Port Phillip Bay Coastal Hazard Assessment Workshop commenced to improve the Association of Bayside Municipalities' understanding of coastal hazards and potential effects of climate change.  The Coastal Hazard Assessment is being run by DELWP, and will last four years.	● ● ● Completed
<b>Achieve carbon neutrality by 2020</b>	Install solar systems on Council buildings identified in the energy efficiency audit	Seven solar panel installations completed as scheduled.	● ● ● Completed
	Install energy-efficient hot water units in Council buildings identified in the energy efficiency audit	As solar panel installation was the primary focus for 2017-18, no energy efficient hot water units were installed in existing buildings. Both solar panels and energy efficient hot water units will continue to be installed in 2018-19.	○ ● ● Off track

Strategy	Action	2017/2018 result	Status
<b>Reduce the Bayside community's volume and percentage of waste that goes to landfill</b>	Implement recommendations from the Recycling and Waste Management Service Review	A draft Recycling and Waste Management Strategy was completed; this included a recommendation to the provision of composting products to cease.	 Completed
	Develop a new Recycling and Waste Management Strategy focusing on community education and behaviour change in preparation for the introduction of food waste and increasing costs for landfill and haulage	The upgrade of the transfer station has been approved in the budget and a design tender was awarded.	
<b>Reduce water consumption in Council's operations and improve the management of stormwater and water quality</b>	Implement Corporate Centre's energy efficiency audit recommendations	Corporate Centre energy efficiency audit recommendation priorities were revised in March, following adoption of Carbon Neutrality Action Plan. Lighting upgrade commenced. Further information is required before upgrade to heating, ventilation and cooling system controls.	 Completed
	Deliver Dendy Park Water Harvesting Project	Stormwater Harvesting Project at Dendy Park was completed, which will deliver improvements to the golf course and lead to a reduction in potable water use.	
	Identify priority stormwater outlets for improvement or relocation and include within the four-year Capital Works Strategy	Opportunities to treat stormwater in priority locations through litter traps and other Water Sensitive Urban Design installations identified. A review and replacement of litter baskets to be undertaken as part of the Drainage Asset Management Plan in 2018/2019.	

## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
<b>Masterplan developed and endorsed by Council</b>	Masterplan developed and endorsed by Council	Not required by Council	● ● ● Completed
<b>Maintain community satisfaction with Council's advocacy</b>	53* Index score	71* Index score	● ● ● Completed
<b>Maintain high water quality at key beach sites resulting in no additional days of beach closure</b>	No more than one day	0	● ● ● Completed
<b>Reduction of total Council greenhouse gas emissions</b>	5% annual reduction	9.5%	● ● ● Completed
<b>Increased community satisfaction with waste and recycling services</b>	77* Index score	Waste 88* Index score Recycling 86* Index score	● ● ● Completed
<b>Diversion of waste from landfill</b>	More than 50%	50.01%	● ● ● Completed
<b>Consumption of potable water for irrigation purposes</b>	Less than 220,000 kilolitres	Year 1 activity completed	● ● ● Completed
<b>Development of a plan to address stormwater outlets to the Bay</b>	Development of a plan to address stormwater outlets to the Bay	Outlets identified	● ● ● Completed

\* In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiatives

Initiative	Budget	Actual	Progress comment
Deliver Dendy Park Water Harvesting Project	\$1,450,000	\$2,875,501	A reforecast was presented of \$1 million and the budget forecast was revised to \$2.45 million to include \$1 million from the Sandringham Village Project. Council approved all variation expenditures.
Develop a masterplan to guide infrastructure at Ricketts Point to ensure it meets community standards and protects the environment	\$126,000	\$16,164	Masterplan not required as no significant changes of use are proposed. A site assessment was completed instead and this will aid in managing Ricketts Point in its current state and be used to inform future development.

## Key Council departments

- Environmental Sustainability
- Recycling and Waste Management

The major services listed below contribute to the performance of Council objectives across the Environment domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Environmental Sustainability</b>	This service develops environmental policy and provides sustainability initiatives for the Bayside community.	308 <u>372</u> <b><u>64</u></b>
<b>Recycling and Waste Management</b>	This service provides quality waste collection and waste minimisation education for the Bayside community.	11,100 <u>9,957</u> <b><u>(1,143)</u></b>

## Service performance indicators

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

Results				Comments
2015	2016	2017	2018	
<b>Waste</b>				
Satisfaction of use WC1 [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000				
140.20	135.52	175.18*	248.25	The number of requests has increased due to a Council campaign encouraging residents to reduce their domestic waste bin size. This campaign has been highly successful and generated a great number of requests.
<b>Service Standard</b>				
WC2 [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000				
7.09	5.87	7.67	7.70	This year's results have increased marginally from last year. Delays in the turnaround times at the landfill, in the second quarter of the year, attributed to an increase in missed bin enquiries.
<b>Service cost</b>				
WC3 [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]				
\$107.05	\$109.33	\$91.01	\$113.29	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. This years increased costs are attributed to increased costs due to the recycling industry in Australia and a concerned focus from Council along with local government is currently being developed to identify an alternate diversion for recyclables.
<b>Service Cost</b>				
WC4 [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]				
\$9.38	\$9.07	\$9.78	\$43.56	This year's increased costs are attributed to increased costs to the recycling industry in Australia. Strategic plans are being developed to identify an alternate diversion for recyclables for Council. Additionally last year's results numerator was incorrectly stated, last year's numbers should state 3,077.00 versus 3,0770,000 reported.

Results				Comments
2015	2016	2017	2018	
Waste Diversion				
WC5 [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%	50.01%	A 1% reduction in waste diversion rate occurred during 2017/18 due to recycling reducing by 203 tonnes and green organics reducing by 374 tonnes from the previous year's results. Although the cause of the reduction in recycling is unclear, a reduction in green organics is likely to be a result of a reduction in garden vegetation growth due to the drier summer in 2018.

\* To ensure comparability of indicators, these comparative figures for 2017 and 2018 have been amended. The restated results are disclosed in the table above.



## Goal 6: Local economy and activity centres

### Goal statement

Bayside will be an attractive place to live and work, with new growth and investment in the local economy and business community increasingly structured around innovative, knowledge and service-oriented enterprises.

### Overview

Bayside residents want a thriving local economy that provides employment and opportunities for recreation and entertainment during daylight and evening hours. Such an economy depends on several factors, including support for local businesses, a mix of commercial enterprise and easy access for residents and visitors. Residents value their neighbourhoods and their local businesses and want to retain the character of each activity centre.

The key strategic documents that relate to this goal of liveability are:

- Municipal Strategic Statement
- Retail, Commercial and Employment Strategy 2016–2031.

## Highlights

### **Delivering 30+ events, attracting more than 3,000 attendees and with a post-event feedback rating of 90+ Excellent to Very Good.**

The network continued to maintain its quality reputation and facilitated excellent networking opportunities for its members and Bayside businesses.

### **Bayside Business Network**

The Bayside Business Network (BBN) continued to be facilitated by Council with the support of local sponsors to deliver a premier annual program of business events. The purpose of the BBN is to enable professional Business to Business connections and to provide informative and engaging business events to promote excellence in business, innovation and entrepreneurship.

### **Christmas in Bayside**

Council's suite of Christmas decorations was extended in 2017 to include the smaller activity centres of Hawthorn Road, Brighton East, Martin Street, Gardenvale and Seaview Village, Beaumaris. To complement the investment in decorations, Council supported the undertaking of numerous Christmas events. Strong partnerships were formed with service groups such as Rotary/Lions clubs and activity centre traders associations/committees to create vibrant shopping strip celebrations for the local community and boost foot traffic during the festive period.

In its fifth year, Council conducted the Shops on Show competition, with the support of local sponsors, to encourage trader/community engagement and enhance Christmas street vibrancy.

### **Bayside's DYOB (Discover Your Own Backyard) Instagram competition**

Bayside City Council alongside Destination Melbourne (producers of Melbourne's official visitor guide) run an Instagram competition to promote everything Bayside has to offer, more specifically, our shopping precincts, eateries, businesses and tourist attractions. The competition has excellent engagement from the community and continues to grow. The 2017 competition used the hashtag #Summerbayside to promote Bayside as a place to visit in summer. This proved to be the most successful competition which attracted nearly 1,200 entries, with more than 55,000 people engaged with the posts and reached a total audience of more than one million people. The competition uses beautiful imagery of Bayside offerings and word-of-mouth promotion in the form of social media posts as well as entrants' own personal networks, to keep Bayside relevant and trending as a great place to shop, eat, explore and spend time and money in!



## Challenges

Provision of predominantly high-density residential developments within Bayside Activity Centres and the increasing pressure from the development industry to rezone Bayside's primary employment and commercial area – the Bayside Business District – for residential uses provide significant challenges to ensure that the economic development and commercial viability of these areas are retained.

## Major consultation and advocacy initiatives

- Beaumaris Concourse Masterplan – community engagement continued with users and traders on the detailed design of the changes endorsed by Council.
- Sandringham Village Streetscape Masterplan – community engagement continued with traders on the location of bus stops in the village.

## Strategic objectives

We want a Bayside where:





- shopping villages are vibrant, attractive and interesting places where the community comes together, providing a variety of innovative, dynamic and convenient services
- small activity centres contribute to the village feel and provide neighbourhood convenience and employment opportunities
- shoppers and visitors feel safe in local shopping strips, both day and night
- local opportunities for business and employment are protected and enhanced, and opportunities for economic innovation are embraced
- access to transport options is convenient and parking encourages local shopping
- the foreshore generates optimum economic, social and environmental return.

## Performance against Council Plan

The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against three non-financial actions.

Strategy	Action	2017/2018 Result	Status
<b>Improve tourism access to Dendy Beach to strengthen economic, social and environmental returns from the foreshore</b>	Develop a plan for the Brighton Beach Station precinct that improves visitor access to Dendy Beach	Scope and work program for stage one finalised. Opportunities and issues have been documented for investigation in stage two, which is scheduled for completion in 2018/19. Year 1 activities completed.	● ○ ○ Completed
	Deliver the Dendy Street Beach Masterplan improvements, including the new lifesaving pavilion	Project was delayed due to VCAT process. A 10-day hearing is scheduled for mid-2019.	○ ○ ● Off track
<b>Provide engaging and attractive public places in shopping streetscapes</b>	Implement the Sandringham Village and Beaumaris Concourse masterplans	Consultation regarding Sandringham bus movement changes completed with directly affected property owners, residents and traders. Following confirmation of support from Public Transport Victoria, design and documentation has commenced. Beaumaris Concourse design and documentation has commenced.	● ○ ○ Completed
	Installation of activity centre Christmas decorations to support trading in local centres and community connection during the festive season, including at agreed significant small activity centres	Christmas decoration installations completed. Additional decorations installed at Seaview Village, Martin Street and Gardenvale.	
<b>Manage development and protect the important role of local centres and convenience retailing</b>	Incorporate the planning controls for Bayside's Small Neighbourhood Activity Centres into the planning scheme	Amendment C126 was updated to reflect community input and at February 2018 Council meeting, Council resolved to seek Ministerial authorisation to re-exhibit Amendment C126. Public exhibition commenced and will close in 16 July 2018.	● ○ ○ Completed

## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
<b>Increased visitor numbers to Dendy Beach using public transport</b>	Increased visitor numbers to Dendy Beach using public transport	Project currently held at VCAT	 Off track
<b>Increased community satisfaction with appearance of public areas</b>	74* Index score	79* Index score	 Completed
<b>Increased community satisfaction with business/community development</b>	63* Index score	57* Index score	 Off track
<b>Increased community satisfaction with Town Planning Policy in the Local Government Community Satisfaction Survey</b>	52* Index score	58* Index score	 Completed

\* In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiatives

Initiative	Budget	Actual	Progress comment
Implement the Sandringham Village Masterplan <ul style="list-style-type: none"> <li>Sandringham Village Activity Centre streetscape</li> </ul>	\$2,378,000	\$110,564	Initial delays with approvals from VicRoads. Revised scope and design required to resolve concerns. Further delays with Melbourne Water and Special Building Overlay issues for the location. Project continuing with budget allocated in 2018/19 and proposed budget in 2019/20.
Commencement of the Dendy Street Beach precinct redevelopment	\$3,000,000	\$224,076	Project is on hold. Awaiting VCAT hearing.

## Key Council department

- Local Economy and Activity Centres

The major service listed below contributes to the performance of Council objectives across the Local Economy and Activity Centres domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Local Economy and Activity Centres</b>	The economic development and tourism service works to strengthen Bayside as a tourism destination and assists the organisation to facilitate an environment that is conducive to growing a sustainable local business sector, providing opportunities for local residents to improve their skills levels and access to employment	658 <u>645</u> <b><u>(13)</u></b>







## Goal 7: Community health and participation

### Goal statement

Bayside's community will be supported and engaged to live an active and healthy lifestyle regardless of age, geographical location, personal circumstance or physical ability.

### Overview

The community recognises that opportunities to play sport, walk freely around the municipality and enjoy an enriching social life are key to their health.

The key strategy that relates to this goal of liveability is the:

- Wellbeing for All Ages and Abilities 2017–2021.



## Highlights



### Seniors Festival

The Festival launch was attended by 700+ people who participated in bus trips, movies and recreational activities. Four parent education sessions attracted more than 295 participants.

### Youth Resilience Survey

Year 2 ended with more than 6,400 responses from students in Years 3–12. Data is compared to 180,000 students across more than 750 schools in Australia: 91 per cent of Bayside students reported feeling safe in their home, 86 per cent reported feeling safe at school and 89 per cent reported feeling safe in their neighbourhood.

### Aged and disability reform

Throughout 2017/2018, we supported local organisations through education and advocacy to assist them to take a coordinated approach to respond to the reform agenda. Council has chaired regional alliance meetings that have resulted in the delivery of information and education sessions and an annual expo to support local and regional organisations navigate significant changes as a result of aged and disability reforms.

### Bayside Healthy Ageing Reference Group

Council received an overwhelming number of applications when the term of the existing group expired in December 2017. Council increased the number of representatives from 15 to 25 in response to community interest to have input into issues impacting Council's older population.

## Challenges

### Determining Council's future involvement in service delivery given the reform agenda in Aged and Disability Services

In November 2017, Council determined that it would not register to provide services under the National Disability Insurance Scheme. This decision was consistent with all metropolitan councils. In reaching its decision, Council supported the establishment of a transition officer to assist families and individuals identify new service providers.

Other challenges for the community health and participation goal include:

- increasing community demand for community grants
- advocating for increased support for the community's most vulnerable residents.

### Major consultation and advocacy initiatives

- Arts and Culture Strategy – survey research was conducted with 400 randomly selected households about the Bayside Gallery, and their preferences for future arts and cultural events. Following this research phase, three listening posts were held to seek input on how Council uses its available arts and culture budget.
- Wellbeing for All Ages and Abilities Strategy – consultation continued with community partners and other key stakeholders to develop the target group-specific action plans.
- Early Years Infrastructure Plan – feedback on the draft plan was sought from current tenants of early years facilities and interested community members.
- Research on demand for a hydrotherapy pool – survey research was conducted with 400 randomly selected residents aged over 65 years regarding future demand for a hydrotherapy pool. Interviews were also conducted with general practitioners, physiotherapists and current providers of pools in the region.

### Strategic objectives

We want a Bayside:

- where we are a strong and supportive community and people of all ages are engaged, know their neighbours and shopkeepers and are connected to them
- where the community is healthy, active and feels safe
- where the community engages in advocacy, transparent decision making and is part of the solution
- with thriving local non-profits delivering contemporary, client-centric services locally
- where we encourage and acknowledge community volunteering
- where health issues are identified and addressed at root cause
- with a focus on gender equity in decision making.

## Performance against Council Plan

The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against four non-financial actions.

Strategy	Action	2017/2018 result	Status
Improve public health and wellbeing in the areas of: an engaged and supportive community; a healthy active community; and a safe and healthy environment where people can live, work and play	Review and implement the Wellbeing Plan (The Wellbeing for All Ages and Abilities Plan) to ensure that it includes increasingly rigorous indicators of community health and wellbeing and measurable and actionable activities	The Wellbeing for All Ages and Abilities Strategy 2017–2021 adopted in October 2017. Associated action plans and evaluation plan was adopted at the February 2018 Council meeting	● ● ● Completed
Prepare for the aged care and National Disability Insurance Scheme reforms	Determine Council's future involvement in service delivery given the reform agenda in aged and disability services	In November 2017 Council resolved to not register as a National Disability Insurance Scheme (NDIS) service provider. Eligible clients transitioning to NDIS are being supported, and non-eligible NDIS clients continue to receive Council services. Aged care funding extended until June 2020. Decision regarding Council's long-term role in aged care was deferred.	● ● ● Completed
	Support local organisations through education and advocacy to assist them to take a coordinated approach to respond to the reform agenda	Southern Region Alliance Meetings chaired by Manager Community Services. The Alliance provides a platform for agencies to advocate and escalate issues directly to Commonwealth and state government officials in attendance.	

Strategy	Action	2017/2018 result	Status
Improve gender equity in decision making in the community	Review Council's community policies and programs for gender inclusiveness	A gender inclusion checklist was developed that aims to ensure policies, strategies and projects do not unfairly disadvantage women or men, either intentionally or unintentionally. The checklist was approved by the White Ribbon Working Group and incorporated into the research and engagement, and developing policies and strategies processes.	 Completed
	Develop an advocacy approach for community clubs that outlines the benefits of gender diversity on committees	Target baseline established. An advocacy approach was developed and incorporates two key elements: funding application made to the Municipal Association Victoria's Free from Violence program; and include advocacy messaging in Council communications to sports clubs to improve gender equality on community club committees.	
	Develop a Women's Charter to promote gender equity, diversity and women's participation in active citizenship	Council reaffirmed commitment to Victorian Local Government Women's Charter in 2016/17. Women's Charter Action Plan to be developed in 2018/19.	
Improve opportunities for volunteering	Develop and implement an approach to encourage community volunteering, including opportunities to reward and recognise community leaders and volunteers	Approach to Council volunteers was developed, with training and professional development sessions offered. Council hosted an afternoon tea to recognise 120 community volunteers. Review of Council's approach to community volunteering to be undertaken in 2018/2019.	 Completed



## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
<b>Council adoption of the Wellbeing for All Ages and Abilities Strategy</b>	Council adoption of the Wellbeing for All Ages and Abilities Strategy	The Wellbeing for All Ages and Abilities Strategy 2017–2021 was adopted at October 2017 Council meeting.	● ● ● Completed
<b>Delivery of the Wellbeing for All Ages and Abilities Annual Action Plan</b>	90% Delivered on schedule	100% Delivered on scheduled	● ● ● Completed
<b>Percentage of children enrolled who participate in the maternal child health service</b>	82%	79%	● ● ● Monitor
<b>Percentage of Indigenous Australian children enrolled who participate in the maternal child health service</b>	80%	83%	● ● ● Completed
<b>Report on review prepared for Council consideration</b>	Report on review prepared for Council consideration	Report completed	● ● ● Completed
<b>Education and advocacy campaign developed</b>	Education and advocacy campaign developed	Campaign developed	● ● ● Completed
<b>Maintain community satisfaction with Council's advocacy</b>	53* Index score	81* Index score	● ● ● Completed
<b>Develop an approach to promote gender diversity in committees for community clubs</b>	Improve gender diversity in community club committees	Checklist was developed to ensure no disadvantages for women or men	● ● ● Completed
<b>Improved gender diversity in community club committees</b>	Target baseline established	Target baseline established	● ● ● Completed
<b>Council adoption of the Women's Charter</b>	Council adoption of the Women's Charter	Women's Charter Action Plan to be developed in 2018/2019	● ● ● Completed

\* In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiatives

Initiative	Budget	Actual	Progress comment
Review and implement the Wellbeing for All Ages and Abilities Strategy to ensure it supports measurable approaches to improved wellbeing	\$4,500	\$4,500	The Wellbeing for All Ages and Abilities Strategy continues to be implemented through the associated action plans, which are reviewed and updated annually. A thorough evaluation plan has been developed which will monitor health and wellbeing trends in the community.
Undertake a feasibility study for a library in the Highett/Hampton East area	\$100,000	\$0	Feasibility study postponed and the Hampton Library service has been maintained in its current state while the Hampton Hub feasibility is finalised.



### Key Council departments

- Aged and Disability Services
- Animal Management
- Arts and Culture
- Community Wellbeing
- Environmental Health and Food Safety
- Family Services
- Libraries
- Recreation and Events
- School Crossings
- Youth Services

The major services listed below contribute to the performance of Council objectives across the Community Health and Participation domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Aged and Disability Services</b>	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 older people and seniors' groups to increase socialisation opportunities and to identify and action areas of importance to older people and their carers.	2,261 2,956 <b>695</b>
<b>Animal Management</b>	This service provides animal management services and community education for the Bayside community.	(615) (588) <b>27</b>
<b>Arts and Culture</b>	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.	638 748 <b>110</b>
<b>Community Wellbeing</b>	This service analyses demographic and social data and prepares policies, plans and strategies that promote community health and wellbeing.	920 880 <b>(40)</b>
<b>Environmental Health and Food Safety</b>	This service protects the safety and amenity of our community through the provision of environmental health and food safety services for those who live, work and visit Bayside.	323 352 <b>29</b>
<b>Family Service</b>	This service provides and/or supports family-oriented services including kindergartens, playgroups, a toy library, maternal and child health, immunisation and parent education sessions.	1,309 1,386 <b>77</b>
<b>Libraries</b>	This service contributes to the quality of life in Bayside by providing library service at four locations and a wide range of public library programs to promote literacy, provide information, and encourage socialisation, development and wellbeing.	3,200 3,399 <b>199</b>
<b>Recreation and Events</b>	This service supports sporting clubs to provide spaces and opportunities to encourage and support active, healthy and inclusive communities and works with community groups to provide a range of community celebrations and events.	615 746 <b>131</b>
<b>School Crossings</b>	This service protects the safety and amenity of our community through the provision of school crossing services.	812 600 <b>(212)</b>
<b>Youth Services</b>	This service provides youth programs, counselling support and events for young people who live and/or study at Bayside.	657 851 <b>194</b>

## Service performance indicators

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

Results				Comments
2015	2016	2017	2018	(where appropriate)
<b>Libraries</b>				
<b>Utilisation</b>				
LB1 - Library collection usage [Number of library collection item loans / Number of library collection items]				
5.65	5.54	5.62	5.52	Bayside's libraries actively manage and promote their print and digital collections to maximise utilisation. This ensures the best possible value to the community from the purchase of the collections.
<b>Resource standard (LB2)</b>				
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%	59.66%	Council's libraries regularly update their print and digital collections to ensure they continue to meet the needs, preferences and interests of borrowers. The library's collection is reflective of the community it serves and is developed and maintained based on feedback and requests; however, Council reports a decrease from last year but still remains within the 40–90% range.
<b>Service cost</b>				
LB3 - Cost of library service [Direct cost of the library service / Number of visits]				
\$5.72	\$5.88	\$6.09	\$6.52	Council's libraries manage their operations efficiently to maximise value to the community. Using 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 only Library Services online.
<b>Participation</b>				
LB4 - Active library members [Number of active library members / Municipal population] x100				
22.10%	23.56%	21.92%	21.36%	Bayside has high engagement levels with the library service. Active library membership is marginally lower than 2016/17. This does not capture the usage of the service by people studying, using computers, WiFi or attending events.

Results				Comments
2015	2016	2017	2018	(where appropriate)
<b>Food Safety</b>				
<b>Timeliness</b> 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	2.00	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" will be 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.
<b>Service standard</b> 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%	100.04%	All premises that require a food safety assessment have received one. The result is greater than 100% as some premises have a second compliance assessment when transferring ownership.
<b>Cost of food safety service</b> FS3 - [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	\$570.59	The number of food premises remained relatively stable across the year; however, direct costs increased compared to 2016/17 due to the filling of previous staff vacancies. In addition, the indicator for the number of premises has been redefined by Local Government Victoria to include a portion of Streatrader (temporary) premises.
<b>Health and safety</b> FS4 - Critical and major non-compliance outcome notifications				
100.00%	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.
<b>Animal Management</b>				
<b>Timeliness</b> 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	2.05	Council prioritises animal management requests and strives to respond promptly. There was an improvement in 2018 in the already strong response time driven by process improvements.

Results				Comments
2015	2016	2017	2018	(where appropriate)
<b>Service standard</b> AM2 - Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100				
90.85%	99.33%	87.06%	81.53%	Council actively works to contact pet owners to collect their pets and provides a day stay facility for lost pets. Council has focused on educating the community on pet ownership and responsibilities as a pet owner.
<b>Service cost</b> AM3 - Cost of animal management service [Direct cost of the animal management service / Number of registered animals]				
\$41.12	\$39.64	\$39.91	\$43.40	Council's animal registrations are fairly consistent with previous years and Animal Management was within operating budget.
<b>Health and safety</b> AM4 - Animal Management prosecutions [Number of successful animals management prosecutions]				
6.00	9.00	22.00	10.00	Council educates the community about responsible pet ownership to minimise breaches of the Domestic Animals Act. Council has successfully prosecuted 10 animal matters this year, a reduction from the prior year reflecting an improved education program and consistent enforcement throughout the Bayside Council area.
<b>Maternal and Child Health (MCH)</b>				
<b>Satisfaction</b> 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%	103.07%	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 staying in the municipality. Participation rates are consistent with 2016/2017 results.
<b>Service standard</b> 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%	100.00%	Council has 100% infant enrolments, which is consistent with previous reporting periods.
<b>Service cost</b> MC3 - Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]				
N/A	\$58.73	\$81.70	\$100.28	This cost is inclusive of salaries, materials and building maintenance costs associated with delivering the MCH service. Although there is an increase in the cost from previous years, the cost of service is consistent with the 2016/2017 reporting period.

Results				Comments
2015	2016	2017	2018	(where appropriate)
<b>Participation MC4-</b> 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%	79.26%	The participation rate is marginally lower than the 2016/17 financial year figure of 81.31%. Council Maternal and Child Health nurses are proactive in contacting families who have missed key ages and stages visits.
<b>MC5 -</b> Participation in the MCH service by Indigenous Australian children				
89.19%	80.00%	65.52%	83.78%	The participation rate of 83.78% is significantly higher than the 2016/17 figure of 65.52%. There is a small number of known families who identify as being ATSI who reside in the Bayside area. More families have identified as being ATSI in 2017/18 and have engaged with the service compared to 2016/17 and small variations in participation present as statistically significant.

## Goal 8: Governance

### Goal statement

Bayside will enjoy strong and effective democratic representation from its Council and responsive and financially responsible services and facilities that meet community needs.

### Overview

The strategies in the 2017–2021 Council Plan seek to ensure strong and effective democratic representation from Council, and to deliver responsive and financially responsible services and facilities that meet community needs. Strategies include a review of Council's property portfolio and leasing policy to ensure our assets deliver maximum public value, the identification and implementation of improvements in Council's services, and strengthening community engagement to inform decision making, including community participation in Council meetings.

The key strategic document that relates to this goal of liveability is the:

- Long Term Financial Plan 2017/18–2026/27.





## Highlights



### Improvement opportunities

The organisation has undertaken four key strategic service reviews in Amenity Protection, Information Services, Recycling and Waste Management, Building and Infrastructure Maintenance, with a view to improving the efficiency and value of the service to the community.

### Digital transformation

A Digital Transformation Strategy was developed to improve service performance, greater accessibility and online, flexible delivery of services.



## Challenges

### **Financial Sustainability**

Council needs to maintain its financial sustainability in a rate capped environment with a greater emphasis on advocating for state and federal government funding.

### Major consultation and advocacy initiatives

- Lease and Licence Policy – feedback on draft policy was sought from current tenants and interested community members.
- Change of suburb name to Pennydale – Council conducted a non-compulsory postal vote to test community support for the name change.
- Community and Stakeholder Engagement Policy – feedback on draft policy was sought from interested community members.
- 2018 Community Satisfaction Survey – survey research was conducted to measure community satisfaction with Council Plan actions.

## Strategic objectives

We want a Bayside:

- that is financially sustainable
- that is well managed and delivers great services
- in which decision making is open, transparent and informed by representative community views
- in which effective partnerships are developed to deliver improved liveability for the community
- that has relevant models for ownership and governance of Council facilities.

## Performance against Council Plan

The first reportable year of the Council Plan 2017–2021 was 2017/2018; therefore, comparisons to previous years are not available. During 2017/2018, Council progressed against six non-financial actions.

Strategy	Action	2017/2018 Result	Status
<b>Ensure the financial sustainability of Council over time, in line with the objectives of Council's Long Term Financial Plan</b>	Prepare long-term financial plans and annual budgets to ensure Council's financial sustainability	Long Term Financial Plan and Budget 2018/19 completed and adopted in June 2018.	● ● ● Completed
<b>Improve community engagement to inform Council decision making</b>	<p>Implement and evaluate the engagement activities articulated in project plans (e.g. Capital Works Plan) to identify opportunities for improvement in community engagement</p> <p>Review Council's Community Engagement and Consultation Policy to ensure:</p> <ul style="list-style-type: none"> <li>• greater simplicity in approach and application</li> <li>• clearer guidance and criteria for the use of deliberative panels and the consideration of their findings</li> <li>• improved evaluation of the processes and outcomes of Council's engagement efforts</li> </ul>	<p>Evaluation plan developed and integrated into the Engagement and Research Process.</p> <p>New policy and guidelines adopted in December 2017.</p>	● ● ● Completed
<b>Ensure that the Bayside community's needs and aspirations are identified and advocated to other levels of government</b>	Ensure all Council strategies and policies consider Council's role in advocacy and include effective influencing initiatives	Strategy and policy templates and process were updated to include Council's advocacy role. Advocacy to be considered in the development of individual strategy and policies.	● ● ● Completed

Strategy	Action	2017/2018 Result	Status
<b>Review Council's property portfolio to provide clarity on tenant responsibilities, maximise community benefit and ensure financial sustainability</b>	Develop a transparent decision-making framework for co-contributions to infrastructure investment	Seasonal Sports Club Infrastructure Contributions Framework presented to Council in June 2018 where it was resolved to defer adoption pending the completion of the five-year review of Council's Sportsground Pavilion Improvement Plan. Decision-making framework that responds to Council Plan action to be developed in 2018/19.	 Completed
	Review Council's Leasing Policy to identify opportunities to increase revenue or incorporate specific performance objectives in leases to maximise public value and utilisation	Leasing Policy briefings and stakeholder engagement undertaken. Lease and Licence Policy adopted in June 2018.	
	Review Council's Property Strategy	Property Strategy reviewed and adopted in June 2018.	

Strategy	Action	2017/2018 Result	Status
<b>Identify and implement improvements in Council's services, efficiency and outcomes for the Bayside community</b>	Undertake strategic service reviews of four priority Council services each year	Four strategic service reviews completed in 2017/18: Amenity Protection, Information Services, Recycling and Waste Management and Building and Infrastructure Maintenance Services. Open Space Management and Environmental Sustainability strategic service reviews commenced in 2017/18.	 Completed
	Develop and begin implementing a Digital Transformation Strategy to ensure Council's customer service performance anticipates community expectations for online and flexible delivery	Digital Transformation Strategy adopted in June 2018.	
<b>Increase the opportunities for participation in Council meetings</b>	Conduct a trial to shift one meeting a year to an alternative venue	September 2017 Council meeting was successfully conducted at Beaumaris Community Centre. Feedback from attendees indicated they were present for a specific item on the agenda, and not attending given the change of location.	 Completed

## Performance against strategic indicators

Strategic indicator	2017/2018 target	2017/2018 result	Status
Operating surplus as percentage of total revenue (Year 1 target, 13.3%)	13.3%	19.67%	● ● ● Completed
Improved community satisfaction with community consultation and engagement	58* Index score	68* Index score	● ● ● Completed
Improved gender diversity in community engagement	Improved gender diversity in community engagement	Year 1 activities completed	● ● ● Completed
Improved demographic diversity in community engagement	Target baseline established	Year 1 activities completed	● ● ● Completed
Maintain community satisfaction with Council's advocacy	53* Index score	65* Index score	● ● ● Completed
Increased percentage of revenue from property assets as percentage of total property operating costs	2.61%	2.28%	○ ● ● Off track
Improved customer service satisfaction rating	72* Index score	76* Index score	● ● ● Completed
Increased participation via live-streaming of Council meetings	850 annual views	1000 annual views	● ● ● Completed
Increased views of archived Council meetings	950 annual views	1500 annual views	● ● ● Completed

\* In previous years Bayside City Council has participated in the annual Local Government Victoria ("LGV") Community Satisfaction Survey program. In 2017/2018, Bayside City Council decided to coordinate its own annual community survey and appointed Metropolis Research for the 2017–2021 Council Plan period. Metropolis Research use a personal interview methodology with Bayside householders, in preference to the LGV method of telephone surveying. For 2018/2019, the Council Plan indicators have been refined to reflect the more detailed measures in the Metropolis survey.

## Performance of major initiative

Initiative	Budget	Actual	Progress comment
Develop and implement a Digital Transformation Strategy	\$81,226	\$60,626	The Digital Transformation Strategy was endorsed by Council on 19 June 2018. The vision for the Digital Transformation Strategy is to put our customers at the centre of our service design and delivery and to achieve our customer focus commitments of being Easy to Deal With, Empathetic, Effective and Trusted. The strategy will be implemented over the next four years commencing July 2018.

## Key Council departments

- Chief Executive and Executive Team
- Financial Services
- Information Services
- Strategy and Performance
- Governance
- Commercial Services
- Communications and Community Engagement
- Customer Experience
- Human Resources

The major services listed below contribute to the performance of Council objectives across the Governance domain.

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Chief Executive and Executive Team</b>	This area includes the Chief Executive Officer, directorates and associated support which cannot be easily attributed to the direct service provision areas.	1,850 <u>1,921</u> <b>71</b>
<b>Financial Services</b>	This service predominantly provides financial-based services to both internal and external customers including the management of Council's finances, management of Council fleet vehicles, raising and collection of rates and charges and valuation of properties throughout the municipality.	(1,181) <u>304</u> <b>1485</b>
<b>Information Services</b>	This service provides, supports and maintains reliable and cost-effective communications, computing and records information systems. The service manages information technology infrastructure for Council staff enabling them to deliver services in a smart, productive and efficient way.	3,982 <u>4,248</u> <b>266</b>
<b>Strategy and Performance</b>	This service supports the organisation to build capability, drive alignment and ensure accountability to deliver sustainable services through enhancing leadership and culture, measurement and reporting, strategy and policy, service planning, continuous improvement and innovation.	1,022 <u>1,370</u> <b>348</b>
<b>Governance</b>	This service includes the Mayor and Councillors and ensures that through good policy process, the Council and Councillors meet all of their individual and collective statutory obligations with transparency and integrity and that the Councillors are properly supported in their role.	1,481 <u>1,475</u> <b>(6)</b>
<b>Commercial Services</b>	This service facilitates procurement and purchasing, property leasing property sales, acquisitions, risk safety and insurance claims for Council.	(1,540) <u>(1,471)</u> <b>69</b>
<b>Communications and Community Engagement</b>	This service is responsible for the management and provision of advice on internal and external communications and to ensure that Council effectively communicates and engages the Bayside community and stakeholders. It also provides research and information about community needs to all Council departments.	1,225 <u>1,261</u> <b>36</b>

Service	Purpose	Net cost actual budget (variance \$'000)
<b>Customer Experience</b>	This service acts as the main customer interface for Council and provides excellence in customer service to the Bayside community.	1,413 <u>1,280</u> <b>(133)</b>
<b>Human Resources</b>	The service provides human resource services for the organisation, including industrial relations, payroll services, and employee learning and development.	1,230 <u>1,485</u> <b>255</b>

### Service performance indicators

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

Results				Comments
2015	2016	2017	2018	
<b>Governance</b>				
<b>Transparency (G1)</b> 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%	2.59%	Bayside City Council is committed to open and transparent decision-making processes. During 2017/2018, 11 items were considered in a closed meeting of Council. These related to personnel and contractual matters.
<b>Consultation and engagement (G2)</b> 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	68.00	The Annual Community Satisfaction Survey, conducted by Metropolis, indicates an increased level of community satisfaction with community consultation and engagement compared to 2016/17. This may be partly attributable to an improved methodology with a higher level of confidence in the survey results. The number of survey respondents increased from 400 to 700 and was undertaken through proportional and randomised door-to-door interviews rather than over the phone. The results indicate a high level of satisfaction with Council compared to other councils represented in the Metropolis survey.



Results				Comments
2015	2016	2017	2018	
<b>Attendance (G3)</b> Councillor attendance at Council meetings [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%	90.87%	The Councillor attendance rating demonstrates the high level of commitment of elected members in representing their community.
<b>Service cost (G4)</b> 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	\$40,787.14	This year's cost of governance for 2017/18 shows a decrease from last year due to no additional inductions or training costs for this year's Councillors. The cost remains consistent with prior years.
<b>Satisfaction (G5)</b> 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	65.90	The Annual Community Satisfaction Survey, conducted by Metropolis, indicated an increase compared to 2017. The number of residents interviewed in the survey increased from 400 last year to 700 in 2018 with the interviews conducted in person rather than over the phone. The results indicate a high level of satisfaction with Council services compared to other councils represented in the Metropolis survey.

## Corporate governance and management

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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.



## Governance and management checklist

Year ended 30 June 2018

In accordance with the Local Government Performance Reporting Framework, Council undertook a Governance and Management Audit during 2017/2018 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 to review the currency of documents. The health check included the following documents:

Governance 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	Date of operation of current policy: 19 December 2017 ✓
2	<b>Community Engagement Guidelines</b> Guidelines to assist staff to determine when and how to engage with the community	Date of operation of current policy: 19 December 2017 ✓
3	<b>Strategic Resource Plan</b> Plan under section 126 of the Local Government Act outlining the financial and non-financial resources required for at least the next four financial years	The 2018-2022 Strategic Resource Plan was adopted on 19 June 2018 ✓
4	<b>Annual budget</b> Plan under section 130 of the Local Government Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required	Adopted in accordance with section 130 of the Act Date of adoption: 19 June 2018 ✓
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	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	<b>Rating Strategy</b> Strategy setting out the rating structure of Council to levy rates and charges	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	Date of operation of current policy: 19 June 2018 ✓
8	<b>Fraud Policy</b> Policy outlining Council's commitment and approach to minimising the risk of fraud	Date of operation of current policy: 22 May 2018 ✓
9	<b>Municipal Emergency Management Plan</b> Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 27 November 2017 ✓
10	<b>Procurement Policy</b> Policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 19 June 2018 ✓

Governance and management items		Assessment
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	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	Date of operation of current plan: 18 July 2016 ✓
13	<b>Risk Management Framework</b> Framework outlining Council's approach to managing risks to Council's operations	Date of operation of current framework: 23 November 2017 ✓
14	<b>Audit and Risk Management Committee</b> Advisory committee of Council under section 139 of the <i>Local Government Act 1989</i> whose role is to oversee the integrity of Council's financial reporting, the processes to manage risks to 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	<b>Internal audit</b> Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls	Date of Report: 24 June 2014 Appointed for a four-year term ✓
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 <i>Local Government Act 1989</i>	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	Date of report: 28 February 2017 ✓
18	<b>Financial reporting</b> Quarterly statements to Council under section 138 of the <i>Local Government Act 1989</i> 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: 19 September 2017 21 November 2017 20 February 2018 22 May 2018 ✓
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	Date of reports: 19 December 2017 19 June 2018 ✓
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 <i>Local Government Act 1989</i>	Date of reports: 19 September 2017 21 November 2017 20 February 2018 22 May 2018 ✓

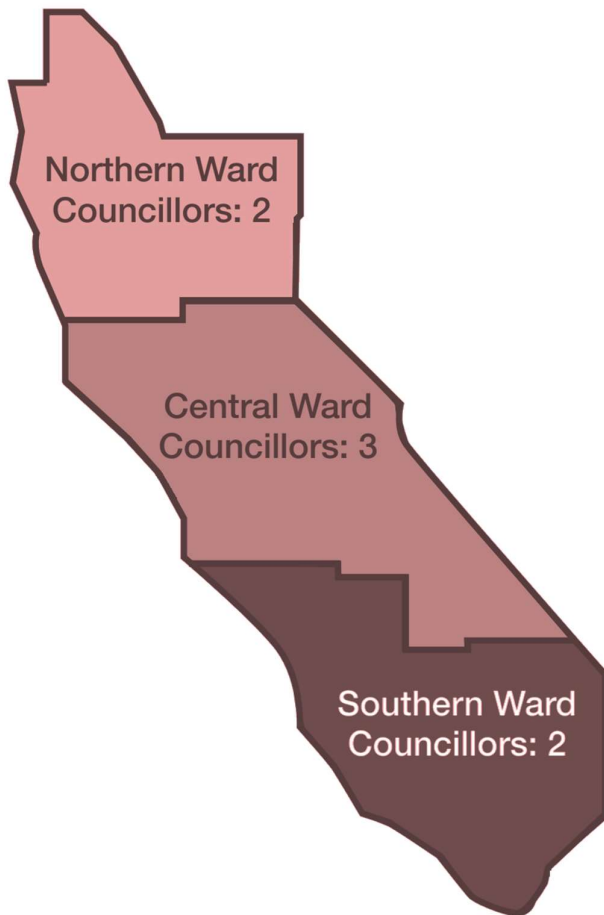


Governance and management items		Assessment
21	<b>Annual Report</b> Annual report under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> to the community containing a report of operations and audited financial and performance statements	Considered at a meeting of Council in accordance with section 134 of the Act Draft Annual Report and Financial Statements Date statements presented: 19 September 2018 ✓
22	<b>Councillor Code of Conduct</b> Code under section 76C of the <i>Local Government Act 1989</i> setting out the conduct principles and the dispute resolution processes to be followed by Councillors	Reviewed in accordance with 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) <i>Local Government Act 1989</i> Date of review: 19 December 2017 ✓
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 <i>Local Government Act 1989</i> Date local law made: 28 November 2013 ✓

## 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.

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



### Northern Ward

The Northern Ward is bounded by Head Street, St Kilda Street and Glen Huntly Road in the north, the Nepean Highway, North Road and Thomas Street in the east, Marriage Road, Hampton Street and Dendy Street in the south, and the Port Phillip Bay foreshore in the west.

Alex del Porto

Michael Heffernan

### Central Ward

The Central Ward is bounded by Dendy Street, Hampton Street and Marriage Road in the north, the Nepean Highway and the Frankston railway line in the east, Park Road, Reserve Road, Tulip Street, George Street, Bay Road, Bluff Road and Abbott Street in the south, and Port Phillip Bay foreshore in the west.

James Long  
BM JP

Robert Grinter

Sonia Castelli

### Southern Ward

The Southern Ward is bounded by Abbott Street, Bluff Road, Bay Road, George Street, Tulip Street, Reserve Road and Park Road in the north, the Frankston railway line and Charman Road in the east, and the Port Phillip Bay foreshore in the south and west.

Clarke Martin

Laurence  
Evans

At the Annual Meeting of Council, held on 10th November 2017, Cr Laurence Evans was elected Mayor and Cr Robert Grinter was elected Deputy Mayor.

## 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 2017 to 30 November 2017, the councillors' annual allowance for a Category Two council was \$24,730 per annum and the allowance for the Mayor was \$76,521 per annum.

The Minister for Local Government approved a 2.5 per cent adjustment from 1 December 2017, increasing the councillors' allowance to \$25,225 per annum, and \$78,051 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. This policy 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.

	Cr del Porto	Cr Heffernan	Cr Long	Cr Grinter	Cr Castelli	Cr Evans	Cr Martin
Allowances	\$17,734	\$23,525	\$25,027	\$25,027	\$25,027	\$60,480	\$23,166
Mobile phone	\$348	\$348	\$348	\$348	\$348	\$348	\$348
Internet connection	\$456	\$456	\$456	\$456	\$456	\$456	\$456
Car mileage	0	0	0	0	0	0	0
Child care	0	0	0	0	0	0	0
Out-of-pocket expenses	\$70	0	0	0	0	\$88	0
Conferences	0	0	\$1,829	0	\$1,829	0	0
Travel	0	0	\$231	0	\$574	0	0



## Council and committee 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 live-streamed on the Bayside City Council's website and uploaded to the online archives.

Throughout 2017/2018, 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
	2017	
July 2017	206	326
August 2017	144	260
September 2017	265	510
October 2017	168	439
November 2017	246	823
December 2017	248	760
	2018	
January 2018	39	287
February 2018	212	427
March 2018	236	713
April 2018	226	390
May 2018	706	495
June 2018	495	553

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 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 meetings schedule 2017/2018

Month	Council meeting	Planning committee	Special Council Meetings	Section 223 Special Committee Meetings
<b>2017</b>				
July 2017	Tuesday 25	Thursday 6 Tuesday 18		
August 2017	Tuesday 22	Tuesday 15		
September 2017	Tuesday 19	Tuesday 12 Thursday 28	Wednesday 13	
October 2017	Tuesday 24	Tuesday 17	Tuesday 17	
November 2017	Tuesday 21	Tuesday 2 Tuesday 14 Thursday 30	Thursday 9	Wednesday 15
December 2017	Tuesday 19	Monday 11 Tuesday 21		
<b>2018</b>				
January 2018		Tuesday 23	Tuesday 23	
February 2018	Tuesday 20	Tuesday 13 Tuesday 27		Wednesday 7
March 2018	Tuesday 20	Tuesday 13 Tuesday 27	Wednesday 28	
April 2018	Tuesday 24	Tuesday 17		Tuesday 11 (two meetings)
May 2018	Tuesday 22	Tuesday 1 Thursday 15		
June 2018	Tuesday 19	Tuesday 12 Tuesday 26		Thursday 7 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 2017/2018, five Special Meetings of Council were held.

Date	Purpose
13 September 2017	131–133 Esplanade Brighton – Dendy Street Beach pavilion
17 October 2017	Annual Report 2016/2017
9 November 2017	Annual Meeting of Council
23 January 2018	Proposed property purchase – Sandringham Masonic Hall
28 March 2018	Future of Elsternwick Park Golf Course

## 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

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.

Council also established the Gallery@BACC Board, later known as the Bayside Arts 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

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:

Date	Purpose	Number of submissions	
		Received	Heard
15 November 2017	Proposed Sale of Council Land – 31 Abbott Street, Sandringham	3	3
7 February 2018	Intention to lease Elsternwick Park pavilion and associated facilities	2	2
	Intention to lease Council land to Beaumaris Lawn Tennis Club	19	9
11 April 2018	Intention to Lease Land – Elsternwick Park No.1 Oval – Old Melbournians Football Club	2	1
7 June 2018	Proposed Council Plan and Proposed Strategic Resource Plan	2	1
7 June 2018	Proposed Budget 2018/2019	7	5

## 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 2017/2018.

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 2017/2018, 26 Assemblies of Councillors were held.

## Councillor information sessions

Outside the regular Council and Committee meetings, Councillor Briefings and Strategic Issues Discussions are held to provide advice to 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 conflict of interest declared by Councillors are kept on record and made available on Council's website.

In 2017/2018, 11 Councillor Briefings were held with 99 items discussed, while 10 Strategic Issues Discussions were held and considered 28 matters for discussion.

	2017/2018 No. of items / No. of meetings	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	99/11	91/9	134/11	138/14	99/11
Strategic Issues Discussion	28/10	8/4	25/7	17/6	28/10
Other assemblies	18/10	22/12	50/21	17/17	18/10

## Councillor attendance

The Councillor attendance at Council and Committee meetings for the period 1 July 2017 to 30 June 2018 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	11	4	21	6	1	43
Cr Alex del Porto	7/11	4/4	15/21	4/6	1	31/43
Cr Sonia Castelli	11/11	4/4	20/21	6/6	1	42/43
Cr Laurence Evans	11/11	4/4	20/21	5/6	1	41/43
Cr Robert Grinter	10/11	4/4	21/21	6/6	1	42/43
Cr Michael Heffernan	11/11	4/4	20/21	6/6	1	42/43
Cr James Long BM JP	11/11	4/4	21/21	6/6	1	43/43
Cr Clarke Martin	10/11	4/4	19/21	6/6	1	40/43

## Councillor representation for 2017/2018

### 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 Bayside Arts Board are known as Special Committees of Council. As the Audit and Risk Management Committee was established under section 139 of the Act, it operates as an advisory committee.

Special Committees	Councillor representation	
	1 July 2017 to 9 November 2017	10 November 2017 to 30 June 2018
Planning and Amenity Committee	All Councillors	All Councillors
Audit and Risk Management Committee	Cr Castelli and Cr Grinter	Cr Castelli and Cr Grinter
Chief Executive Officer's Employment Matters Committee	Cr Grinter, Cr Martin, Cr Heffernan and Cr del Porto External Chairperson Ms Paula Giles	Cr Grinter, Cr Martin, Cr Heffernan and Cr del Porto External Chairperson Ms Paula Giles
The Bayside Arts Board	Cr Castelli and Cr del Porto	Cr Castelli and Cr 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.

Advisory committees and networks, forums	Councillor representation	
	1 July 2017 to 9 November 2017	10 November 2017 to 30 June 2018
Bayside Arts and Culture Advisory Committee	Cr Castelli	Abolished
Bayside Tourism Network	Cr Grinter and Cr Heffernan	Cr Grinter and Cr Heffernan
Built Environment Awards Judging Panel	Cr Long and Cr Evans	Cr Long and Cr Evans

### 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.

External organisations	Councillor representation	
	1 July 2017 to 30 June 2017	
Association of Bayside Municipalities	Cr Evans	
Inner South Metropolitan Mayors' Forum	The Mayor of the Day	
Metropolitan Transport Forum	Cr Martin	
Metropolitan Local Government Waste Forum Group	Cr Heffernan	
Municipal Association of Victoria (MAV)	Cr del Porto and Cr Grinter (substitute)	
MAV Environment Committee	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 2017 to 30 June 2018, the number of business items considered by the various Council and committee meetings was as follows:

	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Planning and Amenity Committee	197	134	134	113	99
Ordinary Meeting of Council	271	256	308	222	214
Special Council Meeting	4	5	4	3	11
Special Committee Meeting	6	2	2	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.

Year	Number of confidential matters considered by Council
2017/18	10
2016/17	3
2015/16	22
2014/15	15
2013/14	30
2012/13	43
2011/12	48

During 2017/2018, only ten 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	4	Nil
(b) Personal hardship of any resident or ratepayer	Nil	Nil
(c) Industrial matters	Nil	Nil
(d) Contractual matters	2	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	4	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 the number of items considered for 2017/2018 and a five year trend:

	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Notices of motion	8	15	11	4	10
Petitions	14	13	10	18	20
Urgent business items	1	10	8	7	8
Councillor reports	22	34	39	39	28
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 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](http://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 57 public questions were put to Council in 2017/2018.

## Request 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 636 speakers.

Number of speakers heard	
Planning and Amenity Committee	315
Special Committee of Council	21
Ordinary Meeting of Council	300

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

	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Total number of meetings per annum	43	33	31	33	38
Number of items considered at meetings	478	397	448	343	329
Number of items considered in confidential	10	3	22	15	30
Number of notice of motions submitted	6	15	11	4	10
Number of petitions	14	13	10	18	20
Number of public questions answered	55	97	89	60	87
Number of urgent business items	1	10	8	7	8
Number of Councillor reports Presented	22	34	39	39	28
Number of requests to be heard at meetings	636	495	475	293	335
Number of section 223 submissions	35	27	7	20	22
Number of section 223 speakers	21	12	4	12	9



## 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 2017/2018, there were 12 conflicts of interest declared by Councillors.

	Cr del Porto	Cr long	Cr Evans	Cr Heffernan	Cr Grinter	Cr Castelli	Cr Martin
Direct interest (section 77B)	1	Nil	Nil	1	Nil	Nil	Nil
Indirect interest by close association (section 78)	Nil	Nil	1	Nil	1	Nil	Nil
Indirect financial interest (section 78A)	Nil	Nil	1	1	Nil	Nil	Nil
Indirect interest because of conflicting duties (section 78B)	Nil	Nil	2	2	Nil	Nil	1
Indirect interest due to receipt of a gift, being of \$500 value or more (section 78C)	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
Conflicting personal interest (section 79B)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest – residential amenity (section 78E)	1	Nil	Nil	Nil	Nil	Nil	Nil
Personal interest	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 \$145,000. Their remuneration is available for public inspection and their performance plans are reviewed each year by the Chief Executive Officer. As of 30 June 2018 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 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's 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 2017/2018 financial year.

Local law	Subject	Date of adoption / last amendment
1	Governance Local Law <i>The purpose of this local law is to:</i> <ul style="list-style-type: none"><li>• <i>provide for the election of Mayor</i></li><li>• <i>regulate the use of the common seal</i></li><li>• <i>provide for the procedures governing the conduct of Council meetings and other meetings</i></li><li>• <i>set the rules of behaviour for those participating in or present at various meetings of Council.</i></li></ul>	28 November 2013
2	Consolidated Neighbourhood Amenity Local Law No. 2 <i>The purpose of this local law is to:</i> <ul style="list-style-type: none"><li>(1) <i>secure community safety</i></li><li>(2) <i>protect public assets</i></li><li>(3) <i>enhance neighbourhood amenity</i></li><li>(4) <i>embrace best practice local law making principles of accessibility, accountability, compliance, consistency, currency, efficiency, enforceability, necessity and transparency</i></li><li>(5) <i>be consistent with Council's overall objectives and policies, in particular:</i><ul style="list-style-type: none"><li>(a) <i>to maintain neighbourhood character</i></li><li>(b) <i>to preserve our built and natural heritage</i></li><li>(c) <i>to provide equitable access to services and facilities</i></li><li>(d) <i>to provide equity in access to our open space and foreshore</i></li><li>(e) <i>to maintain suitable infrastructure</i></li><li>(f) <i>to provide a sense of community in our villages and activity centres.</i></li></ul></li></ul>	24 September 2014

## Legislation that impacts on Council

### Organisational memberships

Bayside City Council maintained membership of a number of organisations during 2017/2018.

Membership	Annual Fee
Association of Bayside Municipalities	\$ 8,861
Australian Library and Information Association	\$ 1,085
FinPro Local Government Finance Professionals	\$ 660
LGPro Local Government Professionals	\$ 3,639
LoGIS Local Government Professionals Australia	\$ 2,299
Municipal Association of Victoria (MAV)	\$ 74,110
South East Councils Climate Change Alliance (SECCCA)	\$ 16,300
Leading Aged Services Australia (LASA)	\$ 3,096
Institute of Public Administration Australia (IPAA)	\$ 2,564
Vicsport	\$ 364
Victorian Chamber of Commerce and Industry (VECCI)	\$ 3,090
Volunteering Victoria	\$ 300
Youth Affairs Council of Victoria	\$ 227
Arboriculture Australia	\$ 935
Public Galleries Association of Victoria	\$ 773
Play Australia (IPA Australia)	\$ 473
Australian Seniors Computer Clubs Assoc	\$ 50
Early Learning Association Australia Inc	\$ 801

### Information available for public inspection

In accordance with section 222 of the *Local Government Act 1989* ("the Act") and section 12 of the Local Government (General) Regulations 2015, 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:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillors or member of Council staff in the previous 12 month;
- agendas for and minutes of Ordinary and Special Meetings held in the previous 12 months kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- minutes of meetings of Special committees established under section 86 of the *Local Government Act 1989* and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act
- register of delegations kept under section 87(1) and 98(4) of the *Local Government Act 1989* including the date on which the last review took place under sections 86(6) and 98(6) respectively, of the Act
- a document containing details of all easements involving land which were entered into by Council as lessor, including the lease and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by Council in the previous 12 months, including the names of persons who, or bodies which have received a donation or grant and the amount of each donation or grant.

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* ("the Act") 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](http://www.bayside.vic.gov.au/freedom-of-information)

The Act allows the Freedom of Information Commissioner to review a decision made by Council in relation to access of 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-of-information](http://www.bayside.vic.gov.au/freedom-of-information)

The following table outlines the number of requests in 2017/2018 and over the past six years.

Requests	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Total number of new applications received for the period	49	45	31	49	36
Number requests where access was granted in full	16	2	22	25	27
Number of requests where access was granted in part	17	31	2	4	1
Number of requests where access was denied in full	2	0	0	0	0
Number of requests where information was unable to be provided	0	1	3	11	3
Number of requests not yet finalised	3	0	2	5	2
Number of requests not proceeded with	5	5	2	4	1
Number of requests withdrawn	2	2	0	0	0
Number of requests outside the Act	4	4	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](http://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.

## 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 2017/2018, there were no breaches of customer privacy.

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

## Audit and Risk Management Committee

As part of Council's duty to fulfil its 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*.

More recently, Council at its meeting in April 2018 resolved to rename the Audit Committee to Audit and Risk Management Committee, to better reflect the purpose and charter of the committee, and further in preparation for the proposed changes to the Local Government Act.

The Audit and Risk Management Committee operates in accordance with the best practice guidelines for Audit and Risk Management Committees prepared by Local Government Victoria.

Bayside City Council has adopted an Audit and Risk Management 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 and Risk Management Committee

The primary role for the Audit and Risk Management Committee is to assist Council to fulfil its corporate governance responsibilities through the effective conduct of our responsibilities for accounting and financial reporting practices, management of risk, maintaining a reliable system of internal controls, operation of good governance and facilitating sound organisational ethics.

The Audit and Risk Management Committee also provides an effective means of communication between the external auditor, internal audit, management and Council.

### Membership

The Audit and Risk Management Committee consists of six members, up to four independent members and two Councillors. The Councillors are appointed annually at the Annual Meeting of Council for a two-year period, and may be appointed by Council for a further two-year term.

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 annually by Council at its Annual Meeting of Council from the independent membership of the Committee, following a recommendation by the committee.

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 statements and Performance Statement. An opportunity is provided for the Audit and Risk Management 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 only to raise any concerns.



### Independent members

During the 2017/2018 financial year, the Audit and Risk Management Committee membership consisted of:



Dr AJ (John) Purcell FCPA  
1 July 2017 to 30 September 2017  
(Retired following the completion of two terms)



Mr Brian Keane (Chairperson)  
1 July 2017 to 30 June 2018



Ms Lisa Woolmer  
1 July 2017 to 30 June 2018



Mr Mick Ulbrick  
1 July 2017 to 30 June 2018

### Councillor members



Cr Robert Grinter  
1 July 2017 to 30 June 2018



Cr Sonia Castelli  
1 July 2017 to 30 June 2018

### Schedule of meetings

During the 2017/2018 year the Audit and Risk Management Committee met on five occasions to consider business on the agenda.

Date	Meeting
9 August 2017	General Meeting
6 September 2017	Financial statements and Performance Statement
22 November 2017	General Meeting
14 February 2018	General Meeting
9 May 2018	General Meeting

### Attendance of Audit and Risk Management Committee members at meetings

Minutes of the Audit and Risk Management Committee are presented to Council at the next Ordinary Meeting of Council following the Audit and Risk Management Committee 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 2017 - 30 September 2017	1 of 2 meetings
Mr Brian Keane	Independent Member – Chairperson	1 July 2017– 30 June 2018	5 of 5 meetings
Ms Lisa Woolmer	Independent Member	1 July 2017 – 30 June 2018	5 of 5 meetings
Mr Mick Ulbrick	Independent Member	1 July 2017 – 30 June 2018	5 of 5 meetings
Cr Rob Grinter	Councillor Member	1 July 2017 – 30 June 2018	5 of 5 meetings
Cr Sonia Castelli	Councillor Member	1 July 2017 – 30 June 2018	5 of 5 meetings

## Remuneration for external members

External members receive a meeting fee in accordance with the *Local Government Act 1989*. From July 2017 to November 2017 the meeting fee was set at \$1,515 per meeting and the Chairperson fee was set at \$1,923 per meeting. At the Annual Meeting of Council held on 9 November 2017, Council resolved to increase the meeting fee by CPI to \$1,545 per meeting fee and the Chairperson fee be increased to \$1,961 per meeting.

These fees reflect the time, commitment and responsibility involved in serving as an independent member of the Audit and Risk Management Committee. The Audit and Risk Management Committee considered a report on remuneration benchmarking from across the local government sector. Bayside's committee was found to be in the upper bracket of remuneration for independent members.

It is noted that Councillor-appointed members do not receive remuneration for attending Audit and Risk Management Committee meetings. A summary of the remuneration fees to external members is shown below.

Total remuneration meeting fees for 2017/2018				
	Member meeting fee		Chairperson meeting fee	
	July 2017 to November 2017 \$1,515 p/meeting	November 2017 to June 2018 \$1,545 p/meeting	July 2017 to November 2017 \$1,923 p/meeting	November 2017 to June 2018 \$1,961 per meeting
External members				
Mr Brian Keane			\$3,846	\$5,883 # \$3,922
Dr AJ (John) Purcell	\$1,515			\$1,515
Ms Lisa Woolmer	\$3,030	\$4,635		\$7,665
Mr Mick Ulbrick	\$3,030	\$4,635		\$7,665
Council members				
Cr Rob Grinter	Councillor-appointed members to the Audit and Risk Management Committee do not receive a meeting fee.			
Cr Sonia Castelli				

### Note

# The Chairperson attended two additional meetings associated with the internal auditor to tender submissions with regard to tender analysis and interviews.

Council at its meeting in May 2018 reappointed independent members Michael Ulbrick for a term of two years and reappointed Lisa Woolmer for a term of three years, this allows for rotation of independent members which is good practice.

A summary of the expiry date of the independent members terms are shown below:

- Mr Brian Keane – appointment concludes on 30 September 2019
- Mr Michael Ulbrick – appointment concludes on 30 September 2020
- Ms Lisa Woolmer – appointment concludes on 30 September 2021.

During the 2017/2018 financial year, Council's internal auditors, Crowe Horwath, attended each Audit and Risk Management Committee meeting over the period to present various internal audit reports.

Council's external auditor, the Victorian Auditor-General's Office attended the 6 September 2017 meeting to present the financial, standard and Performance Statement for the year ended 30 June 2017, and the 14 February meeting to present the Audit Strategy for the year ending 30 June 2018, and also attended the May meeting to present the Interim Financial Audit for 2017/2018.

### Key activities of the Audit and Risk Management Committee for 2017/2018

#### External audit:

- consideration of the 2016/2017 annual statements consisting of: Interim Management Letter; 2016/2017 Financial Audit; financial statements; Performance Statement; Standard Statements; and Auditor's Closing Report
- VAGO audit of information technology (IT) controls
- VAGO audit of effectiveness of the internal control environment – accounts payable
- reviewed the 2017/2018 External Audit Strategy
- reviewed the 2017/2018 Interim Management Letter from VAGO
- considered the 2017/2018 Annual Accounts Timetable
- summary of outstanding actions from the VAGO (IT) Controls Audit
- in-camera meeting between the Audit and Risk Management Committee members only and the external auditor.

#### Internal audit:

- considered the final Internal Audit Report relating to Road Management Plan
- considered the final Internal Audit Report relating to Contract Performance Management
- considered the final Internal Audit Report relating to Immunisation Management Review
- considered the final Internal Audit Report relating to Management Reporting Review
- quarterly internal status reports including the consideration of notable reports and publications of interest to the Audit and Risk Management Committee and Council.

### Financial reporting:

Considered four management financial reports throughout the year as follows:

- 12 months financial results as at 30 June 2017
- 3 months to 30 September 2017
- 6 months to 31 December 2017
- 8 months to 28 February 2018,

### Ethical and statutory compliance:

- considered a report on the Local Government Bill Exposure Draft
- considered a status report on statutory compliance for 2017/2018.

### 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 Independent Broad-based Anti-Corruption Commission (IBAC) and considered an organisational self-assessment against the audit findings in relation to:
  - VAGO Parliamentary Report – Public Participation and Community Engagement – Local government Sector
  - VAGO Parliamentary Report – Effectiveness of the Victorian Public Sector Commission
  - VAGO Parliamentary Report – Board Performance
  - VAGO Parliamentary Report – Internal Audit Performance
  - VAGO Parliamentary Report – Effectively Planning for Population Growth
  - VAGO Parliamentary Report – ICT Disaster Recovery Planning
  - VAGO Parliamentary Report – Results of 2016/2017 Audits – Local Government Sector
  - VAGO Parliamentary Report – Local Government and Economic Development
  - VAGO Parliamentary Report – Fraud and Corruption Controls
  - VAGO Parliamentary Report – Protecting Victoria's Coastal Assets
  - Ombudsman Victoria – Investigation into Wodonga City Council's Overcharging of a Waste Management Levy
  - IBAC Report – Exposing and Preventing Corruption in Victoria
- considered a progress report in the review of Internal Control Program
- considered a review of our Loan Guarantee Policy
- considered a review of our Fraud and Corruption Prevention Policy

### Risk management:

- received briefings from Council on major potential litigation issues
- received quarterly updates on risk management and Our processes on risk management
- reviewed the organisation's 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 the Risk Management Framework and procurement
- received insurance updates
- reviewed the 2017/2018 Risk Register update.

### Other responsibilities:

- reviewed and approved the 2017/2018 Work Plan for the Audit and Risk Management Committee
- reviewed and adopted the 2016/2017 Annual Report of the Audit and Risk Management Committee
- reviewed Council's Long-Term Financial Strategy, Draft Budget, Revised Council Plan and Strategic Resource Plan
- reviewed the Audit and Risk Management Committee Charter on two occasions
- reviewed and considered the performance of the internal auditor
- considered a report on invoices under \$500
- presented independent member Dr AJ Purcell with a letter under the seal of Council acknowledging his retirement from the Audit and Risk Management Committee
- considered a report on the performance results of the Audit and Risk Management Committee's self-assessment
- considered a report on the proposed internal audit tender specification
- considered a report on the organisation's Local Government Performance Reporting Framework measures including trend data across three years.

	Number of matters considered by the Audit and Risk Management Committee
2010/11	60
2011/12	76
2012/13	89
2013/14	63
2014/15	56
2015/16	58
2016/17	60
2017/18	64

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

### Internal audit

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 Council'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 and Risk Management 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. The internal auditor is not involved in the day-to-day internal transaction checking but provides an independent and objective assurance that the appropriate processes are in place.

The Audit and Risk Management Committee formally reviews the performance of the internal auditor each year through confidential conversations between management and the Audit and Risk Management 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 and Risk Management Committee and Council a level of assurance on the systems, processes and procedures employed by Council in the governance and control of its 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 them is 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 and Risk Management Committee and approved by Council.

## Achievements

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

- Road Management Plan<sup>1</sup>
- Contract Performance Management
- Immunisation Management
- Management Reporting
- Asset Management<sup>2</sup>
- Human Resource Management<sup>3</sup>
- Business Continuity Plan Review<sup>4</sup>.

Resulting from 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:

Internal audit	No. of findings	Level of control rating		
		High	Moderate	Low
Contract Performance Management	11	4	7	0
Immunisation Management	8	0	5	3
Management Reporting	7	0	3	4
Asset Management				
Human Resource Management				
Business Continuity Plan Review	No Internal Audit Review undertaken. Deferred to 2018/19			

The monitoring and reporting of audit recommendations 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 and Risk Management Committee as part of the Business Bought Forward Report. The quarterly update to the Audit and Risk Management Committee has raised the profile of internal audit issues and promoted timely implementation of recommendations.

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<sup>1</sup> The internal auditor completed the Internal Audit Reviews for 2017/2018; however, due to timing, the 2016/2017 Road Management Plan Audit was presented to the August Meeting.

<sup>2</sup> The asset management fieldwork has been undertaken and completed during 2017/2018; however, the Audit Review Report was not presented to the committee during the reporting year.

<sup>3</sup> The Human Resources Audit Review fieldwork was completed during 2017/2018; however, the audit review was not presented to the committee during the reporting year.

<sup>4</sup> The committee resolved to defer the Business Continuity Plan audit review until 2018/2019 as a result of the VAGO Information Technology Controls Audit.



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 and Risk Management Committee to provide an assessment of the internal auditor and consider audit improvement opportunities.

The internal auditor Crowe Horwath's contract for the provision of internal audit services expired on 30 June 2018. Council undertook a public tender process for the provision of internal audit services for a three-year contract commencing 1 July 2018. Crowe Horwath was the successful tenderer for the delivery of this service. The number of internal audits undertaken over the past eight years has been represented in the table below:

Number of internal audits undertaken	
2017/18	5
2016/17	5
2015/16	6
2014/15	6
2013/14	6
2012/13	6
2011/12	6

## Summary of previous internal audits

<b>2010</b>	
Ticket Machine Revenue Collection	August
Councillor and Employee Expenses	November
Long-term Capital Works	December
<b>2011</b>	
Business Continuity Plan	April
Procurement and Contract Management	March
Payroll Controls	August
Risk Management Framework	October
Procurement Framework Update	December
<b>2012</b>	
Follow-up Prior Internal Audit Recommendations	March
Event Management	April
Service-driven Asset Management	April
Organisation Development/Human Resources	September
IT Disaster Recovery	August
Lease Revenue Management	October
<b>2013</b>	
Accounts Payable and Accounts Payable Master File	March
Procurement and Contract Management	March
Asset Management and Maintenance	May
Follow-up Prior Internal Audit Recommendations	August
Rates Database Data Integrity	September
Fraud Framework	September
<b>2014</b>	
IT Controls	February
Contract Management	March
Website Application Penetration Test	April
Risk Identification and Assessment Procedures	October
Building Asset Management and General Maintenance Review	August
Occupational Health and Safety	December
<b>2015</b>	
Maternal and Child Health	February
Payroll	May
Customer Service	June
Statutory Building	July
Food Act Management	August
Sundry Debtors	November
<b>2016</b>	
Grants (Incoming and Outgoing)	April
Information Privacy	May
Essential Safety Measures	June
Road Management Plan	July
Parking Enforcement	August
Accounts Payable and Procurement	November
<b>2017</b>	
Contract Management	April
Tendering Processes	May
Contract Performance Management	August
Immunisation Management	October
Management Reporting	December
<b>2018</b>	
Asset Management	February 2018
Human Resource Management	April 2018
Business Continuity Plan	Deferred to 2018/2019

## External audits

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

VAGO is responsible for providing an opinion as to whether 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.

In addition, VAGO is also responsible for providing an opinion on the Performance Statement based on the Local Government Performance Reporting Regulations, which consist of a series of service, financial and non-financial indicators.

It should be noted that once again, Bayside City Council received an unmodified 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 Framework Performance Indicators.

During the 2017/2018 year, the Audit and Risk Management Committee considered the 2017 annual financial statements, closing report, arrangement letter and 2018 Audit Strategy by the external auditor. The external auditor met with the Audit and Risk Management Committee on 6 September 2017 to discuss the financial statements in detail in accordance with the Audit and Risk Management Committee Charter.

At the February 2018 meeting, VAGO representatives met with the Audit and Risk Management Committee to discuss the 2018 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 and Risk Management Committee meetings; however, they can choose to attend the meeting or not.

## 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-monitory sanctions for non-compliance with laws and regulations.

During 2017/2018 the Audit and Risk Management Committee reviewed the Fraud Prevention Policy and reviewed the Fraud Control Plan and controls developed by Council. Fraud awareness training has been completed by all staff as part of Council's staff induction training along with 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 2017/2018 year, the Chief Executive Officer reported to the committee of one incident of fraud which had occurred and the staff disciplinary action arising from breach of the Fraud Prevention Policy. This breach was also mandatorily reported to IBAC in May 2018.

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

## Other matters

There was no conflict of interest by Audit and Risk Management Committee members declared during the 2017/2018 year.

## Looking forward 2018/2019

Given the recent awarding of the internal audit services contact for 2018 to 2021 occurred at the May Ordinary Meeting of Council, the three-year Audit Plan has not yet been developed.

## Acknowledgements

### **Audit Committee members**

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

I would also like to acknowledge the significant contribution of retiring independent member Dr AJ Purcell made to the Audit and Risk Management Committee following the completion of two terms as a member to the Audit and Risk Management Committee.

### **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 the former Chief Executive Officer, Mr Adrian Robb.

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

Mr Brian Keane

Chairperson – Audit Committee

This Annual Report of the Audit and Risk Management Committee for the year ending 30 June 2018 was presented to the Audit and Risk Management Committee for endorsement at its meeting held on 22 August 2018.

## Bayside Arts Board Annual Report

The Bayside Arts Board is a committee under section 86 of the *Local Government Act 1989*.

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 was known as the Gallery@BACC Board and had formal delegation responsibilities from Council. The Gallery@BACC Board was governed by a Charter and Instrument of Delegation which was adopted by Council on 23 August 2016.

At the General Meeting held on 28 February 2018, the Gallery@BACC Board reviewed its Charter and Instrument of Delegation in order to acknowledge the additional roles and responsibilities associated with arts and culture that the Gallery@BACC Board were undertaking. The Gallery@BACC Board made a number of recommendations to Council including changing the name of the Board to the Bayside Arts Board and increasing the number of ordinary members to 10 members. The change to the name of the Board as well as changes to the Charter and Instrument of Delegation were all adopted by Council at the Ordinary Meeting held on 20 March 2018.

The purpose of the Bayside Arts Board is to support Council in the development and presentation of an innovative and creative arts program for the City of Bayside.

The Board will achieve this through:

- providing strategic direction and advice on arts programming including delivery of the Gallery Strategic Plan 2017–2021
- supporting the development of public art across the municipality
- overseeing the care and management of the Bayside Art and Heritage Collection
- increasing financial support for the arts
- governing effectively in accordance with the charter and adhering to the principles of good governance as outlined in the Board's Code of Conduct.

## Membership

The Bayside Arts Board consists of 11 members: nine independent members and two Councillors. The Councillors and independent members are appointed for a three-year term.

The Chairperson of the Bayside Arts Board is appointed for 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 2017/2018 financial year, the Bayside Arts Board membership consisted of:

### **Independent members 2017/2018**

Ms Angelina Beninati (Chairperson)  
Ms Tiziana Borghese (Deputy Chairperson)  
Mr Roger Boyce  
Mr Patrick Christian  
Ms Charlotte Christie  
Mr Brian Hewitt  
Ms Sarah Morris  
Ms Bo Rutecki  
Mr Arvind Vasan

### **Councillor members**

Cr Alex del Porto  
Cr Sonia Castelli

## Schedule of meetings

During the 2017/2018 year, the Bayside Arts Board met on four occasions to consider business on the agenda.

16 August 2017  
29 November 2017  
28 February 2018  
30 May 2017

General Meeting  
General Meeting  
General Meeting  
General Meeting

### Attendance of The Bayside Arts Board members at meeting

Name	Role	Period	Attendance
Ms Angelina Beninati	Independent member – Chairperson	1 July 2017 – 30 June 2018	4 of 4 meetings
Ms Tiziana Borghese	Independent member – Deputy Chairperson	1 July 2017 – 30 June 2018	3 of 4 meetings
Mr Roger Boyce	Independent member	1 July 2017 – 30 June 2018	4 of 4 meetings
Mr Patrick Christian	Independent member	1 July 2017 – 30 June 2018	3 of 4 meetings
Ms Charlotte Christie	Independent member	1 July 2017 – 30 June 2018	3 of 4 meetings
Mr Brian Hewitt	Independent member	22 May 2018 – 30 June 2018	1 of 1 meeting
Ms Sarah Morris	Independent member	22 May 2018 – 30 June 2018	1 of 1 meeting
Ms Bo Rutecki	Independent member	22 May 2018 – 30 June 2018	1 of 1 meetings
Mr Arvind Vasan	Independent member	20 February 2018 – 30 June 2018	1 of 2 meetings
Cr Alex del Porto	Councillor member	1 July 2017 – 30 June 2018	3 of 4 meetings
Cr Sonia Castelli	Councillor member	1 July 2017 – 30 June 2018	4 of 4 meetings

Minutes of the Bayside Arts Board are presented to Council at the next Ordinary Meeting of Council following the Board meeting for consideration and adoption.

### Remuneration for external members

The Bayside Arts Board is an honorary board and therefore Board members do not receive remuneration.

### Key activities of the Bayside Arts Board for 2017/2018

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

- revised the Art and Heritage Collection Policy which was adopted by Council 23 April 2018
- approval of the 2018–2019 exhibition and public programs
- Arts and Culture Survey completed in December 2017
- approval of 2018 Artists Studio Program.

### Acquisitions to the Bayside Art and Heritage Collection 2017/2018

Margaret Baskerville	<i>Farm fences</i> 1902, watercolour <i>Landscape</i> 1909, watercolour <i>The King River at Wangaratta</i> 1908–1909, watercolour <i>The farm shack</i> 1909, watercolour
Charles Douglas Richardson	<i>The farmhouse</i> 1904, watercolour
James Voller	<i>Little Boxes</i> 2018, photographs on digiglass panels
Victoria Reichelt	<i>Flood 3</i> 2014, oil on linen
Shannon Smiley	<i>Beside the tracks</i> 2015, oil on canvas
Robert Kelly	<i>Chinaman's Creek</i> 2016, oil and acrylic on canvas
Anne Ross	<i>Summertime</i> 2017, sculpture
Moya McKenna	<i>Boombox</i> 2018, oil on canvas



## Exhibitions at the Gallery at Bayside Arts and Cultural Centre 2017/2018

<i>Fictitious Realities</i>	1 July to 13 September 2017
<i>Balnhdhurr: A Lasting Impression</i>	22 September to 5 November 2017
<i>Clay at Firbank</i>	25 November to 17 December 2017
<i>Shannon Smiley: Out of Order</i>	11 November to 17 December 2017
<i>Brighton and Beaumaris Art Societies</i>	17 January to 4 March 2018
<i>Target: Bayside Art and Design Graduates</i>	17 January to 4 March 2018
<i>Celeste Chandler: be my eyes</i>	17 March to 6 May 2018
<i>Deborah Kelly: No human being is illegal – in all our glory</i>	10 March to 6 May 2018
<i>Bayside Acquisitive Art Prize (BAAP) 2018</i>	17 May to 8 July 2018

## Donations to the Bayside Art and Heritage Collection 2017/2018

Arthur Morton Hand	Typed history of Sandringham, 1941 documents
City of Sandringham	1917–1934, booklet
Special Meeting of Council notice paper	21 March 1973
Stewart Handasyde	<i>Hampton Beach</i> c:1885–1914, oil on canvas

## Conflict of interest

There was no conflict of interest by Gallery @ Bayside Arts and Cultural Centre and members declared during the 2017/2018 year.

## Acknowledgements

The second year of the Bayside Arts Board has brought with it some change and many highlights.

The completion of a major research project in December 2017, *Bayside Arts and Culture Survey*, was an important milestone for Bayside arts as the data collected from the community will be used to inform our future strategy for the arts in Bayside.

A highlight over the last 12 months was a 14 per cent increase in the number of entries to the 2018 Bayside Acquisitive Art Prize, which attracted 477 entries Australia-wide – the largest to date.

The commissioning and installation of two public art works during this period, *Summertime* by Anne Ross and *Little Boxes* by James Voller, were also major achievements. These artworks have quickly established themselves as part of the cultural fabric of Bayside.

## Bayside Arts Board members

Bayside Art Board Members would like to acknowledge all Board members who contributed their time and expertise in the 2017/2018 year.

## Organisation

Bayside Art Board Members also wishes to record the 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.

Bayside Art Board would also like to record the appreciation of the support provided to the Board by Ms Giacomina Pradolini, Arts and Culture Coordinator, Ms Joanna Bosse and Mr Michael Brennan, Curators, Gallery Team Leader, and Mr Terry Callant, Manager Governance – all who have made a significant contribution to assist the Board in discharging its duties in accordance with the charter.

*This Annual Report of the Bayside Arts Board for the year ending 30 June 2018 was presented to the Bayside Arts Board for endorsement at its meeting held on 15 August 2018*

## 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 a Risk Management Framework to provide policy and guidance in the management of risk across the organisation, including risk assessment criteria. Based on the ISO 31000: 2018 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 driving continuous improvement in its risk management culture by enhancing internal reporting mechanisms and integrating risk management considerations into all aspects of Council operations and decision-making processes.

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
- Executive Team monthly risk meeting to review trends, achievements and areas where greater controls may be required
- an internal audit program that focuses on key operational areas to determine weaknesses or opportunities for improvement
- risk audits undertaken by Council's public liability insurer, based on high-risk areas.

Public liability insurance protects Council against financial risk associated with public claims and Council continues to participate in a mutual arrangement which safeguards Council and the community, through appropriate insurance coverage and limits for the diverse operations and associated risks of a local government agency.

Bayside City Council attracts a relatively steady number of claims across its insurance portfolio. An external claims manager is employed to lead investigations and recommend settlement or otherwise for our Public Liability (PL) and Professional Indemnity Claims (PI) which continues to provide an independent and cost-effective solution in assessing Council's legal liability exposure when faced with allegations through claims.

## 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). The plan addresses the prevention of, response to and recovery from emergencies within the municipality.

In November 2017, Bayside's Municipal Emergency Management Planning Committee successfully passed the three-yearly audit of the MEMP which is conducted by the SES. In 2017/2018, there were incidents that required Council to activate the MEMP, when staff responded to a number of minor emergencies including storm damage to assets, fire damage to buildings and flooding damage to roads, and provided additional assistance to Emergency Services where requested. On 27 December 2017, Council worked with the Melbourne Fire Brigade and police when a significant fire broke out in Cheltenham Park. A relief centre was established at the Beaumaris Library, which was attended by several people.

Council is now reviewing and updating the MEMP which will be completed in 2018.

## 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)<sup>5</sup>
- Municipal Emergency Recovery Plan (MERP)<sup>6</sup>

## Environmental Performance

### Environmental Sustainability Framework

Adopted in May 2016, our Environmental Sustainability Framework (ESF) 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 2017/2018 period was the second year of implementation of the ESF. Key achievements included:

- the adoption of the Carbon Neutrality Action Plan, Biodiversity Action Plan and Integrated Transport Strategy which will guide and deliver ESF actions
- the installation of solar panels at seven Council-owned community buildings to provide an additional 69 kilowatts of solar power and potentially reduce Council's greenhouse gas emissions by 80 tonnes per year
- community recycling stations at Beaumaris Library and Bayside Corporate Centre accepted over 4,870 kilograms of recyclable material that is not suitable for kerbside collection
- the Don't Feed the Bin program to educate our community on food waste avoidance was delivered
- the Help Stop Food Waste research project, involving over 100 local households, was delivered to encourage sustainable household behaviours relating to food waste
- total greenhouse gas reductions have exceeded the 5 per cent annual reduction target
- office paper use is on track to meet the 60 per cent reduction target by 2020 due to system improvements.

A full report on the delivery of actions implemented through the Environmental Sustainability Framework in 2017/2018 can be found on the Bayside City Council's website [www.bayside.vic.gov.au](http://www.bayside.vic.gov.au)

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<sup>5</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>6</sup> There are no provisions of the Business Continuity Plan that conflict with the provisions of the Bayside City Council MEMP or MERP.

## Council grants

During 2017/2018, Bayside City Council provided \$627,309.35 in grants to fund various initiatives.

Grants program	No. of successful grants 2017/18	Grant funding provided
Annual community grants		
Annual Community Grants Program	45	\$133,945.00
Contingency grants		
New program or community initiative	8	\$26,774.00
Events and festivals	14	\$8,358.00
Donations to fundraising appeals	2	\$1,950.00
Individuals and families in financial hardship	15	\$8,019.04
Inclusive grants		
Inclusive Bayside Partnership Program	12	\$41,891.31
Major grants		
Major Grants Program	6	\$406,372

# Statutory information

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## Bayside City Council's Statement of Commitment

*'We will work towards 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

## 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 2017/2018 financial year, Council received no Ministerial Directions associated with the Act.

## Report against the *Food Act 1984*

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 2017/2018 financial year, Council received no Ministerial Directions associated with the Act.

## Wellbeing for All Ages and Abilities Strategy 2013–2017

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.

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>7</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.

The following are key highlights/achievements in 2017/2018 from the action plans:

- supported 12 community organisations to improve inclusion and access for people with disabilities through a new grants program
- facilitated social engagement events for residents living on a local public housing estate
- facilitated mental health education workshops to schools, parents and community groups including Youth Mental Health First Aid
- delivered graffiti education programs for young people in partnership with Victoria Police
- implemented the small talk supported playgroup and in-home support program to improve parent–child interactions
- participated in the Nappy Collective and collecting unused, clean disposable nappies to redistribute to organisations supporting families in crisis or need
- supported disability clients in receipt of Council Services to transition to the National Disability Insurance Scheme (NDIS)
- provided a series of education sessions that respond to the priorities identified by older people.

## Report against the Local Government (Best Value Principles) Act 1999 (Vic)

During the 2017/2018 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 service planning process.

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<sup>7</sup> The WAAA meets the requirements of the *Public Health and Wellbeing Act 2008* and *Disability Act 2006*.

## Report against the Protected Disclosure Act 2012

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 action.

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 [protecteddisclosure@bayside.vic.gov.au](mailto:protecteddisclosure@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 2017 to 30 June 2018.

Report requirements	Comment
Procedures established by Council	Procedures are available on Council's website <a href="http://www.bayside.vic.gov.au">www.bayside.vic.gov.au</a> 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

## 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.



## 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 2017–2021 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 2017–2021, and its key achievements include:

- introduced pop-up sessions in parks to support Council's education program
- ongoing reduction in dog return rates of 187 in 2017/2018 compared to 202 in 2016/2017
- Pet Expo held in November was attended by approximately 2,000 pet owners
- pet microchipping and registration event was held on a weekend in April 2018 and saw more than 100 new pets registered
- Council prosecuted 35 animal matters in the Magistrates' Court.

The Council's Domestic Animal Management Plan 2017–2021 was developed using a range of information including evaluating current Council programs/policies, customer service data, extensive community and stakeholder research and legislative requirements of Council, and was adopted in December 2017.

## 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 more broadly, and to the wider community by:

- distributing printed material through relevant Council services
- providing information to organisations represented in Council/community networks
- participating on the Southern Metropolitan Carers Network Meeting
- delivering respite and other practical assistance to the carers of frail older people and people with a disability
- funding a position to support carers through the transition from Council services to the National Disability Insurance Scheme
- 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 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 2017 through participation in a regional event
  - submitting a funding submission and receiving funding from the Department of Health and Human Services to run an event in October 2018
  - advocating 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* (“the 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 2017/2018, two complaints were made to the Human Rights 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](http://www.humanrightscommission.vic.gov.au)

## Strategic service reviews

Throughout 2017/2018, 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, six service reviews were presented to Council: Amenity Protection services including Local Laws and Appeals, Environmental Health and Investigations and Information Services, Recycling and Waste Management and Building and Infrastructure Maintenance.

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

Reviews into open space management and environmental sustainability also commenced in 2017/2018, to be completed next year.

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 service plans to monitor progress and regularly report back to Council.

## Service planning

In 2017/2018, the organisation commenced the transition from 15 annual department plans (costed through the annual budget process) to 40 four-year costed service plans. Telling the “value story” of Council to our community is more relatable and constant at the “service” level rather than the departmental level. The new approach to service planning has a number of benefits, including:

- increasing the opportunities for organisational collaboration
- better alignment to achieving strategic outcomes
- improving the ability to plan for resource requirements
- streamlining and simplifying the planning process.

## Continuous improvement

Bayside City Council strives to make Bayside a better place through improving liveability for our community. The Better Place Approach provides a framework for improving liveability by aligning our activities and focusing on our performance in three key areas:

- service
- people
- efficiency.

The Better Place Approach is underpinned by our commitment to continuous improvement. The long-term goal of our Continuous Improvement Program is to develop skills and capabilities to become an adaptive organisation that responds to the changing needs of our community.

Our capability development approach begins with each service establishing a sustainable foundation of process management to enable ongoing continuous improvement. We equip teams to understand, capture, evaluate and improve their processes for delivering efficient and effective services to our community.

During 2017/2018, we made significant progress in building the foundation needed for ongoing continuous improvement. Through our training program, we increased the number of staff capable to capture and manage processes to 110. Seventeen of our services have mapped their processes and are working to evaluate them for opportunities to improve value. A further 12 services have identified the processes they need to map and will commence in 2018/2019.

Embedding process mapping into our ways of working enables us to demonstrate the value we deliver to the community. Process mapping is integral in our Service Planning and Review Program. It helps us understand the resources used to deliver the service, identify issues and capture customer touch points. We analyse the processes to generate ideas to innovate and improve service delivery.

In 2018/2019, the Capability Development Program will continue to support to teams to map their processes to find ways to deliver services more efficiently and effectively, improve customer service and increase collaboration within and across teams. We will also implement a process improvement project stream to focus on implementing improvements in cross-organisational high-value/high-risk processes.



# Performance Statement

For the year ended 30 June 2018





## Performance Statement

For the year ended 30 June 2018

### Description of municipality

Bayside City Council (the Council) is situated on the coastline of Port Phillip Bay and has an estimated residential population of 104,030, 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 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 2018

Indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
<b>Population</b>	\$950.82	\$942.46	\$954.76	\$1,020.97	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 four years to keep expenses per head of municipal population low. The increase in expenses per head in 2017/18 is due to increased depreciation expenditure which reflects the increased investment Council is making in the municipalities infrastructure as well as increased waste costs associated with the recycling crisis.
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$4,166.50	\$4,234.35	\$4,703.42	\$4,821.96	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	270.13	273.84	277.31	280.40	The population density of Bayside is comparable to other metropolitan councils and reflects the relatively low density nature of these suburbs.
<b>Own-source revenue</b>	\$996.12	\$1,041.52	\$1,052.61	\$1,093.47	An increase in Council's rates, growth from supplementary rates, additional parking infringement income and developer contributions all contributed to an increase in revenue for 2017/18.
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]					
<b>Recurrent grants</b>	\$114.09	\$93.53	\$118.85	\$101.82	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.
<i>Recurrent grants per head of population</i> [Recurrent grants / Municipal population]					
<b>Disadvantage</b>	10	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.
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]					

## Definitions

"adjusted underlying revenue" means total income other than:

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

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

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

Service/indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0	0	0	0	Council owns two aquatic facilities within the Bayside area: Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths. Both these 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. Council educates the community about responsible pet ownership to minimise breaches of the Domestic Animals Act. Council has successfully prosecuted 10 animal matters this year, a reduction from the prior year reflecting an improved education program and consistent enforcement throughout the Bayside Council area.
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	6*	9	22	10	
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	100%	100.00%	

\* 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.



Service/indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	56	56	54	65	The Annual Community Satisfaction Survey, conducted by Metropolis, indicates an increase compared to 2017. The number of residents interviewed in the survey increased from 400 last year to 700 in 2018 with the interviews conducted in person rather than over the phone. The results indicate a high level of satisfaction with Council decisions compared to other councils represented in the Metropolis survey.
<b>Home and Community Care (HACC)</b> <b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	44.50%	43.46%	N/A	N/A	
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	37.89%	38.01%	N/A	N/A	Reporting on HACC indicators ceased on 1 July 2017 due to the introduction of the Commonwealth Government's National Disability Insurance Scheme and the Commonwealth Home Support Program.
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	22.10%	23.56%	21.92%	21.36%	Bayside has high engagement levels with the library service. Active library membership is marginally lower than 2016/17. This does not capture the usage of the service by people studying, using computers, WIFI or attending events.

Service/indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	81.50%	82.26%	81.31%	79.26%	The participation rate is marginally lower than the 2016/17 financial year figure of 81.31%. Council Maternal and Child Health nurses are proactive in contacting families who have missed key ages and stages visits.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	89.19%	80.00%	65.52%	83.78%	
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	67	70	69	72	The Annual Community Satisfaction Survey, conducted by Metropolis, indicates an increased level of community satisfaction with sealed local roads compared to 2016/17. This may be partly attributable to an improved methodology with a higher level of confidence in the survey results. The number of survey respondents increased from 400 to 700 and was undertaken through proportional and randomised door-to-door interviews rather than over the phone. The results indicate a high level of satisfaction with Council compared to other councils represented in the Metropolis survey.
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	40.91%	44.05%	45.61%	60%	

Service/indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
<b>Waste collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	50.92%	49.45%	51.01%	50.01%	A 1% reduction in waste diversion rate occurred during 2017/18 due to recycling reducing by 203 tonnes and green organics reducing by 374 tonnes from the previous year's results. Although the cause of the reduction in recycling is unclear, a reduction in green organics is likely to be a result of a reduction in garden vegetation growth due to the drier summer in 2018.

## Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

## Financial Performance Indicators

For the year ended 30 June 2018

Dimension, indicator & measure	Results				Forecasts				Commentary (as appropriate)
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Efficiency</b> <b>Revenue level</b> <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,829.22	\$1,896.97	\$1,928.35	\$1,983.61	\$2,127.10	\$2,176.45	\$2,176.45	\$2,226.92	To maintain a sound financial position, Council will increase investment in the capital program to ensure asset renewal targets are met whilst maintaining service levels expected by the community. To achieve this, general rates and the municipal charge for 2017/18 increased by 2.0%, in accordance with the new rate capping framework for 2017/18. The waste charge increased by 4.5% reflecting the cost of providing waste services in 2017/18.
<b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,190.69	\$2,181.16	\$2,204.74	\$2,360.27	\$2,434.09	\$2,540.91	\$2,594.91	\$2,659.05	

Dimension/indicator/measure	Results				Forecasts				Commentary (as appropriate)
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Workforce turnover</b> <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.05%	12.72%	11.01%	12.73%	11.80%	11.63%	11.63%	11.63%	The workforce turnover figure has remained constant over the past four years and is expected to trend below 12%. 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 2014/15, 2015/16 and 2017/18 periods. Our forecasts for 2018/19 are projected to remain under 12%. Council has a strong cash position, however, the expected increase of investment in the capital program will result in the reduction of cash, therefore resulting in a declining trend.
<b>Liquidity</b> <b>Working capital</b> <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	259.03 %	298.41 %	356.71 %	399.84 %	321.46 %	263.31 %	276.46 %	276.41 %	
<b>Unrestricted cash</b> <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	158.24 %	185.90 %	174.26 %	217.34 %	158.46 %	127.60 %	143.68 %	143.64 %	
<b>Obligations</b> <b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	84.25%	96.87%	107.46 %	107.43 %	143.86 %	127.26 %	94.41%	90.32%	The expected increase of investment in the capital program will result in the reduction of cash, therefore resulting in a declining trend.  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 exceeds depreciation leading to a significant increase in the standard of community assets over time.

Dimension/indicator/measure	Results				Forecasts				Commentary (as appropriate)
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Loans and borrowings</b>	14.58%	8.85%	2.49%	0%	0%	0%	0%	0%	The accelerated debt reduction strategy resulted in Council being debt free in 2018.
<i>Loans and borrowings compared to rates</i>									
[Interest bearing loans and borrowings / Rate revenue] x100									
<b>Loans and borrowings repayments compared to rates</b>	3.92%	5.95%	6.58%	2.52%	0%	0%	0%	0%	The accelerated debt reduction strategy resulted in Council being debt free in 2018.
<i>Loans and borrowings repayments compared to rates</i>									
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
<b>Indebtedness</b>	8.28%	2.95%	0.90%	0.70%	1.22%	1.39%	1.55%	1.70%	This declining trend up to 2017/18 is due to the Council's accelerated debt reduction strategy which resulted in \$2.1M of debt paid off in 2018.
<i>Non-current liabilities compared to own source revenue</i>									
[Non-current liabilities / Own source revenue] x100									
<b>Operating position</b>	14.69%	17.42%	19.05%	15.40%	13.22%	10.16%	9.90%	9.64%	The strong adjusted underlying surplus is required to fund the increase in Council's capital program over the coming years. The decline in the adjusted underlying surplus reflects increased depreciation expenditure as the capital program is increased.
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i>									
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									

Dimension/indicator/measure	Results				Forecasts				Commentary (as appropriate)
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Stability</b>	70.82%	71.51%	70.47%	71.01%	74.50%	74.79%	75.14%	75.25%	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.
<b>Rates concentration</b>									
<i>Rates compared to adjusted underlying revenue</i>									
[Rate revenue / Adjusted underlying revenue] x100									
<b>Rates effort</b>	0.17%	0.17%	0.15%	0.15%	0.15%	0.14%	0.13%	0.12%	Rate increases are in accordance with the new rate capping framework.
<b>Rates compared to property values</b>									
[Rate revenue / Capital improved value of rateable properties in the municipality ] x100									

## Definitions

"adjusted underlying revenue" means total income other than:

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

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

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

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, 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

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

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



## Other Information

For the year ended 30 June 2018

### Basis of preparation

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

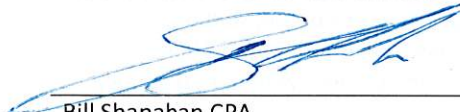
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 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 June 27 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

## 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**

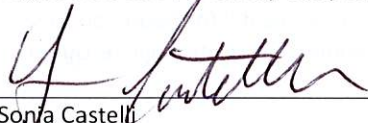
**Dated: 24 September 2018**

In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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


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



Sonia Castell

**Councillor**

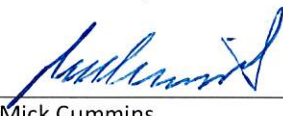
**Dated: 24 September 2018**



Rob Grinter

**Councillor**

**Dated: 24 September 2018**



Mick Cummins

**Chief Executive Officer**

**Dated: 24 September 2018**

# Independent Auditor's Report

## To the Councillors of Bayside City Council

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

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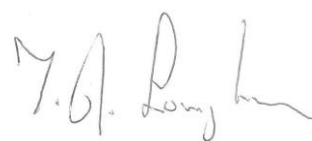
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

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MELBOURNE  
25 September 2018

Tim Loughnan  
as delegate for the Auditor-General of Victoria



## **FINANCIAL REPORT**


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## 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.



Bill Shanahan CPA  
Principal Accounting Officer

Date : 24 September 2018

Sandringham

In our opinion the accompanying financial statements present fairly the financial transactions of Bayside City Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Sonia Castelli  
Councillor

Date : 24 September 2018

Sandringham



Rob Grinter  
Councillor

Date : 24 September 2018

Sandringham



Mick Cummins  
Chief Executive Officer

Date : 24 September 2018

Sandringham



# Independent Auditor's Report

## *To the Councillors of Bayside City Council*

<b>Opinion</b>	<p>I have audited the financial report of Bayside City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2018</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

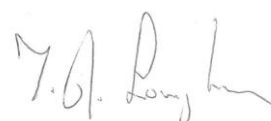
**Auditor's  
responsibilities  
for the audit  
of the financial  
report**

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

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

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

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



MELBOURNE  
25 September 2018

Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

Comprehensive Income Statement  
For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Income</b>			
Rates and charges	2.1	89,143	85,518
Statutory fees and fines	2.2	7,607	6,361
User fees	2.3	8,014	8,353
Grants - operating	2.4	11,183	12,126
Grants - capital	2.4	681	4,903
Contributions	2.5	6,596	3,818
Rental Income	2.7	4,171	4,057
Interest Income	2.8	2,746	2,707
Other income	2.9	2,072	1,299
<b>Total income</b>		<b>132,213</b>	<b>129,142</b>
<b>Expenses</b>			
Employee costs	3.1	41,203	39,593
Materials and services	3.2	44,675	41,817
Depreciation and amortisation	3.3	17,821	14,934
Bad and doubtful debts	3.4	533	(310)
Borrowing costs		111	435
Net loss on disposal of property, infrastructure, plant and equipment	2.6	1,411	1,377
Other expenses	3.5	457	382
<b>Total expenses</b>		<b>106,211</b>	<b>98,228</b>
<b>Surplus for the year</b>		<b>26,002</b>	<b>30,914</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	5.2	340,073	466,443
<b>Total comprehensive result</b>		<b>366,075</b>	<b>497,357</b>

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

## Balance Sheet

As at 30 June 2018

### Assets

#### Current assets

	Note	2018( \$'000)	2017( \$'000)
Cash and cash equivalents	4.1(a)	1,721	9,385
Trade and other receivables	4.1(c)	8,207	8,969
Other financial assets	4.1(b)	84,526	75,026
Inventories	4.2(a)	147	108
Other assets	4.2(b)	1,634	1,354
<b>Total current assets</b>		<b>96,235</b>	<b>94,842</b>

#### Non-current assets

Trade and other receivables	4.1(c)	183	167
Other financial assets	4.1(b)	5,230	5,230
Non-current assets classified as held for sale	5.1	3,064	-
Property, infrastructure, plant and equipment	5.2	3,727,481	3,369,794
Intangible assets	4.2(c)	2,673	2,681
Other assets	4.2(b)	55	55
<b>Total non-current assets</b>		<b>3,738,686</b>	<b>3,377,927</b>
<b>Total assets</b>		<b>3,834,921</b>	<b>3,472,769</b>

### Liabilities

#### Current liabilities

Trade and other payables	4.3(a)	11,398	12,688
Trust funds and deposits	4.3(b)	4,425	4,474
Provisions	4.5	7,974	8,272
Interest-bearing liabilities	4.4	-	2,126
Income in advance		455	430
<b>Total current liabilities</b>		<b>24,252</b>	<b>27,990</b>

#### Non-current liabilities

Provisions	4.5	795	980
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<b>Total non-current liabilities</b>		<b>795</b>	<b>980</b>
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<b>Total liabilities</b>		<b>25,047</b>	<b>28,970</b>
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<b>Net assets</b>		<b>3,809,874</b>	<b>3,443,799</b>
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### Equity

Accumulated surplus		875,870	844,778
Reserves	8.1	2,934,004	2,599,021
<b>Total Equity</b>		<b>3,809,874</b>	<b>3,443,799</b>

Statement of Changes in Equity  
For the Year Ended 30  
June 2018

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>					
Balance at beginning of the financial year		3,443,799	844,778	2,544,521	54,500
Surplus/(deficit) for the year		26,002	26,002	-	-
Net asset revaluation increment/(decrement)	8.1(a)	340,073	-	340,073	-
Transfers to other reserves	8.1(b)	-	(15,049)	-	15,049
Transfers from other reserves	8.1(b)	-	20,139	-	(20,139)
<b>Balance at end of the financial year</b>		<b>3,809,874</b>	<b>875,870</b>	<b>2,884,594</b>	<b>49,410</b>

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2017</b>					
Balance at beginning of the financial year		2,942,346	828,466	2,078,078	35,802
Recognition of found assets		4,096	4,096	-	-
Surplus/(deficit) for the year		30,914	30,914	-	-
Net asset revaluation increment/(decrement)	8.1(a)	466,443	-	466,443	-
Transfers to other reserves	8.1(b)	-	(27,419)	-	27,419
Transfers from other reserves	8.1(b)	-	8,721	-	(8,721)
<b>Balance at end of the financial year</b>		<b>3,443,799</b>	<b>844,778</b>	<b>2,544,521</b>	<b>54,500</b>

**Statement of Cash Flows**  
**For the Year Ended 30 June 2018**

		<b>2018</b>	<b>2017</b>
		<b>Inflows/ (Outflows)</b>	<b>Inflows/ (Outflows)</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Rates and charges		88,961	85,358
Statutory fees and fines		7,669	6,399
User fees		9,444	7,074
Rental income		4,171	4,057
Grants - operating		11,231	12,192
Grants - capital		719	4,903
Contributions - monetary		6,596	3,818
Interest received		2,718	2,254
Trust funds and deposits taken		2,633	2,503
Other receipts		2,097	1,221
Net GST refund/payment		7,111	5,756
Employee costs		(41,581)	(38,970)
Materials and services		(53,921)	(46,461)
Trust funds and deposits repaid		(2,927)	(2,350)
Other payments		(457)	(382)
<b>Net cash provided by operating activities</b>		<b>44,464</b>	<b>47,372</b>
<u>Cash flows from investing activities</u>			
Payments for property, infrastructure, plant and equipment		(40,378)	(27,516)
Payments for investments		(9,500)	(10,026)
<b>Net cash used in investing activities</b>		<b>(49,878)</b>	<b>(37,542)</b>
Cash flows from financing activities			
Finance costs		(124)	(437)
Repayment of borrowings		(2,126)	(5,193)
<b>Net cash used in financing activities</b>		<b>(2,250)</b>	<b>(5,630)</b>
Net increase (decrease) in cash and cash equivalents		(7,664)	4,200
Cash and cash equivalents at the beginning of the financial year		9,385	5,185
<b>Cash and cash equivalents at the end of the financial year</b>	4.1(a)	<b>1,721</b>	<b>9,385</b>
Financing arrangements	4.6		
Restrictions on cash assets	4.1		

# Statement of Capital Works

For the Year Ended 30 June 2018

## Property

	Note	2018 \$'000	2017 \$'000
Land		1,948	-
<b>Total land</b>		<b>1,948</b>	-
Buildings		13,377	7,769
Heritage buildings		555	65
Building improvements		1,833	1,329
<b>Total buildings</b>		<b>15,765</b>	<b>9,163</b>
<b>Total property</b>		<b>17,713</b>	<b>9,163</b>
<b>Plant and equipment</b>			
Arts and Culture Collection		128	90
Plant, machinery and equipment		10	5
Fixtures, fittings and furniture		757	484
Computers and telecommunications		777	1,419
Library books		419	427
<b>Total plant and equipment</b>		<b>2,091</b>	<b>2,425</b>
<b>Infrastructure</b>			
Roads		4,577	2,923
Footpaths and cycleways		2,959	3,605
Drainage		4,858	1,783
Parks, open space and streetscapes		6,580	7,008
Foreshore and Conservation		348	539
Off street car parks		716	306
Road management, traffic signals and street furniture		579	542
<b>Total infrastructure</b>		<b>20,617</b>	<b>16,706</b>
<b>Total capital works expenditure</b>		<b>40,421</b>	<b>28,294</b>
<b>Represented by:</b>			
New asset expenditure		8,433	3,088
Asset renewal expenditure		18,303	15,567
Asset expansion expenditure		3,285	2,467
Asset upgrade expenditure		10,400	7,172
<b>Total capital works expenditure</b>		<b>40,421</b>	<b>28,294</b>



## **OVERVIEW**

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

### **Significant accounting policies**

#### **Basis of accounting**

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.5)
- other areas requiring judgments

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.

## Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 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 27 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable. These notes are prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

<b>1.1 Income and expenditure</b>	<b>2018 Budget</b>	<b>2018 Actual</b>	<b>2018 Variance</b>	<b>Var</b>	<b>Ref</b>
<b>Income</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	
Rates and charges	88,707	89,143	436	0.5%	
Statutory fees and fines	6,256	7,607	1,351	22%	1
User fees	7,829	8,014	185	2%	
Grants - operating	9,103	11,183	2,080	23%	2
Grants - capital	2,595	681	(1,914)	(74%)	3
Contributions - monetary	4,989	6,596	1,607	32%	4
Rental	4,099	4,171	72	2%	
Interest	1,975	2,746	771	39%	5
Other income	1,616	2,072	456	28%	6
<b>Total income</b>	<b>127,169</b>	<b>132,213</b>	<b>5,044</b>	<b>4%</b>	
<b>Expenses</b>					
Employee costs	43,050	41,203	1,847	4%	7
Materials and services	44,397	44,675	(278)	(1%)	
Bad and doubtful debts	170	533	(363)	(214%)	8
Depreciation and amortisation	17,178	17,821	(643)	(4%)	
Borrowing costs	112	111	1	1%	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	1,411	(1,411)	100%	9
Other expenses	432	457	(25)	(6%)	10
<b>Total expenses</b>	<b>105,339</b>	<b>106,211</b>	<b>(872)</b>	<b>(1%)</b>	
<b>Surplus/(deficit) for the year</b>	<b>21,830</b>	<b>26,002</b>	<b>4,172</b>	<b>19%</b>	

## Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The \$1.4 million favourable variance to budget relates mainly to an increase in parking fines of \$0.9 million reflecting increased patrols and reports from residents of illegal parking near railway stations, schools and shopping precincts. This has also resulted in additional court recoveries of \$0.4 million for parking infringements.
2	Operating Grants	The \$2 million favourable variance to budget includes \$1.4 million representing 50% of the 2018/19 funding allocation for financial assistance grants paid in advance during 2017/18. Waste services grant funding of \$0.2 million was also provided by the State Government during 2017/18 to assist Councils with emerging cost pressures associated with the recycling crisis.
3	Capital Grants	The \$1.9 million unfavourable variance to budget relates primarily to the timing of grant funding for major capital projects. Grants associated with the Brighton Library Upgrade \$0.32 million were received in advance in 2016/17. A number of State and Sporting association grants expected in 2017/18 will be received in 2018/19 including Elsternwick Park Oval \$1 million and Banksia Reserve Beaumaris Pavillion Redevelopment \$0.78 million which will align with Project delivery.
4	Contributions Monetary	The \$1.6 million favourable variance to budget includes increased Resort & Recreation Levy income which was \$2.7 million favourable to budget reflecting increased development across the municipality. Unbudgeted drainage contributions of \$0.4 million were also received from developers in 2017/18. These are offset by a deferral in the receipt of club funding of \$1.28 million for the Banksia Reserve Pavilion redevelopment to 2018/19.
5	Interest Income	The favourable operating and capital results compared to budget during the year as well as the timing of cashflows 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.
6	Other Income	The favourable to budget results for other income includes the sale of Council owned laneways (discontinuances) of \$0.27 million. Kerbside recycling rebate from contractor \$0.1 million. Additional revenue from the sale of two bathing boxes \$0.06 million and cost recovery for the Public Housing Renewal Program \$0.05 million.
7	Employee costs	Employee costs were \$1.8 million favourable to budget due primarily to staff vacancies and extended leave arrangements during the year.
8	Bad and Doubtful Debts	The unfavourable variance to budget is due to an increase of \$0.3 million in the provision for doubtful debts for parking infringements for 2017/18 reflecting an increase in the fines issued and debt outstanding.

9	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The written down value of infrastructure assets which have been replaced during the year as part of the capital renewal program have been written off. This includes the Banksia Reserve Pavilion, Dendy Park Upper West End Cricket Pavillion and Wells St carpark.
10	Other expenses	The increase in other expenses relates to additional audit of Information and Communication Technologies (ICT) controls and subsequent verification work.

<b>Note 2 Funding for the delivery of our services</b>	<b>2018</b>	<b>2017</b>
<b>2.1 Rates and charges</b>	<b>\$'000</b>	<b>\$'000</b>

Council uses Capital Improved Value (C.I.V.) as the basis of valuation of all properties within the municipal district. The C.I.V. of a property is the market value of land and improvements.

The valuation base used to calculate general rates for 2017/18 was \$57,378 million (2016/17 \$56,729 million).

General Rates	71,414	69,187
Municipal charge	6,582	6,342
Waste management charge	10,017	8,911
Supplementary rates and rate adjustments	813	767
Cultural and recreational	317	311
<b>Total rates and charges</b>	<b>89,143</b>	<b>85,518</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2016, and the valuation was first applied in the rating year commencing 01/07/2016.

Annual rates and charges are recognised as revenues when Council issues annual rates notices.

Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

## 2.2

### Statutory fees and fines

Infringements and costs		
- Parking	3,556	2,913
- Animal Management	102	76
- Compulsory Voting Enforcement	134	237
- Other	58	74
Court recoveries	967	843
Town planning fees	1,966	1,489
Land information certificates	116	119
Building Permits	604	548
Other	104	62
<b>Total statutory fees and fines</b>	<b>7,607</b>	<b>6,361</b>

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.

## 2.3 User fees

Aged and health services	1,169	1,242
Open Space and Recreation	521	524
Planning and Infrastructure	1,567	1,229
Children's Services	22	20
Parking	1,667	1,480
Animal Registration Permits	1,144	1,120
Amenity Protection	1,169	1,254
Waste management services	43	686
Other fees and charges	712	798
<b>Total user fees</b>	<b>8,014</b>	<b>8,353</b>

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

<b>2.4 Funding from other levels of government</b>	<b>2018</b>	<b>2017</b>
Grants were received in respect of the following :	<b>\$'000</b>	<b>\$'000</b>
<b>Summary of grants</b>		
Commonwealth funded grants	8,300	9,023
State funded grants	3,500	7,928
Other	64	78
<b>Total grants received</b>	<b>11,864</b>	<b>17,029</b>

**(a) Operating Grants*****Recurrent - Commonwealth Government***

Financial Assistance Grants	2,780	3,902
General home care	3,003	2,789
Aged care	930	1,094
Assessment & Review	694	641
Other	12	14

***Recurrent - State Government***

Aged care	28	28
General home care	917	836
Assessment & Review	-	43
School crossing supervisors	-	500
Youth Services	72	72
Libraries	648	604
Maternal and child health	703	611
Community safety & wellbeing	270	221

***Recurrent - Other***

Environmental Health	30	19
Organisational Improvement	-	4
Youth Services Planning & Development	15	16

<b>Total recurrent operating grants</b>	<b>10,102</b>	<b>11,394</b>
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**Non-recurrent - Commonwealth Government**

Regional Projects	376	371
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**Non-recurrent - State Government**

Recycling Temporary Relief	220	-
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Aged and Disability Services	13	53
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Regional Projects	388	231
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Library	16	47
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Youth Services	19	7
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Other	-	23
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**Non-recurrent - Other**

Other	49	-
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<b>Total non-recurrent operating grants</b>	<b>1,081</b>	<b>732</b>
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<b>Total operating grants</b>	<b>11,183</b>	<b>12,126</b>
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**(b) Capital Grants****Recurrent - Commonwealth Government**

Roads to recovery	505	834
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<b>Total recurrent capital grants</b>	<b>505</b>	<b>834</b>
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**Non-recurrent - Commonwealth Government**

Infrastructure	-	19
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**Non-recurrent - State Government**

Buildings	(90)	4,010
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Vic Roads	296	-
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**Non-recurrent - Other**

Living Rivers Program	(30)	40
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<b>Total non-recurrent capital grants</b>	<b>176</b>	<b>4,069</b>
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<b>Total capital grants</b>	<b>681</b>	<b>4,903</b>
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	2018 \$'000	2017 \$'000
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	5,992	934
Received during the financial year and remained unspent at balance date	1,620	5,992
Received in prior years and spent during the financial year	5,992	934
Balance at year end	<b>1,620</b>	<b>5,992</b>

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

## 2.5 Contributions

### ***Monetary - Operating***

VicRoads Road Maintenance	27	27
Other	74	65
	<b>101</b>	<b>92</b>

### ***Contributions - Monetary - Capital***

Open Space Contributions	4,665	3,526
Drainage	394	11
Buildings	1,410	-
Roads	26	-
Parks	-	189
	<b>6,495</b>	<b>3,726</b>
<b>Total Contributions - Monetary</b>	<b>6,596</b>	<b>3,818</b>

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

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

### Written down value of asset disposed

Roads	(806)	(1,112)
Drains	(5)	(26)
Buildings	(600)	(239)
<b>Total loss on disposal of assets</b>	<b>(1,411)</b>	<b>(1,377)</b>
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,411)</b>	<b>(1,377)</b>

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

## 2.7 Rental income

Golf Courses	1,186	1,145
Other recreation facilities	1,391	1,312
Mobile phone facilities	711	743
Food premises	611	614
Other rentals	272	243
<b>Total rental income</b>	<b>4,171</b>	<b>4,057</b>

## 2.8 Interest income

Interest - Cash and cash equivalents	2,393	2,392
Interest - Rates late payment	353	315
<b>Total Interest Income</b>	<b>2,746</b>	<b>2,707</b>

Interest is recognised as it is earned.

## 2.9 Other income

Cost recovery	843	670
Sale of roads and laneways	272	-
Sales of bathing boxes	657	326
Employee contributions	245	262
Other	55	41
<b>Total other income</b>	<b>2,072</b>	<b>1,299</b>

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.

<b>Note 3 The cost of delivering services</b>	<b>2018</b>	<b>2017</b>
<b>3.1 Employee costs</b>	<b>\$'000</b>	<b>\$'000</b>
Wages and salaries	33,795	32,668
WorkCover	332	429
Casual staff	1,051	466
Superannuation	3,181	3,084
Fringe benefits tax	306	302
Agency Staff	2,538	2,644
<b>Total employee costs</b>	<b>41,203</b>	<b>39,593</b>

**(b) Superannuation**

No employer contributions payable at reporting date (2017: \$0)  
Refer to note 8.3 for further information relating to Council's superannuation obligations.

**3.2 Materials and services**

Contracts		
- Environmental sustainability & open space services	18,535	17,284
- City Works services	2,510	2,463
- Other services	1,442	2,099
- General Maintenance	3,574	3,442
- Building maintenance	2,018	1,904
Services and purchases	9,246	7,735
Motor vehicle costs	831	816
Rental/Leases	582	649
Office administration	821	660
Insurance	749	680
Community grants and sponsorship	755	717
Utilities & taxes	2,135	2,164
Other	1,477	1,204
<b>Total materials and services</b>	<b>44,675</b>	<b>41,817</b>

### 3.3 Depreciation and amortisation

Buildings	4,278	3,878
Plant and equipment	976	969
Infrastructure	11,783	9,639
<b>Total depreciation</b>	<b>17,037</b>	<b>14,486</b>
Intangible assets	784	448
<b>Total depreciation and amortisation</b>	<b>17,821</b>	<b>14,934</b>
<i>Refer to note 4.2( c ) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		

### 3.4 Bad and doubtful debts

Parking fine debtors	470	201
Other debtors	63	(511)
<b>Total bad and doubtful debts</b>	<b>533</b>	<b>(310)</b>

#### Movement in provisions for doubtful debts

Balance at the beginning of the year	1,535	1,909
New Provisions recognised during the year	533	(310)
Amounts already provided for and written off as uncollectible	(105)	(64)
Balance at end of year	<b>1,963</b>	<b>1,535</b>

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

### 3.5 Other expenses

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquitals	79	63
Auditors' remuneration - Internal	133	89
Councillors' allowances	245	230
<b>Total other expenses</b>	<b>457</b>	<b>382</b>

## Note 4 Our financial position

### 4.1 Financial assets

#### (a) Cash and cash equivalents

Cash at bank and on Hand	1,721	6,385
Term deposits	-	3,000
<b>Total cash and cash equivalents</b>	<b>1,721</b>	<b>9,385</b>

#### (b) Other financial assets

##### Current

Term deposits	84,526	75,026
	84,526	75,026

##### Non-current

Term deposits	5,000	5,000
Unlisted shares at cost - Regional Kitchen Group	230	230
	5,230	5,230

#### **Total other financial assets**

**89,756 80,256**

#### **Total financial assets**

**91,477 89,641**

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 4.3(b))	4,425	4,474
- Statutory Reserves (Note 8.1(b))	18,706	15,407
<b>Total restricted funds</b>	<b>23,131</b>	<b>19,881</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>68,346</b>	<b>69,760</b>

#### **Intended allocations**

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

- Cash held to fund carried forward capital works (note 8.1 (b))	9,564	14,764
- Total other discretionary reserves (note 8.1 (b))	21,140	24,329
<b>Total funds subject to intended allocations</b>	<b>30,704</b>	<b>39,093</b>

#### **Total Unallocated Unrestricted financial assets**

**37,642 30,667**

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

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

<b>Note 4 (continued)</b>	<b>2018</b>	<b>2017</b>
<b>4.1 (c) Trade and other receivables</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	2,131	1,965
Parking infringement debtors	2,971	2,284
Provision for doubtful debts - parking infringements	(1,719)	(1,284)
<i>Non statutory receivables</i>		
Aged & Disability	145	155
Other infringement debtors	276	275
Provision for doubtful debts - other infringements	(149)	(152)
Domestic Waste	-	42
Rental debtors	532	488
Net GST receivables	1,235	1,335
Other debtors	2,880	3,960
Provision for doubtful debts - other debtors	(95)	(99)
Total current trade and other receivables	<b>8,207</b>	<b>8,969</b>
<b>Non-current</b>		
<i>Statutory receivables</i>		
Rates debtors	183	167
Total non-current trade and other receivables	<b>183</b>	<b>167</b>
<b>Total trade and other receivables</b>	<b>8,390</b>	<b>9,136</b>

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

**(i) Ageing of Receivables**

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

Current (not yet due)	2,804	4,053
Past due by up to 30 days	135	130
Past due between 31 and 60 days	151	147
Past due by more than 60 days	222	308
Total trade & other receivables	<b>3,312</b>	<b>4,638</b>

**(ii) Ageing of individually impaired Receivables**

At balance date, there were no debtors individually impaired (2017: \$0). No provisions have been raised against any individual debtors (2017: \$0).



<b>4.2 Non-financial assets</b>	<b>2018</b>	<b>2017</b>
<b>(a) Inventories</b>	<b>\$'000</b>	<b>\$'000</b>
Inventories held for sale	147	108
<b>Total inventories</b>	<b>147</b>	<b>108</b>
Inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.		
<b>(b) Other assets</b>		
<b>Current</b>		
Prepayments	822	607
Accrued income	812	747
	1,634	1,354
<b>Non-current</b>		
Deposits held by Suppliers - refundable	55	55
<b>Total other assets</b>	<b>1,689</b>	<b>1,409</b>
<b>(c) Intangible assets</b>		
Software	2,673	2,681
<b>Total intangible assets</b>	<b>2,673</b>	<b>2,681</b>
<b>Gross carrying amount</b>		
Balance at 1 July 2017	5,493	
Additions	454	1,254
Work in progress	322	165
<b>Balance at 30 June 2018</b>	<b>6,269</b>	
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2017	(2,812)	
Amortisation expense	(784)	(448)
<b>Balance at 30 June 2018</b>	<b>(3,596)</b>	
<b>Net book value at 30 June 2017</b>	<b>2,681</b>	
<b>Net book value at 30 June 2018</b>	<b>2,673</b>	
Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.		

### 4.3 Payables

#### (a) Trade and other payables

Trade payables	4,274	6,528
Accrued expenses		
- Capital	3,303	2,997
- Materials and service	2,280	1,714
- Employee cost	1,541	1,436
- Loan interest	-	13
<b>Total trade and other payables</b>	<b>11,398</b>	<b>12,688</b>

#### (b) Trust funds and deposits

Building and Infrastructure refundable deposits	3,298	3,002
Fire services levy	245	598
Retention amounts	64	64
Other refundable deposits	818	810
<b>Total trust funds and deposits</b>	<b>4,425</b>	<b>4,474</b>

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

#### *Purpose and nature of items*

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 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.

<b>4.4 Interest-bearing liabilities</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Borrowings - secured	-	2,126
	<b>-</b>	<b>2,126</b>
<b>Total</b>	<b>-</b>	<b>2,126</b>

(a) The maturity profile for Council's borrowings is:

Not later than one year	-	2,126
	<b>-</b>	<b>2,126</b>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

<b>4.5 Provisions</b>	<b>Annual leave</b>	<b>Long service leave</b>	<b>Staff gratuity scheme</b>	<b>Total</b>
<b>2018</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
Balance at beginning of the financial year	2,900	6,326	26	9,252
Additional provisions	2,420	809	1	3,230
Amounts used	(2,558)	(1,034)	-	(3,592)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(121)	-	(121)
Balance at the end of the financial year	<b>2,762</b>	<b>5,980</b>	<b>27</b>	<b>8,769</b>
<b>2017</b>				
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)
Change 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	<b>2,900</b>	<b>6,326</b>	<b>26</b>	<b>9,252</b>

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	1,927	1,924
Long service leave	725	687
Staff gratuity scheme	27	26
	<b>2,679</b>	<b>2,637</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	835	976
Long service leave	4,460	4,659
	<b>5,295</b>	<b>5,635</b>
Total current employee provisions	<b>7,974</b>	<b>8,272</b>
<b>Non-current</b>		
Long service leave	795	980
Total non-current employee provisions	<b>795</b>	<b>980</b>
Aggregate carrying amount of employee provisions:		
Current	7,974	8,272
Non-current	795	980
Total aggregate carrying amount of employee provisions	<b>8,769</b>	<b>9,252</b>

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

#### *Annual leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### *Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions:

- discount rate	2.65%	2.61%
- inflation rate	3.88%	3.81%

#### *Staff Gratuity Scheme*

The staff gratuity scheme entitlement of \$26,949 (2016/17 - \$26,447) 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.

## **4.6 Financing arrangements**

The Council has the following funding arrangements in place as at 30 June 2018

Credit card facilities	105	105
Leasing facilities	1,500	1,500
Total facilities	<b>1,605</b>	<b>1,605</b>
Used facilities	1	8
Unused facilities	<b>1,604</b>	<b>1,597</b>

#### 4.7 Commitments

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

2018	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Waste collection and disposal	4,994	-	-	-	4,994
Cleaning	894	-	-	-	894
Parks and Gardens	7,380	-	-	-	7,380
Building Maintenance	1,100	1,127	1,155	-	3,382
City Works	3,462	-	-	-	3,462
Other	343	47	108	-	498
<b>Total</b>	<b>18,173</b>	<b>1,174</b>	<b>1,263</b>	<b>-</b>	<b>20,610</b>
<b>Capital</b>					
Buildings	3,904	-	-	-	3,904
Carparks	668	-	-	-	668
Drainage	61	-	-	-	61
Parks, open space and streetscapes	1,744	-	-	-	1,744
Roads	304	-	-	-	304
<b>Total</b>	<b>6,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,681</b>

<b>2017</b>	<b>Not later than 1 year \$'000</b>	<b>Later than 1 year and not later than 2 years \$'000</b>	<b>Later than 2 years and not later than 5 years \$'000</b>	<b>Later than 5 years \$'000</b>	<b>Total \$'000</b>
<b>Operating</b>					
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
<b>Total</b>	<b>18,619</b>	<b>12,217</b>	<b>-</b>	<b>-</b>	<b>30,836</b>
<b>Capital</b>					
Buildings	5,450	-	-	-	5,450
Drainage	3,284	-	-	-	3,284
Parks, open space and streetscapes	220	-	-	-	220
<b>Total</b>	<b>8,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,954</b>

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
<b>Operating lease commitments</b>		

At the reporting date, the 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):

Not later than one year	864	608
Later than one year and not later than five years	1,096	497
	<b>1,960</b>	<b>1,105</b>

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.



<b>Note 5 Assets we manage</b>	<b>2018</b>	<b>2017</b>
<b>5.1 Non current assets classified as held for sale</b>	<b>\$'000</b>	<b>\$'000</b>

Cost of acquisition	3,064	-
<b>Total non current assets classified as held for sale</b>	<b>3,064</b>	<b>-</b>

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation.

Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification. As the expected settlement date exceeds 12 months, the asset has been classified as non-current.

Council approved the sale of its Maternal Child Health Centre located on the corner of Abbott Street and Station Street in Sandringham at its ordinary Council meeting on the 19th December 2017. As a result the carrying value of the land and buildings were classified as held for sale. A contract of sale was entered into on the 18th May 2018 with settlement due on 19th August 2019.

## 5.2 Property, infrastructure, plant and equipment

### Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Additions	Found Assets	Revaluati on	Deprecia tion	Disposal	Write-off	Reclassific ations	Transfers - Asset held for sale	Transfers - WIP	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,888,578	-	-	340,519	-	-	-	1,948	(2,519)	-	<b>3,228,526</b>
Buildings	150,441	12,783	-	-	(4,278)	(600)	-	(1,948)	(545)	7,019	<b>162,872</b>
Plant and equipment	8,531	859	-	(446)	(976)	-	-	-	-	-	<b>7,969</b>
Infrastruct ure	311,025	21,137	-	-	(11,783)	(811)	-	-	-	2,038	<b>321,606</b>
Work in progress	11,219	4,864	-	-	-	-	(518)	-	-	(9,057)	<b>6,508</b>
	<b>3,369,794</b>	<b>39,643</b>	<b>-</b>	<b>340,073</b>	<b>(17,037)</b>	<b>(1,411)</b>	<b>(518)</b>	<b>-</b>	<b>(3,064)</b>	<b>-</b>	<b>3,727,481</b>

### Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	7,978	2,268	(430)	(7,019)	<b>2,797</b>
Plant and equipment	-	454	(1)	-	<b>453</b>
Infrastruct ure	3,241	2,142	(87)	(2,038)	<b>3,258</b>
Total	<b>11,219</b>	<b>4,864</b>	<b>(518)</b>	<b>(9,057)</b>	<b>6,508</b>

## Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
<b>Property</b>		
building improvements	25-100 years	10
heritage building	50-250 years	Nil
<b>Plant and Equipment</b>		
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
<b>Infrastructure</b>		
roads		
pavement	125-255 years	25
surfacing	25-60 years	25
footpaths and cycleways	25-55 years	20
kerb & channel	55-70 years	20
drainage	75-100 years	10
activity centres	20-160 years	10
parks, open space and streetscapes	9-40 years	10
foreshore and conservation	15-30 years	10
bridges	100 years	20
bridges substructure	18-35 years	20
waste management	10 years	10
off street car parks	10-50 years	10
road management, traffic signals and street furniture	10-70 years	2
<b>Intangible assets</b>		
intangible assets	3-5 years	5

**(a) Property**

	Land - specialise d	Land - non specialis ed	Land under roads	Total Land	Heritage building s	Building s - specialis ed	Buildings - non specialise d	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	1,886,409	322,225	679,944	<b>2,888,578</b>	27,387	238,856	1,672	<b>267,915</b>	7,978	<b>3,164,471</b>
Accumulated depreciation at 1 July 2017	-	-	-	-	(6,049)	(111,423)	(2)	<b>(117,474)</b>	-	<b>(117,474)</b>
	1,886,409	322,225	679,944	<b>2,888,578</b>	21,338	127,433	1,670	<b>150,441</b>	7,978	<b>3,046,997</b>
<b>Movements in fair value</b>										
Additions	-	-	-	-	46	12,704	33	12,783	2,268	<b>15,051</b>
Found Assets	-	-	-	-	-	-	-	-	-	-
Revaluation	214,971	41,771	83,777	<b>340,519</b>	-	-	-	-	-	<b>340,519</b>
Disposal	-	-	-	-	-	(1,939)	(225)	<b>(2,164)</b>	-	<b>(2,164)</b>
Write-off	-	-	-	-	-	-	-	-	(430)	<b>(430)</b>
Reclassifications	1,948	-	-	<b>1,948</b>	1,517	(3,955)	490	<b>(1,948)</b>	-	-
Transfers - Assets held for sale	-	(2,519)	-	<b>(2,519)</b>	-	(681)	-	<b>(681)</b>	-	<b>(3,200)</b>
Transfers - WIP	-	-	-	-	-	7,019	-	<b>7,019</b>	(7,019)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	216,919	39,252	83,777	<b>339,948</b>	1,563	13,148	298	<b>15,009</b>	<b>(5,181)</b>	<b>349,776</b>

**Movements in  
accumulated depreciation**

Depreciation and amortisation	-	-	-	-	(170)	(4,102)	-	(4,278)	-	(4,278)
Accumulated depreciation of disposals	-	-	-	-	-	1,564	-	1,564	-	1,564
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	(1,178)	1,488	(310)	-	-	-
Transfers - Assets held for sale	-	-	-	-	-	136	-	136	-	136
	-	-	-	-	(1,348)	(914)	(316)	(2,578)	-	(2,578)
At fair value 30 June 2018	2,103,328	361,477	763,721	3,228,526	28,950	252,004	1,970	282,924	2,797	3,514,247
Accumulated depreciation at 30 June 2018	-	-	-	-	(7,397)	(112,337)	(318)	(120,052)	-	(120,052)
	<b>2,103,328</b>	<b>361,477</b>	<b>763,721</b>	<b>3,228,526</b>	<b>21,553</b>	<b>139,667</b>	<b>1,652</b>	<b>162,872</b>	<b>2,797</b>	<b>3,394,195</b>
	<b>2,519.00</b>									

**(b) Plant and Equipment**

	Plant machiner y and equipme nt	Fixtures fittings and furniture	Library books	Arts and Culture Assets	Work in Progres s	Total plant and equipme nt
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	2,040	3,438	5,426	5,131	-	16,035
Accumulated depreciation at 1 July 2017	(1,271)	(2,033)	(4,200)	-	-	(7,504)
	769	1,405	1,226	5,131	-	8,531
<b>Movements in fair value</b>						
Additions	10	302	418	128	455	1,313
Found Assets	-	-	-	-	-	-
Revaluation	-	-	-	(446)	-	(446)
Disposal	-	-	-	-	-	-
Write-off	-	-	-	-	(1)	(1)
Transfers	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-
	10	302	418	(318)	454	866
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(185)	(373)	(418)	-	-	(976)
Accumulated depreciation of disposals	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
	(185)	(373)	(418)	-	-	(976)
At fair value 30 June 2018	2,050	3,740	5,844	4,813	454	16,901
Accumulated depreciation at 30 June 2018	(1,456)	(2,406)	(4,618)	-	-	(8,480)
	594	1,335	1,226	4,813	454	8,422

**(c) Infrastructure**

	Roads	Bridges	Footpaths and cycleway s	Drainage	Parks open spaces and streetsc apes	Foreshor e and Conserv ation	Off street car parks	Road Mgmt, Traffic Signals & Street Furnitures	Work In Progress	Total Infrastru cture
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	193,034	6,151	145,797	280,083	56,710	11,652	6,115	16,121	3,241	<b>718,904</b>
Accumulated depreciation at 1 July 2017	(81,640)	(3,326)	(89,349)	(194,553)	(22,129)	(5,037)	(1,606)	(6,998)	-	<b>(404,638)</b>
	111,394	2,825	56,448	85,530	34,581	6,615	4,509	9,123	3,241	<b>314,266</b>
<b>Movements in fair value</b>										
Additions	3,526	-	3,333	6,363	6,032	199	1,247	437	2,142	<b>23,279</b>
Found Assets	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	(1,107)	-	(1,550)	(87)	-	-	-	-	-	<b>(2,744)</b>
Write-off	-	-	-	-	-	-	-	-	(87)	<b>(87)</b>
Transfers	36	-	136	1,120	746	-	-	-	(2,038)	-
	2,455	-	1,919	7,396	6,778	199	1,247	437	17	<b>20,448</b>



# **Movements in accumulated depreciation**

Depreciation and amortisation	(1,694)	(62)	(2,179)	(3,438)	(2,939)	(663)	(416)	(392)	-	<b>(11,783)</b>
Accumulated depreciation of disposals	669	-	1,182	82	-	-	-	-	-	<b>1,933</b>
Transfers	-	-	-	-	-	-	-	-	-	-
	<b>(1,025)</b>	<b>(62)</b>	<b>(997)</b>	<b>(3,356)</b>	<b>(2,939)</b>	<b>(663)</b>	<b>(416)</b>	<b>(392)</b>	<b>-</b>	<b>(9,850)</b>
At fair value 30 June 2018	195,489	6,151	147,716	287,479	63,488	11,851	7,362	16,558	3,258	<b>739,352</b>
Accumulated depreciation at 30 June 2018	(82,665)	(3,388)	(90,346)	(197,909)	(25,068)	(5,700)	(2,022)	(7,390)	-	<b>(414,488)</b>
	112,824	2,763	57,370	89,570	38,420	6,151	5,340	9,168	3,258	<b>324,864</b>

### ***Acquisition***

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

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

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

### ***Land under roads***

Council recognises land under roads it controls at fair value.

### ***Depreciation and amortisation***

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives (excluding heritage buildings, arts & culture assets and works in progress) are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Land, road earthworks and heritage and cultural assets are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

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

### ***Finance leases***

Council Does not have any finance leases

### ***Repairs and maintenance***

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

### **Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer, Matheson Stephen Valuer Registration number 62718. 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 2018 are as follows:

	<b>Level 1</b>	<b>Level2</b>	<b>Level 3</b>	<b>Date of Valuation</b>
Land specialised	-	-	2,103,328	Jun-18
Land non specialised	-	361,477	-	Jun-18
Land under roads	-	-	763,721	Jun-18
Heritage Buildings	-	8,624	12,929	Jun-17
Buildings specialised	-	-	139,667	Jun-17
Buildings non specialised	-	1,652	-	Jun-17
Total	-	<b>371,753</b>	<b>3,019,645</b>	

### **Valuation of infrastructure**

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr. B Robertson BE (Civil). MlnfrastructEng&Mgt

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based Rawlinson's industry rates. A full revaluation of these assets will be conducted in 2019/20.

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 2018 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	112,824	Jun-17
Bridges	-	-	2,763	Jun-17
Footpaths and cycleways	-	-	57,370	Jun-17
Drainage	-	-	89,570	Jun-17
Parks, open space and streetscapes	-	-	38,420	N/A
Foreshore and Conservation	-	-	6,151	N/A
Off street car parks	-	-	5,340	N/A
Road Mgmt, Traffic Signals & Street Furnitures	-	-	9,168	Jun-17
Total	-	-	<b>321,606</b>	

### **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% and 85%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$175 and \$3,721 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 April 2018. The average rate per square meter has been discounted by 95% to account for its undeveloped state, limits to rights of access and infrastructure easements which resulted in a value of \$132 per square meter.

**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 is calculated on a square metre basis and ranges 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 2 years to 78 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 1 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.

	<b>2018</b>	<b>2017</b>
<b>Reconciliation of specialised land</b>	<b>\$'000</b>	<b>\$'000</b>
Land under roads	763,721	679,944
Parks and reserves	2,103,328	1,886,409
<b>Total specialised land</b>	<b>2,867,049</b>	<b>2,566,353</b>

## **Note 6 People and relationships**

### **6.1 Council and key management remuneration**

#### **(a) Related Parties**

##### *Parent entity*

Bayside City Council is the parent entity.

##### *Subsidiaries and*

##### *Associates*

No Interests in subsidiaries or associates.

#### **(b) Key Management Personnel**

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

##### **Councillors**

Laurence Evans - (Mayor 10 November 2017 to 30 June 2018, Councillor from 1 July 2017)

Alex del Porto - (Mayor 1 July 2017 to 9 November 2017, Councillor to 30 June 2018)

Sonia Castelli - (Councillor)

Rob Grinter - (Councillor)

James Long - (Councillor)

Michael Heffernan - (Councillor)

Clarke Martin - (Councillor)

##### **Chief Executive Officer and other Key Management Personnel**

Michael Cummins (CEO from 8 April, Director from 1 July 2017)

Adrian Robb (CEO to 7 April)

Bill Shanahan (Acting Director from 8 April)

Steven White (Director)

Matt Kelleher (Acting Director to 31 July 2017)

Hamish Reid (Director from 1 August 2017)

Leanne Ansell-McBride (Executive Manager to 22 April)

Jennie Robers (Acting Executive Manager from 23 April)

Paulina Xerri (Executive Manager to 7 April)

Imogen Kelly (Acting Executive Manager from 8 April)

<b>Total Number of Councillors</b>	7	10
<b>Chief Executive Officer and other Key Management Personnel</b>	<u>10</u>	<u>7</u>
<b>Total Key Management Personnel</b>	<u>17</u>	<u>17</u>

**(c) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

Short-term benefits	1,623,176	1,564,790
Long-term benefits	34,178	29,412
Post-Employment Benefits	229,129	143,658
Termination benefits	<u>246,840</u>	<u>-</u>
<b>Total</b>	<b>\$ 2,133,323</b>	<b>\$1,737,860</b>

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

\$1 - \$9,999	-	3
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	6	2
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	2	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	1	1
\$120,001 - \$129,999	-	1
\$160,001 - \$169,999	1	-
\$180,001 - \$189,999	1	-
\$190,001 - \$199,999	-	1
\$250,001 - \$259,999	2	1
\$260,001 - \$269,999	-	1
\$270,001 - \$279,999	-	1
\$290,001 - \$299,999	1	-
\$360,000 - \$369,999	-	1
\$580,000 - \$589,999	<u>1</u>	<u>-</u>
	<u>17</u>	<u>17</u>

#### **(d) Senior Officer Remuneration**

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$145,000

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

Income Range:	2018 No.	2017 No.
\$145,000 - \$149,999	1	-
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	4	4
\$170,000 - \$179,999	4	3
\$180,000 - \$189,999	-	1
	<u>10</u>	<u>10</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	<u>\$ 1,650,111</u>	<u>\$1,673,884</u>

#### **6.2 Related party disclosure**

##### **(a) Transactions with related parties**

No transactions between Council and related parties have taken place during the reporting year which require disclosure.

##### **(b) Outstanding balances with related parties**

There were no outstanding balances with related parties at the end of the reporting period which require disclosure.

##### **(c) Loans to/from related parties**

No loans have been made, guaranteed or secured by the Council to related parties during the reporting year.

##### **(d) 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 7 Managing uncertainties**

### **7.1 Contingent assets and liabilities**

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

#### **(a) Contingent assets**

##### *Beaumaris Sports Club monetary contribution*

Council has entered into an agreement with the Beaumaris Sports Club for the club to make a contribution for the construction of the Banksia Reserve pavilion. The contribution is contingent upon the Beaumaris Sports Clubs capacity to secure approval for a \$1 million loan as part of its funding model.

#### **Operating lease receivables**

Council has entered into commercial property leases on its property, consisting of sporting facilities, mobile telecommunication installations, cafes, leisure centres and waste centres. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 23 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:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	3,425	3,256
Later than one year and not later than five years	8,891	9,925
Later than five years	8,761	6,814
	<b>21,077</b>	<b>19,995</b>

#### **(b) Contingent liabilities**

##### **Superannuation**

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

##### *Future superannuation contributions*

In addition to the disclosed contributions, Bayside City Council has paid unfunded liability payments to Vision Super totalling \$0 (2016/17 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$187,000.

#### **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.



## Dendy Street Beach Masterplan

As part of the archaeological investigations for the Cultural Heritage Management Plan for the Dendy Street Beach Masterplan, contaminated soils as a result of historical dumping were discovered. The EPA has issued a Clean Up Notice and Council is working with expert environmental consultants and the EPA to ensure the ongoing risk to human health and the environment is low. The cost of work associated with mitigating this risk is not yet known and subject to ongoing investigations.

## Tenancy negotiations

Council has entered into negotiations with a lessee for the provision of compensation in return for the early termination of a lease on land owned by Council. The negotiations are ongoing and at balance date no decision has been made by Council to terminate the lease.

## (c) Guarantees for loans to other entities

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

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

	Entity	Bank	Guarantee (\$)	Project	Loan Balance	
					2018 (\$)	2017 (\$)
(i)	Beaumaris Yacht Club	Bendigo Bank	\$45,000	Repairs to the club's building.	\$0	\$6,742
(ii)	Sandringham Football Club	Bendigo Bank	\$100,000	Refurbishment of the club's social club building.	\$24,339	\$35,308
(iii)	Highbury Youth Club Inc.	Bendigo Bank	\$150,000	To assist with its commitment to the Highbury Recreation Centre Community Hub.	\$45,481	\$72,968
(iv)	Baxterfield Park Tennis Club Inc.	Bendigo Bank	\$40,000	Court renewal program.	\$5,580	\$30,980
(v)	Hurlingham Park Tennis Club Inc.	Bank of Queensland	\$40,000	Court renewal program.	\$23,261	\$30,927
(vi)	Brighton Beach Bowls Club	Bendigo Bank	\$100,000	Replacement of the surface and installation of floodlights	\$95,297	N/A
TOTAL					\$193,958	\$176,925

## 7.2 Change in accounting standards

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

### *Financial Instruments - Disclosures (AASB 7) (applies 2018/19)*

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

### *Financial Instruments (AASB 9) (applies 2018/19)*

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

#### *Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)*

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

#### *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)*

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

#### *Leases (AASB 16) (applies 2019/20)*

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

#### *Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)*

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

### **7.3 Financial instruments**

#### **(a) Objectives and policies**

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

#### **(b) Market risk**

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

### **(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 does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

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

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

### **(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; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

**(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 will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks

Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

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

**(f) Sensitivity disclosure analysis**

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

- A parallel shift of + 0.5% and -0.5% in market interest rates (AUD) from year-end rates of 2.65%.

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.

## 7.4 Fair value measurement

### *Fair value hierarchy*

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

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

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; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, 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, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

### *Impairment of assets*

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

### **7.5 Events occurring after balance date**

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

### **Note 8 Other matters**

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
<b>8.1 Reserves</b>			
<b>(a) Asset revaluation reserves</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2018</b>			
<b>Property</b>			
Land & land improvements	2,013,397	256,742	2,270,139
Land under roads	240,530	83,777	324,307
Buildings	93,827	-	93,827
	<b>2,347,754</b>	<b>340,519</b>	<b>2,688,273</b>
<b>Infrastructure</b>			
Roads	127,881	-	127,881
Bridges	142	-	142
Footpaths and cycleways	2,027	-	2,027
Drainage	64,348	-	64,348
	<b>194,398</b>	<b>-</b>	<b>194,398</b>
<b>Plant and equipment</b>			
Arts and culture	2,369	(446)	1,923
	<b>2,369</b>	<b>(446)</b>	<b>1,923</b>
<b>Total asset revaluation reserves</b>	<b>2,544,521</b>	<b>340,073</b>	<b>2,884,594</b>

**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	93,827
	<b>1,915,301</b>	<b>432,453</b>	<b>2,347,754</b>

**Infrastructure**

Roads	134,890	(7,009)	127,881
Bridges	-	142	142
Footpaths and cycleways	-	2,027	2,027
Drainage	25,518	38,830	64,348
	<b>160,408</b>	<b>33,990</b>	<b>194,398</b>

**Plant and equipment**

Arts and culture	2,369	-	2,369
	<b>2,369</b>	<b>-</b>	<b>2,369</b>

**Total asset revaluation reserves**

<b>2,078,078</b>	<b>466,443</b>	<b>2,544,521</b>
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The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

	Balance at begin ning of reportin g period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>Note 8 Other Items</b>				
<b>8.1 (b) Other reserves</b>				
<b>2018</b>				
<b>Statutory reserves</b>				
Car parking reserve	398	9	-	407
Drainage Contribution Reserve	-	394	-	394
Recreational land reserve	15,009	4,994	(2,098)	17,905
<b>Total statutory reserves</b>	<b>15,407</b>	<b>5,397</b>	<b>(2,098)</b>	<b>18,706</b>
<b>Discretionary reserves</b>				
Infrastructure reserve	8,220	2,524	(2,509)	8,235
Dendy Street Beach improvement reserve	1,561	596	-	2,157
Community facilities enhancement reserve	947	21	-	968
Defined superannuation shortfall	2,000	500	-	2,500
Unspent conditional grants reserve	5,992	1,620	(5,992)	1,620
Capital works carried forward reserve	14,764	4,247	(9,447)	9,564
Early Childhood Facilities Reserve	5,522	121	(93)	5,550
Street and Park Tree Management Reserve	87	23	-	110
<b>Total discretionary reserves</b>	<b>39,093</b>	<b>9,652</b>	<b>(18,041)</b>	<b>30,704</b>
<b>Total Other reserves</b>	<b>54,500</b>	<b>15,049</b>	<b>(20,139)</b>	<b>49,410</b>
<b>Total Reserves</b>				<b>2,934,004</b>



**2017****Statutory reserves**

Car parking reserve	388	10	-	398
Recreational land reserve	13,299	3,858	(2,148)	15,009

**Total statutory reserves**

<b>13,687</b>	<b>3,868</b>	<b>(2,148)</b>	<b>15,407</b>
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**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**

<b>22,115</b>	<b>23,551</b>	<b>(6,573)</b>	<b>39,093</b>
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**Total Other reserves**

<b>35,802</b>	<b>27,419</b>	<b>(8,721)</b>	<b>54,500</b>
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**Total Reserves**

<b>2,599,021</b>
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- The car parking reserve is a statutory reserve designed to hold funds for allocation to car park projects works.
- The Drainage Contribution Reserve is a statutory reserve that contains contributions received from planning applicants who sought to increase the number of dwellings on a private lot or expand the area of a commercial building and is used to fund future drainage works.
- The recreational land reserve is a statutory reserve that contains contributions received as public open space levies and is used to fund future recreational land facilities.
- The infrastructure reserve is to quarantine identified savings from the operating budget to fund replacement infrastructure or held as a contingency to finance projects deemed as "unavoidable" or to be allocated against the repayment of interest only loans that are to be refinanced.
- The Dendy Street beach improvement reserve receives the net proceeds from the sale of bathing boxes and is used to fund future works in the Dendy Street beach precinct.
- The community facilities enhancement reserve holds the proceeds from the sale of the independent living units to fund new or improvements to community facilities that provide direct benefit to the Bayside community.
- The defined superannuation shortfall reserve is to quarantine \$0.50 million annually to ensure Council sets aside sufficient cash to cover for future defined benefit superannuation shortfall calls, which are one-off and material in nature.
- The unspent conditional grants reserve is to quarantine grants received during the financial year which are not fully spent at 30 June 18. Council is obligated to expedite the funded programs in the next financial year.
- The capital works carried forward reserve is to quarantine budgeted capital projects which are in progress at 30 June 18 and will require the funds in order to complete the projects.
- Early Childhood Facilities Reserve holds the proceeds from the sale of former childcare centres to fund the redevelopment of early childhood facilities.
- Street and Park Tree Management Carried Forward Reserve holds the cumulative surplus from income received from applications to remove trees less the amount spent to fund the continued re-planting of trees within the district.

	2018	2017
<b>8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>	<b>\$'000</b>	<b>\$'000</b>
Surplus/(deficit) for the year		
Depreciation/amortisation	26,002	30,914
Profit/(loss) on disposal of property, infrastructure, plant and equipment	17,821	14,934
Finance costs	1,411	1,377
Work in progress transferred to Comprehensive Income	111	435
	518	477
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	746	(2,912)
(Increase) in prepayments	(215)	(93)
(Decrease) in accrued income	(65)	(493)
Increase/(decrease) in trade and other payables	(1,319)	2,212
(Decrease)/increase in income in advance	25	(84)
(Increase) in inventories	(39)	(32)
Increase/(Decrease) in provisions	(483)	484
Increase/(decrease) in trusts and deposits	(49)	153
Net cash provided by/(used in) operating activities	<b>44,464</b>	<b>47,372</b>

### 8.3 Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

#### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

### ***Funding arrangements***

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106%.

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

### ***Employer contributions***

#### ***Regular contributions***

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

### ***Funding calls***

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

### **2017 triennial actuarial investigation surplus amounts**

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

A VBI surplus of \$69.8 million

A total service liability surplus of \$193.5 million.

A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

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

### **2018 interim actuarial investigation**

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

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