

# Bayside City Council

Annual Report  
2020-21



# Welcome to Bayside City Council's Annual Report

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### Acknowledgement of Traditional Owners

Bayside City Council respectfully acknowledges that the original inhabitants of this land that we call Bayside were the people of the Kulin nation and we pay our respects to their Elders past, present and emerging leaders. We acknowledge that 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.

Photographic Disclaimer: During the 2020-2021 year our community was subject to changing requirements through varying stages of the ongoing COVID-19 pandemic. All photographs were taken in accordance with the Chief Health Officer guidelines in place at the time.

**Council is committed to transparent reporting and accountability to the community. The Report of Operations 2020/2021 is the primary means of advising the Bayside community about Council's operations and performance during the financial year.**

# Statement of purpose

Bayside City Council is constituted under the *Local Government Act 2020* (the Act) to provide good governance in the municipal district for the benefit and wellbeing of the local community.

## Council's roles under the Act include:

- making decisions and actions in accordance with relevant laws
- promoting Bayside's economic, social and environmental sustainability, including mitigation and planning for climate change risks
- ensuring the ongoing financial viability of Bayside City Council
- ensuring transparency of Council decisions, actions and information.

Council must fulfil its obligations in the performance of its role by giving effect to the following overarching governance principles and supporting principles:

- community engagement – actively engaging with our community on key decisions and encouraging active participation in civic life
- strategic planning - providing leadership by establishing strategic objectives and monitoring achievements
- public transparency – reporting openly on activity and performance and being accountable to our community
- financial management - ensuring resources are managed in a responsible and accountable manner
- service performance – delivering service value through appropriate and well-planned services taking into account the diverse needs of our community in decision-making.

Our purpose is to work with the community to make Bayside a diverse, healthy and liveable place for all.



## 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 with 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.

The Council Plan 2017-2021 was informed by the Bayside Community Plan 2025 and the former Council's vision to work together with the community to make Bayside a better place within the eight goal areas based on the World Health Organisation domains of liveability:



**Infrastructure**



**Transport**



**Housing and neighbourhoods**



**Open space**



**Environment**



**Local economy and activity centres**



**Community health and participation**



**Governance**

The 2020/2021 year marks the final year of delivery of the Council Plan 2017-2021. This Annual Report outlines our performance and progress to deliver on that plan and those eight goal areas for our community and the municipality.

The 2020/2021 year also represents a year of transition to a new Community Vision Bayside 2050, a new Council elected in October 2020 and the development of a new Council Plan 2021-2025 and new 10-year Financial Plan all informed by the requirements of the new Act.

# A message from our Mayor

It's been an honour to serve as Mayor during such an important chapter of Bayside's history. I'm proud of how we, as a community, have come together in the face of a global crisis showing resilience, respect and kindness.

Council acted effectively to respond to the ongoing impacts of the COVID-19 pandemic, supporting Bayside residents, traders, community groups and tenants to navigate the stop-start nature of this year.

As of the October 2020 Council election, Bayside moved to a single-member ward structure going from three to seven wards. The election attracted Councillors who strongly represent their ward priorities and helped us achieve greater gender equity on Bayside City Council.

We moved quickly to finalise a new Bayside 2050 Community Vision and four-year Council Plan through robust processes of deliberative community engagement as specified in the new Local Government Act 2020.

The Council Plan 2021-2025 is aligned to the aspirations of the new Council and community as articulated in the Bayside 2050 Community Vision - a vision to make Bayside a more sustainable, liveable and inclusive place for all. The Council Plan 2021-2025 signals a shift in focus to acting on climate change; protecting the environment; and embracing sustainability.

Bayside City Council is now certified carbon neutral in Council operations, becoming the first local government in the south east of Melbourne to achieve the milestone. This year I was proud to become the first Mayor of Bayside to drive an electric vehicle. The installation of an electric charging station at the Council offices heralds a broader roll out across the municipality as we continue to reduce our carbon footprint and lead the way for our community.

This year we reduced the amount of waste Bayside sends to landfill to record lows. This is thanks to the efforts of the 30,000+ Bayside households using our food and green waste recycling service to transform their waste into compost.

We delivered on Thomas Street playground - an innovative wonderland where children and people of all ages and of every ability can play. We also established two Changing Places facilities in the municipality which is a great milestone for people living with disability and their carers when visiting Bayside.

We established our Disability Access Inclusion Advisory Committee. The Committee includes 10 community members who each bring a different experience of disability to help us to better understand the barriers faced by people living with disability in Bayside, and to explore potential solutions.

We completed a number of fantastic projects at pace including: four playground upgrades, new parking technology at Church Street, Sandringham Living and Learning Centre and commenced construction of the Elsternwick Park Nature Reserve Chain of Ponds. This 14-hectare site will be transformed over a ten year program of works and become the jewel in the crown of Bayside's open space - 'A unique vision for Bayside.'

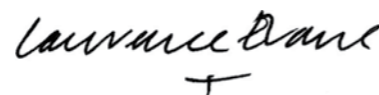
We also delivered Hurlingham Preschool upgrade with \$500,000 funding from the Victorian Government. The facility provides wonderful spaces for inside and outside sensory play and we're confident the pre-school will bring joy to many children and their families.

The work we have done this year reflects the modern reality of local government- not simply to pick up rubbish, repair roads and charge rates but to provide good governance for the benefit and wellbeing of our municipal community.

I pass on Councillors' recognition of the leadership of Chief Executive Officer Mick Cummins, and his team of Council staff for their support and fearless professional advice.

I would also like to acknowledge former Councillors for the hard work and service they provided to the community during the previous four-year term.

It has been an absolute pleasure to lead this Council during the important first year of this four-year term. I commend my fellow Councillors for their hard work and dedication and thank everyone in the community for their resolve, tolerance and perseverance during the pandemic.



**Cr Laurence Evans OAM**  
Mayor, Bayside City Council  
2020-2021



## A message from our CEO

We've shown over the past year that as an organisation we can provide fantastic services to our community despite the challenges of a global crisis.

I'm exceptionally proud of how well the organisation has continued to support our community, with our people displaying flexibility, creativity and compassion to adapt Council's services to the ever-changing pandemic environment.

Supporting the most vulnerable members of the Bayside community, particularly our elderly and isolated residents, remains our key focus. We've been able to pivot the delivery of our services so that critical areas such as in-home care, delivered meals and social outreach continue to be safely provided throughout the toughest lockdowns.

Customer service, Gallery exhibitions, planning meetings and more can now switch from face-to-face to on-line delivery with ease.

Staff have remained engaged and adapted to hybrid ways of working while continuing to be responsive and accepting of uncertainty in the face of the COVID-19 pandemic.

We've found innovative and meaningful ways to support our community navigate the stop-start impacts of this year. We've supported local businesses through fee waivers, information and by providing outdoor dining spaces funded by the Victorian Government.

Throughout the year we visited businesses across the municipality to support them to operate COVID safely and offered advice and support through our Business Concierge.

We pushed on with key infrastructure capital works and delivered on some outstanding projects. This includes the wonderful Thomas Street reserve fully accessible playground; redevelopment of Sandringham Living and Learning Centre including the new Sandringham Library and Maternal Health Centre, and the R.G. Chisholm Reserve and Destructor Reserve pavilions amongst others.

Admittedly, the pandemic has resulted in a significant loss of income from fees, charges and fines for Council. Prudent financial management has seen us identify a range of savings in our operating budget to minimise the impact on our long term financial position and ensure the continuation of our capital works investment program.

This year, we continued to deliver on actions from our Climate Emergency Action Plan which is a priority for our new Council and our community. We installed a public electric charging station and added five fully electric vehicles to the Council fleet.

Bayside became the first local government in the south east of Melbourne to achieve the milestone of being certified carbon neutral for our 2019-20 operations against the Climate Active Carbon Neutral Standard. This was an achievement 12 years in the making and put us in the company of only nine other local governments nationwide.

We also joined 12 Victorian councils in a Power Purchase Agreement (PPA) to buy renewable energy to accommodate three quarters of the municipality's electricity consumption. Renewable energy is now being used to power Council-owned buildings including our Corporate Centre.

We continued our pursuit of an alternative solution to landfill along with 16 other Councils as part of a Special Purchase Vehicle (SPV) for the Advanced Waste Processing initiative led by the Metropolitan Waste and Resource Recovery Group (MWRRG).

In line with the new Local Government Act 2020, we worked with our community to create a new Bayside Community Vision 2050 through a strong deliberative engagement process. This then provided a solid foundation for the development of our Council and Financial Plans.

Our four-year Council Plan is ambitious and will deliver on some historic major projects with a big shift of focus to sustainability and the environment.

Despite the challenges of this year, we have and will continue to deliver to our community. Our commitment is to strive to deliver extraordinary places, thriving communities and a better future for all in Bayside – throughout the pandemic and into the recovery beyond.

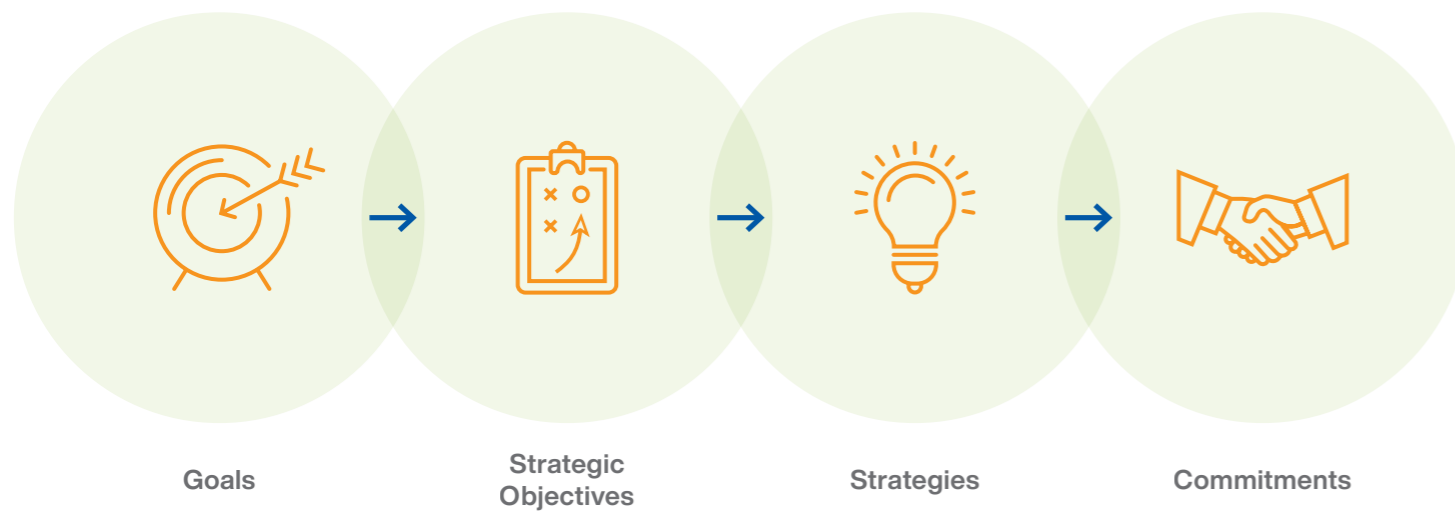


**Mick Cummins**  
Chief Executive Officer

## About this report

The 2020/2021 Annual Report documents the performance against the strategic indicators and actions identified in the Council Plan 2017 - 2021 and the Budget 2020/2021. Both documents were adopted by Council in June 2020.

The diagram below outlines the structure of the Council Plan 2017-2021.



The Budget 2020/2021 defines the actions that contribute to the successful delivery of the Council Plan 2017 - 2021 during the financial year.

This Annual Report is divided into four parts:

- Report of operations
- Financial statements
- Performance statement
- Indexes.

The Report of Operations contains information about our community; our Councillors; our organisation; our corporate governance responsibilities; and, most importantly, how we perform throughout the year. The section on our performance is divided into eight goals of the Council Plan 2017 - 2021 adopted in June 2017.

The Performance statements and Financial statements provide detailed information that fulfils Council financial reporting requirements.

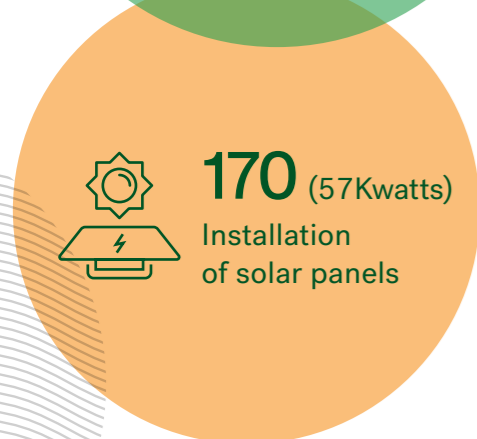
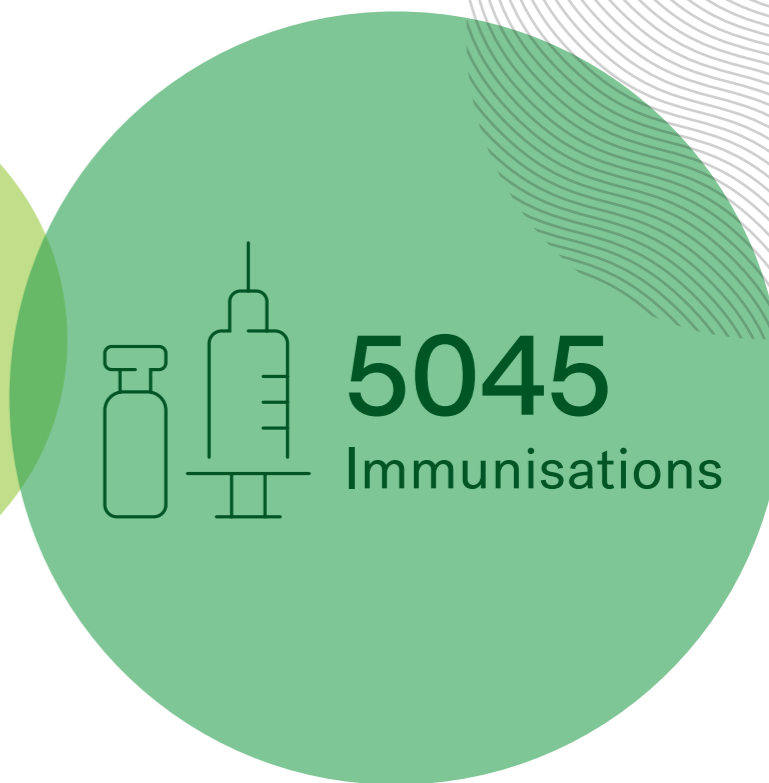
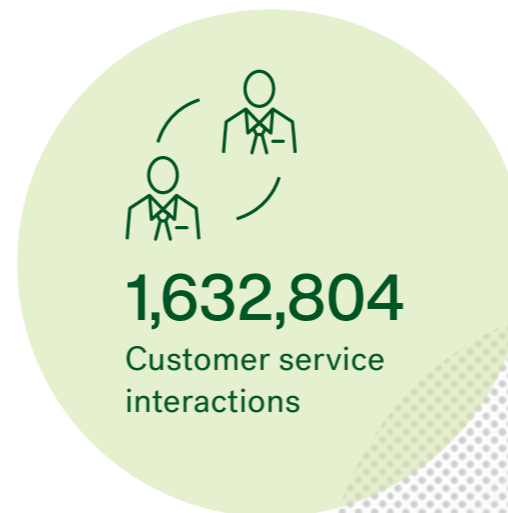
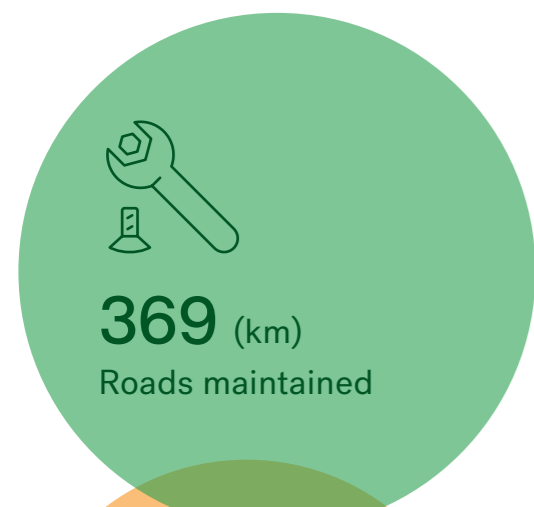
Indexes are also included for ease of reference to the content of this report.



The Report of Operations contains information about our community; our Councillors; our organisation; our corporate governance responsibilities; and, most importantly, how we perform throughout the year.

# Snapshot of Bayside

In addition to maintenance and capital works and maintaining roads, we also supported more than 163 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 the City of Bayside running and make Bayside a better place.



# Awards and recognition

## Bayside Acquisitive Art Prize

The 2021 Bayside Acquisitive Art Award received 426 entries with the major prize awarded to Alec Baker, for Ngura (Country) 2019, with the works exhibited from May July including on-line.

## Bayside Art and Heritage Collection - Acquisitions

### Sybil Craig

*Half Moon Bay* c.1930s, pencil and watercolour

### Craig Gough

*Sandringham 20* 1983, acrylic on canvas (Donation)

*Night Rotunda* (from 'Sandringham series') 1982, acrylic on paper

*Half Moon Bay* (from 'Sandringham series') 1983, charcoal on paper

*From the verandah* (from 'Sandringham series') 1983, charcoal on paper

*To the Bay* (from 'Sandringham series') 1983, charcoal on paper

*The rotunda* (from 'Sandringham series') 1983, charcoal on paper

### Alec Baker

*Ngura (Country)* 2019, acrylic on linen (Winner of the 2020/21 Bayside Acquisitive Art Prize)

### Katherine Hattam

*William Buckley forgot how to speak English* 2018-19 gouache, charcoal and book spines on collaged book pages on linen (Donated through the Cultural Gifts Program)

### Arthur Boyd

*Port Phillip Bay Evening* c. early 1980s, oil on board (Donated through the Cultural Gifts Program)

## Public Exhibitions at Bayside Gallery

The Bayside Gallery was only 104 open days to the public due to pandemic restrictions. As a result the Arts and Culture team adjusted exhibition programming and increased website activity, producing a number of on-line programs that attracted 63,088 visits to the Bayside Gallery and Arts website page.

### Fiona McMonagle: Classy

14 March to 12 July 2020

### Greenworld

18 July to 13 December 2020

### Bayside Local

30 January to 7 March 2021

### Debbie Symons: Sing

13 March to 10 May 2021

### Her own path

13 March to 10 May 2021

### Bayside Acquisitive Art Prize

2020-21 14 May to 4 July 2021

## Flag-raising ceremony

Due to COVID-19 the Annual National Reconciliation Week Flag Raising Ceremony was not conducted with community members, however an on-line video was presented to the community, and the annual Ellen Jose Art Awards for primary and secondary schools was held with a presentation morning tea taking place in July 2021.

## LGPro Awards for Excellence

Bayside received a High Commendation at the LG Pro (Local Government Professionals) Awards for Excellence 2021 in the Sustainability Initiative category, for its 'Journey to Carbon Neutrality'.

## National Volunteers Week

Council delivered an on-line National Volunteers Week celebration, due to the COVID-19 pandemic with 115 participants. The on-line celebration included an information session to acknowledge and celebrate volunteers and thank you cards sent to all Council volunteers.

## Public housing

Council has led the Bayside Community Development Steering Committee to deliver advocacy initiatives, as well as co-facilitated community engagement programs for residents living in social housing in Bayside. Council has partnered with a number of service organisations over the last 12 months to ensure all residents living in social housing in Bayside have access to affordable and appropriate services.

## Civic receptions

Individuals and community organisations contribute to life in Bayside in many diverse ways. Council formally recognised these contributions with a number of civic receptions including Australia Day, Carers' Week and Volunteers' Week. Many of these activities were conducted on-line.

## Australia Day Awards

Council's Australia Day Awards were presented through an on-line ceremony:

### Australia Day Citizen of the Year

**Winner:** Deb Brook

### Australia Day Senior Citizen of the Year

**Winner:** Derek Jones

### Young Citizen of the Year Award

**Winner:** Sam Higgins

### Community Event of the Year

**Winner:** Bayside Community Emergency Relief Inc – Aged Care and Children Fleeing Domestic Violence

### Environment Award for an Individual

**Winner:** John Eichler

### Environment Award for a Community Organisation

**Winner:** No winner awarded in 2021

## 2020 Young People of Bayside Art Exhibition

For the 2020 Young People of Bayside Art Exhibition, Council received brilliant responses from 133 young artists to the theme "Wonderful World". Their works incorporated resilience, climate change and connecting to new members of the community, using a mixture of digital drawings, artwork on skateboards, portraits, hand drawings and photography. The Boombox Events FReeZA committee chose the theme of the exhibition, the layout of the website and recorded themselves hosting the art exhibition. The winners were

### Primary:

**Maggie** (12) Wonderful world inside my mind, Painting

### Middle years:

**Isabella** (14) Portrait of a Lifetime, Coloured pencil drawing

### Open:

**Martha** (18) Peaceful Waters of Thailand, Oil painting on canvas

## 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 2020/2021, Bayside City Council hosted 7 ceremonies approximately 480 new Australian Citizens. For the first time several ceremonies were undertaken on-line given the COVID-19 restrictions at the time.

## Letters under seal

Letters under seal are formal letters of Council.

In 2020/2021 there were six:

**19 November 2020** – former Councillor Michael Heffernan in recognition of service as Councillor of the City of Bayside.

**19 November 2020** – former Councillor James Long BM JP, in recognition of service as Councillor of the City of Bayside.

**19 November 2020** – Former Councillor Rob Grinter, in recognition of service as Councillors of the City of Bayside.

**19 November 2020** – Former Mayor of Bayside, Cr Clarke Martin in recognition of mayoral term for 2019/2020.

**15 June 2021** – Ms Angelina Beninati, in recognition and appreciation of contribution to the Bayside Arts Board and the Bayside Arts and Gallery Advisory Committee.

**15 June 2021** – Ms Tiziana Borghese, in recognition and appreciation of contribution to the Bayside Arts Board and the Bayside Arts and Gallery Advisory Committee.





# Highlights of the year

## Infrastructure

A record \$32.9 million capital works program delivered upgraded and new contemporary facilities for the Bayside community to enjoy for many years to come. Significant projects included completion of the landmark inclusive Thomas Street Reserve playground, the Sandringham Living and Learning Centre delivering integrated library and maternal child health services in a modern engaging space, ongoing upgrades of recreation, sports pavilions and infrastructure and public toilets to improve inclusive and accessible facilities.

## Transport

The Cheltenham station upgrade was finalised by the Victorian Level Crossing Removal Authority, with Council working to facilitate improved commuter facilities on the municipal boundary; shared user paths; improved lighting; and better connections for pedestrians across Park Road. Continued upgrades to footpaths; cycle paths; bicycle infrastructure; and local roads across Bayside improved accessibility for residents of all abilities.

## Housing and neighbourhoods

Council adopted the Affordable Housing Strategy after extensive advocacy and collaboration. The Strategy aims to improve housing affordability (including social housing) and diversity of housing availability for people of Bayside at various life stages. Improved planning controls to protect the future amenity of Bayside's housing and neighbourhoods were introduced including amendments on height controls in small activity centres and consolidating an approach to Environmentally Sustainable Design. Council's improvement project for planning permit and assessment processes, including on-line services, continued to deliver enhanced outcomes for our customers with fast and efficient turnaround of decisions well above benchmarks against similar metropolitan councils.

## Open space

Council commenced construction of a "Chain of Ponds" including 7 ponds, 2 billabongs, irrigation and planting which will deliver a significant milestone in the implementation of the Elsternwick Park Nature Reserve Masterplan. This will transform the former golf course into a unique natural oasis for biodiversity and exceptional new facility for passive recreation. Protection of Bayside's 1.7km of beaches and foreshore remains a high priority, with continued upgrades at Sandringham, Hampton, Half Moon Bay and Black Rock enhancing visitor amenities and preserving the highly valued coastal environment.

## Environment

Bayside became the first council in south-east of Melbourne to achieve certified 'Carbon Neutral' status for its operations, shortly after adopting its Climate Emergency Action Plan. Continuing action to reduce greenhouse gas emissions included solar power installations on 10 further Council buildings and as of March 2021, all of Council's electricity for buildings and street lighting was from renewable sources. The first public electric vehicle charger and fleet electric vehicles were installed, and the diversion of kerbside waste from landfill through recycling increased to over 60 per cent. The joint procurement of an advanced waste processing facility in partnership with 15 other Councils advanced to the final stages. This long term project will provide a greener alternative to landfill for Bayside's waste in the future.

## Local economy and activity centres

Bayside's local economy is strongly reliant on our widely recognised and successful shopping strips and activity centres. The COVID-19 pandemic significantly affected the hospitality, retail, health and lifestyle services provided in these locations. Council's strong commitment to support our local businesses was delivered through Stage 1 of the Bayside Local Economy Recovery and Reactivation Plan. This included outdoor dining and footpath expansion opportunities (spacelets), a range of campaigns to excite and promote interest including Rediscover Bayside, Shop Local and Christmas in Bayside campaigns. Other practical support included social media promotion of shopping villages and waiver of a range of registration, trading and permit fees.

## Community health and participation

Ensuring the health and well-being of our community is central to Bayside's response to the COVID-19 pandemic.

Council maintained and augmented essential services throughout COVID-19 restrictions to continue to support our community including our most vulnerable residents, pivoting services and finding new ways to create connections, encourage resilience and support wellbeing during a challenging year. Outreach and targeted programs for Bayside's most vulnerable older residents and young people helped to address the social isolation experienced by many.

Celebrations, community events and services moved on-line leading to increased, broader audiences for seniors, arts and culture, families and youth initiatives building community connections through shared experiences. Highlights included customer care calls to vulnerable residents, expanded library e-book offerings, home deliveries, virtual story time and other online clubs; and events such as the on-line Bayside Seniors Festival, Advantage Road Open Studios on-line, the 'Connections Art + Dementia' program and the wonderful Paper Planet by Polyglot Theatre.

The young members of our community embraced Children's Week on-line, the "Shreddability" skater competition, Youth Arts exhibition, the Youth summit, Sound Bites on-line gig, and on-line seminars on Youth Anxiety and other topics.

We worked to improve access and inclusion with the establishment of the Bayside Disability Access and Inclusion advisory group and address the housing affordability crisis with advocacy and adoption of the Homes for Homes social housing initiative under the Affordable Housing Strategy.

Bayside's commitment to encouraging creativity was reflected in the establishment of the Ellen Jose Art Award, and the installation of the graceful and inspiring 'Spirit of Place' (David Wood) metal sculpture in Elsternwick Park which is now a community meeting point and public landmark.

## Governance

Our Changing Faces art exhibition and community engagement campaign encouraged a record number (40%) of women to stand in the 2020 Council elections. The elections were conducted for seven new single member wards which resulted in three new Councillors on the seven member Council. This includes three women Councillors, improving gender representation in our local democracy.

Bayside successfully completed all elements required under the first stage of the Local Government Act 2020, all during a year of uncertainty given COVID-19. This includes improved processes for community engagement, transparency, accountability and service value.

Despite the challenges of the COVID-19 pandemic Council maintained the transparency of decision-making processes by continuing to conduct meetings on-line and considering written statements from the community.

This year also included adoption of Bayside 2050 Community Vision and an extensive community panel deliberative engagement process to develop a new Council Plan 2021-2025 and Financial Plan. The feedback and contribution of the over 30 people on the community panel was constructive and rewarding for all involved and a highlight of deliberative democracy.

**A record \$32.9 million capital works program delivered upgraded and new contemporary facilities for the Bayside community to enjoy.**

# Challenges

Bayside City Council faced a number of new and continuing challenges in 2020/2021, including:

- Dealing with impacts of climate change including continuing policy uncertainty at the national and international levels makes defining a clear role for local government in climate change mitigation and adaption challenging.
- Changes in global recycling markets, continue to affect and drive increases to the cost of processing kerbside recyclables. Significant and systemic changes in recycling, material recovery and repurposing, waste to energy solutions requires State/Federal (and international) policy, leadership and commitment.
- Efforts to reduce single use plastics were paused due to health controls under pandemic restrictions and increased the amount of waste to landfill (previously reducing).
- The social and economic impacts of the COVID-19 pandemic impacted all elements of Council's operations. This required a major reallocation of resources to support our community through the crisis and resulted in a significant reduction in income. This is budgeted to continue in the 2021/22 year.
- Continued loss of biodiversity and vegetation across Bayside affected by climate impacts and development. Despite the protective Vegetation Protection Overlay and Council's planting program, tree canopy loss is continuing.
- Decline in volunteering has continued under COVID-19 with many volunteer programs suspended during restrictions.
- Ongoing challenges in the retention and recruitment of school crossing supervisors as a result of the retirement of an aging workforce and the difficulty of attracting new crossing staff.
- Responding to the Australian Government Aged Care and Disability Services reforms. Council officers continue to monitor and respond to the changes being introduced by the Australian Government in the aged care and disability services sector.
- There is an ongoing concern about the timely protection of heritage places in Bayside. The challenge facing Council is effectively protecting places of heritages value within a statutory process where the Minister for Planning is the final decision maker.
- Council projects incurred significant delays due to third party approval processes, unforeseen variations, COVID-19 restrictions, adverse weather and design or planning delays.
- Finding the right balance between the community's desire to preserve local neighbourhood character and responding to community aspirations stemming from population growth was a source of concern. This balance needs to consider the impact on amenity, housing affordability, and pressures from changing household demographics, which drives demand for diverse housing choices to support both an ageing population and young adults seeking to live in the area. In addition, revised population forecasts and Victorian Government planning rules continue to require increased housing for a growing population.
- The ongoing state-wide cladding audit and new regulations for pool and spa safety led by the Victorian Building Authority continues to impact Council resources with additional enforcement inspection and follow up action required to be carried out by qualified and skilled Building Surveying staff.
- The need to provide support and referrals for a growing number of women experiencing family violence increased.
- Recognising and responding to the changing role of shopping centres as not only places to shop but also as community meeting and workspaces which are integral to sustaining neighbourhood life.
- Balancing the competing needs of formal, organised sport and informal recreation across our open space and recreation facilities.
- Council's financial sustainability in a rate-capped environment and with a range of COVID-19 relief measures needs to be preserved, primarily through a greater emphasis on advocating for state and federal government funding.

# The future

Council is committed to continuous improvement through key initiatives including:

- Leading advocacy and practical actions to address the climate emergency and drive sustainability across services, policies and programs. These include protecting and enhancing open space, vegetation, habitat and biodiversity, foreshore care and amenity, minimising waste to landfill and supporting emission reductions in our community.
- Building strong inclusion, accessibility and connection for all who live, visit and work in Bayside, including the marginalised and vulnerable. This is led and supported through an Access and Inclusion Committee and delivered under our Municipal Health and Wellbeing Plan, Gender Equality Action Plan, Innovate Reconciliation Action Plan and actions incorporated into service planning.
- Proactively using technology across a range of Council services and facilities to provide more efficient on-line options for customers.
- Ensure our service delivery through digital technology meets customer needs through sound research and seeking our community's input and testing of potential designs.
- Ensuring our strategic decisions are informed by our Bayside 2050 Community Vision.
- Transforming Elsternwick Park Nature Reserve into an environmentally themed area of passive open space respectful of flora and fauna as well as contributing to flood mitigation and water quality.
- Being committed to retaining and enhancing the liveability of our municipality and looking at opportunities to enhance our planning policy framework in the future. Council's aim is to provide greater certainty to our community that it will deliver on this aspiration while meeting state government requirements and recognising that Bayside has some of the most conservative planning controls in Victoria.
- Maximising the once-in-a-lifetime opportunity that arises for the transfer of land from the old CSIRO site to Council. This will assist future planning of community facilities to help meet the needs of Highett and surrounding areas.
- Ongoing focus on community building activities, including the provision of high quality facilities that support a range of important services.
- Continuing to implement the Local Government Act 2020 to ensure Council complies with its statutory obligations and lead on improved community engagement, transparency and accountability.
- Supporting our community through the COVID-19 pandemic and into the recovery phase. Council will continue to work to re-establish social connections to address isolation, provide support for local businesses, tenants and community groups impacted by the predicted economic downturn and ensure continued support for vulnerable residents.



# Financial summary

## 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

Despite the negative financial impacts of the COVID-19 pandemic, Council achieved an operating surplus of \$20.92 million for the year which was \$1.82 million favourable to the 2020-21 adopted budget. This surplus is used to fund the Capital Works Program in line with Council's Financial Plan.

The adjusted underlying surplus after removing non-recurrent capital grants and capital contributions is a surplus of \$12.24 million or 9.13% when compared with adjusted underlying revenue. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$3.68 billion of community assets under Council's control.

### Financial impact of COVID-19

In March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. To reduce the spread of the virus, a series of public health measures were imposed across the World and in Australia. This included strict quarantine measures, restriction on domestic and international travel, a national wide call to work from home, and a significant level of reduced activity in both the economy and the community.

Council has created four principles to guide our pandemic response actions, including

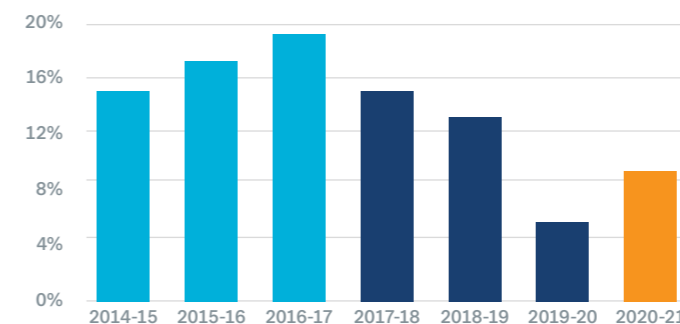
- Continuing services to the community
- Meaningful employment for staff for as long as possible
- Staff health and wellbeing, and
- Sustainability of the organisation for the long term.

The impact on Council's financial results have been identified below:

- Council received additional operating grants of \$1.23 million and capital grants of \$1.92 million during 2020-21 to support economic recovery. The impact of COVID-19 has delayed the delivery of the expected performance obligations attached to the funding to 2021-22 and as a result \$1.1 million in operating grants and \$1.6 million in capital grants remain unspent at 30 June. Subject to COVID-19 restrictions not causing further delays in service delivery, the funding will be spent in 2021-22 as the programs to support economic recovery are delivered.
- Council's non rate revenue reduced by \$1.4 million primarily in Statutory Fees such as Parking Infringements and Court Recoveries and User Fees including Asset Protection and Statutory Planning fees due to the economic impact of COVID-19 restrictions.
- Revenue of \$2.4 million was foregone by Council in order to support our traders and commercial tenants during COVID-19. This included Footpath Trading fees and Environmental Health Act Registrations (\$0.9 million) for traders, Rent relief provided to commercial tenants (\$0.59 million waived and \$0.56 million deferred) and rent recoveries from commercial tenancies (\$0.37 million).
- Additional expenditure of \$1.1 million was incurred by Council due to Council's direct response to COVID-19, including increased cleaning of community facilities and open spaces per Council's COVID-safe plan.
- It is estimated that due to the continued lockdowns imposed by the Victorian State Government, the 2020-21 capital program has been delayed by four to six weeks and has resulted in an underspend of approximately \$3 million for the year.

Council has a strong financial position, a robust financial framework, and has successfully put in place measures to mitigate the financial impact of COVID-19 including a reduction in discretionary spending and the suspension of the 2020-21 New Initiative program.

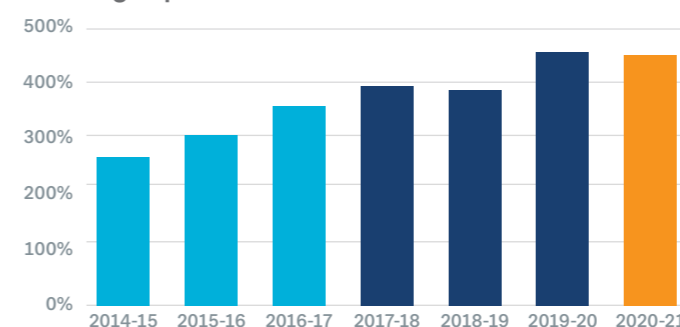
### Adjusted underlying result ratio %



### Liquidity

Cash and investments have increased by \$18.82 million from the prior year mainly driven by the favourable operating and capital results for the year. 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 452.2% is an indicator of a strong financial position.

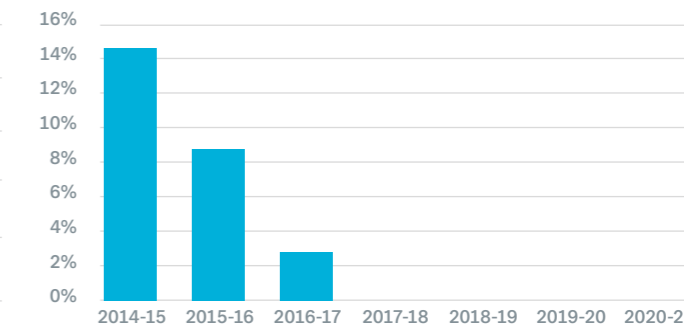
### Working capital ratio %



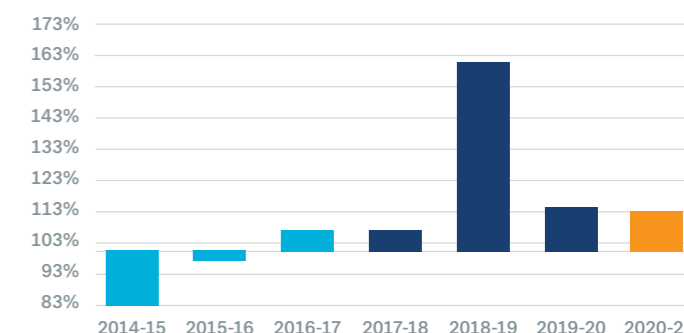
### Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels required to deliver the services needed by the community. Council invested \$32.640 million in capital works during the 2020-21 year, continuing Council's delivery on its accelerated capital program funded from a combination of Council rates, external funding and reserve allocations. Council remains 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 112.5% and reflects Council's accelerated capital works program.

### Loans and borrowing ratio %



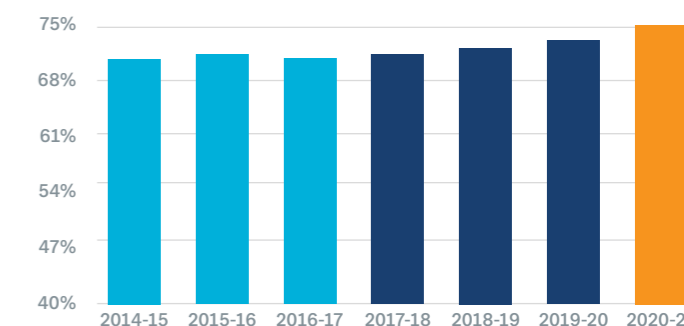
### Asset renewal ratio %



### Stability and efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration which compares rate revenue to adjusted underlying revenue, was 75.9% for the 2020-21 an increase from prior years. The increase is due to a reduction in Council's other revenue including fees and charges, fines revenue, interest income and commercial rentals reflecting the downturn in economic conditions associated with COVID-19. The average residential rate per residential assessment is \$2,179 which compares equally to similar councils in the inner metropolitan area.

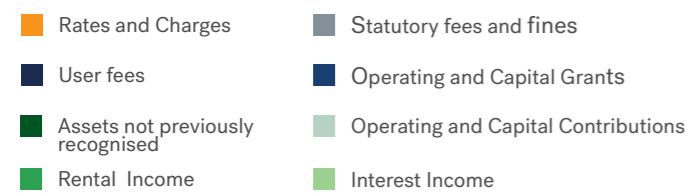
### Rates concentration ratio %



# Financial summary

## Where does the money come from?

Compared with most Councils, Bayside is heavily dependent upon rate revenues for its income. Rate revenue during the 2020-21 financial year made up 71 percent of total income and is due largely to the residential suburban nature of land use in our municipality. The following chart indicates Council's revenue streams.



## Where does the money go?

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



\*For a breakdown of Council expenditure by service category see page 45.

## Cost shifting from state and federal governments

### What is cost shifting?

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

Cost shifting occurs when other levels of government:

- fail to increase the recurrent grants to local government to match the increasing cost of providing services, eroding the grants real value;
- introduce new taxes, levies or charges on services council provide;

- shift responsibility for services to local government without providing the funding needed to discharge that responsibility;
- introduce new laws or regulations that require councils to spend money on compliance; and
- restrict the increase in fees and charges for various services provided by councils to a level less than the increase in the cost of providing those services.

### The major cost shifts in 2020-21 were as follows:

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

- Library Services - the impact on Council for 2011/12 to 2020-21 was \$120 thousand.
- Maternal and Child Health - the impact on Council for 2011/12 to 2020-21 was \$106 thousand.
- School Crossing Supervision - the impact on Council for 2011/12 to 2020-21 was \$19 thousand.

#### Type 2: Loss of funding

- A freeze on indexation of the federal financial assistance grants. The Commonwealth announced in its 2014-15 Budget that it will pause indexation of the total national pool of financial assistance grants to local government for three years (2014-15, 2015-16, 2016-17). The cumulative impact on Council for 2020-21 was \$372 thousand.

#### Type 3: Statutory fee that prohibits full cost recovery

- The historical freeze on indexation has resulted in revenue foregone for 2020-21 of \$1.06 million, had Council been permitted to fully recover the cost of providing planning services. Indexation was re-introduced from 2016.

#### Type 4: Levies

- State Government landfill levy has increased from \$9 per tonne in 2008/09 to \$65.90 per tonne in 2020-21 (732% increase in 12 years). The levy paid by Council in 2020-21 was \$1.15 million.
- Animal registration levy - \$68 thousand in 2020-21.

Rates and charges collected by Council help fund more than 100 community services and programs ...

# Operations summary

Bayside City Council's services are fundamental to making Bayside a better place.

In 2020/2021, Bayside City Council services included:

Urban Strategy	Economic Development   Urban Strategic Planning   Urban Design
Amenity Protection	Local Laws and Parking   Planning Investigations   Appeals   Environmental Health Animal Management   School Crossings
Commercial Services	Occupational Health and Safety   Procurement   Property Management Risk and Claims Management
Open Space, Recreation and Wellbeing	Community Wellbeing   Open Space Management Events, Recreation and Sports
Information Services	Corporate Records   Technology Support Services
Sustainability and Transport	Environmental Sustainability   Recycling and Waste Management Traffic Management and Transport Planning
Community Services	Aged and Disability Services   Families and Children   Community Services Management Social Policy   Youth Services
Finance	Accounting   Fleet Management   Rates and Revenue
Governance	Governance   Corporate Reporting
Enterprise Project Management Office	Enterprise Project Management Office
People and Strategy	Strategy and Improvement   People and Capability   Payroll
Development Services	Building Surveying   Asset Protection   Statutory Planning
Customer and Cultural Services	Arts and Cultural Services   Customer Experience   Library Services Digital Transformation
City Assets and Presentation	Asset management   Building and Infrastructure Maintenance Emergency Management
Project Services	Capital Projects Delivery   Major Capital Projects
Communications and Engagement	Communications   Engagement

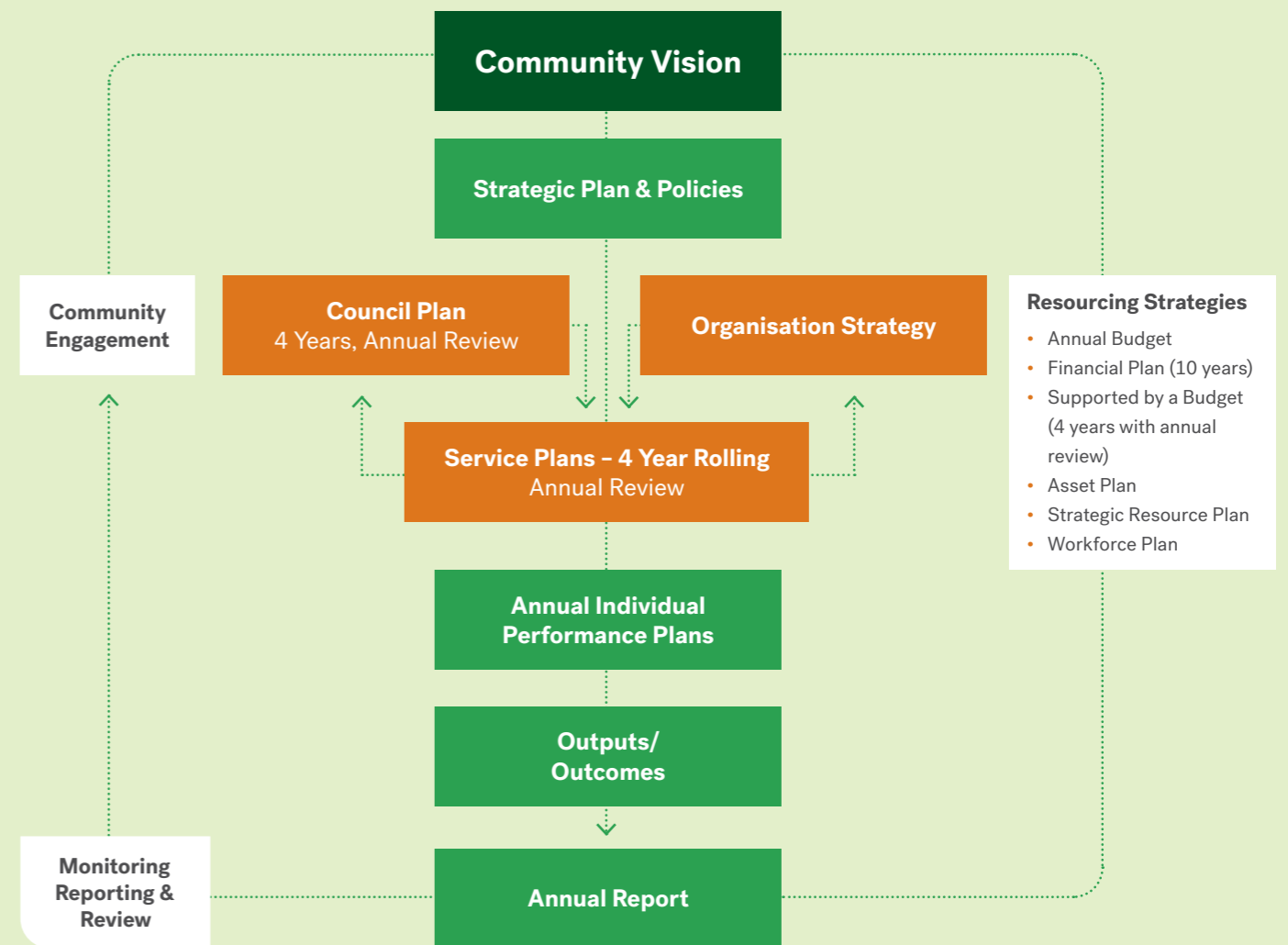
# Bayside 2050 Community Vision

Our previous Bayside Community Plan 2025 was a key driver of the Council Plan 2017-2021, providing valuable insights into what residents valued and needed as we developed and prepared to transition to a new community vision.

The structure of these documents was based on eight 'domains of liveability', drawn from the World Health Organisation's Age Friendly Cities Framework, the Community Indicators Victoria Data Framework, and the University of Melbourne's Place, Health and Liveability Research Program. These eight goals within the Community Plan provided the foundation for a healthy, happy community.

As shown in the diagram below, our planning framework directly informs the Council Plan including the Long-Term Financial Plan, and a range of Council strategies, plans and actions.

In 2020 Bayside engaged with the community to develop a new Community Vision for 2050 which then informed the development of a new Council Plan 2021-2025 and new 10-year Financial Plan; all in line with the requirements of the new Act.



# Our Council

## Our community, our city

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

Bayside City Council is located south of Melbourne, along Port Phillip 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 northern boundary, along Glen Huntley Road, is just eight kilometres from Melbourne's central business district. The city, covering an area of 37 square kilometres, comprises the former cities of Brighton and Sandringham, and parts of the former cities of Mordialloc and Moorabbin. Bayside City Council was created on 14 December 1994, and is home to more than 107,541 individuals, which has been steadily increasing for over a decade.

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 make a diverse, healthy and liveable place for all.

## City profile

Bayside City Council is diverse and very significant in terms of its historical and natural environment, and displays a number of characteristics, which make this city a place where the community wishes to live, work and play.

### Location

Bayside's natural environment, from the 17-kilometre stretch of sparkling coastline to the urban forest of our streets, is an important and valued asset. Preservation and enhancement works are completed each year to help maintain our natural environment and protect it from the impact of development, increased use and climate change.

### Urban Amenity

Bayside is well known for its tree-lined streets, significant parks and open spaces, and its indigenous flora and fauna area. Bayside also is home to the iconic Brighton bathing boxes which attract a large number of visitors to the area every day.

### Population

The preliminary estimated resident population of Bayside, as at June 2021, was 107,541 people. Over the 2020/2021 period, the Bayside population increased by 679 persons (0.64%).

In the previous 10 years from 2009 to 2019, the population increased by 12.6%, from 94,850 persons in 2009. Continued average population growth of 1.4% per annum was anticipated until 2021. The slowed growth rate of 0.64% in 2020/2021 is related to the pandemic impact due to reduce immigration and interstate migration with Victoria experiencing a net loss in 2020/2021.

(Source: Australian Bureau of Statistics—Estimated Resident Population, i.d. Population Forecast; <https://www.abs.gov.au/articles/population-change-2020>).



## Ageing population

The population is ageing, and Bayside has a greater proportion of older people than the Melbourne average, with double the proportion of 'frail elderly persons' (those 85 years and over).

The Bayside age profile also differs to the broader Melbourne profile with significantly fewer young adults (age 18 to 34), fewer babies and infants, but more school-age children, older working-age adults, and seniors.

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.

(Source: Australian Bureau of Statistics, Census of Population and Housing).

### Births

Over the past decade, fertility rates and number of births have been steadily decreasing. In 2020/2021 there were 850 birth notifications in Bayside, which indicates a rise from the previous year (817) and may be an effect of the COVID-19 pandemic. The expected number of births in future years is currently being reviewed, in light of this trend and the 2021 census.

(Source: Maternal and Child Health annual reports, i.d. Population Forecast).

The dominant household type in Bayside is family households – mainly couples with children, followed by older couples without children at home. The high cost of housing in Bayside makes it unaffordable for many young adults and families when they are first establishing themselves, but it is a highly desirable place to live for established families, and for people to remain as they age.

## Cultural diversity

Bayside residents are predominantly (69%) born in Australia. The main overseas countries of birth are the United Kingdom, China and New Zealand. Eight out of ten Bayside residents speak English at home. The main non-English languages spoken at home are Greek, Mandarin and Russian.

(Source: Australian Bureau of Statistics, Census of Population and Housing).

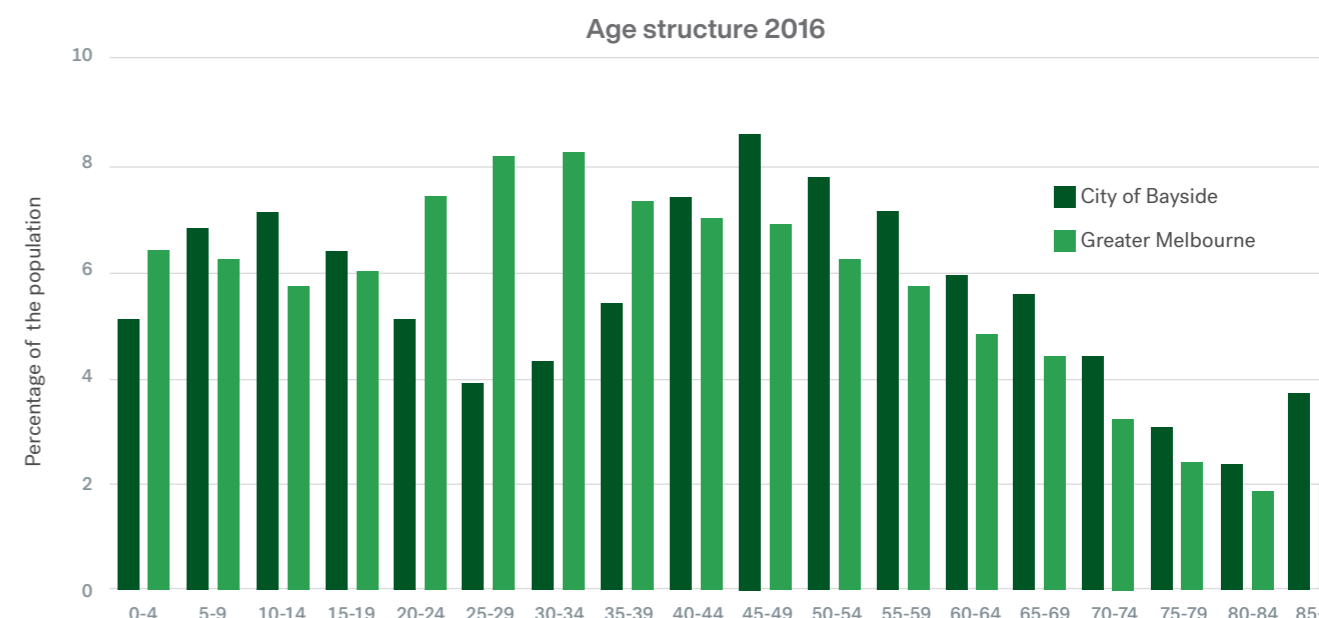
## Housing

The number of homes in Bayside is increasing. There are currently 42,603 dwellings, and this is forecast to increase to 49,600 by the year 2036. The number of one-person and two-person households is forecast to increase substantially over the next decade, with a smaller increase in family households.

The proportion of separate houses has fallen with the growth of flats, units or apartments and townhouses. Residential property prices have increased significantly over the past 10 years. The median house price increased from \$1,050,000 in 2008 to \$1,850,000 in 2018. The median unit price increased from \$510,000 in 2008 to \$840,000 in 2018.

(Source: Department of Environment, Land Water and Planning, A Guide to Property Values, 2017).

As a council, our purpose is to work with our community to make Bayside make a diverse, healthy and liveable place for all.



(Source: Australian Bureau of Statistics, Census of Population and Housing).

# Our Council

## Education and occupation

People in Bayside are generally well-educated. The proportion of residents who have completed Year 12 schooling (or equivalent) is higher compared to Greater Melbourne.

In 2016, 39.1% of Bayside residents held a Bachelor's degree or higher qualification, compared to the Greater Melbourne average of 27.5%.

More than half of the Bayside's employed residents are professionals (33.7%) or managers (22.4%). This is a much higher proportion than across Greater Melbourne. These occupations, as well as community and personal service workers, are the fastest-growing occupations in Bayside.

*(Source: Australian Bureau of Statistics, Census of Population and Housing).*

## Sport and recreation facilities

Bayside's parks and bike paths encourage many local residents and visitors to enjoy the outdoors, whether through walking, cycling or pursuing other passive and active recreational activities. The municipality is home to four major yacht clubs and four first-class sand belt golf courses. Council provides a wide range of facilities to cater for the large number of sportspeople in the community. These include 139 parks, 61 playgrounds, 46 sports grounds and 17 kilometres of shared bike paths.

## COVID-19 Implications

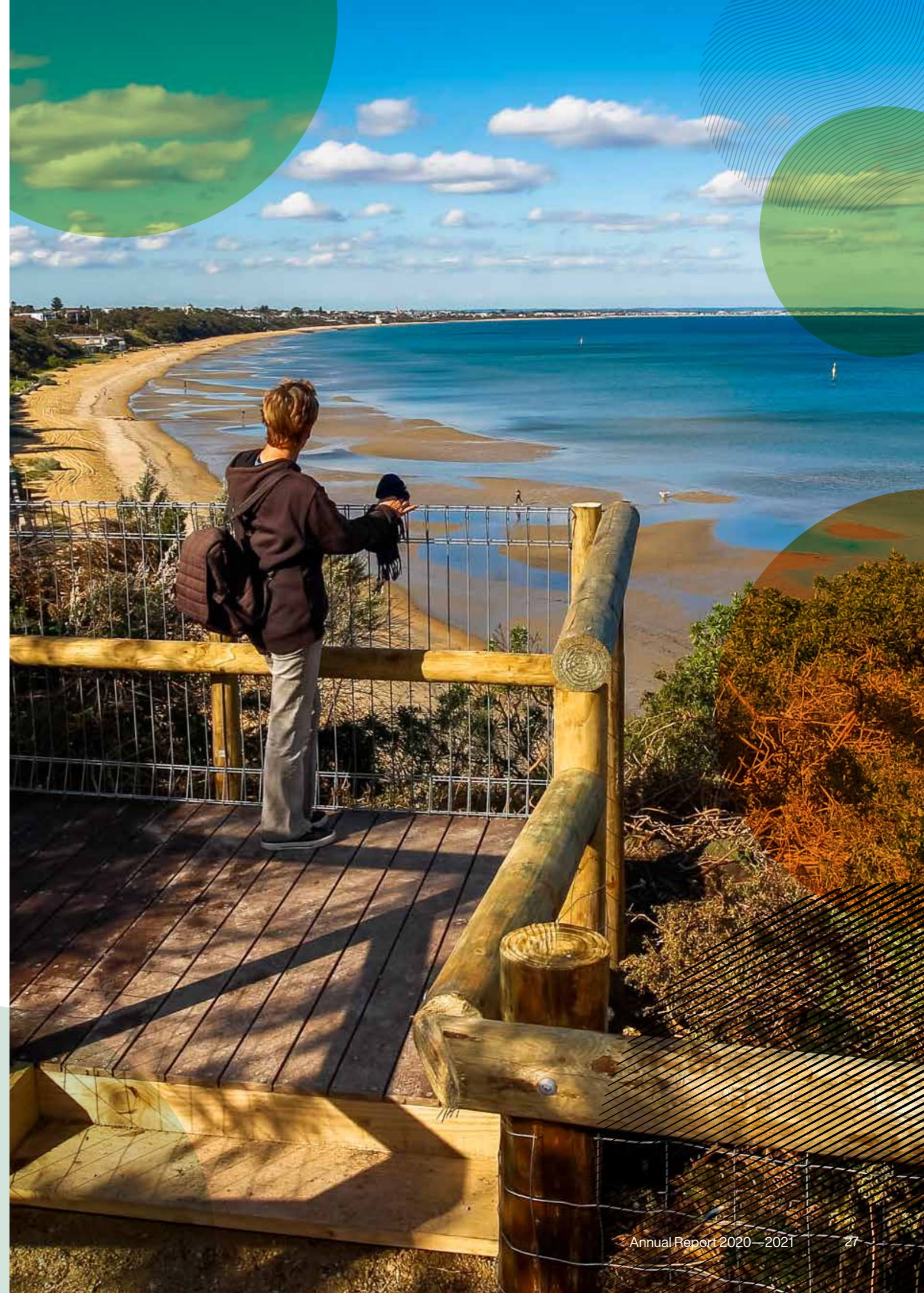
On 30 January 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Various measures were taken by all three levels of government in Australia to reduce the spread of COVID-19. The pandemic continued throughout the 2020/2021 financial year with significant impacts to community during a series of lockdown restrictions to limit the virus.

To ease the financial burden on Bayside residents, local businesses and community groups Council continued a series of measures that commenced in April 2020 including:

- extending its financial hardship policy in response to COVID-19 from April 2020. No interest is being charged on late rate payments.
- support for community groups - waived lease and licence fees for some community groups, including sporting clubs
- relief for local businesses - waiver and deferral of commercial lease revenue, waived fees for footpath trading fees, food premises registration, trader parking permits.

Council's revenue streams have been impacted by COVID-19. This impact is primarily in user fees and statutory fees and charges during the year which have been offset by savings in discretionary expenditure. In response to COVID-19 restrictions and government directives, libraries and the Bayside Art Gallery were closed intermittently. These restrictions also resulted in decreased visitations to Council facilities and participation in Council programs. Council continues to actively monitor the COVID-19 situation, work with the business community and review initiatives over the coming year.

Council provides a wide range of facilities to cater for the large number of sportspeople in the community.



# Our Council

## Our Councillors

Following the introduction of single ward representation under the new Local Government Act 2020, and the 2020 municipal elections, the City of Bayside now comprises seven wards represented by seven Councillors. The Councillors were elected for a four-year term on Saturday 24 October 2020 and took an Oath of Office at the Annual Meeting of Council on Thursday 19 November 2020.

In 2020/2021, Councillors attended a total of 35 meetings, including the Annual Meeting, Ordinary Meetings, Special Meetings and Special Committee Meetings. Councillor attendance across the entire year averaged 96%. In those meetings, Councillors considered 371 separate items of business.

As well as formal meetings of Council, elected members represent the Bayside community through appointments to various external committees.

## Role of Mayor

Each year, at the Annual Meeting of the Council the Councillors elect a Mayor and Deputy Mayor, both of whom serve 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 on behalf of the community to other levels of government on key issues
- work with the Chief Executive Officer to ensure Council achieves its objectives.

During the reporting year of 2020/2021 Bayside City Council's Mayors were:

- Cr Clarke Martin elected 10 November 2019 to 24 October 2020
- Cr Laurence Evans OAM elected 19 November 2020 to current

Although the Mayor has no more authority than other Councillors, the position is a significant one as a community leader and Council spokesperson. The Mayor also performs important leadership, social and ceremonial functions and is chair of all Council meetings.

## Role of Councillors

Councillors play a critical role in ensuring responsible and accountable government. As the community's elected representatives, they are involved in determining priorities and policies, establishing the strategic direction of the municipality.

## Council elections

Victorian local government elections are held every four years for the Bayside community to elect Councillors to represent the community interest.

In October 2020, postal elections were conducted by the Victorian Electoral Committee (VEC) on behalf of Council to elect seven members of Council, based on seven single member wards.

The results of the election saw the re-election of four Councillors and the election of three new Councillors.

The previous Council was elected in October 2016 and served until 23 October 2020, comprised of the following Councillors:

<b>Northern Ward</b>	Cr Alex del Porto Cr Michael Heffernan
<b>Central Ward</b>	Cr James Long BM, JP Cr Rob Grinter Cr Sonia Castelli
<b>Southern Ward</b>	Cr Laurence Evans OAM Cr Clarke Martin

In 2020 elections were conducted on 24 October 2020. The current Council comprises:

<b>Beckett Ward</b>	Cr Clarke Martin
<b>Bleazby Ward</b>	Cr Alex del Porto
<b>Boyd Ward</b>	Cr Fiona Stitfold
<b>Castlefield Ward</b>	Cr Jo Samuel-King MBBS
<b>Dendy Ward</b>	Cr Hanna El Mouallem
<b>Ebden Ward</b>	Cr Laurence Evans OAM
<b>Iverson Ward</b>	Cr Sonia Castelli

An annual meeting of Council was held on 19 November 2020, and Cr Laurence Evans OAM was elected Mayor, and Cr Sonia Castelli elected Deputy Mayor.

## Councillors November 2020 – present (7 single member wards)



### Ebden Ward

Councillor Laurie Evans OAM (Mayor)  
0407 735 993  
levans@bayside.vic.gov.au



### Dendy Ward

Councillor Hanna El Mouallem  
0437 859 978  
helmouallem@bayside.vic.gov.au



### Bleazby Ward

Councillor Alex del Porto  
0417 390 641  
adelporto@bayside.vic.gov.au



### Castlefield Ward

Councillor Jo Samuel-King  
0419 772 291  
jsamuelking@bayside.vic.gov.au



### Iverson Ward

Councillor Sonia Castelli  
0466 356 794  
scastelli@bayside.vic.gov.au



### Boyd Ward

Councillor Fiona Stitfold  
0409 608 419  
fstitfold@bayside.vic.gov.au



### Beckett Ward

Councillor Clarke Martin  
0466 356 805  
cmartin@bayside.vic.gov.au

## Acknowledgement of former Councillors - 1 July 2020 to 23 October 2020

Bayside Council acknowledges the contribution to the City of Bayside from the former Councillors during their term of office



Cr James Long BM. JP



Cr Rob Grinter



Cr Michael Heffernan



# Our Council

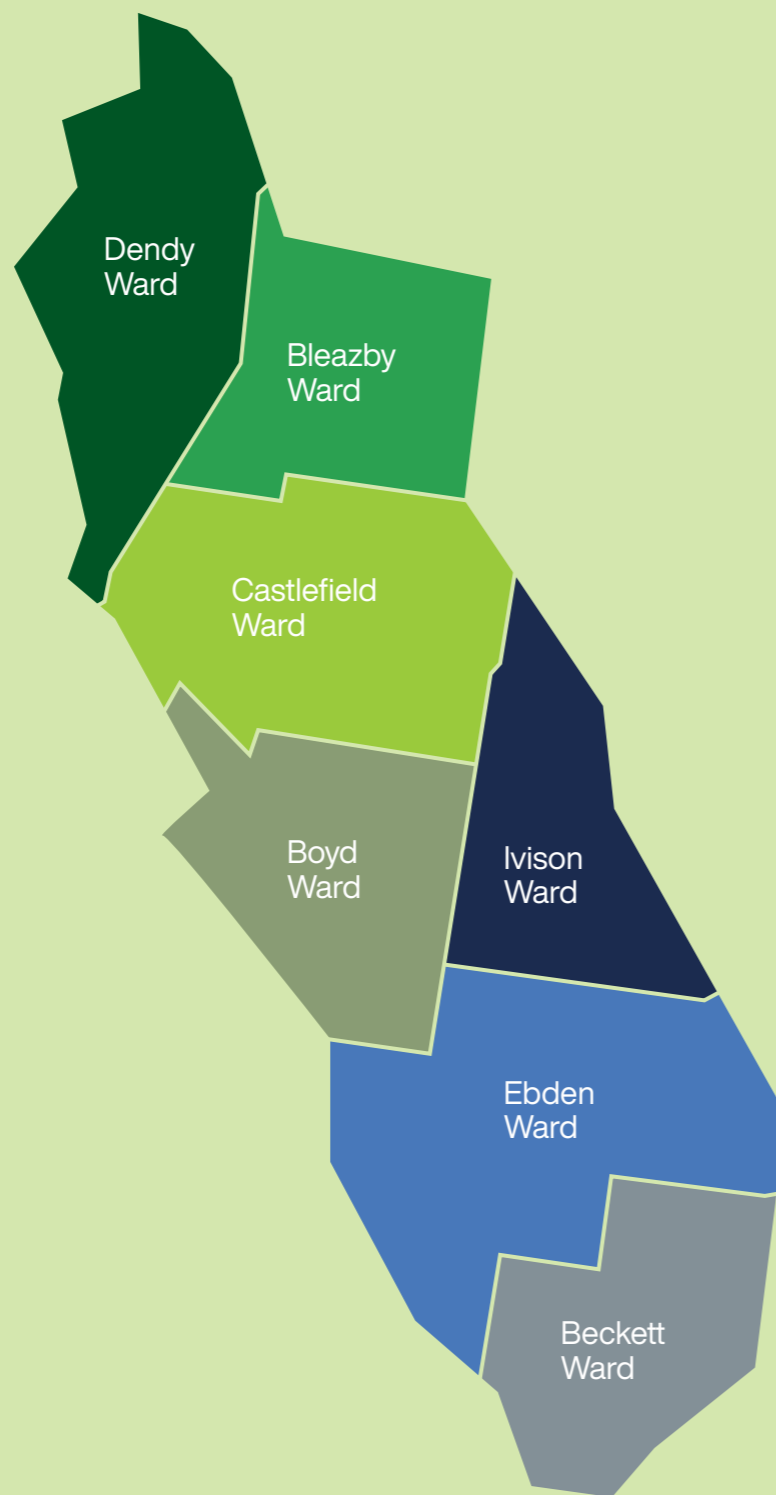
## Council Wards

The 2020 Victorian Local Government elections were held in accordance with changes under the new Local Government Act 2020. Effective from 24 October 2020, implementation of electoral requirements included new electoral boundaries and single ward representation.

For more information about ward boundaries, see Council's website: [Bayside Ward information](#)

## Boundary descriptions

- **Beckett Ward** – east of Keating street to Balcombe Road to Reserve Road, north to Weatherall Road to the eastern boundary and the southern boundary.
- **Bleazby Ward** – from the rail line to the eastern boundary, encompassing Dendy Street from the rail line to Hampton Street, Hampton Street from Dendy Street to Marriage Road.
- **Boyd Ward** – the rail line heading towards Hampton Street, down Willis Street and Fewster Road to Cummins Road, South down Bluff Road to locality boundary.
- **Castlefield Ward** – from the eastern boundary between Marriage Road and Cummins Road, down Cummins Road to Fewster Road and Wills Street to Hampton Street, south on Hampton Street to the rail line.
- **Dendy Ward** – from the northern boundary of Bayside along the eastern boundary to the rail line that runs between Nepean Highway and South Road.
- **Ebden Ward** – from locality boundary to Bluff Road, north to Bay Road to the eastern boundary, south to Weatherall Road to Reserve Road, west to Balcombe Road to Keating Street to Beach Road.
- **Iverson Ward** – east of Cummins Road and Bluff Road to Bay Road, to the eastern boundary.



# Our people

## Our organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO), who has responsibility for the day-to-day leadership of the organisation. The CEO, four directors and one Executive Manager form an Executive Leadership Team to lead the organisation.

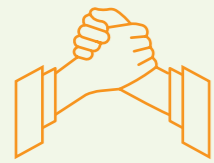
*'As Bayside's Executive Team, we will demonstrate leadership by working collectively and supporting each other. We will do this by building capacity and creating change so that individuals and the organisation can be the best they can be'.*  
Executive Team Purpose

## Organisational Chart



# Our people

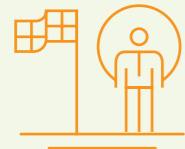
## Organisational Values



### Our Values and Behaviours

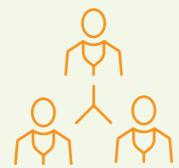
#### Respect each other

I value others and their contribution  
I ask and listen to understand  
I treat others with fairness, dignity and care



#### Own it

I take responsibility for my actions  
I see it through  
I make it happen



#### Work together

We collaborate within and across teams  
We set each other up for success  
We share information generously  
We care about the flow on impact of our work



#### Find better ways

We are curious our community's changing needs  
We encourage break-through ideas and new approaches  
We make courageous decisions  
We are open to learning



We encourage break-through ideas and new approaches.

# Our people

## Senior Executive Team

### Senior Officers reporting directly to the Chief Executive Officer



**Mick Cummins**  
Chief Executive Officer

Mick was appointed as Chief Executive Officer in July 2018, having held the position of Director Corporate Services since commencing at Bayside City Council in June 2012. Prior to this, he was General Manager Corporate Services at Frankston City Council. Mick has extensive experience across all facets of local government and, in particular, in the areas of finance, governance, organisational development, customer service and community services.



**Rebecca Aldridge**  
Executive Manager People and Strategy  
Master of Business – Human Resources and Industrial Relations

Rebecca was appointed as Executive Manager People and Strategy in December 2018. Rebecca has more than 18 years' experience in human resource management, strategy creation, leadership development and change management, and in leading cross-organisational improvement and change. Rebecca holds a strong vision for creating inclusive and positive employee experience and driving collaboration and improvement to enable delivery of services that provide public value and that contribute to the liveability of Bayside.

**Areas of responsibility**

- Employee attraction and engagement
- Learning and Growth
- Employee and Industrial Relations
- Payroll
- Service Planning
- Organisational development
- Policy and Strategy development
- Change management and continuous improvement



**Jill Colson**  
Director Corporate Services

Master of Training and Development  
Graduate Diploma Human Resources and Industrial Relations  
Bachelor of Arts (Hons)

Jill joined Bayside as Director Corporate Services in November 2018 and has worked in both the public and private sectors over her career. With over 20 years' experience in local government, she is passionate about building positive organisational culture, in support of delivering community outcomes. She has extensive experience across the areas of governance, risk, people and change, workplace health and safety and corporate strategy.

**Areas of responsibility**

- Information Technology
- Internal / External Auditing
- Governance and Reporting
- Financial services
- Project Management
- Commercial Services



**Bryce Craggs**  
Director Community and Customer Experience

Master of Science (Organisation Dynamics)  
Graduate Diploma of Leadership and Organisational Behaviour

Bryce was appointed Director Community and Customer Experience at Bayside City Council in December 2018. Prior to this, he held a variety of senior executive roles in local government, the water sector and the not-for-profit sector, as well as running his own successful strategy and organisational development consultancy. Bryce has extensive experience in the areas of strategy, organisational change, customer-centric thinking, social policy reform, advocacy and technological change.

**Areas of responsibility**

- Customer Service
- Arts and Culture
- Libraries
- Communications and Engagement
- Customer Experience
- Community services
- Policy Analysis
- Community Resilience and Safety
- Emergency Management



**Adam McSwain**  
Director Environment, Recreation and Infrastructure

Graduate Diploma Accounting  
Master of Business Administration  
Master of Politics and Public Policy

Adam is the Director Environment, Recreation and Infrastructure and commenced with Bayside in April 2020. Prior to this, he held a number of senior executive roles in local government and has more than 14 years' experience in the areas of project planning and delivery, recreation, sustainability, open space service provision and implementing across organisation change initiatives.

**Areas of responsibility**

- Environmental sustainability strategy and programs
- Recycling and waste services
- Traffic management and integrated transport planning
- Recreation and Events
- Open space and foreshore management and maintenance
- Community Wellbeing
- Infrastructure management and maintenance
- Capital project management and delivery



**Hamish Reid** (resigned June 2021)  
Director City Planning and Amenity

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.

**Areas of responsibility**

- Strategic land use planning
- Statutory planning
- Building services Economic development
- Local laws
- Environmental health and parking enforcement

# Our people

## Council staff

Bayside City Council is an organisation that is an extraordinary place to work, with a thriving employee community and a future that is exciting. Bayside has a highly engaged workforce and trusts and empowers its people to strive for the highest level of performance. Bayside offers a flexibility in the way this work is done, through the offer of hybrid working along with other flexible working arrangements.

### \*Permanent includes fixed term positions

Division	Casual Female		Permanent* Part-time Female		Permanent* Full-time Female		Casual Male		Permanent* Part-time Male		Permanent* Full-time Male		Total	
	Count	E.F.T	Count	E.F.T	Count	E.F.T	Count	E.F.T	Count	E.F.T	Count	E.F.T	Count	E.F.T
Corporate Services	1	0	13	8.62	25	25	1	0	2	1.2	24	24	66	58.82
Community and Customer Experience	50	0	150	94.61	55	55	14	0	17	10.28	15	15	301	174.89
Environment, Recreation and Infrastructure	0	0	11	7.56	32	32	0	0	2	1.6	32	32	77	73.16
City Planning and Amenity	12	0	27	9.71	44	44	7	0	29	6.5	55	55	174	115.21
CEO/People and Strategy	1	0	4	3.35	7	7	0	0	0	0	2	2	14	12.35
<b>Total</b>	<b>64</b>	<b>0</b>	<b>205</b>	<b>123.85</b>	<b>163</b>	<b>163</b>	<b>22</b>	<b>0</b>	<b>50</b>	<b>19.58</b>	<b>128</b>	<b>128</b>	<b>632</b>	<b>434.43</b>

## Workforce by age, gender and contract 2020/2021

### \*Permanent includes fixed term positions

Age	Permanent* Full-time		Permanent* Part-time		Casual		Total
	Female	Male	Female	Male	Female	Male	
< 30	27	13	4	2	17	7	70
30-50	83	73	79	7	25	6	273
> 50	53	42	122	41	22	9	289
<b>Total</b>	<b>163</b>	<b>128</b>	<b>205</b>	<b>50</b>	<b>64</b>	<b>22</b>	<b>632</b>

Overall, 68 % of employees at Bayside are female, with 58 % of Senior Officers being male. In October 2018 Council adopted an updated Equal Employment Opportunity policy which considers diversity, including gender.

Council's Women's Charter Action Plan, focuses on consolidating many of the strategic initiatives that Council currently undertakes, in addition to identifying new activities that support Council in delivering on the principles associated with the Local Government Women's Charter which are: Gender Equity, Diversity and Active Citizenship.

Some of the key measures achieved through the Women's Charter Action Plan are: target quotas of 40% female, 40% male and 20% non-defined for Council's Senior Leadership Team; Including gender equity targets in the CEO Employment Matters Committee Charter targeting female candidates; Councillors undertaking professional development focussed on gender equity, unconscious bias and bystander training conducted by WHISE (Womens' Health in the South East); and encouraging female representation on Council by providing information sessions for women that highlight the benefits of being involved in local democracy and give greater insight into local government.

These measures contributed to a 9% improvement in ratio of female to male Senior Officers, and an increase in women registering for and participating in the local government elections which resulted in a 28% increase in female representation on Council (3/7 Councillors) in 2020.

The organisation continues to ensure a cross-organisational approach to ensuring our people's individual differences are valued in the organisation through the establishment of a Working Group. The objectives of the group are to ensure:

- 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
- the organisation is prepared for the introduction of the Gender Equality Act in 2021 and there are policies in place that underpin our commitments.

Our classification breakdown across the business is as follows:

Band Level	Female	Male	Total
Band 1	46	36	82
Band 2	49	10	59
Band 3	31	15	46
Band 4	81	22	103
Band 5	63	21	84
Band 6	62	40	102
Band 7	30	18	48
Band 8	22	23	45
Nurse	35		35
Senior Officer Contract	10	14	24
Junior	3	1	4
<b>Total</b>	<b>432</b>	<b>200</b>	<b>632</b>



# Our people

## Equal Employment Opportunity

Bayside City Council restated its commitment to treating all people with dignity and respect, and to providing a work environment that is free from unacceptable conduct including unlawful discrimination, harassment, sexual harassment, victimisation, racial or religious vilification.

Further, Council is committed to taking positive action to ensure fair treatment of all employees, volunteers and contractors, consistent with organisational values and obligations under the Equal Opportunity Act 2010 (Victoria).

Council will endeavour to ensure that its people-management practices provide for the equitable selection, assessment and development of employees, and will guide efforts to promote diversity and inclusion within the organisation.

The EEO policy provides a guide as to what represents acceptable workplace conduct and highlights what may constitute unacceptable conduct.

This policy also provides information about the support and options available for dealing with any complaint, concern or problem associated with unacceptable conduct.

## Other staff matters

### Professional development

Bayside City Council offered a wide range of professional development opportunities from general specialist training to executive-level coaching. This included inductions, foundation-level courses, individual contributor and team leader training. Through the pandemic, our people's development focused on resilience, managing change and working remotely. 180 sessions were provided throughout the year which was a 100% increase on 2019/20. The increase ensured shorter, smaller courses could be provided for effective on-line learning.

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 2020/2021 two employee engagement pulse surveys were undertaken. The increased frequency of the surveying recognised the changing environment for our people through the pandemic and ensured our people's experience and impact at work could be understood and supported more fully.

Over 70% per cent of staff completed the surveys. In 2020/2021, we reached a high of 75% of our people being engaged which is up 19% since we started measuring engagement in 2017. This puts Bayside City Council well inside the top quartile (top 25%) of organisations in the Aon Australia and New Zealand database of over 600 organisations.

Trust, clear expectations, empowerment and recognition were some of the standout factors for our people.

Our top areas of focus to lock in our people's engagement include stronger alignment to a clear and exciting vision of the future, creating clear success measures and building a culture where feedback is received openly. Providing a better customer experience is also one of the strongest priorities for our people's engagement.

Through employees' engagement, we'll continue to see the benefits of organisations in the top quartile that experience higher customer results; higher productivity; lower absenteeism; and 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 providing a safe and healthy working environment for staff, contractors, visitors and members of the public who use our services and facilities.

Council applies a continuous improvement approach to our occupational health and safety management system and implements updates and relevant changes as we strive to meet both compliance requirements and best practice across health, safety and wellbeing. The 2021-2022 Safe and Well Strategy has been approved by the Executive Team and contains a range of initiatives across the organisation designed to uplift the health and safety culture, reduce the risk of injury and incidents, and create a greater sense of the importance of health, safety and wellbeing as business as usual within all leaders and staff. Additionally, the Mentally Healthy and Well strategy is under development and following approval by the Executive Team, will inform Council in how we protect, promote and support employee mental health and wellbeing throughout 2021-2023.

Late in the year Council was advised of the cessation of the Municipal Association of Victoria self-insurance license. Council is transferring to our new insurer, Allianz, to be effective from 1 July 2021 under the WorkSafe Victoria Workers' Compensation Scheme. There were no WorkSafe notifiable incidents during the last premium year.

The most recent Employee Engagement Pulse Survey results continue to provide strong results for perceptions of safety and wellbeing.

## COVID-19 health and wellbeing response

Whilst Council had a well utilised wellbeing program, the pandemic created a significant shift in approach to delivery of health and wellbeing programs. Additional OHS Committee meetings have been held to advise on a number of changes directly related to COVID-19 Pandemic Response and working remotely.

Council rapidly moved to offering staff access to on-line webinars, live movement and meditation classes and downloadable resources to help support their mental and physical wellbeing as well as the physical dislocation from the workplace to remote working.

A Health and Wellbeing Working Group was formed and meets fortnightly to discuss the program, current challenges facing staff due to COVID-19 and helping the OHS Team with tasks to promote the program and overall staff wellbeing.

As part of the revised program following COVID-19 restrictions Council has undertaken assessment of 194 new remote working applications including support to improve ergonomic setups with chairs, screens and peripherals. Council had strong participation in a 10,000 step challenge and implemented a wellbeing staff hub for remote access.

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

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 2020/2021:

- 9 employees were recognised for 5 years of service
- 10 employees were recognised for 10 years of service
- 8 employees were recognised for 15 years of service
- 2 employees were recognised for 20 years of service
- 3 employees were recognised for 25 years of service
- 2 employees were recognised for 30 years of service



# Our performance

## Planning and Accountability Framework

The Planning and Accountability Framework was established within the *Local Government Act 1989* (the Act) and requires councils to prepare the following planning and reporting documents:

- a Council Plan within six months after each general election or by 30 June, whichever is later, and reviewed annually. The Council Plan 2017-2021 underpins and guides our work and actions
- a Strategic Resource Plan for a period of at least four years, to be included in the Council Plan
- a Budget for each financial year
- an Annual Report in respect of each financial year.

This is the final year of reporting on the Council Plan under the *Local Government Act 1989*.

## Know your Council

'Know your Council' – based on the Local Government Performance Reporting Framework – is a mandatory system of performance reporting introduced by the Victorian Government to ensure that all councils are consistently measuring and reporting on their performance. It comprises a set of performance measures and a governance and management checklist, which are included in this report.

For more information, and to compare Bayside to other Victorian councils, visit [www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au)

## Council Plan

This Annual Report documents the delivery of Council's eight goals through a number of strategic objectives supported by activities detailed in the Council Plan 2017-2021 (2019 Review) and the Budget 2020/2021. The documents were adopted by Council in June 2020.

The following section details the performance of Council In 2020/2021, 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 and in the Annual Report.

**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**

## How are we measured?

Our performance is reported against each goal in five ways, these include:

- results of strategic indicators in the Council Plan
- progress of the commitments to be undertaken during the year in the Council Plan
- progress of major initiatives and initiatives in the Budget
- performance of services funded in the Budget
- results of prescribed service performance indicators and measures.

## Goal 1: Infrastructure

# Goal 1: Infrastructure

- Key**
- ✔ Completed / Achieved
  - ✘ Not completed / Not achieved
  - On-going
  - Unable to measure
- The key strategic documents that relate 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

## 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 our 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.

- Strategic Objectives**
- 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 highlight utilised, providing high levels of value

Our Major Initiatives	Status
Obtain planning approval and commence construction of the Fern Street Integrated Children’s Centre. <b>Note: Planning approval is subject to the outcome of an objection submitted to VCAT. Project is delayed awaiting outcome of VCAT decision</b>	✘
Complete the design and approvals (Planning and Heritage) phase and commence the refurbishment of the Sandringham Masonic Hall for fit for purpose community use.	✔
Construction of two public toilets as identified within the Public Toilet Strategy: Thomas Street Reserve and Green Point <b>Note: Thomas Street public toilet was completed for the Thomas Street playground opening on 25 June 2021. Green Street public toilet is delayed for redesign to meet new stakeholder requirements.</b>	✘
Complete the construction of one redeveloped pavilion: (AW Oliver Reserve)	✔
Reconstruction of the Sandringham Athletics Track <b>Note: Construction is 65% however due to high rainfall levels, project completion is deferred to December 2021</b>	✘
Construct and complete the development of the Thomas Street Reserve regional inclusive playground.	✔
Complete the design phase for the Beaumaris Arts Centre redevelopment. <b>Note: The design phase was formally deferred following the establishment of a new Beaumaris Arts Centre committee (May 2021). Project completion is still on track for delivery in 2023/24.</b>	✘

## Performance against Council Plan commitments

In 2020/2021, Council progressed against seven non-financial actions.

Strategy	Action	2020/2021 result
Develop upgraded and expanded facilities to meet the current and future needs of basketball and netball	Subject to State Government Funding and planning permit considerations, develop construction plans for additional basketball facilities	✔
Provide fit for purpose, modern multi-use facilities that are effectively utilised for our children’s early years	Obtain planning approval and commence construction of the Fern Street Integrated Children’s Centre	✘
	Commence the implementation of the recommendations of the Brighton North Children’s Centre Feasibility Study	✔
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	Complete the design phase and approvals (planning and heritage) commence the refurbishment of the Sandringham Masonic Hall for fit for purpose community use	✔
Meet community and visitor amenity needs in relation to the location, safety and quality of public toilets	Construction of two public toilets at the following locations as identified within the Public Toilet Strategy (CP) • Green Point (new) • Thomas Street Reserve(✔)	✘
Provide safe and contemporary play facilities by upgrading playgrounds	Construct and complete the redevelopment of the Thomas Street Reserve regional inclusive playground	✔
	Complete a range of playground renewal projects across the municipality Note: Two completed, three due for completion by August 2021	✔

Bayside Council’s infrastructure includes physical assets Council provides to deliver services to the Bayside community.

# Goal 1: Infrastructure

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain 100% of asset renewal and upgrade as a percentage of depreciation	Maintain 100% of asset renewal	100%	✓
Maintain community satisfaction with libraries	Maintain or improve target of 8.7 rating	8.5	✗
Maintain community satisfaction with recreation facilities	Maintain or improve target of 8.0 rating	7.55	✗
Increase in the number of new and retrofitted Council buildings to achieve Council sustainable Infrastructure Policy requirements in design and documentation	Minimum of 3 buildings to achieve sustainable design principles	4 buildings	✓
Improve community satisfaction with public toilets	Maintain or improve years 3 target from 7.04 to 7.25 rating	6.6	✗
Maintain community satisfaction score with Recreation and aquatic facilities, Art Centres and Local Libraries	Maintain or improve target for recreation and aquatic facilities 8.09 rating	7.6	✗
	art centres 8.00 rating	7.8	✗
	libraries 8.78 rating	8.5	✗
	sports grounds and ovals 8.2 rating	7.8	✗

Residents also want sporting facilities that are accessible and promote gender equity.

## Key Council departments

Project Services

- Capital Projects
- Capital Replacement and Renewal
- Major Projects

City Assets and Presentation

- Asset Management
- Building Maintenance
- Infrastructure Maintenance

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

Service	Description	Net Cost Service Budget Variance \$'000
Asset Management	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.	1,511 <u>1,651</u> 140
Building maintenance	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.	2,302 <u>2,346</u> 44
Project Services	The service undertakes design, tendering, contract management and supervision of various works within Council's capital works program.	3,077 <u>2,586</u> (491)
Infrastructure maintenance	This service delivers maintenance work and improvements to Council's infrastructure and assets to meet the needs of the Bayside community.	3,612 <u>3,752</u> 140







# Goal 2: Transport

## Goal 2: Transport

### Key

- ✓ Completed / Achieved
- ✗ Not completed / Not achieved
- On-going
- Unable to measure

### 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. In 2020/2021 Council progressed against five of the actions as set out in the 2017–2021 Council Plan.

### Strategic objectives

- 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.

### Our Major Initiatives

### Status

- Complete identified actions within the Integrated Transport Strategy
  - Construct Thomas Street pedestrian signals



**Note:** Deferral to 2021/22 approved as Council waits for Memorandum of Authorisation from the Department of Transport.

- Provide bicycle parking in public locations where there is an identified need such as shops libraries and sports clubs



# Goal 2: Transport

## Performance against Council Plan commitments

In 2020/2021, Council progressed against seven non-financial actions.

Strategy	Action	2020/2021 result
Facilitate transport options to meet community needs	Implement the Bicycle Facilities Improvement program across the municipality	➤
	Construct the Thomas Street pedestrian signals	✗
Influence state government planning through advocacy for: <ul style="list-style-type: none"> <li>enhances bus routes through the Public Transport Victoria route review</li> <li>increased commuter and bicycle parking including drop zones</li> <li>Cheltenham station redevelopment that meets community need.</li> </ul>	Implement an advocacy action plan for bus routes, commuter parking (including bicycle parking), and the Cheltenham station redevelopment	✓
	Improve bicycle and pedestrian facilities to make cycling and walking more attractive options for short trips	Provide bicycle parking in public locations where there is an identified need, such as shops, libraries and sports clubs
	Develop a network of well-connected bicycle routes	✓

## Performance against strategic indicators

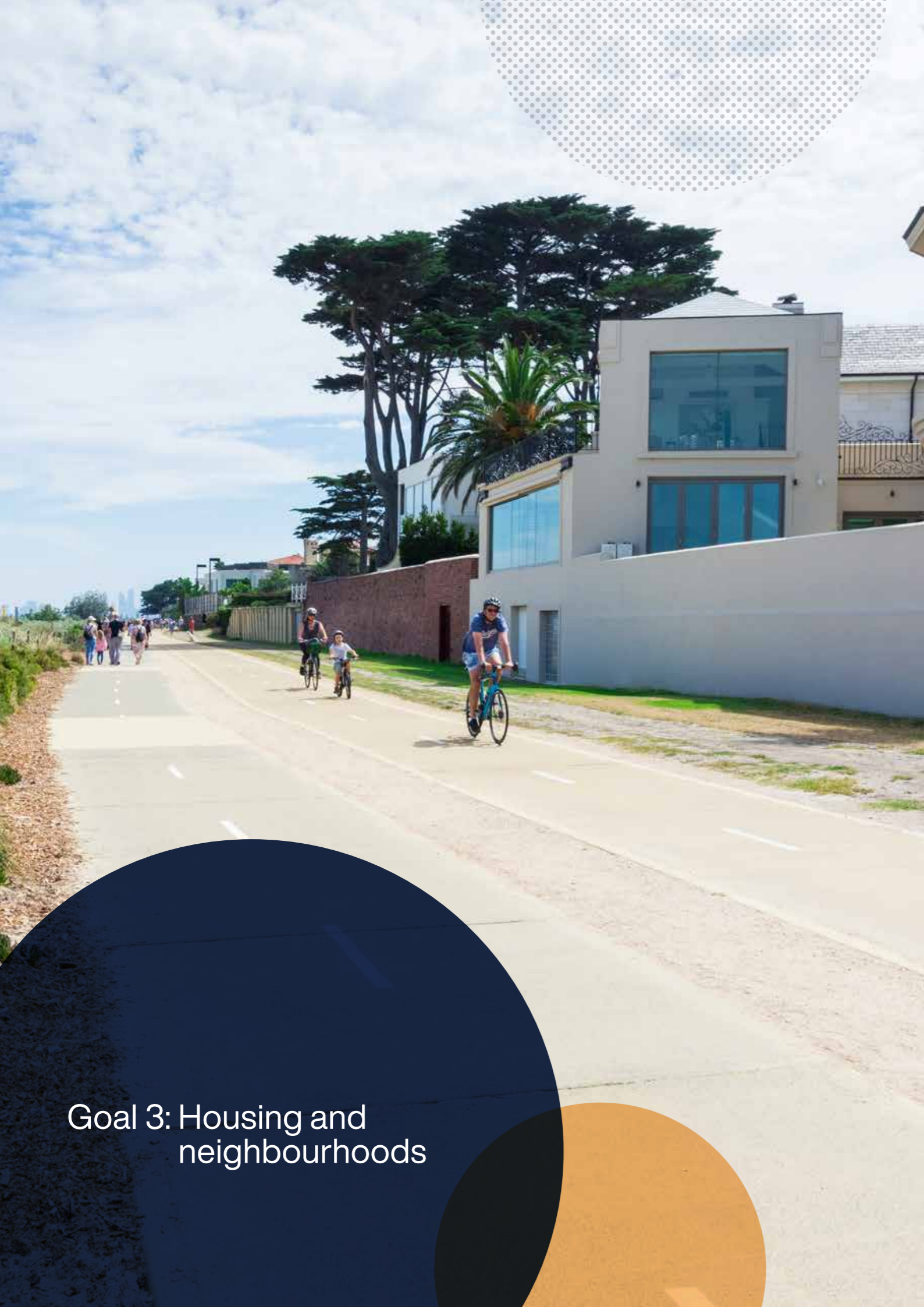
Strategic indicator	2020/2021 target	2020/2021 result	Status
Increase community satisfaction with on and off-road bike paths	Maintain or improve target from 7.49 to 7.75 rating	7.46	✗
Increased number of people travelling to work by bike	Year 4 – 840 Cyclists	Unable to measure	–
Maintain community satisfaction with Council's advocacy for better bus routes, sufficient commuter parking, and developments around stations.	Maintain or improve target over 6.37 rating	6.4	✓
Increase community satisfaction with availability of parking on residential streets	Maintain or improve target over 6.04 rating	5.8	✗
Increase community satisfaction with the availability of parking around shopping strips	Maintain or improve target from 5.69 to over 6.0 rating	5.8	✗

## Key Council departments

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

Service	Description	Net Cost Service Budget Variance \$'000
Local laws (incl. parking and appeals)	This service protects the safety and amenity of our community through the provision and administration of relevant laws and regulations, parking enforcement services and community education for those who live, work and visit Bayside.	(2,905) (2,119) 786
Traffic and transport	This service works to deliver a transport system meets the needs 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 a low carbon future.	665 638 (27)





## Goal 3: Housing and neighbourhoods

# Goal 3: Housing and neighbourhoods

### Key

- ✓ Completed / Achieved
- ✗ Not completed / Not achieved
- On-going
- Unable to measure

### 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

### Strategic objectives

- Housing and neighbourhoods are protected, and 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.
- Housing and neighbourhood character, streetscapes and heritage are respected and enhanced, and the community has a strong connection to place.
- Housing and neighbourhoods are complemented with village-style activity centres, combining retail at ground floor with increased opportunities for apartment-style living above.
- Development contributes to a high visual amenity, is ecologically sustainable, demonstrates high quality compliant design, and responds to the streetscape and neighbourhood context.
- 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.

### Our Major Initiatives

### Status

Report to Council on a proposed planning scheme amendment to introduce mandatory height controls for the Bayside Small Neighbourhood Activity Centres, subject to the Minister for Planning's approval	✓
Report to Council on the proposed Planning Scheme Amendment to implement the relevant recommendations of the Pennydale Structure Plan into a Planning Policy	✓
Investigate the Home for Homes initiative to deliver social and affordable housing outcomes through the Planning Application process	✓

# Goal 3: Housing and neighbourhoods

## Performance against Council Plan commitments

In 2020/2021, Council progressed against seven non-financial actions.

Strategy	Action	2020/2021 result
Make discretionary planning controls for Council's planning and urban design objectives to state government	Report to Council on a proposed planning scheme amendment to introduce mandatory height controls for the Bayside Small Neighbourhood Activity Centres subject to the Minister for Planning's approval	✓
Ensure new development responds to preferred neighbourhood character in activity centres	Report to Council on the proposed Planning Scheme Amendment to implement the relevant recommendations of the Pennydale Structure Plan into a Planning Policy	➤
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	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	✓
	Develop a Local Environmental Sustainability Development (ESD) policy	✓
Improve housing affordability (including social housing) and diversity of housing to meet the needs of various life stages through advocacy	Implement the advocacy action plan to improve housing affordability and social housing options	✓
	Investigate the implementation of the Home for Homes (or similar) initiative to deliver social and affordable housing outcomes through the Planning Application process	✓

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain community satisfaction with Council's advocacy for a planning system that provides certainty for Bayside's residents	Maintain or improve target over 6.10 rating	6.0	✗
Increase Council and delegate planning decisions upheld at VCAT	Target 60%	46.7%	✗
Maintain community satisfaction with appearance and quality of new developments in their area	Maintain or improve years target from 5.64 to over 6.0 rating	5.9	✗
Increase community satisfaction with the guidance available from Council policies and controls	Maintain or improve target from 6.5 solid rating	5.8	✗
Increase community satisfaction with planning with population growth	Maintain or improve target from 6.04 rating	5.9	✗
Planning applications decided within 60 days	Target - 70%	85.64%	✓
Average time taken to decide planning applications	Target 65 days	46 days	✓
Increase community satisfaction with Council's advocacy for increasing the supply of social and affordable housing in Bayside	Maintain or improve target from 5.76 to over 6.00 solid rating	5.6	✗



Residents enjoy Bayside's proximity to Melbourne, supported by the network of roads and public transport that provide convenient and easy access.

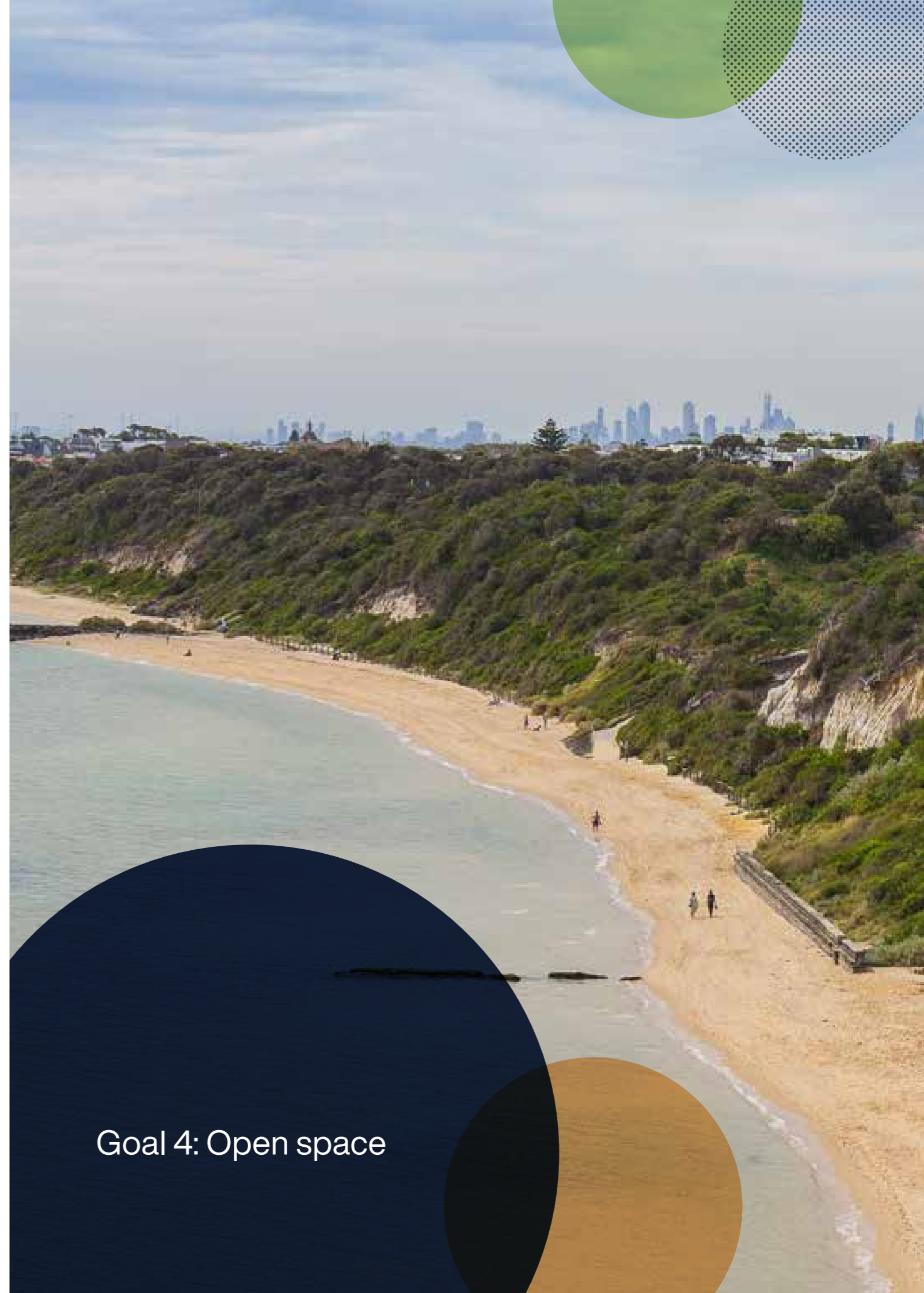
# Goal 3: Housing and neighbourhoods

## 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	Description	Net Cost Service Budget Variance \$'000
Building surveying (incl. asset protection)	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.	288 <u>157</u> (131)
Investigations	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.	761 <u>873</u> 112
Statutory planning	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.	1,267 <u>2,447</u> 1,180
Urban places design	This service provides high quality, comfortable, attractive, vibrant and unique urban places that are the hubs of our community that people are proud of, foster economic prosperity and exchange to improve social wellbeing and connection.	155 <u>276</u> 121
Urban strategic planning	This service prepares policies and strategies relating to land use planning and development issues. The service monitors the Bayside Planning Scheme as well as preparing major policy documents shaping the future of the city. 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.	1,389 <u>1,307</u> (82)



## Goal 4: Open space

# Goal 4: Open space

Key

- ✓ Completed / Achieved
- ✗ Not completed / Not achieved
- On-going
- Unable to measure

## 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.

## Strategic objectives

- 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.

### Our Major Initiatives

Commence the construction of Phase 1 of the Elsternwick Park Nature Reserve

### Status



## Performance against Council Plan commitments

In 2020/2021, Council progressed against seven non-financial actions.

Strategy	Action	2020/2021 result
Protect and ensure the quality of our open space, including beaches and foreshore	Commence construction of Phase 1 of the Elsternwick Park Nature Reserve	✓
	Continue the implementation of the identified actions within the adopted foreshore masterplans: <ul style="list-style-type: none"> <li>• Brighton Beach to Ferdinando Gardens</li> <li>• Sandringham Beach and Gardens</li> <li>• Black Rock Foreshore</li> <li>• Red Bluff to Half Moon Bay</li> <li>• Foreshore Protection – North Road to Head Street</li> </ul>	✓

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain community satisfaction with the appearance of the beach and foreshore, including bushland	Maintain or improve target from 7.90 rating	7.6	✗
Maintain community satisfaction with the provision and maintenance of parks, reserves	Maintain or improve target from 8.1 rating	7.8	✗

## Key Council departments

- Open Space

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

Service	Description	Net Cost Service Budget Variance \$'000
Open Space	This service develops open space planning and policy. It also provides quality services in open space management, tree management and foreshore cleansing.	11,249 <u>11,455</u> 206





## Goal 5: Environment

Key

- ✓ Completed / Achieved
- ✗ Not completed / Not achieved
- On-going
- Unable to measure

### 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.

### Strategic objectives

- 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 leads the way in environmental citizenship.
- We protect and enhance Bayside's tree canopy and vegetation on public and private land.

#### Our Major Initiatives

#### Status

Implement energy efficiency and renewable energy initiatives at four Council buildings per year	✓
Purchase carbon offsets to maintain verified carbon neutrality status for Council's operations	✓
Develop a Climate Emergency Action Plan	✓
Implement a Local Law smoking ban for all Bayside beaches and Ricketts Point Marine	✓

Our beaches and foreshores are our most valued environmental asset.

Goal 5: Environment

# Goal 5: Environment

## Performance against Council Plan commitments

In 2020/2021, Council progressed against seven non-financial actions.

Strategy	Action	2020/2021 result
Influence state and federal governments for improved responses to climate change, aimed at reducing impacts such as foreshore erosion, beach replenishment and bay health	Actively participate in the Association of Bayside Municipalities, and advocate to DELWP to encourage projects and funding to improve the health of the Bay	✓
	Actively advocate to State and Federal Governments on Climate Change and participate on sector Working Groups	✓
Reduce the Bayside's community's volume of percentage of waste that goes to landfill	Progress the establishment of an alternative waste processing facility in Melbourne's south east in collaboration with the Melbourne Metropolitan Waste and Resource Recovery Group and other councils in the region	➔
Reduce energy and water consumption in Council's operations and improve the management of stormwater and water quality	Implement energy efficiency and renewable energy initiatives at 4 Council buildings per year	✓
	Implement 4 initiatives to reduce water consumption in Council's operations and improve stormwater quality to the Bay	✓
Achieve carbon neutrality by 2020	Purchase carbon offsets to maintain verified carbon neutrality status for Council's operations	✓
	Develop a Climate Emergency Action Plan	✓
	Advocate for the underground of power-lines	➔
Protect the unique ecological and environmental value of Ricketts point	Implement a Local Law smoking ban for all Bayside beaches and Ricketts Point Marine Sanctuary	✓

Preserving Bayside's tree canopy and vegetation is profoundly important to the community.

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain community satisfaction with Council's advocacy protecting Port Phillip Bay and limiting coastal erosion	Maintain or improve target from 7.10 rating	6.9	✗
Maintain community satisfaction with waste and recycling services	Maintain or improve target for Rubbish 8.8 rating	8.5	✗
	Maintain or improve target for Recycling 8.6 rating	8.4	✗
Increase the amount of energy from renewable sources for Council operations	Target 30% increase from 2012/13 by 2030	100% of Council's electricity is now from renewable sources	✓
Maintain community satisfaction that Council is meeting its environmental responsibilities	Maintain or improve target from 7.30 rating	7.3	✓
Reduction of total Council greenhouse gas emissions	Target - 5% Annual Reduction	9%	✓
Maintain community satisfaction on the provision and maintenance of street trees	Maintain or improve target over 8.74 rating	7.0	✗
	Increased attendance to the Summer by the Bay Series to encourage ecological awareness	Events cancelled due to COVID-19 restrictions	✗

## 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	Description	Net Cost Service Budget Variance \$'000
Environmental Sustainability	This service develops environmental policy and provides sustainability initiatives for the Bayside community.	780 822 42
Waste management	This service provides quality waste collection and waste minimisation education for the Bayside community.	12,452 12,687 235





## Goal 6: Local economy and activity centres

# Goal 6: Local economy and activity centres

### Key

- ✓ Completed / Achieved
- ✗ Not completed / Not achieved
- On-going
- Unable to measure

### 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.

### Strategic objectives

- Shopping villages are vibrant, attractive and interesting places where the community comes together, providing a variety of innovative, dynamic and convenient services.
- 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.

### Our Major Initiatives

Award the works contract and commence the delivery of the Dendy Street Beach Masterplan including the lifesaving pavilion (subject to Supreme Court Action)

**Note:** Supreme Court action resolved with favourable outcome but could be subject to appeal. Design and tender documentation finalised ready to commence in 2021/22

### Status



Residents value their neighbourhoods and their local businesses and want to retain the character of each activity centre.

# Goal 6: Local economy and activity centres

## Performance against Council Plan commitments

In 2020/2021, Council progressed against seven non-financial actions.

Strategy	Action	2020/2021 result
Provide engaging and attractive public places in shopping streetscapes	Continue to implement initiatives within the Graffiti Management Plan 2018	✓
Manage and promote public safety amenity	Implement COVID-19 recovery plan to re-establish and strengthen vibrant shopping strips and local employment once social distancing requirements are relaxed	➔
Improve tourism access to Dendy Beach to strengthen economic, social and environmental returns from the foreshore	Implementation and monitoring of the car parking sensor and signage trial in Church Street	✓
	Award the works contract and commence delivery of the Dendy Street Beach Master plan improvements, including the new lifesaving pavilion. (Subject to Supreme Court Action)	➔

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain community satisfaction on the cleaning of strip shopping centres	Maintain or improve target over 8.68 rating	7.4	✗
Maintain community safety by the % of residents who feel safe or very safe walking alone in their local area at night	Target - 68%	96.1%	✓
Maintain community safety by the % of residents who feel safe or very safe walking alone in their local area during the day	Target - 68%	66.7%	✗
Increase in the number of business and economic development related events conducted by Council annually	Target - 20 events and more than 1,500 attendees	Events cancelled due to COVID-19 restrictions	✗
Increase in the number of local jobs within Bayside	Target - more than 35,500 jobs	35,538	✓
Increase in the number of Bayside residents employed within Bayside	Target more than 54,500 jobs	57,174	✓
Improve community satisfaction on the availability of parking on residents' streets in the local area	Increase Target - good rating over 6.04	5.8	✗
Improve community satisfaction of the availability of parking around business and shopping strips/commercial areas	Increase rating from 5.69 to 6.00 rating	5.7	✗

## Key Council departments

- Economic Development

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

Service	Description	Net Cost Service Budget Variance \$'000
Economic development and tourism	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 skill levels and access to employment	687 689 2



Goal 7: Community health and participation

## Goal 7: Community health and participation

Key

- ✔ Completed / Achieved
- ✘ Not completed / Not achieved
- On-going
- Unable to measure

### 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.

### Strategic objectives

- Where the community is healthy, active and feels safe.
- Where the community engages in advocacy, transparent decision making and is part of the solution.
- Where we encourage and acknowledge community volunteering.
- With a focus on gender equity in decision making.

#### Our Major Initiatives

#### Status

Undertake the development of the Wellbeing for All Ages and Abilities Plan (Now called Municipal Health and Wellbeing Plan) 2021-2025



Commence a review of the Bayside City Council Local Law No: 2 Neighbourhood Amenity



Implement the commissioning of one public art piece within the municipality



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

# Goal 7: Community health and participation

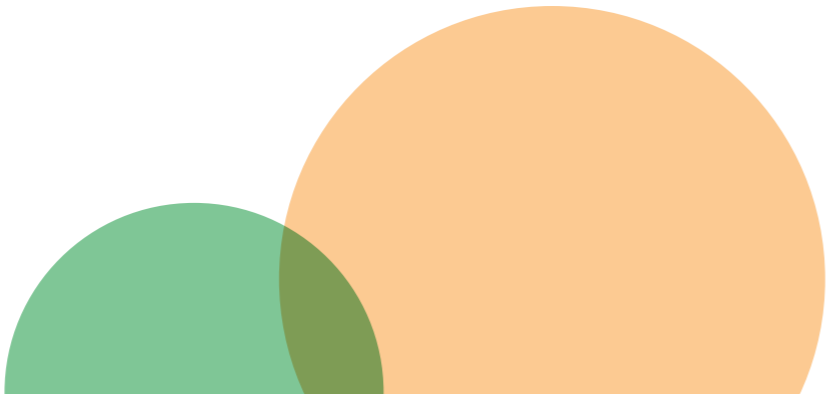
## Performance against Council Plan commitments

Council progressed against nine non-financial actions.

Strategy	Action	2020/2021 result
Improve public health and wellbeing in the area of; <ul style="list-style-type: none"> <li>An engaged and supportive community</li> <li>A healthy active community</li> <li>And safe and healthy environment where people can live, work and play</li> </ul>	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 for: Early Years, Youth, Healthy Ageing and Healthy Community, with particular focus on the following activities: <ul style="list-style-type: none"> <li>Deliver mental health first aid training sessions to schools, parents and community groups.</li> <li>Identify an accredited research partner to implement a survey to measure the resilience level of older adults</li> </ul>	✓
	Undertake the development of the Municipal Public Health and Wellbeing Plan 2021-2025	✓
	Implement the commissioning of one Public Art piece within the municipality	✓
	Implement Year 2 activities of the Reconciliation Action Plan. <i>Plan formally deferred</i>	➔
	Undertake the COVID-19 response activities to support the aged and vulnerable members of our community to respond to and recover from the impacts of Community COVID-19	✓
	Commence a review of the Bayside City Council Domestic Animal Management Plan	✗
	Prepare for the aged care and national Disability Insurance Scheme reforms	✓
Improve opportunities for volunteering	Recognise youth participation in volunteering through biennial Youth Awards	✓
Improve gender equity in decision making in the community	Implement Year 2 activities of the Women's Charter Action Plan	✓

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain satisfaction with personal wellbeing	Target 78.4%	79.6% Metropolis Health and Wellbeing Survey November 2020	✓
Percentage of children enrolled who participate in the maternal child health service	Target - 82%	79.7%	✗
Maintain community satisfaction with services provided for children from birth to five years of age	Maintain or improve target of 8.2 rating	8.2	✓
Percentage of Aboriginal children enrolled who participate in the maternal child health service	Target - 80%	88.4%	✓
Maintain community satisfaction with Council's advocacy to ensure that the elderly and people with a disability continue to have access to high quality support services	Maintain target, good rating over 7.23	7.6 (elderly) 7.5 (disability)	✓
Increase in the percentage of residents who volunteer 'sometimes' or 'regularly'	Target 37.1%-Sometimes 23.9%-Regularly	27.2% regularly	✓
Increase the percentage of women of Council's Special Advisory Committee	Target 50%	56%	✓
Animal management prosecutions	>90%	100%	✓
Food safety - % of critical and major non-compliance notifications	100%	100%	✓



# Goal 7: Community health and participation

## 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	Description	Net Cost Service Budget Variance \$'000
Aged and disability services	This service provides a range of home and community care services for frail older residents, residents with disabilities and their carers to support them to remain independent and safe at home. The service also works with individual older people and with senior's groups to increase socialisation opportunities and to identify and action areas of importance to older people and their carers.	2,359 <u>3,076</u> 717
Animal management	This service provides animal management services and community education for the Bayside community.	(771) <u>(552)</u> 219
Arts and culture	This service provides a range of arts and cultural programs and participation opportunities to preserve and promote our heritage and culture and aims to inspire and stimulate the imagination.	807 <u>864</u> 57
Community wellbeing	This service analyses demographic and social data and prepares policies, plans and strategies that promote community health and wellbeing.	1,174 <u>1,177</u> 3
Environmental health and food safety	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.	743 <u>455</u> (288)
Family services	This service provides and supports family oriented services including kindergartens, playgroups, a toy library, maternal and child health and immunisation.	1,429 <u>1,578</u> 149
Libraries	This service contributes to the quality of life in Bayside by providing library services at four locations and a wide range of public library programs to promote literacy, provide information, and encourage socialisation, development and wellbeing.	2,208 <u>3,102</u> 894
Recreation and events	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.	382 <u>604</u> 222
School crossings	This service protects the safety and amenity of our community through the provision of school crossing services.	386 <u>556</u> 170
Youth services	This service provides youth programs, counselling support and events for young people who live and study in Bayside.	531 <u>792</u> 261



## Goal 8: Governance

# Goal 8: Governance

Key

- ✔ Completed / Achieved
- ✘ Not completed / Not achieved
- On-going
- Unable to measure

## 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:

- Financial Plan 2020/2021–2029/2030
- Council Plan

## Strategic objectives

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

### Our Major Initiatives

	Status
Review Council’s Long Term Financial Plan	✔
Deliver Year 2 activities of the Customer Experience and Digital Transformation Action Plan	✔
Finalise the development of a Community Vision for Bayside.	✔
Conduct the 2020 Council Election process in conjunction with the VEC	✔

## Performance against Council Plan commitments

Council progressed against nine non-financial actions.

Strategy	Action	2020/2021 result
Ensure the financial sustainability of Council overtime, in line with objectives of Council’s Long Term Financial Plan	Review and adopt Council’s Long Term Financial Plan and Annual Budget to ensure Council’s long-term financial sustainability	✔
Identify and implement improvements in Council services, efficiency and outcomes for Bayside community	Deliver Year 2 activities of the Digital Transformation Action Plan (Digital Roadmap)	✔
	Deliver Year 2 of the Customer and Community Centricity Project to improve the community’s experience in dealing with Bayside	✔
Improve community engagement to inform Council decision making	Finalise in partnership with the community, the development of a Vision for Bayside to be presented to Council for endorsement. Following Council endorsement, integrate the future aspirations of the community, contained in the Vision, into our strategic and capital planning, and budgeting process; re-align our advocacy priorities as appropriate	✔
	Conduct the 2020 Election process in conjunction with the VEC.	✔
Review Council’s electoral representation boundaries and municipal boundaries	Develop and implement a comprehensive Councillors’ Induction Program	✔
	Develop the 2021-2025 Council Plan	✔
Ensure that the Bayside’s community’s needs and aspirations are identified and advocated to other levels of government	Implement legislative changes as a result of the new Local Government Act	✔
	Implement the advocacy strategy and framework by: <ul style="list-style-type: none"> <li>• Embedding the advocacy framework and strategy into the organisation, and</li> <li>• Delivering on Council’s currently identified advocacy campaigns, such as car parking, transport, and warm water pool</li> </ul>	✔



The strategies in the 2017–2021 Council Plan seek to ensure strong and effective democratic representation from Council.

# Goal 8: Governance

## Performance against strategic indicators

Strategic indicator	2020/2021 target	2020/2021 result	Status
Maintain the level of the adjusted underlying result as a percentage of underlying revenue	Target 15%	9.13%	✘
Maintain the level of indebtedness as a percentage of own source revenue	Target 0.70%	1.55%	✔
Improve community perception rating that Council provides important services that meet the needs of the whole community	Improve target from 7.25 to 7.75	6.82	✘
Improve average rating for overall aspects of customer service	Improve target from 7.67 to 7.75 rating	6.8	✘
Improve the level of transparency with Council decisions made at meetings closed to the public	Target 2.59% Less is better	2.26%	✔
Maintain or improve community satisfaction with Council's representation, lobbying and advocacy	Maintain target, over 6.56 - good rating	6.23	✘
Improve percentage of Council's facilities with current tenancy agreements	Target 92%	84%	✘

## Key Council departments

- Chief Executive and Executive Team
- Financial Services
- Information Services
- Strategy and Performance
- Governance
- Enterprise Project Management Office
- 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	Description	Net Cost Service Budget Variance \$'000
Chief Executive and Executive Team	This area includes the Chief Executive Officer, Directorates and associated support which cannot be easily attributed to the direct service provision areas.	2,202 2,257 55
Financial Services	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.	4,066 (2,958) (7,024)
Information Services	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.	5,333 5,621 288
Strategy and Improvement	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.	1,093 1,058 (35)
Governance	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.	1,866 2,287 421
Commercial Services	This service facilitates procurement and purchasing, property leasing, property sales, acquisitions, risk, safety and insurance claims for Council.	(792) (1,123) (331)
Communications and community engagement	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.	2,099 1,870 (229)
Customer experience	This service acts as the main customer interface for Council and provides excellence in customer service to the Bayside community.	1,590 1,953 363
People and Capability	The service provides human resource services for the organisation, including industrial relations, payroll services, and employee learning and development.	1,400 1,451 51
Enterprise Project Management Office	This service maintains an Enterprise Project Management Framework, a Project Portfolio Management system and project management capability at a level of maturity that ensures an effective delivery of the annual project portfolio.	541 513 (28)



# Corporate governance

## Governance

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

Council's role includes:

- taking into account the diverse needs of our community in decision-making
- providing leadership by establishing strategic objectives and monitoring achievements
- ensuring resources are managed in a responsible and accountable manner
- advocating the interests of our community to other communities and governments
- fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance, as the key to ensuring that Council and its administration meets the community's priorities. The community has many opportunities to provide input into Council's decision-making processes, including community consultation, and the ability to make submissions to Special Committee of Council.

The formal decision-making processes are conducted through Council meetings and Special Committees. Council assigns the majority of its decision-making capacity to employees, in accordance with adopted Council policies and delegations.

## Meetings of Council

Council and Special Committee meetings are open to the public and usually held on the 2nd and 4th Tuesday of the month. Members of the community are welcome to attend and observe these meetings and participate by requesting to speak to an item of the agenda or submitting a question through Public Question Time at the Council meeting. During 2020/21 the majority of meetings were held on-line.

In 2020/2021 Council conducted the following:

- 10 Council Meetings
- 7 Special Meetings
- 13 Planning and Amenity Committee Meetings (Special Committee)
- 4 Section 233 Hearings (Special Committee)
- 1 Annual Meeting

The following table provides a summary of Councillor attendance at formal Council and Special Committee meetings 2020/2021.

	Ordinary Meetings	Special Meetings	Planning Committee Meetings	Section 223 Special Committee Meetings	Annual Meeting	Total number of meetings
<b>Total number of meetings</b>	10	7	13	4	1	35
Cr Alex del Porto	10/10	7/7	13/13	4/4	1	35/35
Cr Sonia Castelli	10/10	7/7	12/13	4/4	1	34/35
Cr Laurence Evans OAM	10/10	7/7	13/13	4/4	1	35/35
Cr Clarke Martin	10/10	7/7	13/13	4/4	1	35/35
Cr Robert Grinter	4/4	3/3	5/5	2/2	-	14/14
Cr James Long BM JP	4/4	3/3	5/5	2/2	-	14/14
Cr Michael Heffernan	4/4	3/3	5/5	2/2	-	14/14
Cr Hannah El Moullem	5/6	4/4	8/8	1/2	1	19/21
Cr Fiona Stitfold	6/6	4/4	7/8	1/2	1	19/21
Cr Jo Samuel-King MBBS	6/6	4/4	6/8	0/2	1	17/21

The following table provides a summary of the Council meeting schedule of dates for 2020/2021.

Month	Council Meeting	Planning Committee	Special Council Meetings	Section 223 Special Committee Meetings
<b>2020</b>				
July 2020	Tuesday 28	Tuesday 21	-	-
August 2020	Tuesday 18	Tuesday 11	Tuesday 25	-
September 2020	Tuesday 15	Tuesday 8 Tuesday 22	Monday 28	-
October 2020	Tuesday 20	Tuesday 13	Wednesday 14	Monday 5 Monday 5 (2 separate meetings)
November 2020	-	-	Thursday 19 (*Annual Meeting)	-
December 2020	Tuesday 22	Tuesday 1 Tuesday 15	Thursday 17	-
<b>2021</b>				
January 2021	-	Tuesday 28	-	-
February 2021	Tuesday 16	Tuesday 9	Tuesday 2 Tuesday 25	-
March 2021	Tuesday 16	Tuesday 9	-	Wednesday 31 (concluded Wednesday 14 April)
April 2021	Tuesday 20	Tuesday 13	-	Wednesday 14
May 2021	Tuesday 18	Tuesday 11	-	-
June 2021	Tuesday 15	Tuesday 8	Tuesday 29	-

Council conducted eight Special Meetings throughout the year which were specifically held for the consideration of the following matters.

Date	Purpose
25 August 2020	Proposed Governance Rules 2020
28 September 2020	Draft Annual Report on Operations for the 2019-20
14 October 2020	Annual Report on Operations for the 2019-20
19 November 2020	Annual Meeting of Council
17 December 2020	Multiple Reports (in lieu of no November Ordinary Meeting held due to Council elections)
2 February 2021	Presentations to immediate former Councillors and the immediate past Mayor
25 February 2021	Bayside Netball Centre - Holloway Road Proposal
29 June 2021	Annual Budget, Declaration of Rates and Charges, Procurement Policy



# Corporate governance

## Delegated Committees

The *Local Government Act 2020* (the Act) allows councils to establish one or more Delegated Committees consisting of:

- Councillors
- Council staff
- other persons
- any combination of the above

Under section 63 of the Act, Council can create delegated committees and delegate Council powers to them.

In July 2020, Council abolished the Planning and Amenity Committee established under section 86 of the *Local Government Act 1989* and established the Planning and Amenity Delegated Committee effective as from 1 August 2020, 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 power to consider all matters relating to statutory urban planning and associated matters.

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

Date	Purpose	Number of submissions	
		Received	Heard
5 October 2020	Proposed discontinuance and sale of road adjoining 79, 81 and 83 Willis Street and 48, 50 and 52 Mills Street, Hampton	3	3
5 October 2020	Proposal to lease Grace Heart Community Church (Lyle Anderson Reserve, Highett Grove, Highett)	2	1
31 March and 14 April 2021	Proposal to make Neighbourhood Amenity Local Law 2021	217	28
14 April 2021	Review of Councillor and Mayoral Allowances	1	1

The Planning and Amenity Committee is deemed a Delegated Committee of Council and accordingly met on 13 occasions throughout the year, which is summarised in the meeting attendance table.

## Assemblies of Councillors

In addition to the formal meetings of Council, the Special Committees and the Audit and Risk Management Committee, a number of Assembly of Councillors meetings were held in 2020/2021.

An Assembly of Councillors is a meeting of an advisory committee of Council, if at 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. In 2020/2021, 15 Assemblies of Councillors were held.

Outside the regular Council and Committee meetings, the various 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 in developing a 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 2020/2021, Councillor Briefings were held with items discussed, while Strategic Issues discussions were held, and briefings provided on matters.:



# Corporate governance

## Business of Council transacted at meetings

During 2020/2021, the number of business items considered by the various Council and Committee meetings was as follows:

	2020/2021	2019/2020	2018/2019	2017/2018
Planning and Amenity Committee	130	137	197	134
Ordinary Meeting of Council	216	241	271	256
Special Council Meeting	21	8	4	5
Special Committee Meeting	4	11	6	2

At times, Council is required to discuss and consider matters of a confidential nature. Section 66(2)(a) of the Local Government Act 2020 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. For a full list of the confidential categories please refer to Section 66(2)(a) of the *Local Government Act 2020*.

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.

In 2020/2021, nine confidential reports were considered.

Year	Number of confidential matters considered by Council
2020/2021	9
2019/2020	12
2018/2019	10
2017/2018	10
2016/2017	3

The following table indicates the various categories the ten items were considered under Section 89(2) of the Local Government Act. It should be noted that some items were considered under multiple categories.

Section 89(2) LGA 1989 – Category	Number of reports to Ordinary Meetings	Number of reports to Special Meetings
(a) Council business information	2	Nil
(b) security information	Nil	Nil
(c) land use planning information	1	Nil
(d) law enforcement information	Nil	Nil
(e) legal privileged information	2	Nil
(f) personal information	4	Nil
(g) private commercial information	1	Nil
(h) confidential meeting information	Nil	Nil
(i) internal arbitration information	Nil	Nil
(j) Councillor Conduct Panel confidential information	Nil	Nil
(k) information prescribed by the regulations to be confidential information	Nil	Nil
(l) information that was confidential information for the purposes of section 77 of the <i>Local Government Act 1989</i>	Nil	Nil

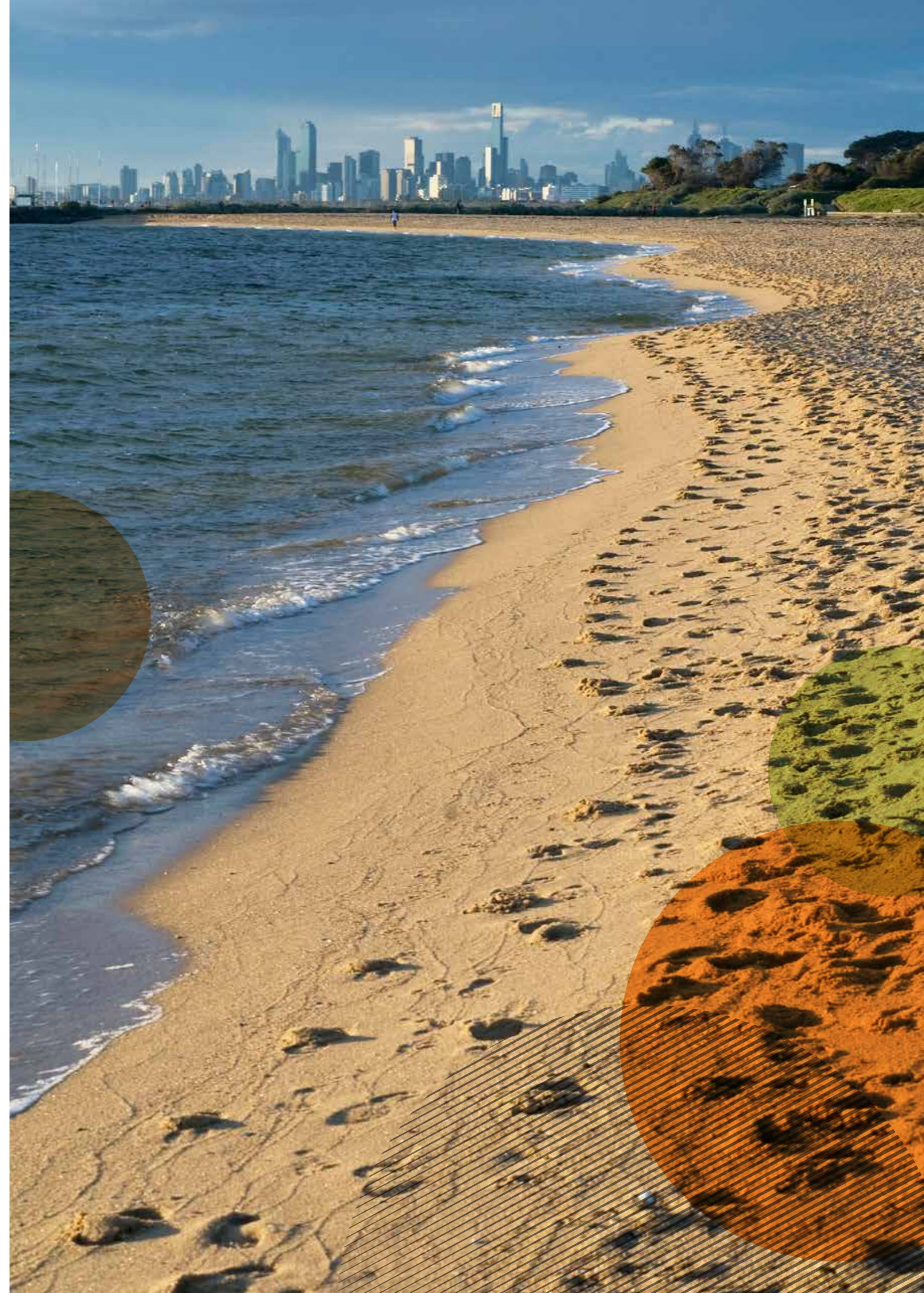
In addition to the reports specifically considered by a Delegated Committee or Council, Council also deliberated on notices of motion, petitions, public questions and general business items. The following table summarises the number of items considered for 2020/2021 and a four-year trend:

	2020/2021	2019/2020	2018/2019	2017/2018
Notices of motion	14	16	8	15
Petitions	14	5	14	13
Urgent business items	Nil	Nil	1	10
Councillor reports	11	16	22	34
Presentations at meetings	Nil	Nil	Nil	Nil

# Corporate governance

The following table summarises the activities undertaken at Council and Special Committees of Council.

	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Total number of meetings	35	38	44	43	33
Number of items considered at meetings	371	396	420	478	397
Number of items considered in confidential	9	12	10	10	3
Number of notices of motions submitted	14	16	11	6	15
Number of petitions	14	5	13	14	13
Number of public questions answered	285	116	137	55	97
Number of urgent business items	Nil	2	Nil	1	10
Number of Councillor reports presented	11	16	29	22	34
Number of requests to be heard at meetings	1564	607	551	636	495
Number of Section 223 submissions	223	66	16	35	27
Number of Section 223 speakers	33	33	12	21	12



# Corporate governance

## Code of Conduct

The *Local Government Act 1989* requires Council to develop and approve a Councillors' Code of Conduct within 12 months after each general election. In February 2021, Council adopted a Councillor Code of Conduct which is designed to:

- assist Councillors to maintain the highest standards of conduct and behaviour, as well as provide a means to deal with problems they may encounter and
- assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.
- In addition to setting out the Councillor Conduct Principles, the Code also outlines:
- other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- roles and relationships
- dispute resolution procedures.

## 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.

## Conflict of Interest

Councillors are required to disclose any direct or indirect conflict of interest on an issue that may impact their impartiality, and to 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 2020/2021, there were nine conflicts of interest declared by Councillors.

The following table shows the number of interests declared by Councillors and the type of interest.

	Cr del Porto	Cr long	Cr Evans	Cr Heffernan	Cr Grinter	Cr Castelli	Cr Martin	Cr El Mouallem	Cr Stitfold	Cr Samuel-King
<i>Local Government Act 1989</i>										
Direct interest (section 77B)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest by close association (section 78)	Nil	1	1	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect financial interest (section 78A)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest because of conflicting duties (section 78B)	Nil	Nil	2	Nil	Nil	Nil	1	Nil	Nil	Nil
Indirect interest due to receipt of a gift, being of \$500 value or more (section 78C)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest as a consequence of becoming an interested party (section 78D)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Conflicting personal interest (section 79B)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Indirect interest – residential amenity (section 78E)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Personal interest	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<i>Local Government Act 2020</i>										
General interest (section 127)	5	Nil	Nil	Nil	Nil	Nil	Nil	5	Nil	2
Material interest (section 128)	Nil	Nil	1	Nil	Nil	1	Nil	Nil	Nil	Nil

## 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 Victorian 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 2020 to 24 October 2020, Councillors' annual allowance for a Category Two council was \$25,730 per annum, and the allowance for the Mayor was \$79,612 per annum.

The Minister for Local Government approved a 2.0 per cent adjustment from 1 December 2020, increasing the Councillors' allowance to \$26,245 per annum, and \$81,204 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.

It should also be noted that where a Councillors takes leave of absence from their duties, the allowance is suspended for the relevant period.

## Reimbursement of expenses of Councillors

Under 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:

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

	Cr del Porto	Cr Heffernan	Cr Long	Cr Grinter	Cr Castelli	Cr Evans	Cr Martin	Cr El Mouallem	Cr Stitfold	Cr Samuel-King
Mobile phone	0	0	0	0	0	0	0	0	0	0
Internet connection	0	0	0	0	0	0	0	0	0	0
Car mileage	0	0	0	0	0	0	0	0	0	0
Child care	0	0	0	0	0	0	0	0	0	0
Out-of-pocket expenses	0	0	0	0	0	0	0	0	0	0
Conferences	0	0	0	0	0	0	0	0	0	0
Training	0	0	0	0	0	0	0	0	0	0
Travel	0	0	0	0	0	0	0	0	0	0

# Corporate governance

## Councillor representation for 2020/2021

### 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, and the Chief Executive Officer's Employment Matters Committee and the Bayside Arts and Gallery Advisory Committee 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 2020 to 19 November 2020	19 November 2020 to 30 June 2021
Planning and Amenity Delegated Committee	All Councillors (Chairperson - Cr Grinter)	All Councillors (Chairperson - Cr del Porto)
Audit and Risk Management Committee	Cr Castelli and Cr Grinter (External Chairperson - Ms Lisa Woolmer)	Cr Castelli and Cr El Mouallem (External Chairperson - Ms Lisa Woolmer)
Chief Executive Officer's	Cr Castelli, Cr Martin, Cr Heffernan and Cr Evans (External Chairperson - Ms Paula Giles)	Cr Castelli, Cr Martin, Cr El Mouallem and Cr Evans (External Chairperson - Ms Paula Giles)
Employment Matters Committee	Cr Long, Cr Castelli and Cr del Porto Chairperson: Cr Long	Cr Castelli and Cr del Porto Chairperson: Cr Castelli

### 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, networks and forums	Councillor representation	
	1 July 2020 to 7 November 2020	8 November 2020 to 30 June 2021
Bayside Tourism Network	Cr Heffernan	Cr El Mouallem
Built Environment Awards Judging Panel <i>*cancelled due to COVID-19 restrictions</i>	Cr Long and Cr Evans	Cr El Mouallem and Cr Evans

## Appointment to external organisations

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

External organisations	Councillor representation	
	1 July 2020 to 7 November 2020	8 November 2020 to 30 June 2021
Association of Bayside Municipalities	Cr Evans	Cr Stitfold
Inner South Metropolitan Mayors' Forum	The Mayor of the Day	The Mayor of the Day
Metropolitan Transport Forum	Director Environment Recreation and Wellbeing	Cr Castelli
Metropolitan Local Government Waste Forum Group	Cr Martin	Cr Martin
Municipal Association of Victoria (MAV)	Cr del Porto and Cr Grinter (substitute)	Cr del Porto and Cr Sonia Castelli (substitute)
South East Councils Climate Change Alliance (SECCCA)	Cr Evans and Cr Martin	Cr Martin (Cr Stitfold - substitute)

## Management

Council has implemented several statutory and better-practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council. The *Local Government Act 1989* requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council Governance and Management Checklist results are set out in the section below. Those items included in the checklist have been highlighted as important components of the management framework and of good governance.

Having strong governance and management frameworks leads to better decision making by Council.



# Corporate governance

## Governance and management checklist for Year ended 30 June 2021

In accordance with the Local Government Performance Reporting Framework, Council undertook a Governance and Management Audit in 2020/2021 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 under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest	Adopted in accordance with section 55 of the Act: 16 February 2021	✓
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>Financial Plan</b> Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years	Adopted in accordance with section 91 of the Act Date of adoption: 30 June 2020 (or should we say 15 July 2021?)	✓
4 <b>Asset Plan</b> Plan under section 92 of the Act setting 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 2016 Road Asset Management Plan – 21 June 2016 Buildings Asset Management Plan – 21 June 2016 Recreation and Open Space Asset Management Plan – 21 June 2016	✓
5 <b>Revenue and Rating Strategy</b> Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges	Adopted in accordance with section 93 of the Act Date of adoption: 29/06/2021	✓
6 <b>Annual Budget</b> Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required	Adopted in accordance with section 130 of the Act Date of adoption: 30 June 2020	✓
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: 18 May 2021	✓
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 Emergency Management Act 1986 for emergency prevention, response and recovery	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>	✓

## Governance and management items

## Assessment

		Date of preparation: 27 November 2017	
10	Procurement Policy Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council	Adopted in accordance with section 108 of the Act Date of approval: 29 June 2021	✓
11	Business Continuity Plan 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: 2 November 2018	✓
12	Disaster Recovery Plan 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: 27 September 2018	✓
13	Risk Management Framework Framework outlining Council's approach to managing risks to Council's operations	Date of operation of current framework: 17 February 2020	✓
14	Audit and Risk Management Committee Advisory committee of Council under sections 53 and 54 of the Local Government Act 2020 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 53 of the Act: 28/07/2020 Reappointed annually at the Annual Meeting	✓
15	Internal audit Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls	Date of Report: 29 May 2018 Appointed for a three-year term with a one year option to extend commencing 1 July 2018 Contract expires 30 June 2022.	✓
16	Performance Reporting Framework 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	Council Plan reporting 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: 27 September 2020	✓
18	Financial reporting 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: 28 September 2020 22 December 2020 18 May 2021 (2 Qtrs)	✓



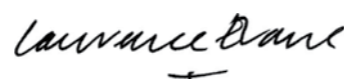
# Corporate governance

Governance and management items	Assessment	
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: 15 September 2020 20 April 2021	✓
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: 28 September 2020 22 December 2020 18 May 2021 (2 Qtrs)	✓
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	Presented at a meeting of the Council in accordance with section 134 of the Act Date statements presented: 14 October 2020	✓
22 <b>Councillor Code of Conduct</b> Code setting out the standards of conduct to be followed by Councillors and other matters	Code of conduct reviewed and adopted in accordance with section 139 of the Act Date reviewed: 16 February 2021	✓
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, in accordance with sections 11 and 47 of the Act	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 28 July 2020	✓
24 <b>Meeting procedures</b> Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 25/8/2020; and 15/6/2021	✓

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



Mick Cummins  
Chief Executive Officer  
21 September 2021



Cr Laurence Evans OAM  
Mayor  
21 September 2021

## Local laws

The following list details the local laws that were current at the end of the 2020/2021 financial year.

Local law	Subject	Date of adoption/last amendment
1	<b>Governance Local Law No: 1</b> The purpose of this local law is to: <ul style="list-style-type: none"> <li>provide for the election of Mayor</li> <li>regulate the use of the common seal</li> <li>provide for the procedures governing the conduct of Council meetings and other meetings</li> <li>set the rules of behaviour for those participating in or present at various meetings of Council</li> </ul>	Abolished 25 August 2020 relaced with Governance Rules adopted by Council 25 August 2020
2	<b>Consolidated Neighbourhood Amenity Local Law No. 2</b> The purpose of this local law is to: <ol style="list-style-type: none"> <li>secure community safety</li> <li>protect public assets</li> <li>enhance neighbourhood amenity</li> <li>embrace best practice local law-making principles of accessibility, accountability, compliance, consistency, currency, efficiency, enforceability, necessity and transparency</li> <li>be consistent with Council's overall objectives and policies, in particular: <ol style="list-style-type: none"> <li>to maintain neighbourhood character</li> <li>to preserve our built and natural heritage</li> <li>to provide equitable access to services and facilities</li> <li>to provide equity in access to our open space and foreshore</li> <li>to maintain suitable infrastructure</li> </ol> </li> </ol>	Abolished 15 June 2021 and replaced with Local Neighbourhood Amenity Local Law adopted by Council 15 June 2021

## Organisational memberships

Bayside City Council maintained membership of a number of organisations in 2020/2021

Membership	Annual Fee
Australian Library and Information Association	\$360
FinPro Local Government Finance Professionals	\$1240
LGPro Local Government Professionals	\$4158
Municipal Association of Victoria (MAV)	\$72,799
South East Councils Climate Change Alliance (SECCCA)	\$40,150
Leading Aged Services Australia (LASA)	\$3303
Vicsport	\$420
IAP2 Membership	\$2000
Volunteering Victoria	\$330
Youth Affairs Council of Victoria	\$230
Arboriculture Australia	\$1053
Public Galleries Association of Victoria	\$906
Play Australia (IPA Australia)	\$429
Early Learning Association Australia Inc	\$750
Council Alliance for a Sustainable Built Environment (CASBE)	\$7700

# Corporate governance

## Audit and Risk Management Committee

As part of Bayside City Council's (Council) duty to fulfil its governance obligations to the community, Council has an Audit and Risk Committee (Committee) that is established as an independent Committee of Council in accordance with Section 53 of the Local Government Act 2020. The Committee's role is set out in an Audit and Risk Committee Charter adopted by Council on 28 July 2020. The Charter outlines the Committee's objectives, authority, composition and tenure, responsibilities, reporting and other administrative arrangements.

### Role of the Audit and Risk Committee

The Committee supports Council in fulfilling its responsibilities related to financial and performance reporting, risk management, fraud prevention systems and control, maintenance of a sound internal control environment, Council's performance with regard to compliance with its policies and legislative and regulatory requirements, and assurance activities including internal and external audit. It acts in this capacity by monitoring, reviewing, endorsing and advising on the above matters as set out in the Charter.

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

The Committee's independence is a fundamental component of a strong corporate governance culture. It is independent as it is not involved in any operational decisions and Committee members do not have any executive powers, management functions or delegated financial responsibilities.

Members and member terms during the reporting period are set out below:

Member	Role	Expiry Date of Term
Ms Lisa Woolmer	Chair and Independent Member	30 September 2021
Mr Geoff Harry	Independent Member	30 September 2022
Mr Mick Ulbrick	Independent Member	31 March 2021
Ms Jenny Johanson	Independent Member	20 September 2023
Cr Sonia Castelli	Council Member	18 November 2022
Cr Hanna El Mouallem	Council Member	18 November 2022
Cr Rob Grinter	Council Member	23 October 2020

## Reporting Period

A detailed report on the activities of the Audit and Risk Committee is presented bi-annually to the Council to ensure oversight and greater understanding of the issues presented to the Committee, the findings and recommendations, as required by the Local Government Act 2020.

Details relating to the bi-annual report can be found on Council's website.

## Committee Membership

The Committee consists of five members, three independent members and two Councillors. Councillors are appointed 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, unless otherwise resolved by Council. Member terms are arranged so that there is an orderly rotation of membership and avoidance of more than one member retiring at the same time. Independent members are required to have appropriate skill sets and experience as mandated in section 53 of the Local Government Act 2020.

The Local Government Act 2020 also requires that there must be a majority of independent members and that an independent member must be Chair of the Committee. All members have full voting rights.

The Chair of the Committee is appointed annually by Council at its Annual Meeting of Council from the independent members, following a recommendation by the Committee.

External members receive a meeting fee in accordance with the Local Government Act 2020. The fee for independent members was set at \$1,607 per meeting and the Chairperson's fee was set at \$2,040 per meeting for the entire period. These fees reflect the time, commitment and responsibility involved in serving as an independent member of the Audit and Risk Committee.

Councillor appointed members of the Committee do not receive remuneration for attending Committee meetings.

## Meeting attendance

Details of Committee meetings and attendance during the reporting period are summarised below:

Name	17/8/20	31/8/20 (a)	2018/2019	2017/2018	2016/2017
Ms Lisa Woolmer	✓	✓	✓	✓	✓
Mr Geoff Harry	✓	✓	✓	✓	✓
Mr Mick Ulbrick	✓	✓	✓	✓	(b)
Ms Jenny Johanson	(b)	(b)	(b)	(b)	✓
Cr Rob Grinter	✓	✓	(b)	(b)	(b)
Cr Sonia Castelli	✓	✓	✓	✓	✓
Cr Hanna El Mouallem	(b)	(b)	✓	✓	✓
Cr Laurence Evans OAM	(b)	(b)	(b)	(b)	(b)

(a) Meeting considered the financial report and performance statement for the year ended 30 June 2020

(b) Member not eligible to attend

(b) Member not eligible to attend

The Committee was been strongly supported by Council's senior management team who attended all meetings during the year but it should be noted are not members of the Committee.

The External Auditors from the Victorian Auditor General's Office (VAGO) attended Committee meetings to present the external audit strategy and the outcomes of their audits of the annual financial report and the annual performance statement.

The Internal Auditors (Crowe) attended all meetings by invitation and presented reports on the outcomes of internal audit reviews. The Internal Auditors did not, and do not typically, attend meetings focussed on review of the annual financial report and performance statement.

The Committee continues to enjoy a strong and professional working relationships with the entire support team, which is a critical element in ensuring the Committee delivers positive and insightful support and advice to Council.





# Corporate governance

## Key Activities of the Committee

The agenda for Committee meetings is driven by the Committee's Annual Work Plan and all meetings have been comprehensive in content for discussion. As with other such Committees in the local government sector in Victoria, the new Local Government Act 2020 has added to the Committee's workload and in the broader governance sense, expectations of stakeholders about the work of the Committee have never been higher.

The Committee's Annual Work Plan reflects its key responsibilities as set out in the Committee Charter. Annually, the Committee confirms it has discharged its responsibilities in accordance with the Charter and develops its Work Plan for the following year. The Work Plan is reviewed at every meeting to ensure that it remains reflective of Council's business activities and ever-changing contextual environment.

The work of the Committee for the year is summarised below:

## Financial and Performance Reporting

The Committee reviewed and recommended the annual financial report and annual performance statement to Council with input from management and assurance from the external auditors. For the year ended 30 June 2020, the Committee was pleased to note that Council received unmodified / unqualified audit opinions as published in the Annual Report.

The Committee noted that the matters raised by the external auditors at the conclusion of their work were not substantive in nature. The Committee endorsed both the annual financial report and the annual performance statement for the year ended 30 June 2020 to Council for approval.

In addition, the Committee received periodic financial and performance reports from management including:

## Quarterly Financial Reports

Assessments of the financial impact of the COVID-19 pandemic both at the time of the reports and into the future

- Briefings on the 2021/22 budget and 10-year financial plan development, including details of the underlying assumptions and anticipated outcomes
- Performance and service indicator reports – 2019/20 and 2020/21

The Committee was satisfied with these reports, assessing them as being of high quality.

## Risk Management

The Committee observed further maturing of Council's risk management framework with a broad range of reports and updates provided across the year.

The standing agenda item for the CEO update provided a useful means for the Committee to understand the impacts of COVID-19 on Council's activities, staff safety and well-being, and how Council has supported the community during the pandemic. The Committee was also pleased to see that the Executive Team Risk Management Committee is well established and provides added support to Council's governance and risk management activities at an officer level.

Specific matters considered include:

- Briefings from the organisation on significant, potential litigation issues
- Review of strategic risks and treatment plans with a recommendation to Council that the strategic risks be noted in accordance with Section 12, Schedule 1 of the Local Government (Planning and Reporting) Regulations 2014. This was supported by updates on emerging or changed risks in the intervening period.
- Review of the Risk Management Policy and strategies relating to implementation and further maturing of the Risk Management Framework
- Council's insurance portfolio including claims management and renewal premiums
- Crisis and Business Continuity testing, including briefings on pandemic planning and an independent review and assessment of Council's pandemic response
- Minutes of Executive Team Risk Management Committee Meetings
- Briefings on specific high rated risks and treatment actions relating to fraud and corruption, IT cyber and security risks and safety strategic risks
- Briefings on transition to Worksafe following the wind up of the MAV self-insurance scheme for workers' compensation

## Fraud Prevention Systems and Control

Council's Fraud Control Framework aims to minimise risks related to fraud and corruption and the associated risks of significant fines or non-monetary sanctions for non-compliance with laws and regulations. Council's Fraud and Corruption Prevention Policy is published on Council's Website and Intranet.

The Committee noted that additional resources were in place to support ongoing review and update of the Fraud and Corruption Control Framework and fraud risk assessments by management. The Committee received updates from management on risk assessments completed for Finance, Development and Procurement related fraud and corruption risk.

## Internal Control Environment

In monitoring the internal control environment, the Committee considers information from a range of sources including management reports and briefings, internal audit, external audit and other assurance providers or consultants appointed by Council.

The Committee continued to monitor reports released by State based integrity agencies and received officer briefings / organisational self-assessments on reports that were relevant to Council. The Committee focusses on whether there are any learnings for Council arising from these reports and monitors implementation of such improvements. This includes reports and papers from VAGO, Ombudsman Victoria and IBAC.

The Committee also reviewed a self-assessment against the Child Safe Standards, considered the implementation action framework and received updates on progress to implement actions.

The Victorian Auditor General provided a report on a survey it undertook on sexual harassment in the Victorian local government sector which was of particular interest to the Committee. The significance of the survey is that there were almost 10,000 respondents over 75 (of 79) councils in Victoria. The survey indicated that 28% of people working in the sector experience sexual harassment, 90% of which occurs in day-to-day work.

## Compliance – regulatory, legislative and policies

The Committee maintained a focus on compliance oversight, including with the introduction of new legislation and changes to obligations during the year. New or changed obligations included the Local Government Act 2020, Gender Equality Act, swimming pool and spa regulations, and public health orders due to the pandemic. In addition to receiving reports on regulatory and legislative developments, implementation requirements and actions taken by management, the Committee has continued to receive a quarterly compliance status update report.

With the introduction of the Local Government Act 2020, a focus for the Committee has been developing a program of rolling reviews of key policies (starting with the procurement policy) and revisiting the robustness of the overall policy framework. In addition to reports from Internal Audit on compliance, other management updates on compliance were also received.



# Corporate governance

## Internal Audit

The Internal Audit function is delivered by Crowe and provides an independent review of the effectiveness and efficiency of governance frameworks, systems, processes and controls. Crowe's contract for the provision of Internal Audit Services commenced on 1 July 2018 following a public tender process for these services. This contract expires on 30 June 2022. Internal Audit is not involved in the day-to-day internal transaction checking but provides an independent and objective assurance mechanism.

The Committee reviewed the three year rolling Strategic Internal Audit Plan and endorsed the Annual Internal Audit Plan, which was adopted by Council. The Internal Audit Plan is aligned to Council's risks and priorities to ensure internal audit resources are directed to areas where assurance or assessment is required over frameworks, systems, processes and controls.

The internal audit reports provided at the conclusion of each review contain findings and recommendations for control improvements, together with management responses, and are presented to the Committee for review. These reports give the Committee and Council a level of assurance on the frameworks, systems and procedures employed by Council in the governance and control of its day-to-day operations.

The following summary provides a breakdown of the number of findings relating to each audit by rating:

Internal Audit	No. of findings	Level of control rating		
		High	Moderate	Low
Project Management Framework	6	-	2	4
Statutory Planning	8	1	2	5
Building Maintenance Essential Safety Measures	4	-	2	2

The following audits are in progress at the date of this report:

- Local Government Performance Reporting Framework

To enable the Committee to closely monitor the implementation of management's agreed actions to address the recommendations contained in each Internal Audit report, a progress update from management is provided to each meeting. It is pleasing to note that during the year many actions, including some very long-standing ones, have been completed by management. Management's ongoing focus on the completion of actions in accordance with agreed timeframes is acknowledged and appreciated.

The Committee reviewed the performance of the Internal Auditor each year through confidential conversations between management and Committee members. Performance was also monitored through the receipt of quarterly internal audit program status reports by the Committee.

In camera discussion opportunities are provided between the Committee and Crowe without management present to facilitate direct access by Internal Audit to the Committee

## External Audit

Council's External Auditor, VAGO, is responsible for providing an opinion on the annual financial report and performance statement. As noted above, once again Council received unmodified / unqualified audit reports for the annual financial report and annual performance statement for the year ended 30 June 2020.

In overseeing the external audit process, the Committee:

- Reviewed the 2020/21 External Audit Strategy (the 2019/20 External Audit Strategy was reviewed in February 2020)
- Reviewed and discussed the draft 2019/20 Financial Reports and Performance Statements with VAGO with reference to the VAGO Closing Report
- Held an in-camera discussion between Committee members only and VAGO representatives

When designing audit procedures, VAGO considers the internal controls relevant to the financial report and performance statement. 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. VAGO communicates the outcomes of their annual audit at the conclusion of their work and provides Council with a Closing Report and a management letter, the latter of which includes any recommendations for improvements. The Management Letter is discussed with the Committee and actions taken to address findings are subsequently monitored by the Committee. During the year, this included ongoing reporting of actions taken in relation to the VAGO Information Technology (IT) Controls Audit previously undertaken. These actions have now been fully implemented.

The Committee notes that the external audit process had been thorough and was pleased with the outcomes of the audit which indicated that the systems and controls related to the preparation of the annual financial reports and the annual performance statements were efficient and effective.

## Other Matters

There were no Conflicts of Interest declared by Committee members during the year pertaining to matters listed on the agendas for the relevant meetings.

## Acknowledgements

### Audit and Risk Committee Members

I would like to acknowledge the professionalism and participation of all the members of the Committee in discharging their roles and responsibilities. I would particularly like to acknowledge the significant contribution of Mr Mick Ulbrick for his role during 2020/21 reporting year and in his 6 years of membership of the Committee. I also welcome new member Ms Jenny Johanson to the Committee from 24 May 2021.

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, the 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.

### Organisation

I also wish to record my appreciation of the work undertaken by Council staff in supporting the role of the Committee particularly the commitment and involvement of the Mr Mick Cummins, Chief Executive Officer, Ms Jill Colson, Director Corporate Services, Mr Bill Shanahan, Manager Finance and Mr Terry Callant, Manager Governance. Other organisational Directors and Managers have made a significant contribution to assist the Committee in discharging its duties in accordance with the Charter during the year and I also thank them.

**Lisa Woolmer**  
Chair – Audit and Risk Committee

# Corporate governance

## Other Advisory Committees of Council

### Bayside Arts and Gallery Advisory Committee

The Bayside Arts and Gallery Advisory Committee was established in 2020 as a result of the implementation of the Local Government Act 2020. The Committee replaced the former Bayside Arts Board established in 2016 under section 86 of the Local Government Act 1989.

The Bayside Arts and Gallery Advisory Committee is constituted for the purpose of providing advice and supporting Council in the development and presentation of an innovative and creative arts program for the City of Bayside including exhibitions and programs at the Bayside Gallery.

The functions of the Committee are to provide advice and recommendations to Council on the following matters:

- the annual exhibition program for the Bayside Gallery
- the annual arts program of public events and activities
- the proposed artists for the annual Studio Artists program at Billilla
- the public art and wall/mural art program across the municipality
- the acquisition and de-accession to the Bayside Council Art and Heritage Collection in accordance with the Bayside Arts and Heritage Collection Policy
- provide advice on the care and preservation of the Bayside Council Art and Heritage collection for future generations
- provide input and guidance into Council's Strategic Plan for the Arts
- contribute, to and support the establishment of mutual beneficial partnerships
- provide advice and evaluate the marketing strategy for arts programming including the Bayside Gallery.

The Arts and Gallery Advisory Committee membership comprises two Councillors appointed by Council and six community members appointed through a public expression of interest process. The Advisory Committee meets four times during the year.

### Chief Executive Officer Employment Matters Committee

The Chief Executive Officer Employment Matters Committee was established by Council as an Advisory Committee of Council.

The responsibilities of the Committee are to:

- Make recommendations to Council on contractual matters relating to the Chief Executive Officer or the person appointed to act as the Chief Executive Officer including the following:
  - the appointment of the Chief Executive Officer
  - remuneration and conditions of appointment of the Chief Executive Officer
  - any extension of the appointment of the Chief Executive Officer under section 94(4) of the *Local Government Act 1989*
- Conduct performance reviews of the Chief Executive Officer
- Perform any other prescribed functions and responsibilities.

The membership of the Committee consists of one suitably qualified externally appointed Chairperson, Ms Paula Giles and four Councillors comprising of the following members at the time of the meeting, namely: Mayor Cr Evans and Councillors Martin, El Mouallem and Castelli. The Committee meets on four occasions during the reporting year.

### Bayside Disability Access and Inclusion Advisory Committee

The Disability Access and Inclusion Advisory Committee was established in 2020 and is constituted for the purpose of providing advice and supporting Council in the development of the Municipal Public Health and Wellbeing Plan 2021–25 (MPHWP) and to consider other strategic and infrastructure issues that may impact people with a disability.

The functions of the Committee are to provide advice and recommendations to Council on the following matters:

- considering the outcomes of the community health and wellbeing survey and other sources of community health information
- identifying issues of access to the built, social and natural environments
- identifying barriers to inclusion in community and economic life in Bayside
- discussing potential solutions (actions) to identified issues
- assisting in prioritising actions to be included in the MPHWP
- assisting in monitoring implementation.

In addition, the Disability Access and Inclusion Advisory Committee also provides specific advice from a disability perspective on nominated Council strategies, masterplans, programs and infrastructure priorities.

The Disability Access and Inclusion Advisory Committee membership comprises 2 Councillors appointed by Council and 10 ordinary members appointed through a public expression of interest process. This Committee meets on three occasions during the reporting year.

## 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 implemented 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:

- the Audit Committee's review of quarterly status reports against Council's strategic risks
- Executive Team quarterly 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.

## 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 2020/2021 Council activated the MEMP on a number of occasions, when staff responded to a number of minor emergencies including storm damage to assets, fire damage to buildings, evacuation due to gas leaks and flooding damage to roads, and provided additional assistance to emergency services where requested, including support to implement pandemic restrictions under Chief Health Officer (CHO) guidelines.

Council has reviewed and updated the MEMP for endorsement by the MEMP Committee. In 2021, Council endorsed the MEMP Committee reform process to re-establish a new MEMP Committee in accordance of the provisions of the Emergency Management Legislation Amendment Act 2018 which came into effect from December 2020. Under the Act this Committee exists separately to Council and is not a committee of Council.



# Corporate governance

## Business Continuity Plan

In 2018, Council redeveloped the Business Continuity Plan (BCP) in line with modern standards and best practice, providing a pre-determined roadmap to ensure continuity of critical services of Council in the event of a major interruption. Following the outbreak of COVID-19 this plan was heavily tested. Responses including approaches to longer term management of an ongoing crisis, remote working during lockdown and redeployment of resources for ongoing support to some functions were required. A review of the plan was undertaken during 2021 to incorporate the learnings from the ongoing crisis.

The plan outlines an overarching management framework for responding to interruption events and fulfils a number of functions including:

- enabling re-establishment and continuity of critical 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 key stakeholders.

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 includes a number of procedures to be followed in the event of an emergency occurring at the Corporate Centre
- Municipal Emergency Management Plan (MEMP)<sup>[1]</sup>
- Municipal Emergency Recovery Plan (MERP)<sup>[2]</sup>
- Crisis Communication Plan.

## Environmental Sustainability Framework

Adopted in May 2016, Council's 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.

### Key achievements in 2020/2021 included:

- certified 'Carbon Neutral' status for Council's operations
- commencement of a 10-year Power Purchase Agreement for supply of renewable electricity to Council's large sites and street lighting
- Climate Emergency Action Plan 2020-25 adopted
- four new electric fleet vehicles and the first public Electric Vehicle charger
- solar panels installed at 10 more Council buildings
- over 15 Environmental Citizenship program events held, including a Waste Wise Webinar series, collaborative events for Children's Week, National Recycling Week and with partner Councils
- a record number of Sustainability Planning applications assessed using the Built Environment Sustainability Scorecard
- delivery of the 'Sustainable Schools' program, including the 2nd Schools Climate Summit delivered on-line for students and teachers from 11 primary and secondary schools
- a decrease in paper use of 45% from 2019/20
- new Sustainable Events Guidelines and webpage
- 25% of Capital Works expenditure recorded as Sustainable Procurement
- working with the South East Councils Climate Change Alliance to assess the vulnerability of Council assets to climate change.

A full report on the delivery of actions implemented through the Environmental Sustainability Framework in 2020/2021 can be found on the Bayside City Council's website [www.bayside.vic.gov.au](http://www.bayside.vic.gov.au)

[1] 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.

[2] There are no provisions of the Business Continuity Plan that conflict with the provisions of the Bayside City Council MEMP or MERP.

## Community grants

In 2020/2021, Bayside City Council provided \$820,785 in community grants to fund various initiatives across the Bayside municipality. This included a once-off Community Reactivation Grant of up to \$2000 to community organisations, clubs and groups who experienced hardship as a result of forced closure or reduced operations due to COVID-19.

Grants program	No. of successful grants 2018/19	Grant funding provided
Annual Community Grants Program	45	\$208,548
Bayside Reactivation Grants (once off COVID recovery grant)	54	\$100,000
New program or community initiative	2	\$7,650
Events and festivals	24	\$23,175.00
Donations to fundraising appeals	1	\$5,000
Individuals and families in financial hardship	23	\$10,038.00
Inclusive Bayside Partnership Program	8	\$37,480.00
Major Grants Program	6	\$428,894

## Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council:

### Available for inspection at Council offices

In accordance with section 222 of the Local Government Act 1989 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 months
- 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 Act 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 Act 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 leases 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.

## Continuous improvement

The 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 unit establishing a sustainable foundation of process management to enable ongoing continuous improvement. We equip teams to identify, understand and capture their processes for delivering efficient and effective services to our community. Teams then collaborate cross-functionally to identify opportunities to improve systems, processes and products to achieve service outcomes, such as introducing on-line lodgements for planning applications.

# Corporate governance

## Service planning

In 2020/2021, the organisation continued to deliver service-level planning for the 46 services in our service catalogue. An environmental scan indicated various demographic, economic, legislative, social, and technological challenges and opportunities facing the delivery of Council services, some of which require our services to be delivered in different ways. Service planning provides an opportunity to critically assess our services to ensure we provide public value to our customers and community now and into the future.

## Report against the Carers Recognition Act 2012

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

Council has promoted the principles of the Act to people in care relationships who receive Council services, as well as 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 and/or community networks
- participating in carer support network meetings
- delivering respite and other practical assistance to the carers of frail older people and people with a disability
- delivering initiatives to support the wellbeing of carers whilst recognising the role of unpaid carers through acknowledgment of their contribution in caring for others
- having representation of carers on Council's Disability Access and Inclusion Advisory Committee
- supporting access to the National Disability Insurance Scheme through information for carers and referrals to specialist agencies as required
- promoting services through Council publications and social media.

Council has taken all practicable measures to ensure staff, Council agents and volunteers are informed about the principles and obligations of the Carers Recognition Act by including information on the care relationship in Council induction and training programs across 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 2020 through the home delivery of wellbeing packs during the COVID-19 pandemic.
- maintaining contact with carers through COVID lockdowns and increasing their level of in-home respite
- recognising the role of carers during COVID with a letter acknowledging their role
- advocating for the needs of carers through participation on a range of local, regional and state-wide networks.

## Contracts

During the year, Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Local Government Act 1989. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

## Disability Action Plan

Council's requirements and actions under section 38 of the Disability Act 2006, are incorporated and reported under the Wellbeing for All Ages Abilities Strategy 2013-2017 .

## Wellbeing for All Ages and Abilities Strategy 2017–2021

The Wellbeing for All Ages and Abilities Strategy (WAAA) outlines the health and wellbeing priorities for Bayside City Council for 2017-2021. The strategy meets the requirements of the Public Health and Wellbeing Act 2008 and Disability Act 2006 whilst streamlining community services planning for health and wellbeing from early childhood, through to youth, adult lives and older years.

Bayside City Council's WAAA 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) Healthy Ageing Action Plan
- c) Healthy Community Action Plan
- d) Youth Action Plan.

Underpinning values such as diversity, gender equity, inclusion and disability are reflected in each plan.

The following are key highlights and achievements for the WAAA in 2020/2021:

- established the Disability Access and Inclusion Advisory Committee comprising of 10 community members with lived experience of disability.
- delivered Thomas Street Reserve – an all abilities and ages playground, including the installation of a senior's exercise park.
- delivered the Bayside Seniors Festival online including 45 activities and events to over 1000 people, promoting the importance of social connection for senior community members.
- facilitated Bayside Schools Climate Action Summit with 89 students and teachers from 10 primary and secondary schools.
- established a working group to develop new opportunities that support vulnerable families prepare and respond to heatwaves and extreme weather events.
- supported new community engagement initiatives on public housing estates including the establishment of a community garden and launch of a new playground at Bluff Rd Estate.
- promoted the contribution that young people make through the delivery of the Bayside Youth Awards. 34 young people were nominated for an award.
- delivered family violence training to community members in an online forum.

## Report against the Food Act 1984 Ministerial directions

In accordance with 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 2020/2021 financial year, Council received no Ministerial Directions associated with the Act.

Freedom of information

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

Access to documents may be obtained through a written request to the Freedom of Information Officer, as detailed in section 17 of the Act, and in summary as follows:

- it should be writing
- it should identify, as clearly as possible, which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

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. Further details regarding freedom of information, can be found on Council's website

In 2020/2021, Council processed 28 Freedom of Information applications.

## Report against the Protected Disclosure Act 2012

The Protected Disclosure Act 2012 aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are available on Council's website.

During the 2020/2021 reporting year, there were no disclosures under section 13 notified by Council to the Independent Broad-based Anti-Corruption Commission (IBAC).

# Corporate governance

## 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 cruel, inhuman or degrading treatment, which previously had no legal protection.

In 2020/21, no formal 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.humanrightscscommission.vic.gov.au](http://www.humanrightscscommission.vic.gov.au)

## Information on Privacy commitment and complaints received

Council is committed to protecting the personal privacy of residents and ratepayers. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where authorised or required by law. Council has an Information Privacy Policy that is available on Council's website.

During 2020/2021 there were no complaints made to the Office of the Victorian Information Commissioner (OVIC).

**Table 1 - Total DCP levies received in 2020/2021**

Council	DCP name	Year approved	Levies received in 2020/21 financial year (\$)
Bayside	Bayside Drainage Development Contributions Plan (DCP) 2017	Aug-17	\$916,419.00

**Table 2 - DCP land, works, services or facilities accepted as works-in-kind in 2020/2021**

Council	DCP name	Year approved	Project ID	Project description	Item purpose	Project value (\$)
Bayside	Bayside Drainage Development Contributions Plan	Aug-17	Nil	Nil	Nil	Nil

## Victorian Local Government Women's Charter

Council continues its 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 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 regarding our road and road-related assets in accordance with the Road Management Act 2004.

The Bayside Road Management Plan was reviewed and adopted by Council in June 2021 in accordance with the requirements of section 54 (5) of the Road Management Act.

Section 22 of the Road Management Act requires Council to publish a summary of any Ministerial Directions received within the respective financial year. Within the 2020/21 financial year, Council received no Ministerial Directions associated with the Act.

## Infrastructure and development contributions

In accordance with section 46GM and 46QD of the Planning and Environment Act 1987, any Council that is collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind.

For the 2020/2021 year the following information regarding infrastructure and development contributions is disclosed below.

**Table 3 - Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)**

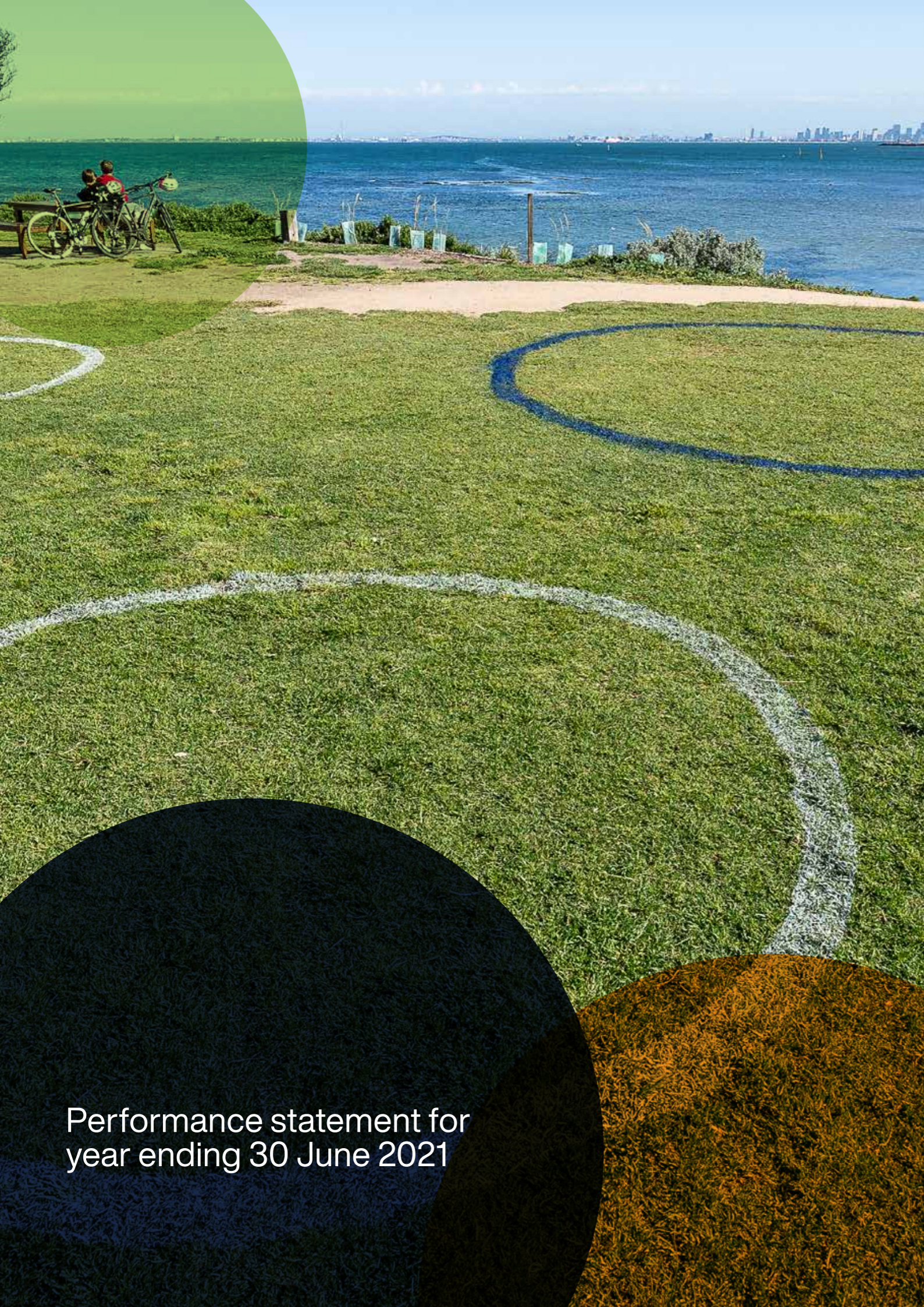
Council	DCP name	Year approved	Total levies received (\$)	Total levies expended (\$)	Total works-in-kind accepted (\$)	Total DCP contributions received (levies and works-in-kind) (\$)
Bayside	Bayside Drainage Development Contributions Plan	Aug-17	\$3,362,321.00	\$1,985,498.77	\$0.00	\$3,362,321.00

**Table 4 - Land, works, services or facilities delivered in 2020/2021 from DCP levies collected**

Council	DCP name	Year approved	Project description	Project ID	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered %
Bayside	Bayside Drainage Development Contributions Plan	Aug-17	Mary Street Beaumaris	DCL 22	\$12,983.98	\$0.00	\$13,513.93	\$0.00	\$26,497.91	100%
Bayside	Bayside Drainage Development Contributions Plan	Aug-17	Hawthorn Road Brighton East Stage 2	DCL 4B	\$24,438.39	\$0.00	\$25,435.87	\$0.00	\$49,874.26	80%
Bayside	Bayside Drainage Development Contributions Plan	Aug-17	Wilson/Valda	DCL 8A	\$219,883.35	\$0.00	\$228,858.18	\$0.00	\$448,741.53	100%
Bayside	Bayside Drainage Development Contributions Plan	Aug-17	Design Hornby/Centre	DCL 4B	\$39,103.22	\$0.00	\$40,699.27	\$0.00	\$79,802.49	80%
					<b>\$296,408.93</b>		<b>\$308,507.26</b>		<b>\$604,916.19</b>	

Where more than 100% of a DCP item has been delivered Council has spent more than the total DCP Project \$ Expenditure (plus indexation) as set out on pages 18 and 19 of the Bayside Drainage DCP document. <https://www.bayside.vic.gov.au/drainage-development-contributions-plan> Therefore that DCP Reserve Account is in Debt. DCP Reserve Accounts in Debit to date include DCL's 4a, 4b, 20, and 22





# Performance statement for year ending 30 June 2021

## Description of municipality

Bayside City Council (the Council) is situated on the coastline of Port Phillip Bay and has an estimated residential population of 107,541, 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.

## Service Performance Indicators

Service/indicator/measure	Results				Material Variation
	2018	2019	2020	2021	
<b>Aquatic Facilities</b> <b>Utilisation</b> Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	0	0	0	0	Council owns two aquatic facilities with 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 Aquatic Centre and the Middle Brighton sea Bath is not technically defined as an aquatic facility.
<b>Animal Management</b> <b>Health and safety</b> Animal management prosecutions [Percentage of successful animal management prosecutions]	New in 2020	New in 2020	100.00%	100.00%	100% success rate on animal prosecutions through the Magistrate Court, as a result of good evidence and detailed briefs.
<b>Food Safety</b> <b>Health and safety</b> Critical and major non-compliance notifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100.00%	100.00%	100.00%	100.00%	Major and critical non-compliances continue to be treated as a priority. Environmental Health Officers ensure that all major and critical issues identified during the assessment are followed up within the required timeframe to mitigate the risk.
<b>Governance</b> <b>Satisfaction</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]	65	71.6	72.10	62.0	The rating is sourced from the annual Community Satisfaction Survey conducted by an independent research company. Bayside's result is lower than the previous year given the survey was conducted through a pandemic where the methodology was changed from an in-person to telephone survey to accommodate lockdown conditions, which affected people's engagement with the survey content and completion.
<b>Libraries</b> <b>Participation</b> Active library borrowers in the municipality [The sum of the number of active library borrowers in the last 3 financial years / Municipal population] x100	21.36%	21.05%	21.64%	21.51%	A marginal decline in active borrowers was due to library closures however, programs such as book delivery, click and collect and on-line offerings maintained connection with users.

# Performance statement for year ending 30 June 2021

Service/indicator/measure	Results				Material Variation
	2018	2019	2020	2021	
<b>Maternal and Child Health Service (MCH) Participation</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	79.26%	76.67%	79.78%	79.61%	Participation has remained very consistent many years and is similar to or marginally better than comparable Councils. Participation in the Maternal and Child Health service is voluntary. Monthly reminders for missed visits are sent to prompt attendance but have not produced measurable change.
<b>Participation</b> Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	83.78%	89.19%	91.43%	88.37%	Participation levels remain high, however the impact of COVID had a slight impact on the participation rate.
<b>Roads Satisfaction</b> Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	72.1	73.5	74.8	71.00	The rating is sourced from the annual Community Satisfaction Survey conducted by an independent research company. Bayside's result is lower than the previous year given the survey was conducted through a pandemic where the methodology was changed from an in-person to telephone survey to accommodate lockdown conditions, which affected people's engagement with the survey content and completion.
<b>Statutory Planning Decision making</b> 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	60.00%	51.79%	63.64%	48.78%	During the reporting year 41 appeals have been determined with 20 being affirmed, resulting in an overall result of 48.8% of decisions being upheld. This is a direct result of Council's increased focus on environmentally sustainable development outcomes while challenged by the absence of strong state government policy provision in the Planning Scheme. This has seen a reduction in the number of planning decisions being upheld by Victorian Civil and Administrative Tribunal (VCAT).
<b>Waste collection Waste diversion</b> Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	50.01%	50.43%	57.94%	58.57%	Since the introduction of the food and green waste collection service there has been a continued shift in community attitude to separation of food waste, resulting in increased diversion from landfill.

## RETIRED/indicator/measure

**Animal Management Health and Safety**  
 Animal management prosecutions  
 [Number of successful animal management prosecutions]

### Results

2018	2019	2020	2021
10	8	Retired in 2020	Retired in 2020

### Comments

From 1 July 2019, this measure was replaced by Animal Management prosecutions calculated as a percentage of successful animal management prosecutions.

## 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.





# Performance statement for year ending 30 June 2021

## Financial Performance Indicators

For the year ended 30 June 2021

### Dimension, indicator and measure

**Efficiency expenditure level**  
Expenses per property assessment  
[Total expenses / Number of property assessments]

#### Results

2018	2019	2020	2021
\$2,360.27	\$2,527.39	\$2,681.46	\$2,592.51

#### Forecasts

2022	2023	2024	2025
\$2,672.74	\$2,752.71	\$2,852.77	\$2,975.40

#### Material Variation

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 eight years to keep expenses per head of municipal population 3.32% lower than similar Councils. Expenses were reduced in the 2020/21 year to accommodate the financial impact of Covid-19 on revenue.

### Dimension, indicator and measure

**Liquidity Working capital**  
Current assets compared to current liabilities  
[Current assets / Current liabilities] x100

#### Results

2018	2019	2020	2021
399.84%	383.30%	458.48%	452.20%

#### Forecasts

2022	2023	2024	2025
324.76%	244.42%	231.78%	343.90%

#### Material Variation

Council's result is an indicator of a strong financial position; the variance this year is reflective of a slight increase in Council's trade and other payables at 30 June as well as a greater increase in current assets as a result of the delay in delivery for some capital projects being carried forward to future years. Given the increasing investment in the capital program in future years, cash and investments will decline, resulting in a future reduction to Council's liquidity ratio..

### Dimension, indicator and measure

**Revenue average rate per property assessment**  
Average rate revenue per property assessment  
[Total rate revenue / number of property assessments]

#### Results

2018	2019	2020	2021
New in 2020	New in 2020	\$1,796.28	\$1,858.45

#### Forecasts

2022	2023	2024	2025
\$1,899.89	\$1,912.92	\$1,973.79	\$2,045.18

#### Material Variation

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 2020/2021 increased by 2.0%, in accordance with the Fair Go Rates System for 2020/2021.

### Dimension, indicator and measure

**Unrestricted cash**  
Unrestricted cash compared to current liabilities  
[Unrestricted cash / Current liabilities] x100

#### Results

2018	2019	2020	2021
217.34%	195.19%	213.04%	222.78%

#### Forecasts

2022	2023	2024	2025
179.62%	122.92%	109.71%	158.78%

#### Material Variation

Unrestricted cash has increased due to the timing of payment of suppliers, the deferment of capital projects funded from unrestricted cash and savings in the capital and operating budgets during 2020/2021. Unrestricted cash will decrease in the coming years as Council delivers its ambitious capital program.

### Dimension/indicator/measure

**Indebtedness**  
Non-current liabilities compared to own source revenue  
[Non-current liabilities / Own source revenue] x100

#### Results

2018	2019	2020	2021
0.70%	0.79%	1.64%%	1.29%

#### Forecasts

2022	2023	2024	2025
1.75%	1.89%	2.01%	2.11%

#### Material Variation

For the 2020/2021 year, the lower result reflects a reduction in non-current liabilities for motor vehicle leases compared to prior year.

### Dimension/indicator/measure

**Stability Rates concentration**  
Rates compared to adjusted underlying revenue  
[Rate revenue / Adjusted underlying revenue] x100

#### Results

2018	2019	2020	2021
71.01%	71.86%	73.89%	75.90%

#### Forecasts

2022	2023	2024	2025
74.94%	75.56%	75.82%	76.03%

#### Material Variation

During COVID-19, Council was more reliant on rate revenue, as other revenue reduced as a result of the economic impacts of COVID-19 restrictions.

### Dimension/indicator/measure

**Operating position Adjusted underlying result**  
Adjusted underlying surplus (or deficit)  
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100

#### Results

2018	2019	2020	2021
15.40%	12.73%	5.47%	9.13%

#### Forecasts

2022	2023	2024	2025
10.03%	7.15%	6.43%	5.55%

#### Material Variation

Council maintained a higher underlying result during COVID-19 by identifying savings in the operating budget to limit the impact of a reduction in other revenue as a result of the financial impact of COVID-19 restrictions. The underlying result will decrease in future years as a result of a further reduction in interest income as Bayside delivers an ambitious capital program funded from unrestricted reserves, coupled with an increase in depreciation.

### Dimension/indicator/measure

**Rates effort**  
Rates compared to property values  
[Rate revenue / Capital improved value of rateable properties in the municipality] x100

#### Results

2018	2019	2020	2021
0.15%	0.14%	0.14%	0.15%

#### Forecasts

2022	2023	2024	2025
0.14%	0.15%	0.15%	0.15%

#### Material Variation

The rate increase is in accordance with the rate capping framework.

# Performance statement for year ending 30 June 2021

## RETIRED Dimension/indicator/measure

Average residential rate per residential property assessment  
[Residential rate revenue / Number of residential property assessments]

Results			
2018	2019	2020	2021
\$1,983.61	\$2,095.39	Retired in 2020	Retired in 2020

### Comments

As of 1 July 2019, this measure was replaced by Average rate per property assessment.

## Definitions

“adjusted underlying revenue” means total income other than:

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- 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

## RETIRED Dimension/indicator/measure

Asset renewal compared to depreciation  
[Asset renewal expense / Asset depreciation] x 100

Results			
2018	2019	2020	2021
107.43%	121.23%	Retired in 2020	Retired in 2020

### Comments

As of 1 July 2019, this measure was replaced by Average rate per property assessment

“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.

## Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator/measure	2018	2019	Results		Material Variation
			2020	2021	
<b>Population</b>	\$1,020.97	\$1,100.96	\$1,177.90	<b>1,133.04</b>	Council is committed to providing high quality services to the Bayside community in the most efficient way possible. Ongoing savings have been found in past years to contain expenditure per head of municipality. The slight decrease in expenses per head in 2020/2021 reflects the savings that were identified in the operating budget in order to combat the financial impact of Covid-19 restrictions on Council’s revenue base.
<i>Expenses per head of population</i> [Total expenses / Municipal population]					
<i>Infrastructure per head of population</i> [Value of infrastructure / Municipal population]	\$4,821.96	\$5,051.91	\$5,613.17	<b>\$5,723.81</b>	Bayside has outsourced all of the maintenance works and therefore holds very low levels of plant and equipment. The value of Council’s building assets is relatively low given it is old and in need of an upgrade. Council has doubled the level of capital spend over the last five years to address this issue.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	280.40	284.95	288.04	<b>286.01</b>	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>	\$1,093.47	\$1,149.97	\$1,142.94	<b>\$1,136.78</b>	Own-source revenue has reduced, impacted by the financial impact of Covid-19 restrictions.
<i>Own-source revenue per head of population</i> [Own-source revenue / Municipal population]					
<b>Recurrent grants</b>	\$101.82	\$98.57	\$97.60	<b>\$95.06</b>	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	<b>10.00</b>	The score indicates that, overall, Bayside has a lower number 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]					
<b>Workforce turnover</b>	12.73%	13.6%	8.8%	<b>13.41%</b>	Staff Turnover had increased significantly during the reporting year given an ageing workforce which resulted in 11 retirements, and 5 redundancies.
<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					

# Performance statement for year ending 30 June 2021

## 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.

## Other information

For the year ended 30 June 2021

### 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 30 June 2020 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General-Purpose Financial Statements. The strategic resource plan can be obtained by contacting Bayside City council on 9599-4444 or can be viewed on Council's website [www.bayside.vic.gov.au](http://www.bayside.vic.gov.au)

## 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

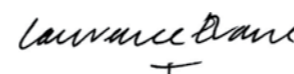
Principal Accounting Officer  
21 September 2021

In our opinion, the accompanying performance statement of Bayside City Council for the year ended 30 June 2020 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.



Cr Laurence Evans OAM

Mayor  
21 September 2021



Cr Hanna El Mouallem

Councillor and Audit and Risk Committee Member  
21 September 2021



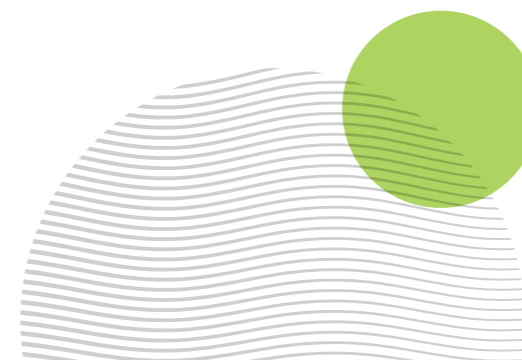
Mick Cummins

Chief Executive Officer  
21 September 2021



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# Financial Statements 2020/2021

## Certificate 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, the Australian Accounting Standards and other mandatory professional reporting requirements.

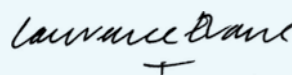


Bill Shanahan CPA  
Principal Accounting Officer  
Dated: 21 September 2021  
Sandringham

In our opinion the accompanying financial statements present fairly the financial transactions of Bayside City Council for the year ended 30 June 2021 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.



Cr Laurence Evans OAM  
Mayor  
21 September 2021  
Sandringham



Hanna El Mouallem  
Councillor  
21 September 2021  
Sandringham



Mick Cummins  
Chief Executive Officer  
21 September 2021  
Sandringham

# Victorian Auditor General's Report

## To the Councillors of Bayside City Council

**Opinion** I have audited the financial report of Bayside City Council (the council) which comprises the:

- balance sheet as at 30 June 2021
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Councillors' responsibilities for the financial report** The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

# Victorian Auditor General's Report

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

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

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

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

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



Sahchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE  
23 September 2021

## To the Councillors of Bayside City Council

**Opinion**

I have audited the accompanying performance statement of Bayside City Council (the council) which comprises the:

- description of the municipality for the year ended 30 June 2021
- sustainable capacity indicators for the year ended 30 June 2021
- service performance indicators for the year ended 30 June 2021
- financial performance indicators for the year ended 30 June 2021
- other information and
- certification of the performance statement.

In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

**Basis for Opinion**

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Councillors' responsibilities for the performance statement**

The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* 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.

**Auditor's responsibilities for the audit of the performance statement**

As required by the *Audit Act 1994*, 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.

# Victorian Auditor General's Report

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.



Sanchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE  
23 September 2021

# Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	101,245	97,954
Statutory fees and fines	3.2	6,963	8,301
User fees	3.3	7,336	7,924
Grants – operating	3.4(a)	11,429	10,593
Grants – capital	3.4(b)	1,167	1,077
Contributions – monetary	3.5	6,397	3,573
Contributions – non monetary	3.5	291	2,528
Rental Income	3.7	3,793	2,993
Interest Income	3.8	1,606	2,874
Other income	3.9	1,250	2,111
Fair value adjustments for financial assets	3.10	71	-
Assets not previously recognised	3.11	1,226	-
<b>Total income</b>		<b>142,774</b>	<b>139,928</b>
<b>Expenses</b>			
Employee costs	4.1	44,994	45,566
Materials and services	4.2	51,599	51,423
Depreciation	4.3	21,541	20,548
Amortisation – intangible assets	4.4	828	896
Amortisation – right of use assets	4.5	936	836
Bad and doubtful debts	4.6	830	1,901
Net loss on disposal of property, infrastructure, plant and equipment	3.6	135	3,984
Impairment loss on financial assets	4.7	-	245
Finance Costs – leases	4.8	66	77
Other expenses	4.9	919	397
<b>Total expenses</b>		<b>121,848</b>	<b>125,873</b>
<b>Surplus for the year</b>		<b>20,926</b>	<b>14,055</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	6.2	278,176	55,905
<b>Total comprehensive result</b>		<b>299,101</b>	<b>69,960</b>

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

# Balance Sheet as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	12,218	473
Other financial assets	5.1(b)	109,013	104,028
Trade and other receivables	5.1(c)	10,082	8,575
Inventories	5.2(a)	92	144
Other assets	5.2(b)	5,097	1,390
Non-current assets classified as held for sale	6.1	-	3,064
<b>Total current assets</b>		<b>136,502</b>	<b>117,675</b>
<b>Non-current assets</b>			
Other financial assets	5.1(b)	6,071	3,000
Trade and other receivables	5.1(c)	100	114
Other assets	5.2(b)	130	130
Intangible assets	5.2(c)	2,541	2,774
Right-of-use assets	5.7	1,259	1,744
Property, infrastructure, plant and equipment	6.2	3,683,803	3,401,778
<b>Total non-current assets</b>		<b>3,693,905</b>	<b>3,409,540</b>
<b>Total assets</b>		<b>3,830,407</b>	<b>3,527,215</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	9,646	8,285
Trust funds and deposits	5.3(b)	5,624	4,945
Unearned Income	5.3(c)	3,758	1,463
Provisions	5.4	10,350	10,130
Lease liabilities	5.7	809	844
<b>Total current liabilities</b>		<b>30,186</b>	<b>25,667</b>
<b>Non-current liabilities</b>			
Provisions	5.4	1,101	1,084
Lease liabilities	5.7	478	922
<b>Total non-current liabilities</b>		<b>1,579</b>	<b>2,006</b>
<b>Total liabilities</b>		<b>31,764</b>	<b>27,673</b>
<b>Net assets</b>		<b>3,798,643</b>	<b>3,499,542</b>
<b>Equity</b>			
Accumulated surplus		911,630	899,520
Reserves	9.1	2,887,013	2,600,022
<b>Total Equity</b>		<b>3,798,643</b>	<b>3,499,542</b>

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

# Statement of Changes in Equity as at 30 June 2021

2021	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		3,499,542	899,520	2,526,495	73,527
Surplus for the year		20,926	20,926	-	-
Net asset revaluation increment	9.1(a)	278,176	-	278,176	-
Transfers to other reserves	9.1(b)	-	(31,861)	-	31,861
Transfers from other reserves	9.1(b)	-	23,045	-	(23,045)
<b>Balance at end of the financial year</b>		<b>3,798,643</b>	<b>911,630</b>	<b>2,804,671</b>	<b>82,343</b>
<b>2020</b>					
Balance at beginning of the financial year		3,429,582	892,911	2,470,590	66,081
Surplus for the year		14,055	14,055	-	-
Net asset revaluation increment	9.1(a)	55,905	-	55,905	-
Transfers to other reserves	9.1(b)	-	(17,189)	-	17,189
Transfers from other reserves	9.1(b)	-	9,743	-	(9,743)
<b>Balance at end of the financial year</b>		<b>3,499,542</b>	<b>899,520</b>	<b>2,526,495</b>	<b>73,527</b>

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



# Statement of Cash Flows

## For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		99,649	97,058
Statutory fees and fines		6,222	7,351
User fees		8,003	7,456
Rental income		3,359	3,505
Grants – operating		12,535	11,072
Grants – capital		2,790	1,132
Contributions – monetary		6,397	3,573
Interest received		1,898	3,248
Trust funds and deposits taken		2,824	2,503
Other receipts		1,250	1,866
Net GST refund/(payment)		7,248	6,905
Employee costs		(44,411)	(45,620)
Materials and services		(54,936)	(58,894)
Short-term, low value and variable lease payments		(504)	(363)
Trust funds and deposits repaid		(2,145)	(1,984)
Other payments		(919)	(397)
<b>Net cash provided by operating activities</b>	9.2	<b>49,259</b>	<b>38,413</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(32,690)	(40,116)
Proceeds from sale of assets held for sale		4,158	462
Payments for investments		(7,984)	(3,000)
<b>Net cash used in investing activities</b>		<b>(36,516)</b>	<b>(42,654)</b>
<b>Cash flows from financing activities</b>			
Interest paid – lease liability		(66)	(77)
Repayment of lease liabilities		(932)	(813)
<b>Net cash used in financing activities</b>		<b>(998)</b>	<b>(890)</b>
Net increase / (decrease) in cash and cash equivalents		11,745	(5,131)
Cash and cash equivalents at the beginning of the financial year		473	5,604
<b>Cash and cash equivalents at the end of the financial year</b>	5.1(a)	<b>12,218</b>	<b>473</b>
Financing arrangements	5.5		
Restrictions on cash assets	5.1		

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Statement of Capital Works

## For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Property</b>			
Buildings		9,445	12,784
Building improvements		2,932	1,839
<b>Total property</b>		<b>12,376</b>	<b>14,623</b>
<b>Plant and equipment</b>			
Arts and culture collection		120	85
Fixtures, fittings and furniture		461	67
Computers and telecommunications		653	857
Library books		353	365
<b>Total plant and equipment</b>		<b>1,588</b>	<b>1,402</b>
<b>Infrastructure</b>			
Roads		2,978	6,608
Footpaths and cycleways		2,344	2,670
Drainage		1,090	2,580
Parks, open space and streetscapes		10,323	6,177
Foreshore and conservation		965	1,087
Off street car parks		258	533
Road management, traffic signals and street furniture		711	629
Laneways		12	196
<b>Total infrastructure</b>		<b>18,681</b>	<b>20,481</b>
<b>Total capital works expenditure</b>		<b>32,644</b>	<b>36,506</b>
<b>Represented by:</b>			
New asset expenditure		7,820	4,414
Asset renewal expenditure		17,411	22,176
Asset expansion expenditure		592	1,314
Asset upgrade expenditure		6,822	8,602
<b>Total capital works expenditure</b>		<b>32,644</b>	<b>36,506</b>

The above statement of capital works should be read in conjunction with the accompanying notes.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 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

#### (a) Basis of accounting

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

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

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

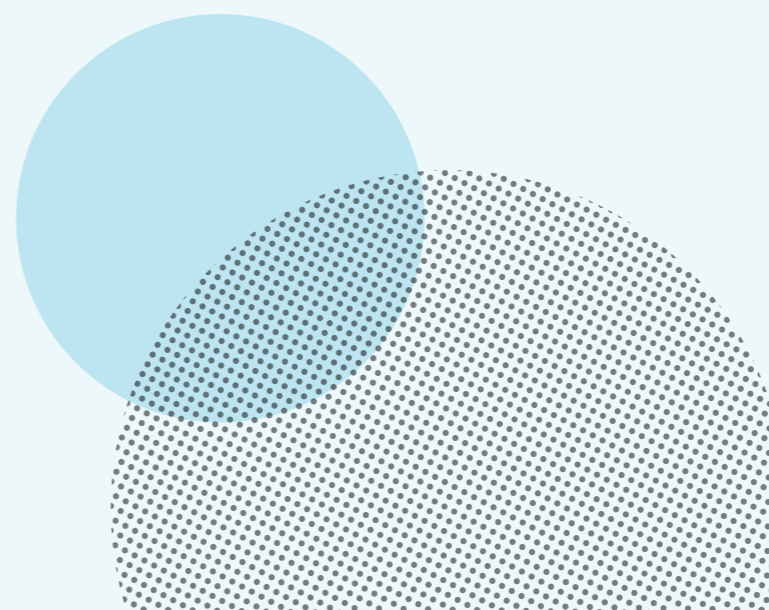
- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with AASB 16 *Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- 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.

#### (b) Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. The impact on Council's financial results have been identified below:

- Council received additional operating grants of \$1.23 million and capital grants of \$1.92 million during 2020/21 to support economic recovery. The impact of COVID-19 has delayed the delivery of the expected performance obligations attached to the funding to 2021/22 and as a result \$1.1 million in operating grants and \$1.6 million in capital grants remain unspent at 30 June. Subject to COVID-19 restrictions not causing further delays in service delivery, the funding will be spent in 2021/22 as the programs to support economic recovery are delivered. • Revenue reductions of \$1.4 million primarily in Statutory Fees such as Parking Infringements and Court Recoveries and User Fees including Asset Protection and Statutory Planning fees due to the economic impact of COVID-19 restrictions.
- Revenue foregone of \$2.4 million to support our traders and commercial tenants during COVID-19 including Footpath Trading fees and Environmental Health Act Registrations (\$0.9 million), Rent relief provided to commercial tenants (\$0.59 million waived and \$0.56 million deferred) and rent recoveries from commercial tenancies (\$0.37 million).
- Additional expenditure of \$1.1 million incurred due to Council's direct response to COVID-19, including increased cleaning of community facilities and open spaces per Council's COVID-safe plan.
- Asset valuations – The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty.
- It is estimated that due to the continued lockdowns imposed by the Victorian State Government, the delivery of the capital program has been delayed by four to six weeks and has resulted in an underspend of approximately \$3 million for the year.



# Notes to the Financial Report For the Year Ended 30 June 2021

## 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 10 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 23 June 2020. 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*.

### 1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Var %	Ref
<b>Income</b>					
Rates and charges	100,460	101,245	785	1%	
Statutory fees and fines	7,208	6,963	(245)	(3%)	
User fees	7,560	7,336	(224)	(3%)	
Grants – operating	10,673	11,429	756	7%	
Grants – capital	1,102	1,167	65	6%	
Contributions – monetary	2,855	6,397	3,542	124%	1
Contributions – non-monetary	-	291	291	100%	2
Rental	3,961	3,793	(168)	(4%)	
Interest	2,450	1,606	(844)	(34%)	3
Other income	1,783	1,250	(533)	(30%)	4
Fair value adjustments for financial assets	-	71	71	100%	5
Assets not previously recognised	-	1,226	1,226	100%	6
<b>Total income</b>	<b>138,052</b>	<b>142,774</b>	<b>4,722</b>	<b>3%</b>	
<b>Expenses</b>					
Employee costs	47,830	44,994	2,836	6%	7
Materials and services	48,140	51,599	(3,459)	(7%)	8
Depreciation	19,571	21,541	(1,970)	(10%)	9
Amortisation – Intangible assets	721	828	(107)	(15%)	10
Amortisation – Right of use assets	771	936	(165)	(21%)	11
Bad and doubtful debts	839	830	9	1%	
Net loss on disposal of property, infrastructure, plant and equipment	-	135	(135)	100%	12
Finance costs – Leases	61	66	(5)	(8%)	
Other expenses	1,020	919	101	10%	13
<b>Total expenses</b>	<b>118,953</b>	<b>121,848</b>	<b>(2,895)</b>	<b>(2%)</b>	
<b>Surplus/(deficit) for the year</b>	<b>19,099</b>	<b>20,926</b>	<b>1,827</b>	<b>10%</b>	

### Explanation of material variations

Variance Ref	Item	Explanation
1	Contributions monetary	The \$3.50 million favourable variance to budget includes increased Resort & Recreation Levy income from developers which was \$3.4 million favourable to budget reflecting greater than expected development across the municipality. These funds are to be transferred to reserves to fund future open space and drainage infrastructure expenditure.
2	Contributions non-monetary	The \$0.29 million favourable variance relates to the recognition of drainage assets contributed to Council as a result of the construction of developments across the municipality.
3	Interest Income	The (\$0.84 million) unfavourable variance to budget reflects a reduction in interest revenue during the year as a result of a sharp reduction in the cash rate, with new investments achieving an average return of 0.5% p.a.
4	Other income	The (\$0.54 million) unfavourable variance to budget is primarily due to a reduction in cost recoveries from commercial tenants as a result of the State Government Regulations for rent relief (\$0.42) million and a timing delay in settlements for sale of discontinuances of (\$0.20) million.
5	Fair value adjustments for financial assets	The \$0.07 million favourable variance to budget reflects an adjustment for the Fair Value of a floating-rate note investment (FRN) held at 30 June.
6	Assets not previously recognised	The \$1.22 million favourable variance to budget relates to Laneway assets not previously recognised, as a result of Council's amendment to its Register of Public Roads, to formally adopt a number of laneways which were not previously recognised as Council assets, but which met the criteria for a public road.
7	Employee costs	Employee costs were \$2.83 million favourable to budget due to savings from reduced services as a result of COVID-19 restrictions including School Crossings and Libraries \$0.40 million, savings in casual and agency staff as a result of Council's initiative to redeploy staff impacted by a reduction of services \$0.28 million and savings as a result of vacancies due to not backfilling positions during the year \$2.20 million.
8	Materials and Services	The (\$3.40 million) unfavourable budget variance relates primarily to the inclusion of Work-In-Progress write offs due to cancelled capital projects or because the expenditure did not meet Council's capitalisation criteria (\$3.95 million), additional expenditure for Council's direct response to COVID-19 (\$1.14) million and additional expenditure for economic recovery projects funded by State Government grants (\$0.70 million). These additional costs were partly offset by \$1.60 million in identified savings in discretionary expenditure across Council and \$0.34 million in savings as a result of community events unable to proceed due to COVID-19 restrictions.
9	Depreciation	Depreciation was (\$1.97 million) unfavourable to budget reflecting Council's accelerated capital program and the 2019/20 Infrastructure Revaluation for Roads and Footpath classes which resulted in an increased valuation.
10	Amortisation-- Intangible assets	The increase in amortisation expense of (\$0.10 million) for Intangibles reflects increased costs of software expenditure and its implementation and the relative short-life of intangible assets.
11	Amortisation – Right of Use assets	The unfavourable variance of (\$0.16 million) reflects the increasing value of Council's Fleet including electric vehicles leased during the year.
12	Net loss on disposal of property, infrastructure, plant and equipment	The (\$0.13 million) unfavourable variance reflects the written-down value of infrastructure assets which have been replaced during the year as part of the capital renewal program (\$1.2 million), partly offset by the gain on disposal of the Abbott St Property which settled in March 2021 \$1.0 million.
13	Other expenses	The \$0.10 million favourable variance to budget is mainly due to savings in the estimated cost of Council elections as well as savings in internal auditor's remuneration as a result of the internal audit of Volunteer Management not proceeding as scheduled in the last quarter of the year due to the impacts of COVID-19 and shifting priorities. The interruption to the internal audit program did not result in a reduction in assurance.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 1.2 Capital works

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
<b>Property</b>					
Buildings	9,602	9,445	(157)	(2%)	1
Building improvements	2,822	2,932	110	4%	
<b>Total Buildings</b>	<b>12,424</b>	<b>12,376</b>	<b>(48)</b>	<b>(0%)</b>	
<b>Total Property</b>	<b>12,424</b>	<b>12,376</b>	<b>(48)</b>	<b>(0%)</b>	
<b>Plant and Equipment</b>					
Arts and culture collection	180	120	(60)	(34%)	2
Fixtures, fittings and furniture	283	461	178	63%	3
Computers and telecommunications	837	653	(184)	(22%)	4
Library books	550	353	(197)	(36%)	5
<b>Total Plant and Equipment</b>	<b>1,850</b>	<b>1,588</b>	<b>(262)</b>	<b>(14%)</b>	
<b>Infrastructure</b>					
Roads	3,705	2,978	(727)	(20%)	6
Footpaths and cycleways	1,765	2,356	591	33%	7
Drainage	1,628	1,090	(538)	(33%)	8
Parks, open space and streetscapes	12,866	10,323	(2,543)	(20%)	9
Foreshore and conservation	2,247	965	(1,282)	(57%)	10
Off street car parks	312	258	(54)	(17%)	11
Other infrastructure	955	711	(244)	(26%)	12
<b>Total Infrastructure</b>	<b>23,479</b>	<b>18,681</b>	<b>(4,797)</b>	<b>(20%)</b>	
<b>Total Capital Works Expenditure</b>	<b>37,753</b>	<b>32,644</b>	<b>(5,108)</b>	<b>(14%)</b>	
<b>Represented by:</b>					
New asset expenditure	4,826	7,820	2,994	62%	
Asset renewal expenditure	21,478	17,411	(4,067)	(19%)	
Asset expansion expenditure	426	592	166	39%	
Asset upgrade expenditure	11,023	6,822	(4,201)	(38%)	
<b>Total Capital Works Expenditure</b>	<b>37,753</b>	<b>32,644</b>	<b>(5,108)</b>	<b>(14%)</b>	

## Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	The \$0.15 million underspend is mainly due to the timing of the delivery of a number of projects deferred to 2021/22 including Pavilion Redevelopment Donald MacDonald Reserve \$1.5 million, Sandringham Hub (Masonic Hall Redevelopment) \$1.3 million, Pavilion Redevelopment Sillitoe Reserve \$0.66 million, Brighton Recreation Centre \$0.5 million and AW Oliver Pavilion Renewal \$0.3 million. This has been offset by the payment of the first instalment contribution towards the Netball Centre (\$3.0 million) as well as projects brought forward from 2019/20 including the Sandringham Library Redevelopment (\$0.52 million) and Hurlingham Park Pre-School Upgrade (\$0.84 million) funded from external grant.
2	Arts and cultural collection	Underspend of \$0.06 million due to the COVID-19 delays on community engagement which has impacted on the Public Art Collection project.
3	Fixtures, Fittings and Furniture	Increased expenditure of (\$0.17 million) relates to the redesign of the Corporate Centre to accommodate COVID-19 workplace restrictions .
4	Computers and telecommunications	The underspend of \$0.18 million relates mainly to the re-prioritisation of the Network Switch Refresh project due to COVID-19 as well as a carry forward to 2021/22 for the Website Content Management and Control project.
5	Library Books	The underspend of \$0.197 million in Library books is a carry forward to 2021/22 as a result of COVID-19 impact and closure of Libraries during the year.
6	Roads	The underspend of \$0.72 million is due to timing changes for the delivery of the Road Reconstruction Program, with projects carried forward to 2021/22.
7	Footpaths and cycleways	The overspend of (\$0.59 million) is mainly due to emergency works for 506 Balcombe Road Retaining Wall to address public safety risk.
8	Drainage	The underspend of \$0.53 million relates mainly to the deferral of completion of the Integrated Water Management Plan and the Drainage GPT and Litter Basket Renewal to 2021/22.
9	Parks, open space and streetscapes	The underspend of \$2.54 million in the class relates mainly to the deferral of a number of projects to 2021/22 including the Sandringham Athletics Track \$1.10 million and the Sportsground Reconstruction for Destructor Reserve \$0.82 million due to COVID-19 impact and construction delays as well as savings due to the cancellation of the Elsternwick Park South Sportsground and Lighting Upgrade \$0.62 million. Cost savings were also identified in the Elsternwick Park Nature Reserve \$0.38 million offset by the Chain of Ponds at Elsternwick Park (\$0.62 million) brought forward from future years and Elsternwick Park No 1 Oval Precinct (\$0.38 million) carried forward from prior years.
10	Foreshore and conservation	The \$1.28 million underspend in Foreshore relates mainly to the deferral to 2021/22 of a number of masterplan implementations including Red Bluff to Half Moon Bay, Brighton Beach to Ferdinando Gardens, Sandringham Beach and Gardes, Brighton Foreshore Protection Renewal and Green Point Landscape Conservation Management.
11	Off street car parks	The underspend in car park projects is due to the carry forward of a portion of the renewal program to 2021/22.
12	Other infrastructure	The underspend of \$0.24 million is mainly due to savings in unscheduled traffic management works and signage renewal programs.

# Notes to the Financial Report For the Year Ended 30 June 2021

## Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

### 2 (a) CEO Division

The CEO Division provides oversight of the organisations and each of its Directorates with immediate direct support to Council in the areas of strategic planning, business improvements, service planning and human resources management for the organisation.

#### Corporate Services

Corporate Services provides support to Council in the areas of budgeting, governance, property and procurement, information technology to include IT support and digital transformation, occupational health, safety and welfare and delivery of the Enterprise Project Management Program for the community.

#### Environment, Recreation and Infrastructure

Environment, Recreation and Infrastructure provides high quality community focused programs, service delivery and is responsible for constructing new infrastructure and maintaining existing infrastructure across a diverse range of assets that underpin the wellbeing of the community. These assets include capital works engineering services, environment and waste, city works, parks and gardens, sustainability and transport.

#### City Planning and Amenity

City Planning and Amenity include the assessment of city development, health and local laws, planning strategy and urban growth of the community.

#### Community and Customer Experience

Community and Customer Experience provides high quality community focused programs, service delivery and communication to residents. Community and Customer Experience is comprised of community services, aged and disability services, family services, youth services, communications and engagement and customer and cultural services including libraries and arts and culture.

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

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
<b>2021</b>					
CEO Division	2,791	2,791	-	-	-
Corporate Services	22,644	22,644	-	2,718	9,374
Environment, Recreation and Infrastructure	82,058	61,132	20,926	1,847	3,809,940
City Planning and Amenity	15,067	15,067	-	805	1,709
Community and Customer Experience	20,214	20,214	-	7,225	9,383
	<b>142,774</b>	<b>121,848</b>	<b>20,926</b>	<b>12,596</b>	<b>3,830,407</b>
<b>2020</b>					
CEO Division	2,693	2,693	-	-	-
Corporate Services	25,435	25,435	-	2,895	11,821
Environment, Recreation and Infrastructure	74,687	60,632	14,055	1,336	3,506,932
City Planning and Amenity	16,007	16,007	-	352	1,524
Community and Customer Experience	21,106	21,106	-	7,086	6,938
	<b>139,928</b>	<b>125,873</b>	<b>14,055</b>	<b>11,670</b>	<b>3,527,215</b>

## Note 3 Funding for the delivery of our services

### 3.1 Rates and charges

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 2020/21 was \$68,251 million (2019/20 \$67,803 million).

	2021 \$'000	2020 \$'000
General rates	79,058	76,843
Municipal charge	7,314	7,105
Waste management charge	13,569	13,308
Supplementary rates and rate adjustments	975	373
Cultural and recreational	329	325
<b>Total rates and charges</b>	<b>101,245</b>	<b>97,954</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2020, and the valuation was first applied in the rating year commencing 01/07/2020. Council's rate revenue increase complied with the Victorian Government rate cap of 2.0% set for 2020/21.

Annual rates and charges are recognised on a straight-line basis over the rating period for which the Rates and Charges are raised. Supplementary rates are recognised when a valuation and re-assessment is completed and a supplementary rates notice issued.

### 3.2 Statutory fees and fines

	2021 \$'000	2020 \$'000
<b>Infringements and costs</b>		
• Parking	3,527	4,033
• Animal management	41	80
• Compulsory voting enforcement	62	8
• Other	6	56
Court recoveries	934	1,323
Town planning fees	1,381	1,524
Land information certificates	116	114
Building permits	799	1,067
Other	97	97
<b>Total statutory fees and fines</b>	<b>6,963</b>	<b>8,301</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.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 3.3 User fees

	2021 \$'000	2020 \$'000
Aged and health services	1,063	1,027
Open space and recreation	475	519
Planning and infrastructure	1,316	1,639
Children's services	1	13
Parking	1,888	1,808
Animal registration permits	1,341	1,284
Amenity protection	517	918
Waste management services	100	96
Other fees and charges	635	620
<b>Total user fees</b>	<b>7,336</b>	<b>7,924</b>

### User fees by timing of revenue recognition

User fees recognised at a point in time	7,336	7,924
<b>Total user fees</b>	<b>7,336</b>	<b>7,924</b>

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

## 3.4 Funding from other levels of government

Grants were received in respect of the following:

	2021 \$'000	2020 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	8,514	8,720
State funded grants	4,082	2,950
<b>Total grants received</b>	<b>12,596</b>	<b>11,670</b>

### (a) Operating grants

#### Recurrent - Commonwealth Government

• Financial assistance grants	2,611	2,910
• General home care	3,349	3,377
• Aged care	711	926
• Assessment and Review	694	694
• Other	8	9

#### Recurrent - State Government

• Aged care	80	8
• General home care	273	172
• COVID-19 Support	107	-
• School crossing supervisors	344	352
• Youth services	16	24
• Libraries	681	665
• Maternal and child health	836	682
• Community safety and wellbeing	128	220

<b>Total recurrent operating grants</b>	<b>9,838</b>	<b>10,039</b>
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#### Non-recurrent - Commonwealth Government

• Regional projects	334	336
• Open Space	60	30
• Street Lighting Upgrade	210	-
• Delivered Meals	44	67

#### Non-recurrent - State Government

• Aged and disability services	164	-
• Environmental	11	-
• Regional projects	-	112
• Library	16	1
• Youth services	1	-
• Working for Victoria	222	-
• Economic Development	462	-
• Health	20	5
• Other	46	3

<b>Total non-recurrent operating grants</b>	<b>1,591</b>	<b>554</b>
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<b>Total operating grants</b>	<b>11,429</b>	<b>10,593</b>
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# Notes to the Financial Report For the Year Ended 30 June 2021

## 3.4 Funding from other levels of government (continued)

### (b) Capital Grants

	2021 \$'000	2020 \$'000
<b>Recurrent – Commonwealth Government</b>		
• Roads to recovery	371	371
<b>Total recurrent capital grants</b>	<b>371</b>	<b>371</b>
<b>Non-recurrent – Commonwealth Government</b>		
• Infrastructure	121	-
Non-recurrent – State Government		
• Buildings	500	56
• VicRoads	175	650
<b>Total non-recurrent capital grants</b>	<b>796</b>	<b>706</b>
<b>Total capital grants</b>	<b>1,167</b>	<b>1,077</b>

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

	Note	2021 \$'000	2020 \$'000
<b>Operating</b>			
Balance at start of year		490	2,309
Received during the financial year and remained unspent at balance date		1,107	435
Received in prior years and spent during the financial year		(435)	(2,309)
Balance at year end		<b>1,162</b>	<b>435</b>
<b>Capital</b>			
Received during the financial year and remained unspent at balance date		1,623	55
Received in prior years and spent during the financial year		(55)	-
Balance at year end		<b>1,568</b>	<b>55</b>
<b>Total Unspent grants</b>	9.1(b)	<b>2,730</b>	<b>490</b>

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

## 3.5 Contributions

	2021 \$'000	2020 \$'000
<b>Monetary – Operating</b>		
• VicRoads road maintenance	29	28
• Other	-	10
	<b>29</b>	<b>38</b>
<b>Monetary – Capital</b>		
• Open space contributions	5,430	2,781
• Drainage	918	740
• Roads	20	15
	<b>6,368</b>	<b>3,535</b>
<b>Total monetary contributions</b>	<b>6,397</b>	<b>3,573</b>
Non-monetary	291	2,528
<b>Total contributions</b>	<b>6,688</b>	<b>6,101</b>

Contributions of non monetary assets were received in relation to the following asset classes.

	2021 \$'000	2020 \$'000
Land	-	2,340
Buildings	-	172
Laneways	-	13
Drainage	291	3
<b>Total non-monetary contributions</b>	<b>291</b>	<b>2,528</b>

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

## 3.6 Net loss on disposal of property, infrastructure, plant and equipment

	2021 \$'000	2020 \$'000
<b>Disposal of non-current assets held for sale</b>		
• Proceeds of sale	4,158	462
• Written down value of assets disposed	(3,064)	-
<b>Gain from disposal of non-current asset held for sale</b>	<b>1,094</b>	<b>462</b>

A 10% non-refundable deposit on the sale of Council Property was received during 2019/20 and recognised as a gain on disposal, the remainder sale amount was paid at settlement which occurred in 2020/21 with the net amount recognised as a gain from disposal in the current year

	2021 \$'000	2020 \$'000
<b>Written down value of asset disposed</b>		
• Footpaths and cycleways	(452)	(465)
• Roads	(607)	(280)
• Drains	(36)	(2)
• Buildings	(134)	(3,445)
• Road management	-	(254)
<b>Total loss on disposal of assets</b>	<b>(1,229)</b>	<b>(4,446)</b>
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>(135)</b>	<b>(3,984)</b>

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer or when Council disposes of the asset or part of, as part of its capital works renewal program.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 3.7 Rental income

	2021 \$'000	2020 \$'000
Golf Courses	878	459
Other recreation facilities	1,358	1,146
Mobile phone facilities	891	678
Food premises	446	516
Other rentals	220	194
<b>Total rental income</b>	<b>3,793</b>	<b>2,993</b>

Council has assessed its rental leases where Council is lessor to be operating leases; lease payments are recognised on a straight-line basis over the lease term.

## 3.8 Interest income

	2021 \$'000	2020 \$'000
Interest - Cash and cash equivalents	859	2,234
Interest - Rates late payment	526	432
Interest - Other	221	208
<b>Total Interest Income</b>	<b>1,606</b>	<b>2,874</b>

Interest is recognised as it is earned. Other relates to interest received as a result of the delay in settlement on the sale of Council Property which settled in 2020/21.

## 3.9 Other income

	2021 \$'000	2020 \$'000
Cost recovery	357	898
Sale of roads and laneways	520	378
Sales of bathing boxes	-	305
Employee contributions	229	234
Other	144	296
<b>Total other income</b>	<b>1,250</b>	<b>2,111</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.

## 3.10 Fair value adjustments for financial assets

	2021 \$'000	2020 \$'000
Fair value adjustments	71	-
<b>Total Fair value adjustments for financial assets</b>	<b>71</b>	<b>-</b>

Floating-Rate Note investments are measured at fair value. The fair value adjustment represents the amount required to adjust the financial asset from its current carrying value to its fair value at 30 June.

## 3.11 Assets not previously recognised

	Note	2021 \$'000	2020 \$'000
Assets not previously recognised		1,226	-
<b>Total assets not previously recognised</b>	6.2	<b>1,226</b>	<b>-</b>

Council amended its *Register of Public Roads*, formally adopting a number of laneways which were not previously recognised as Council assets, but which met the criteria for a public road. These Laneway assets have been recognised at Fair Value.



# Notes to the Financial Report For the Year Ended 30 June 2021

## Note 4 The cost of delivering services

### 4.1 Employee costs

#### (a) Employee costs

	2021 \$'000	2020 \$'000
Wages and salaries	38,848	39,230
WorkCover	430	366
Casual staff	717	684
Superannuation	3,680	3,577
Fringe benefits tax	301	299
Agency Staff	1,018	1,410
<b>Total employee costs</b>	<b>44,994</b>	<b>45,566</b>

#### (b) Superannuation

Council made contributions to the following funds:

Scheme	Type of scheme	Rate	2021 \$'000	2020 \$'000
Vision Super	Defined Benefits	9.50%	140	156
Vision Super	Accumulation	9.50%	1,695	1,768
Other Funds	Accumulation	9.50%	1,813	1,756

\$0 employer contributions payable at reporting date (2020: \$149,270). Refer to note 9.3 for further information relating to Council's superannuation obligations.

### 4.2 Materials and services

	2021 \$'000	2020 \$'000
<b>Contracts</b>		
• Environmental sustainability and open space services	20,830	20,616
• City works services	3,270	3,078
• Other services	1,721	1,685
• General maintenance	3,145	3,450
• Building maintenance	1,662	2,111
Services and purchases	9,920	11,812
Motor vehicle costs	168	359
Rental/leases	1,028	548
Office administration	816	904
Insurance	1,037	921
Community grants and sponsorship	883	814
Utilities and taxes	2,465	2,441
Other materials and services	4,653	2,684
<b>Total materials and services</b>	<b>51,599</b>	<b>51,423</b>

### 4.3 Depreciation

	Note	2021 \$'000	2020 \$'000
Buildings		5,108	5,355
Plant and equipment		978	945
Infrastructure		15,455	14,248
<b>Total depreciation</b>	6.2	<b>21,541</b>	<b>20,548</b>

### 4.4 Amortisation – Intangible assets

	Note	2021 \$'000	2020 \$'000
Software		828	896
<b>Total Amortisation – Intangible assets</b>	5.2(c)	<b>828</b>	<b>896</b>

### 4.5 Amortisation – Right of use assets

	Note	2021 \$'000	2020 \$'000
Plant and equipment		254	255
Vehicles		582	481
Other		100	100
<b>Total Amortisation – Right of use assets</b>	5.7	<b>936</b>	<b>836</b>

Refer to note 5.2(c), 5.7 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

### 4.6 Bad and doubtful debts

	2021 \$'000	2020 \$'000
Parking fine debtors	447	1,104
Other debtors	384	797
<b>Total bad and doubtful debts</b>	<b>830</b>	<b>1,901</b>

Movement in provisions for doubtful debts		
Balance at the beginning of the year	4,268	2,569
New provisions recognised during the year	830	1,901
Amounts already provided for and written off as uncollectible	(305)	(202)
<b>Balance at end of year</b>	<b>4,793</b>	<b>4,268</b>

Provision for doubtful debts are recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment. During 2020/21 Council assessed its provision for doubtful debt in light of the economic impact of COVID-19 and found no significant impact on future collectability. The provisions raised during 2019/20 were higher as a result of the uncertainty associated with the impact of COVID-19 on collectability.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 4.7 Impairment loss on financial assets

	2021 \$'000	2020 \$'000
Impairment loss	-	245
<b>Total impairment loss</b>	<b>-</b>	<b>245</b>

Prior year loss on impairment of Council's unlisted shares in the Regional Kitchen Pty Ltd arose as a result of a valuation which confirmed that the value of the shares was nil at 30 June 2020.

## 4.8 Finance Costs – Leases

	Note	2021 \$'000	2020 \$'000
Interest – Lease Liabilities		66	77
<b>Total finance costs</b>	5.7	<b>66</b>	<b>77</b>

## 4.9 Other expenses

	2021 \$'000	2020 \$'000
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	67	66
Auditors' remuneration – Internal	81	74
Councillors' allowances	256	257
Council Election Costs	511	-
Other	4	-
<b>Total other expenses</b>	<b>919</b>	<b>397</b>

## Note 5 Our financial position

### 5.1 Financial assets

#### (a) Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at bank and on hand	12,218	473
<b>Total cash and cash equivalents</b>	<b>12,218</b>	<b>473</b>

#### (b) Other financial assets

##### Current

Term deposits	109,013	104,028
<b>Total other financial assets</b>	<b>109,013</b>	<b>104,028</b>

##### Non-current

Floating-Rate Notes	3,071	3,000
Term Deposits	3,000	-
<b>Total other financial assets</b>	<b>6,071</b>	<b>3,000</b>

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

<b>Total other financial assets</b>	<b>115,084</b>	<b>107,028</b>
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#### **Total financial assets**

<b>Total financial assets</b>	<b>127,302</b>	<b>107,501</b>
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Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

• Trust funds and deposits (Note 5.3(b))	5,624	4,945
• Statutory Reserves (Note 9.1(b))	22,607	24,261
<b>Total restricted funds</b>	<b>28,231</b>	<b>29,206</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>99,071</b>	<b>78,295</b>

#### Intended allocations

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

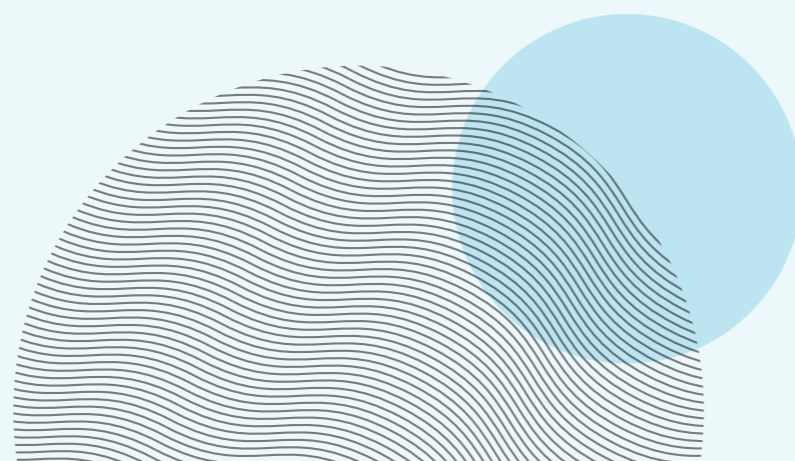
• Cash held to fund carried forward capital works (Note 9.1 (b))	23,022	20,126
• Total other discretionary reserves (Note 9.1 (b))	36,714	29,140
<b>Total funds subject to intended allocations</b>	<b>59,736</b>	<b>49,266</b>

#### **Total unallocated unrestricted financial assets**

<b>Total unallocated unrestricted financial assets</b>	<b>39,335</b>	<b>29,029</b>
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Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months 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.



# Notes to the Financial Report For the Year Ended 30 June 2021

## 5.1 Financial assets (continued)

### (c) Trade and other receivables

	2021 \$'000	2020 \$'000
<b>Current</b>		
<b>Statutory receivables</b>		
• Rates debtors	5,228	3,619
• Parking infringement debtors	5,146	4,685
• Provision for doubtful debts – parking infringements	(3,471)	(3,236)
• Other infringement debtors	194	249
• Provision for doubtful debts – other infringements	(160)	(174)
• Net GST receivables	1,346	1,454
<b>Non statutory receivables</b>		
• Aged and disability	101	92
• Rental debtors	1,397	534
• Other debtors	1,463	2,210
• Provision for doubtful debts – other debtors	(1,162)	(858)
<b>Total current trade and other receivables</b>	<b>10,082</b>	<b>8,575</b>
<b>Non-current</b>		
<b>Statutory receivables</b>		
Rates debtors	100	114
<b>Total non-current trade and other receivables</b>	<b>100</b>	<b>114</b>
<b>Total trade and other receivables</b>	<b>10,182</b>	<b>8,689</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.

### (d) Ageing of receivables

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

	2021 \$'000	2020 \$'000
Current (not yet due)	1,211	1,718
Past due by up to 30 days	193	19
Past due between 31 and 60 days	145	61
Past due by more than 60 days	1,412	1,037
<b>Total trade and other receivables</b>	<b>2,961</b>	<b>2,835</b>

### (e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$0.756 million were impaired (2019: \$0). The amount of the provision raised against these debtors was \$0.378 million (2019: \$0). The increase in provision represents the long-outstanding nature of the debt and given the significant financial impact of COVID-19, Council has assessed collection as uncertain at 30 June.

## 5.2 Non-financial assets

### (a) Inventories

	2021 \$'000	2020 \$'000
Inventories held for sale	92	144
<b>Total inventories</b>	<b>92</b>	<b>144</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) Other assets

	2021 \$'000	2020 \$'000
<b>Current</b>		
Prepayments	4,688	744
Accrued income	409	646
<b>Total other assets</b>	<b>5,097</b>	<b>1,390</b>
<b>Non-current</b>		
Deposits held by suppliers – refundable	130	130
<b>Total other assets</b>	<b>5,227</b>	<b>1,520</b>

### (c) Intangible assets

Software	2,541	2,774
<b>Total intangible assets</b>	<b>2,541</b>	<b>2,774</b>

### Gross carrying amount

Balance at 1 July 2020	8,033
Additions	350
Work in progress	245
<b>Balance at 30 June 2021</b>	<b>8,628</b>

### Accumulated amortisation and impairment

Balance at 1 July 2020	(5,259)
Amortisation expense	(828)
<b>Balance at 30 June 2021</b>	<b>(6,087)</b>

Net book value at 30 June 2020	2,774
<b>Net book value at 30 June 2021</b>	<b>2,541</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.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 5.3 Payables

### (a) Trade and other payables

	Notes	2021 \$'000	2020 \$'000
Trade payables	(i)	4,397	16
Accrued expenses			
• Capital	(i)	2,243	3,695
• Materials and service	(i)	2,480	4,101
• Employee cost		527	474
<b>Total trade and other payables</b>		<b>9,646</b>	<b>8,285</b>

### (b) Trust funds and deposits

Building and Infrastructure refundable deposits	3,800	3,337
Fire services levy	333	459
Retention amounts	164	164
Other refundable deposits	1,327	985
<b>Total trust funds and deposits</b>	<b>5,624</b>	<b>4,945</b>

### (c) Unearned income

Grants received in advance – operating	1,107	435
Grants received in advance – capital	1,623	55
Rental In advance	468	392
Rental Deferred	561	581
<b>Total unearned income</b>	<b>3,758</b>	<b>1,463</b>

(i) As a result of the automation of Council's invoice processing systems during 2020/21, the increasing Trade Payables balance reflects the improved system efficiency at balance date and a corresponding reduction in the reliance on the capture of accrued expenditure.

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.

## 5.4 Provisions

2021	Annual leave \$'000	Long service leave \$'000	Staff gratuity scheme \$'000	Other Provisions \$'000	Total \$'000
Balance at beginning of the financial year	3,626	7,205	17	366	11,214
Additional provisions	3,591	1,131	-	-	4,722
Amounts used	(2,954)	(584)	(7)	(294)	(3,839)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(646)	-	-	(646)
<b>Balance at the end of the financial year</b>	<b>4,263</b>	<b>7,106</b>	<b>10</b>	<b>72</b>	<b>11,451</b>
<b>2020</b>					
Balance at beginning of the financial year	3,044	6,713	27	1,866	11,650
Additional provisions	3,517	1,307	-	-	4,824
Amounts used	(2,935)	(681)	(10)	(1,500)	(5,126)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(134)	-	-	(134)
<b>Balance at the end of the financial year</b>	<b>3,626</b>	<b>7,205</b>	<b>17</b>	<b>366</b>	<b>11,214</b>

### (a) Employee provisions

	2021 \$'000	2020 \$'000
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	2,530	2,406
Long service leave	863	868
Staff gratuity scheme	10	17
	<b>3,403</b>	<b>3,291</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	1,733	1,220
Long service leave	5,142	5,253
	<b>6,875</b>	<b>6,473</b>
<b>Total current employee provisions</b>	<b>10,278</b>	<b>9,764</b>
<b>Non-current provisions</b>		
Long service leave	1,101	1,084
<b>Total non-current employee provisions</b>	<b>1,101</b>	<b>1,084</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	10,278	9,764
Non-current	1,101	1,084
<b>Total aggregate carrying amount of employee provisions</b>	<b>11,379</b>	<b>10,848</b>

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

# Notes to the Financial Report For the Year Ended 30 June 2021

## 5.4 Provisions (continued)

### Annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual 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 non-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:	2021	2020
• discount rate	2.95%	0.87%
• inflation rate	1.49%	4.25%

### Staff Gratuity Scheme

The staff gratuity scheme entitlement of \$10,141 (2020: \$17,296) 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.

### (b) Other provisions

	2021 \$'000	2020 \$'000
Current	72	366
Total other current provisions	<b>72</b>	<b>366</b>

### Aggregate carrying amount of provisions:

Current	10,350	10,130
Non-current	1,101	1,084
Total aggregate carrying amount of provisions	<b>11,451</b>	<b>11,214</b>

## 5.5 Financing arrangements

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

	2021 \$'000	2020 \$'000
Credit card facilities	95	95
Leasing facilities	-	1,500
Total facilities	<b>95</b>	<b>1,595</b>
Used facilities	28	16
Unused facilities	<b>67</b>	<b>1,579</b>

## 5.6 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.

	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>2021</b>					
<b>Operating</b>					
Waste collection and disposal	12,269	2,743	2,088	-	17,101
Infrastructure and Open Space	17,838	17,680	43,482	-	79,001
Cleaning	100	-	-	-	100
Building maintenance	421	-	-	-	421
Other	1,618	873	-	-	2,491
Total	<b>32,247</b>	<b>21,296</b>	<b>45,571</b>	<b>-</b>	<b>99,113</b>
<b>Capital</b>					
Buildings	21,662	-	-	-	21,662
Foreshore and conservation	68	-	-	-	68
Footpaths and cycleways	992	-	-	-	992
Parks, open space and streetscapes	1,148	-	-	-	1,148
Intangibles	359	-	-	-	359
Roads	1,286	-	-	-	1,286
Total	<b>25,515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,515</b>
<b>2020</b>					
<b>Operating</b>					
Waste collection and disposal	7,988	3,658	-	-	11,646
Infrastructure and Open Space	17,332	17,505	53,572	7,590	95,999
Building maintenance	2,970	-	-	-	2,970
Other	926	714	370	-	2,010
Total	<b>29,216</b>	<b>21,877</b>	<b>53,942</b>	<b>7,590</b>	<b>112,625</b>
<b>Capital</b>					
Buildings	2,055	-	-	-	2,055
Carparks	36	-	-	-	36
Total	<b>2,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,091</b>

# Notes to the Financial Report For the Year Ended 30 June 2021

## 5.7 Leases

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

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

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

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

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

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

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

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

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

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

AASB 16 Leases allows a temporary option for not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms. Council does not have any leases that are significantly below-market terms and therefore has not made an election to apply the temporary option.

	IT Equipment \$'000	Vehicles \$'000	Other \$'000	Total \$'000
<b>Right-of-Use Assets</b>				
Balance at 1 July 2020	628	915	200	1,744
Additions	-	465	-	465
Adjustments due to re-measurement of lease liability	-	(13)	-	(13)
Amortisation charge	(254)	(582)	(100)	(936)
Balance at 30 June 2021	<b>374</b>	<b>785</b>	<b>100</b>	<b>1,259</b>
Balance at 1 July 2019	883	834	300	2,017
Additions	-	563	-	563
Amortisation charge	(255)	(481)	(100)	(836)
Balance at 30 June 2020	<b>628</b>	<b>915</b>	<b>200</b>	<b>1,744</b>

	2021 \$'000	2020 \$'000
<b>Lease Liabilities</b>		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	847	897
One to five years	494	1,052
More than five years	-	-
Total undiscounted lease liabilities as at 30 June:	<b>1,341</b>	<b>1,949</b>

Lease liabilities included in the Balance Sheet at 30 June:

Current	809	844
Non-current	478	922
Total lease liabilities	<b>1,287</b>	<b>1,766</b>

### Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$5,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2021 \$'000	2020 \$'000
<b>Expenses relating to:</b>		
Short-term leases	-	301
Leases of low value assets	504	62
<b>Total</b>	<b>504</b>	<b>363</b>
Variable lease payments (not included in measurement of lease liabilities)	-	-

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

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

	2021 \$'000	2020 \$'000
Payable:		
Within one year	348	379
Later than one year but not later than five years	335	684
Total lease commitments	<b>682</b>	<b>1,063</b>

# Notes to the Financial Report For the Year Ended 30 June 2021

## Note 6 Assets we manage

### 6.1 Non-current assets classified as held for sale

	2021 \$'000	2020 \$'000
Cost of acquisition	-	3,064
<b>Total Non-current assets classified as held for sale</b>	<b>-</b>	<b>3,064</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. 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.

The sale of Council's Maternal Child Health Centre located on the corner of Abbott Street and Station Street in Sandringham was finalised in March 2021. As a result the carrying value of the land and buildings were removed from held for sale.

### 6.2 Property, infrastructure, plant and equipment

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

	Fair value at 30 June 2020 \$'000	Additions \$'000	Assets not Previously Recognised \$'000	Contributed Assets \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers - WIP \$'000	At fair value 30 June 2021 \$'000
Land	2,804,717	-	-	-	266,084	-	-	-	-	3,070,801
Buildings	180,059	3,739	-	-	-	(5,109)	(134)	-	6,326	184,881
Plant and equipment	8,052	1,473	-	-	-	(979)	-	-	69	8,615
Infrastructure	391,978	11,495	1,226	291	12,092	(15,454)	(1,096)	-	2,735	403,266
Work in progress	16,973	12,098	-	-	-	-	-	(3,702)	(9,130)	16,239
	<b>3,401,778</b>	<b>28,805</b>	<b>1,226</b>	<b>291</b>	<b>278,176</b>	<b>(21,541)</b>	<b>(1,229)</b>	<b>(3,702)</b>	<b>-</b>	<b>3,683,803</b>

#### Summary of work in progress (WIP)

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers - Other classes \$'000	Transfers - Capitalised \$'000	Closing WIP \$'000
Buildings	10,140	5,059	(1,693)	(12)	(6,326)	7,168
Plant and equipment	29	65	-	40	(69)	65
Infrastructure	6,804	6,974	(2,009)	(28)	(2,735)	9,006
<b>Total</b>	<b>16,973</b>	<b>12,098</b>	<b>(3,702)</b>	<b>-</b>	<b>(9,130)</b>	<b>16,239</b>

# Notes to the Financial Report For the Year Ended 30 June 2021

## 6.2 Property, infrastructure, plant and equipment (continued)

### (a) Property

	Land – specialised \$'000	Land – non specialised \$'000	Land under roads \$'000	Total land \$'000	Heritage buildings \$'000	Buildings – specialised \$'000	Buildings – non specialised \$'000	Total buildings \$'000	Work In progress \$'000	Total property \$'000
At fair value 1 July 2020	1,965,072	328,974	510,671	<b>2,804,717</b>	31,864	278,664	2,305	<b>312,833</b>	10,140	<b>3,127,690</b>
Accumulated depreciation at 1 July 2020	-	-	-	-	(8,511)	(123,864)	(399)	<b>(132,774)</b>	-	<b>(132,774)</b>
	1,965,072	328,974	510,671	<b>2,804,717</b>	23,353	154,800	1,906	<b>180,059</b>	10,140	<b>2,994,916</b>
<b>Movements in fair value</b>										
Additions	-	-	-	-	73	3,666	-	<b>3,739</b>	5,059	<b>8,798</b>
Revaluation	198,472	33,226	34,386	<b>266,084</b>	-	-	-	-	-	<b>266,084</b>
Disposal	-	-	-	-	-	(289)	-	<b>(289)</b>	-	<b>(289)</b>
Write-off	-	-	-	-	-	-	-	-	(1,693)	<b>(1,693)</b>
Transfers WIP – Other classes	-	-	-	-	-	-	-	-	(12)	<b>(12)</b>
Transfers WIP – Capitalised	-	-	-	-	-	6,326	-	<b>6,326</b>	(6,326)	-
	198,472	33,226	34,386	<b>266,084</b>	73	9,703	-	<b>9,776</b>	(2,972)	<b>272,888</b>
<b>Movements in accumulated depreciation</b>										
Depreciation and amortisation	-	-	-	-	(279)	(4,759)	(71)	<b>(5,109)</b>	-	<b>(5,109)</b>
Accumulated depreciation of disposals	-	-	-	-	-	155	-	<b>155</b>	-	<b>155</b>
	-	-	-	-	(279)	(4,604)	(71)	<b>(4,954)</b>	-	<b>(4,954)</b>
At fair value 30 June 2021	2,163,544	362,200	545,057	<b>3,070,801</b>	31,937	288,367	2,305	<b>322,609</b>	7,168	<b>3,400,578</b>
Accumulated depreciation at 30 June 2021	-	-	-	-	(8,790)	(128,468)	(470)	<b>(137,728)</b>	-	<b>(137,728)</b>
	<b>2,163,544</b>	<b>362,200</b>	<b>545,057</b>	<b>3,070,801</b>	<b>23,147</b>	<b>159,899</b>	<b>1,835</b>	<b>184,881</b>	<b>7,168</b>	<b>3,262,850</b>

### (b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Library books \$'000	Arts and culture assets \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2020	2,107	4,785	6,626	4,886	29	<b>18,433</b>
Accumulated depreciation at 1 July 2020	(1,755)	(3,208)	(5,391)	-	-	<b>(10,354)</b>
	352	1,577	1,236	4,886	29	<b>8,079</b>
<b>Movements in fair value</b>						
Additions	-	1,003	354	116	65	<b>1,538</b>
Transfers WIP – Other classes	-	-	-	-	40	<b>40</b>
Transfers WIP – Capitalised	-	-	-	69	(69)	-
	-	1,003	354	185	36	<b>1,578</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	(130)	(487)	(362)	-	-	<b>(979)</b>
	(130)	(487)	(362)	-	-	<b>(979)</b>
At fair value 30 June 2021	2,107	5,788	6,980	5,071	65	<b>20,011</b>
Accumulated depreciation at 30 June 2021	(1,885)	(3,695)	(5,753)	-	-	<b>(11,333)</b>
	<b>222</b>	<b>2,093</b>	<b>1,227</b>	<b>5,071</b>	<b>65</b>	<b>8,678</b>



# Notes to the Financial Report For the Year Ended 30 June 2021

## 6.2 Property, infrastructure, plant and equipment (continued)

### (c) Infrastructure

	Roads	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Parks open spaces and streetscapes \$'000	Foreshore and conservation \$'000	Off street car parks \$'000	Road mgmt, traffic signals & street furnitures \$'000	Laneways \$'000	Work In progress \$'000	Total infrastructure \$'000
At fair value 1 July 2020	206,376	7,159	173,254	325,604	74,659	13,618	10,172	21,749	7,750	6,804	847,143
Accumulated depreciation at 1 July 2020	(84,148)	(4,086)	(83,690)	(220,740)	(32,256)	(7,219)	(3,059)	(9,476)	(3,688)	-	(448,363)
	122,228	3,073	89,564	104,863	42,402	6,399	7,113	12,273	4,062	6,804	398,780
<b>Movements in fair value</b>											
Additions	1,403	-	2,067	285	6,795	118	12	803	12	6,974	18,469
Assets not previously recognised	-	-	-	-	-	-	-	-	1,442	-	1,442
Contributed Assets	-	-	-	291	-	-	-	-	-	-	291
Revaluation	-	(190)	-	-	-	-	5,558	(6,646)	2,391	-	1,113
Disposal	(835)	-	(1,095)	(208)	-	-	-	-	-	-	(2,138)
Write-off	-	-	-	-	-	-	-	-	-	(2,009)	(2,009)
Transfers WIP – Other classes	-	-	-	-	-	-	-	-	-	(28)	(28)
Transfers WIP – Capitalised	12	-	191	829	665	468	555	15	-	(2,735)	-
	580	(190)	1,163	1,197	7,460	586	6,125	(5,828)	3,845	2,202	17,140
<b>Movements in accumulated depreciation</b>											
Depreciation and amortisation	(2,738)	(72)	(3,458)	(3,444)	(3,747)	(737)	(592)	(565)	(101)	-	(15,454)
Accumulated depreciation of disposals	227	-	643	172	-	-	-	-	-	-	1,042
Accumulated depreciation on assets not previously recognised	-	-	-	-	-	-	-	-	(217)	-	(217)
Revaluation	-	2,066	-	-	-	-	3,159	3,704	2,050	-	10,979
	(2,511)	1,994	(2,815)	(3,272)	(3,747)	(737)	2,567	3,139	1,732	-	(3,650)
At fair value 30 June 2021	206,956	6,969	174,417	326,801	82,119	14,204	16,297	15,921	11,595	9,006	864,283
Accumulated depreciation at 30 June 2021	(86,659)	(2,092)	(86,505)	(224,012)	(36,003)	(7,956)	(492)	(6,337)	(1,956)	-	(452,013)
	120,297	4,877	87,912	102,788	46,115	6,248	15,805	9,584	9,639	9,006	412,270

### 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.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 6.2 Property, infrastructure, plant and equipment (continued)

<b>Asset recognition thresholds and depreciation periods</b>	<b>Depreciation Period</b>	<b>Threshold Limit \$'000</b>
<b>Property</b>		
• land	Nil	Nil
• building improvements	21-100 years	10
• heritage building	50-250 years	Nil
<b>Plant and Equipment</b>		
• plant, machinery and equipment	5-10 years	2
• arts and culture collection	Nil	Nil
• fixtures, fittings and furniture	3-25 years	2
• computers and telecommunications	3-5 years	2
• library books	6 years	Nil
<b>Infrastructure</b>		
• roads		
• pavement	100-200 years	25
• surfacing	10-50 years	25
• footpaths and cycleways	25-55 years	20
• laneways	25-129 years	20
• kerb & channel	55-75 years	20
• drainage	75-100 years	10
• activity centres	20-40 years	10
• parks, open space and streetscapes	9-100 years	10
• foreshore and conservation	9-30 years	10
• bridges	100 years	20
• bridges substructure	18-35 years	20
• waste management	10 years	10
• off street car parks	6-50 years	10
• road management, traffic signals and street furniture	10-60 years	2
<b>Intangible assets</b>		
• intangible assets	3-5 years	5
<b>Right-of-use-assets</b>		
• Fleet leases	3-5 years	Nil
• IT Equipment	4 years	2
• Other – assets embedded within service contracts	3 years	Nil

### 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 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, is not depreciated on the basis that it is assessed as not having a limited useful life.

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

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

### Repairs and maintenance

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

### Valuation of land and buildings

A full valuation of land was last undertaken in 2018/19 by a qualified independent valuer ValTec Property Pty Ltd Registration number 62774. During the 2020/21 year ValTec Property Pty Ltd conducted a market assessment of land values to determine if a material change to the fair value of land had occurred. The market assessment indicated a cumulative increase of 10.1% since the last valuation and as a result Council's land values were increased in accordance with the fair value assessment as at 30 June 2021.

A Buildings desktop valuation was also undertaken by a qualified independent valuer, ValTec Property Pty Ltd Registration number 62774 as at 31st March 2020. The review of movements for the 2020/21 year did not indicate a significant increase in the Fair Value of the Buildings class, accordingly no revaluation has been performed.

However, Council notes that the real estate market is being impacted by the uncertainty associated with the COVID-19 outbreak and as a result market conditions are changing daily at present. As at the date of valuation, Council considers there to be significant market uncertainty.

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.

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

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

The date of the current valuation is detailed in the following table, together with details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2021:

	<b>Level 1 \$'000s</b>	<b>Level2 \$'000s</b>	<b>Level 3 \$'000s</b>	<b>Valuation Date</b>
Land specialised	-	-	2,163,544	Jun-21
Land non specialised	-	362,200	-	Jun-21
Land under roads	-	-	545,057	Jun-21
Heritage Buildings	-	-	23,147	Mar-20
Buildings specialised	-	-	159,899	Mar-20
Buildings non specialised	-	1,835	-	Mar-20
<b>Total</b>	<b>-</b>	<b>364,035</b>	<b>2,891,647</b>	

# Notes to the Financial Report For the Year Ended 30 June 2021

## 6.2 Property, infrastructure, plant and equipment (continued)

### Valuation of infrastructure

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

The date of the current valuation is detailed in the following table. A full revaluation was performed for Bridges, Road mgmt, traffic signals & street furniture and Laneways classes. Off-Street Car Parks class was revalued for the first time in June 2021. An indices movement review did not identify any significant movement in the Drainage, Footpaths or Roads Classes, whilst Parks, open space and streetscapes and foreshore and conservation asset classes are carried at historical cost and have not been assessed for revaluation purposes in 2021.

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 2021 are as follows:

	Level 1	Level 2	Level 3	Valuation Date
Roads	-	-	120,297	Mar-20
Bridges	-	-	4,877	Jun-21
Footpaths and cycleways	-	-	87,912	Mar-20
Laneways	-	-	9,639	Jun-21
Drainage	-	-	102,788	Jun-19
Road mgmt, traffic signals & street furnitures	-	-	9,584	Jun-21
Off-Street Car Parks	-	-	15,805	Jun-21
<b>Total</b>	-	-	<b>350,902</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 \$170 and \$3,399 per square metre. The methodology for valuing land under roads is based on Council's Municipal Site Value and was calculated at 30 June 2021. 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 \$94 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 \$195 to \$115,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 years to 132 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 200 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.

Reconciliation of specialised land	2021 \$'000	2020 \$'000
Land under roads	545,057	510,671
Parks and reserves	2,163,544	1,965,072
<b>Total specialised land</b>	<b>2,708,601</b>	<b>2,475,743</b>

## Note 7 People and relationships

### 7.1 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 19 November 2020 to 30 June 2021, Councillor from 1 July 2020)  
 Clarke Martin – (Mayor 1 July 2020 to 24 October 2020, Councillor from 19 November 2020)  
 Sonia Castelli – (Councillor from 1 July 2020)  
 Alex del Porto – (Councillor from 1 July 2020)  
 Hanna El Mouallem (Councillor from 19 November 2021)  
 Jo Samuel-King (Councillor from 19 November 2021)  
 Fiona Stitfold – (Councillor from 19 November 2021)  
 Rob Grinter – (Councillor from 1 July 2020 to 24 October 2020)  
 Michael Heffernan – (Councillor from 1 July 2020 to 24 October 2020)  
 James Long – (Councillor from 1 July 2020 to 24 October 2020)

##### Chief Executive Officer and other key management personnel

Michael Cummins – Chief Executive Officer  
 Jill Colson – Director Corporate Services  
 Adam McSwain – Director Environment, Recreation and Infrastructure  
 Bryce Craggs – Director Community and Customer Experience  
 Matthew Cripps – Acting Director City Planning and Amenity (from 17 June 2021 to 30 June 2021)  
 Hamish Reid – Director City Planning and Amenity (from 1 July 2020 to 16 June 2021)  
 Rebecca Aldridge – Executive Manager People and Strategy (from 21 November 2020)  
 Kathryn Tozer – Acting Executive Manager People and Strategy (from 1 July 2020 to 20 November 2020)

	2021 No.	2020 No.
<b>Total number of Councillors</b>	10	7
<b>Total of Chief Executive Officer and other key management personnel</b>	8	10
<b>Total number of key management personnel</b>	<b>18</b>	<b>17</b>

# Notes to the Financial Report For the Year Ended 30 June 2021

## 7.1 Council and key management remuneration (continued)

### (c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2021 \$	2020\$
Short-term benefits	1,754,200	1,842,801
Long-term benefits	36,699	37,512
Post-employment benefits	184,162	168,641
<b>Total</b>	<b>\$1,975,061</b>	<b>\$2,048,954</b>

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

Income Range:	2021 No.	2020 No.
\$1 - \$9,999	4	1
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	2	5
\$40,000 - \$49,999	1	1
\$60,000 - \$69,999	1	2
\$80,000 - \$89,999	1	-
\$90,000 - \$99,999	-	2
\$120,001 - \$129,999	-	1
\$130,001 - \$139,999	1	-
\$170,001 - \$179,999	-	1
\$260,001 - \$269,999	2	-
\$270,001 - \$279,999	-	2
\$280,001 - \$289,999	1	-
\$300,001 - \$309,999	-	1
\$310,001 - \$319,999	1	-
\$370,000 - \$379,999	1	-
\$380,000 - \$389,999	-	1
	<b>18</b>	<b>17</b>

### (d) Senior officer remuneration

A Senior Officer is an officer of Council, other than key management personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

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

Income Range:	Note	2021 No.	2020 No.
\$151,000 - \$159,999		4	5
\$160,000 - \$169,999		3	2
\$170,000 - \$179,999		3	3
\$180,000 - \$189,999		4	3
\$190,000 - \$199,999		1	3
\$220,000 - \$229,999		1	-
\$270,000 - \$279,999		1	-
	(i)	<b>17</b>	<b>16</b>
Total remuneration for the reporting year for Senior Officers included above, amounted to:		<b>\$3,061,799</b>	<b>\$2,780,001</b>

(i) The increase in senior officer remuneration includes the payment of leave provisions on the resignation of two senior officers during the year.

## 7.2 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.

# Notes to the Financial Report For the Year Ended 30 June 2021

## Note 8 Managing uncertainties

### 8.1 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 except where indicated.

#### (a) Contingent assets

##### 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 20 years. All leases include a CPI based revision of the rental charge annually.

In response to the financial impact of COVID-19, on Friday 1 May 2020, the Governor in Council published the *COVID-19 Omnibus (Emergency Measures) Commercial Leases and Licences Regulations 2020*. The regulations which were subsequently extended, include the parameters for which a landlord and tenant must abide by during the relevant period, being 29 March 2020 to 31 March 2021 which requires Council, as a landlord to offer the tenant the following terms for an 'eligible lease':

- Rent relief commensurate with the reduction of turnover made up of 50% waiver and 50% deferral; and
- Extension of the lease by the period of deferral.

At 30th June, the impact on Council's rental income is a reduction of \$1.15 million including \$0.59 million for rent waived and \$0.56 million for rent deferred and to be repaid in accordance with yet to be agreed on repayment plans.

Future minimum rentals receivable under non-cancellable operating leases (net of GST) are as follows:

	2021 \$'000	2020 \$'000
Not later than one year	3,167	3,430
Later than one year and not later than five years	5,867	5,537
Later than five years	6,509	6,997
	<b>15,543</b>	<b>15,964</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 not paid any unfunded liability payments to Vision Super for the 2020/21 financial year (2019: \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$130,000.

##### Liability Mutual Insurance

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

##### MAV Workcare

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils.

When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV. In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority. Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would remain liable to make further contributions to the Scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability would continue whether or not the participant remained a participant in future insurance years.

The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme.

In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a sixyear liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

##### Wangara Road (Netball Facility)

The Wangara Road location is a former landfill site and a preliminary soil investigations identified contaminated soil. Council is working with the EPA to determine the extent and type of contamination, as well as any works required to ensure there is no risk to human health. An environmental assessment was completed in June 2021 with a report submitted for auditor review and feedback. A conclusive report was submitted to EPA on 31 August 2021. The cost of work associated with mitigating this risk is not yet clear and subject to discussions with the EPA and any recommendations.

##### Dendy Street Beach Masterplan

As part of the Dendy Street Beach Project, a Clean Up Notice was issued in August 2019 by the Environment Protection Authority (EPA) for the site. Council has implemented the Clean-Up Notice via an EPA Auditor endorsed Clean-Up Plan which is currently applicable. The plan involves three stages including Pre-construction, Construction and Post-construction phases with a final report required to be submitted to the EPA confirming compliance with the plan following the Post-construction phase. At this time high level cost estimates indicate that remediation works are expected to be between \$1.5 million and \$2.5 million depending on which of the available site management options is approved.

##### Foreshore between Green Point and Brighton Yacht Club

As part of the assessment works for the Dendy St Beach masterplan project some contamination was found outside of the proposed work zone for the Dendy St Beach project. As such the EPA determined that Council need to undertake further evaluation of the whole of the Lot to determine the extent of any further contamination. Council has engaged Landserv to undertake the testing of soil in excess of 70 locations and 14 groundwater sites to be monitored over 3 months. Landserv will then verify the test results and provide a report for submission. This report is scheduled to be submitted to the EPA in November 2021. Costs associated with this assessment are not yet clear, but if remediation works are necessary and widespread, costs could be significant.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 8.1 Contingent assets and liabilities (continued)

### (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	2021 (\$)	2020 (\$)
(i) Highett Youth Club Inc.	Bendigo Bank	150,000	To assist with its commitment to the Highett Recreation Centre Community Hub.	NIL	24,648
(ii) Hurlingham Park Tennis Club Inc.	Bank of Queensland	40,000	Court renewal program.	NIL	6,693
(iii) Brighton Beach Bowls Club	Bendigo Bank	100,000	Replacement of the surface and installation of floodlights	66,750	77,095
(iv) Cheltenham Football Club Inc.	Bendigo Bank	30,000	Upgrade existing sportsground lighting, electrical power supply and install an electronic scoreboard	24,259	29,273
<b>TOTAL</b>				<b>91,010</b>	<b>137,708</b>

## 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

The following standards were applicable to the Local Government Sector from the 2020/21 financial year :

- AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)
- AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)
- AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

It is not expected that these standards will have any significant impact on council.

## 8.3 Financial instruments

### (a) Objectives and policies

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

### (b) Market risk

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

### (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. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

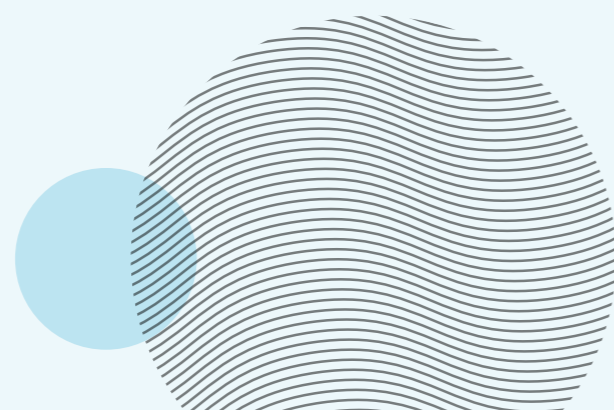
- council have a policy for establishing credit limits for the entities Council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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



# Notes to the Financial Report For the Year Ended 30 June 2021

## 8.3 Financial instruments (continued)

### (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 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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 + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 0.30%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

## 8.4 Fair value measurement

### Fair value hierarchy

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

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

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.

## 8.5 Events occurring after balance date

On Thursday 15 July, the Victorian Premier announced that from 11:59pm, the State of Victoria was to enter a five-day lockdown which was further extended for a period of an additional seven days. Victoria's sixth lockdown was announced on Thursday 5 August, with lockdown restrictions strengthened and extended due to the level of community transmission of COVID-19 and the number of unlinked cases. A modest easing of restrictions was announced when Victoria reached the 70 per cent first dose vaccination target on 17 September, with Victoria's new Roadmap to Deliver the National Plan announcing a proposed end to Melbourne's lockdown when 70% of the over 16 year old population has had two doses of vaccine, estimated to be by 26 October 2021 and subject to Public Health consideration of epidemiology at the time.

Council continues to monitor the non-financial and financial impacts, however due to the significant amount of uncertainty, it is not yet possible to fully estimate the economic impact.

Apart from above, no matters have occurred after balance date that require disclosure in the Financial Report.

# Notes to the Financial Report For the Year Ended 30 June 2021

## Note 9 Other matters

### 9.1 Reserves

#### (a) Asset revaluation reserve

Note	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2021</b>			
<b>Property</b>			
Land and land improvements	2,097,342	231,698	2,329,040
Land under roads	71,257	34,386	105,643
Buildings	108,268	-	108,268
	<b>2,276,867</b>	<b>266,084</b>	<b>2,542,951</b>
<b>Infrastructure</b>			
Roads (i)	135,032	(1,215)	133,818
Bridges	575	1,876	2,451
Footpaths & cycleways	35,266	-	35,266
Road mgmt, traffic signals & street furnitures (i)	1,727	(1,727)	-
Offstreet carparks	-	8,717	8,717
Laneways	-	4,441	4,441
Drainage	75,105	-	75,105
	<b>247,705</b>	<b>12,092</b>	<b>259,797</b>
<b>Plant and equipment</b>			
Arts and culture	1,923	-	1,923
	<b>1,923</b>	<b>-</b>	<b>1,923</b>
<b>Total asset revaluation reserves</b>	<b>2,526,495</b>	<b>278,176</b>	<b>2,804,670</b>

(i) The decremented reported against the Roads class relates to the Road mgmt, traffic signals & street furnitures revaluation at 30 June 2021. Road mgmt, traffic signals & street furnitures were previously classified under Roads, however, the revaluation reserve is unable to be separated.

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2020</b>			
<b>Property</b>			
Land	2,097,342	-	2,097,342
Land under roads	72,343	(1,086)	71,257
Buildings	93,827	14,441	108,268
	<b>2,263,512</b>	<b>13,355</b>	<b>2,276,867</b>
<b>Infrastructure</b>			
Roads	127,881	7,151	135,032
Bridges	142	433	575
Footpaths and cycleways	2,027	33,239	35,266
Road mgmt, traffic signals & street furnitures	-	1,727	1,727
Drainage	75,105	-	75,105
	<b>205,155</b>	<b>42,550</b>	<b>247,705</b>
<b>Plant and equipment</b>			
Arts and culture	1,923	-	1,923
	<b>1,923</b>	<b>-</b>	<b>1,923</b>
<b>Total asset revaluation reserves</b>	<b>2,470,590</b>	<b>55,905</b>	<b>2,526,495</b>

The asset revaluation reserve is used to record the movement in the fair value of Council's assets over time.



# Notes to the Financial Report For the Year Ended 30 June 2021

## 9.1 Reserves (continued)

### (b) Other reserves

2021	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>Statutory reserves</b>				
Car parking reserve	423	3	-	426
Drainage contribution reserve	829	548	-	1,377
Recreational land reserve	23,009	5,613	(7,818)	20,804
<b>Total statutory reserves</b>	<b>24,261</b>	<b>6,164</b>	<b>(7,818)</b>	<b>22,607</b>
<b>Discretionary reserves</b>				
Infrastructure reserve	17,063	2,706	(531)	19,238
Dendy street beach improvement reserve	2,483	20	-	2,503
Community facilities enhancement reserve	-	4,620	(1,904)	2,716
Defined superannuation shortfall	3,500	500	-	4,000
Unspent conditional grants reserve	490	2,730	(490)	2,730
Capital works carried forward reserve	20,126	15,050	(12,154)	23,022
Early childhood facilities reserve	5,314	42	(148)	5,208
Street and park tree management reserve	290	29	-	319
<b>Total discretionary reserves</b>	<b>49,266</b>	<b>25,697</b>	<b>(15,227)</b>	<b>59,736</b>
<b>Total other reserves</b>	<b>73,527</b>	<b>31,861</b>	<b>(23,045)</b>	<b>82,343</b>
<b>Total reserves</b>	<b>2,600,022</b>			<b>2,887,013</b>
<b>2020</b>				
<b>Statutory reserves</b>				
Car parking reserve	411	12	-	423
Drainage contribution reserve	594	235	-	829
Recreational land reserve	21,479	3,361	(1,831)	23,009
<b>Total statutory reserves</b>	<b>22,484</b>	<b>3,608</b>	<b>(1,831)</b>	<b>24,261</b>
<b>Discretionary reserves</b>				
Infrastructure reserve	16,615	448	-	17,063
Dendy street beach improvement reserve	2,183	300	-	2,483
Community facilities enhancement reserve	936	25	(961)	-
Defined superannuation shortfall	3,000	500	-	3,500
Unspent conditional grants reserve	2,309	490	(2,309)	490
Capital works carried forward reserve	12,708	11,605	(4,187)	20,126
Early childhood facilities reserve	5,617	152	(455)	5,314
Street and park tree management reserve	229	61	-	290
<b>Total discretionary reserves</b>	<b>43,597</b>	<b>13,581</b>	<b>(7,912)</b>	<b>49,266</b>
<b>Total other reserves</b>	<b>66,081</b>	<b>17,189</b>	<b>(9,743)</b>	<b>73,527</b>
<b>Total reserves</b>	<b>2,536,671</b>			<b>2,600,022</b>

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.

As part of Bayside's Planning Scheme, open Space contributions equal to 5% of the site value for a sub-division of 3 or more lots are required to be paid to Bayside City Council. All open space contributions collected at the time of subdivision are placed in a dedicated Open Space Reserve, and may only be expended to maintain, improve or purchase open space.

The infrastructure reserve is to quarantine identified savings from the operating and capital budget to fund replacement infrastructure or held as a contingency to finance projects deemed as unavoidable or to be allocated against the repayment of borrowings

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 \$0.5 million annually to ensure Council sets aside sufficient funds 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 2021. 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 2021 but which will require funds to be carried forward 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 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.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 9.2 Reconciliation of cash flows from operating activities to surplus

	2021 \$'000	2020 \$'000
Surplus for the year	20,926	14,055
Depreciation/amortisation	23,305	22,280
Loss on disposal of property, infrastructure, plant and equipment	135	3,984
Finance costs	66	77
Work in progress written-off	3,946	1,675
Contributions - Non-monetary assets	(291)	(2,528)
Impairment loss on financial assets	-	245
Assets not previously recognised	(1,226)	-
Fair value adjustment for financial assets	(71)	-
<i>Change in assets and liabilities:</i>		
(Increase) in trade and other receivables	(1,493)	(1,211)
(Increase)/decrease in operating prepayments	(944)	753
Decrease in accrued income	237	381
Increase/(decrease) in trade and other payables	1,407	(2,337)
Increase in income in advance	2,295	1,002
(Increase)/decrease in inventories	52	(42)
Increase/(Decrease) in provisions	237	(437)
Increase in trusts and deposits	679	519
<b>Net cash provided by/(used in) operating activities</b>	<b>49,259</b>	<b>38,413</b>

## 9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The Defined Benefit category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit. The accumulation category receives fixed contributions from Bayside City Council and Bayside City Council's legal or constructive obligation is limited to these contributions. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

### Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings. For the year ended 30 June 2021, this was 9.5% (9.5% in 2020/21) as required under Superannuation Guarantee legislation. Our commitment to accumulation plans is limited to making contributions in accordance with our minimum statutory requirements. No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund. The Superannuation Guarantee (SG) rate will increase to 10% from 1 July 2021 based on the current SG legislation, and eventually to 12% from 1 July 2025.

### Defined Benefit

As provided under Paragraph 34 of AASB 119 Employee Benefits, 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 multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, 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. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the Fund's Defined Benefit category.

# Notes to the Financial Report For the Year Ended 30 June 2021

## 9.3 Superannuation (continued)

### 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.

An interim actuarial review is currently underway for the Defined Benefit category as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2021. A full actuarial investigation as at 30 June 2020 was conducted and was completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6% as at 30 June 2020 (107.1% at 30 June 2019). The financial assumptions used to calculate the VBIs were:

	30 June 2020	30 June 2019
Net investment returns	5.6%	6.0% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation (CPI)	2.0% pa	2.0% pa

Vision Super has advised that the VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns	4.80% pa
Salary information	2.75% pa
Price inflation (CPI)	2.25% pa

The Australian Prudential Regulation Authority (APRA) superannuation prudential standard (SPS 160) – Defined Benefit Matters determines the funding requirements of a defined benefit (DB) arrangement. Under this standard:

- The VBI is the measure to determine whether there is an unfunded liability, and
- Any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2020 triennial actuarial investigation showed that the Defined Benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

The Fund's employer funding arrangements comprise of three components as follows:

- Regular contributions – which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
- Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
- Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

Council is also required to make additional contributions to cover the contributions tax payable on components 2 and 3 referred to above. Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

### Employer Contributions

#### Regular Contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, [Employer name] makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate will increase in line with the SG increases.

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 (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

#### Funding Calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- A fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- A fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund 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. There may be circumstances where APRA may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set the Defined Benefit category's 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 [Employer name]) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

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.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period, and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll 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. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

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.

#### Retrenchment Increments

During 2020/21, Council was not required to make payments to the Fund in respect of retrenchment increments (\$nil in 2019/20). Council's liability to the Fund as at 30 June 2021, for retrenchment increments, accrued interest and tax is nil (\$nil in 2019/20).

# Notes to the Financial Report For the Year Ended 30 June 2021

## 9.3 Superannuation (continued)

### The 2020 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

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

	2020 (Triennial) \$m	2019 (Interim) \$m
• A VBI Surplus	100.0	151.3
• A total service liability surplus	200.0	233.4
• A discounted accrued benefits surplus	217.8	256.7

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 2020.

The total service liability surplus means that the current value of the assets in the Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

### The 2021 Interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2021. It is anticipated that this actuarial investigation will be completed by 31 October 2021. The financial assumptions for the purposes of this investigation are:

	30 June 2021 Interim investigation	30 June 2020 Triennial investigation
Net investment returns	4.8% pa	5.6% pa
Salary information	2.75% pa	2.5% pa for two years and 2.75% pa thereafter
Price inflation (CPI)	2.25% pa	2.0% pa

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

### Accrued benefits

The Fund's liability for accrued benefits was determined in accordance with the Australian Accounting Standards. The relevant accounting standard is AASB 1056 *Superannuation entities*.

	30 June 2020 (triennial) \$m	30 June 2019 (interim) \$m
Net Market Value of Assets	2,229.4	2,293.0
Accrued Benefits	2,011.6	2,036.6
Difference between Assets and Accrued Benefits	217.8	256.4
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	2,129.4	2,141.7

The financial assumptions used to calculate the Accrued Benefits for the Defined Benefit category of the Fund were:

	30 June 2020	30 June 2019
Net investment returns	5.6% pa	6.0% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation (CPI)	2.0% pa	2.0% pa

# Glossary

**Actual 2020/2021**  
Actual performance achieved where this measure was used in the 2020/2021 financial year.

**Balance Sheet**  
Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.

**Best value**  
The continuous review of all services provided by Council to ensure they meet the required cost standards and needs of the community to deliver value for money.

**Buildings and improvements**  
Includes all capital building improvements to any land owned or controlled by Council.

**Cash Flow Statement**  
Reports all cash movements during the financial year. Cash movements consist of cash inflows (receipts/proceeds) less cash outflows (payments).

**Council Plan**  
Council Plan 2017–2021 guides the development and strategic priorities for the City of Bayside and Council over a four-year period. This plan is reviewed annually.

**FTE**  
Full Time Equivalent (FTE) – 1 FTE is equivalent to one person working 38 hours per week.

**Financial year**  
This document reports on the financial year of 1 July 2020 to 30 June 2021.

**Financial statements**  
Incorporates the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement plus the notes to and forming part of the accounts that support these statements.

**Furniture and fittings**  
Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances, furniture, fixtures and fittings.

**Goal**  
Goals represent the key issues for the Bayside community as identified by Council.

**Heritage assets**  
Includes antiques, artefacts, artworks, photographs, mayoral chains, and heritage buildings owned by Council.

**Income Statement**  
Identifies all revenues earned and expenses incurred during the financial year.

**Indicators**  
Indicators define what will be measured to show we are meeting our objectives.

**Internal audit**  
An independent appraisal function which examines and evaluates Bayside City Council's financial, management and internal control systems.

**Land**  
All land owned or controlled by Council.

**Land improvements**  
Includes all capital improvements, other than buildings, to any land owned or controlled by Council.

**MSS**  
The Municipal Strategic Statement (MSS) is Council's long-range plan to guide the development of Bayside and its urban form. It forms part of the Bayside Planning Scheme.

**Performance measures**  
Mechanisms such as unit costs or response times, which can be used to measure Council's performance over time.

**Plant and equipment**  
Assets owned by Council including ticket machines, garbage bins, caravans and trailers.

**Roads**  
Includes road pavements, footpaths, kerb and channel, traffic signals and speed restriction devices.

**Statement of Changes in Equity**  
Identifies Council's overall movement in equity consisting of the accumulated surplus, asset revaluation and statutory reserves. Equity is also represented by total assets less total liabilities.

**Statement of Financial Position**  
Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.

**Strategic objectives**  
Establish where we want to be for each of the Council Plan's goals

**Strategies**  
Define how Council will endeavour to achieve the Strategic objectives.

**Strategy**  
A document that outlines an initiative, program or project that will contribute to achieving a longer-term goal or outcome.

**Values**  
Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.

**Ward**  
Defined electoral area to which a representative is elected as Councillor.

# Abbreviations

<b>AAS</b>	Australian Accounting Standards	<b>IBAC</b>	Independent Broad-based Anti-corruption Commission
<b>AASB</b>	Australian Accounting Standards Board	<b>ICT</b>	Information and Communication Technology
<b>ALGWA</b>	Australian Local Government Women's Association	<b>IPAA</b>	Institute of Public Administration Australia
<b>ARA</b>	Australasian Reporting Awards	<b>IT</b>	Information Technology
<b>AUD</b>	Australian Dollars	<b>JMAPP</b>	JLT Municipal Asset Protection Plan
<b>BBBA</b>	Brighton Bathing Box Association	<b>KLU</b>	Kids Like Us
<b>BBN</b>	Bayside Business Network	<b>kL</b>	Kilolitre
<b>BEYCEC</b>	Bayside Early Years Community Education and Care	<b>KM</b>	Kilometre
<b>BPSR</b>	Bayside Planning Scheme Review	<b>GRI</b>	Global Reporting Initiative
<b>CEO</b>	Chief Executive Officer	<b>GST</b>	Goods and Services Tax
<b>CO2e</b>	Carbon Dioxide Equivalent	<b>LGPRF</b>	Local Government Victoria Performance Reporting Framework
<b>CPA</b>	Certified Practising Accountants	<b>LGPro</b>	Local Government Professionals
<b>CR</b>	Councillor	<b>MAICD</b>	Member of the Australian Institute of Company Directors
<b>CRMS</b>	Customer Request Management System	<b>MAV</b>	Municipal Association of Victoria
<b>DHS</b>	Department of Human Services	<b>MEMC</b>	Municipal Emergency Management Committee
<b>DMA</b>	Disclosure on Management Approach	<b>MESAC</b>	Marine Education Science and Community Centre
<b>FCPA</b>	Fellow of the Society of Certified Practising Accountants	<b>MFB</b>	Metropolitan Fire Brigade
<b>FINSIA</b>	Financial Services Institute of Australasia	<b>MNGV</b>	Multicultural Nature Guides Victoria
<b>FTE</b>	Full Time Equivalent	<b>MEMP</b>	Municipal Emergency Management Plan
<b>GIS</b>	Geographic Information System	<b>MERO</b>	Municipal Emergency Resource Officer
<b>GJ</b>	Gigajoule	<b>MERP</b>	Municipal Emergency Recovery Plan
<b>Grad Dip</b>	Graduate Diploma	<b>MRM</b>	Municipal Recovery Manager
<b>HACC</b>	Home and Community Care	<b>MSS</b>	Municipal Strategic Statement
<b>IAP2</b>	International Association for Public Participation		

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