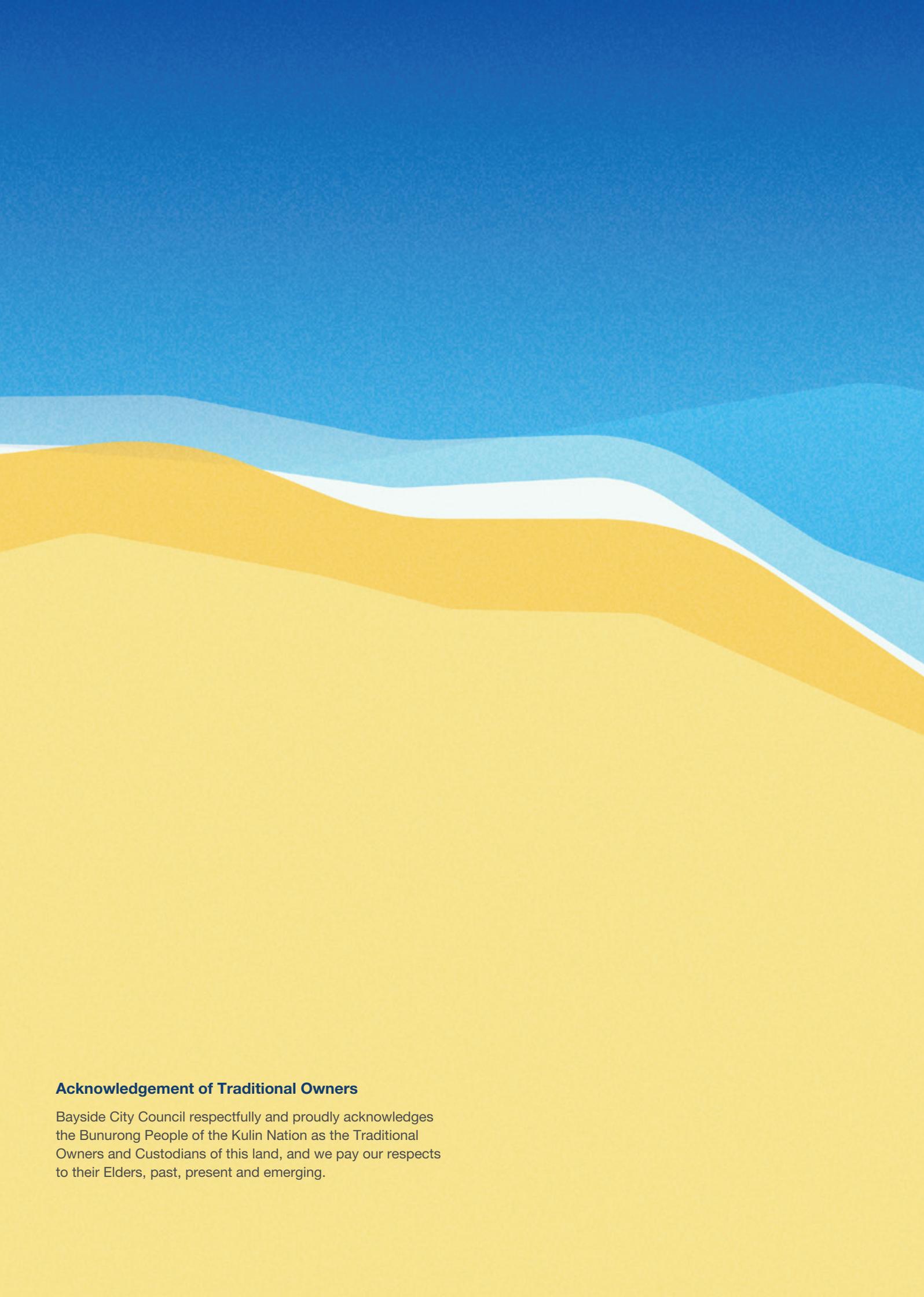


# Bayside City Council



Annual Report  
2021-22





### **Acknowledgement of Traditional Owners**

Bayside City Council respectfully and proudly acknowledges the Bunurong People of the Kulin Nation as the Traditional Owners and Custodians of this land, and we pay our respects to their Elders, past, present and emerging.

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# Bayside City Council's Annual Report



Council is committed to transparent reporting and accountability to the community. The Report of Operations 2021–22 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* to provide leadership and good governance to 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 partner with the community to protect and care for the community of life in Bayside, making an inclusive, active, healthy, connected and creative experience for all.

## Community vision

Ultimately Council's purpose is to meet our community's diverse and changing needs and deliver their long term vision for our municipality, expressed in the Community vision Bayside 2050.

This year is the first full year of the new Council Plan 2021–25 developed in response to Bayside 2050 and is supported by a 10-year Financial Plan (2021–31), both of which were developed through deliberative engagement with our community panel (April to June 2021).

# A message from our Mayor

It has been my great honour to serve as Mayor for the 2021–22 Council year and I thank my fellow Councillors for their support this year.

I am proud of how we as a community continued to support each other, navigating the peaks and troughs of the COVID-19 pandemic together with respect and kindness.

This is the first year of reporting against our new Council Plan 2021–25 which was developed through a robust process of deliberative community engagement. The plan focuses on the key areas of Our Planet, Our People, Our Place and Our Promise and supports the aspirations of the community as articulated in the Bayside 2050 Community Vision.

This Council Plan signals a shift in focus for Bayside, with a stronger emphasis on acting on climate change; protecting the environment; and embracing sustainability. The results of the 2022 federal election illustrate that Council is very much aligned with our community on these issues.

The Plan also articulates a strong commitment to diversity, inclusion and listening to all voices. We have achieved significant progress on these matters over the past 12 months. I am particularly proud of our adoption of the Innovate Reconciliation Action Plan to advance reconciliation with First Nations peoples and the expansion of Council's aged care services to offer home care packages with increased levels of support for our ageing community.

Other highlights for the year include:

- Our Planet – Council's operations were certified carbon neutral for the second year and we adopted a significant target to reduce Bayside's community greenhouse gas emissions by 75% by 2030; and achieve net zero emissions by 2035, or earlier. The first stage of the Yalukit Willam (formerly Elsternwick Park) Nature Reserve masterplan – the Chain of Ponds, was completed, creating a marvellous new oasis for both people and wildlife.
- Our People – we supported expansion of the Chatty Café initiative and hosted the Autumn Fest series of events to create opportunities for our community to come together to reconnect and celebrate following the easing of COVID-19 restrictions.

- Our Place – we completed much needed community infrastructure projects including upgrades to Sandringham Athletics Track, Donald MacDonald Reserve Pavilion and the duplication of the popular Bay Trail in Brighton. Construction commenced at Dendy Street Beach Life Saving Pavilion, Brighton Recreational Centre, Bayside Netball Centre and the Sandringham Basketball Stadium
- Our Promise – we maintained our strong and debt free financial position despite the cost pressures caused by pandemic disruption. We also welcomed the reintroduction of in-person Council meetings following the easing of COVID-19 restrictions and delivered a new customer centric website providing convenient access to Council services and information.

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

It has been an absolute pleasure to lead this Council during the second year of our term. I am fortunate to lead a nonpartisan council that works to represent all in our municipality and commend my fellow Councillors for their hard work and dedication.

Finally, I thank everyone in the community for their ongoing resolve during the pandemic and look forward to a positive future for Bayside ahead.



**Cr Alex del Porto Mayor**  
Mayor, Bayside City Council  
2021-2022



**This Council Plan signals a shift in focus for Bayside, with a stronger emphasis on acting on climate change; protecting the environment; and embracing sustainability.**



**In line with this commitment to acting on climate change and protecting our magnificent natural environment, we continued to take practical actions to drive sustainability across services, policies and programs.**

# A message from our CEO

**This year our organisation excelled at continuing to support the Bayside community and deliver against the backdrop of the evolving global pandemic.**

While not immune to the challenges posed by COVID-19, our team adapted to the ever changing situation, seamlessly adjusting our service provision when circumstances required.

I am full of admiration for the commitment of the people in our organisation to serving our community, particularly Bayside's more vulnerable residents, local businesses and community organisations who have battled through the past year.

This perseverance is reflected in the organisation's strong results in the annual Community Satisfaction Survey conducted by all Councils in Victoria. Within a difficult landscape, many of our services were rated as excellent by the community. The survey also helps us to highlight the areas of most importance to our community, and I am proud of the significant progress we have made in many of these.

The expansion of Council's aged care services to provide home care packages for our older residents distinguishes Bayside from many other local governments who have retreated from this sector. We know the community highly values our strongly interconnected support services and are committed to helping our residents to remain independent at home for as long as possible.

Bayside's natural open spaces are extremely important to our residents who love where they live. This year we adopted our first comprehensive Urban Forest Strategy to expand and protect Bayside's precious tree canopy with an ambitious target of 30% increase by 2040. Increased tree and vegetation cover will help to reduce the impacts of climate change, improve habitat diversity and connectivity, and conserve our municipality's prized biodiversity.

In line with this commitment to acting on climate change and protecting our magnificent natural environment, we continued to take practical actions to drive sustainability across services, policies and programs. These include enhancing open space, foreshore care and amenity, minimising waste to landfill and supporting emission reductions in our community.

We also continued to lay a strong foundation for building inclusion, accessibility and connection for all who live, visit

and work in Bayside. This is delivered through initiatives such as our Disability Access and Inclusion Advisory Committee and strategies such as our new Municipal Health and Wellbeing Plan, Gender Equality Action Plan and Innovate Reconciliation Action Plan to make inclusivity part of our everyday.

Our ongoing service provision and long term strategic planning efforts were all able to be progressed thanks to an unwavering focus on financial sustainability. Despite the COVID-19 impacted, rate-capped environment, Bayside remains debt free while continuing to invest in infrastructure to meet the needs of our community now and into the future.

Over the last year we continued to deliver on our ambitious capital works program to provide our community with modern, environmentally sensitive facilities that are accessible for people with diverse needs and ages and support gender equity. We put shovels in the ground on some of the most significant upgrades to community infrastructure in many years and I look forward to seeing these projects completed in the future.

In this the second year of the COVID-19 pandemic, our organisation remains steadfast to deliver on the aspirations of the Bayside 2050 Community Vision through the 2021–25 Council Plan. This outlines Council's commitment to partnering with our community to protect and care for the whole community of life in Bayside making an inclusive, active, healthy and creative experience for all.



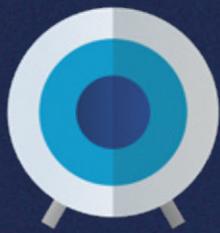
**Mick Cummins**

Chief Executive Officer, Bayside City Council  
2021-2022

# About this report

The Annual Report 2021–22 documents the performance against the strategic indicators and actions identified in the Council Plan 2021–25 and the Budget 2021–22. Both of these documents were adopted by Council in June 2021.

The diagram below depicts the structure of the Council Plan.



Goals



Strategic Objectives



Strategies

The Council Plan represents our Council's commitment and vision to:

Partner with our community to protect and care for the community of life in Bayside making an inclusive, active, healthy, connected and creative experience for all.

The Budget 2021–22 defines the actions that contribute to the successful delivery of the Council Plan 2021–25 over the financial year.

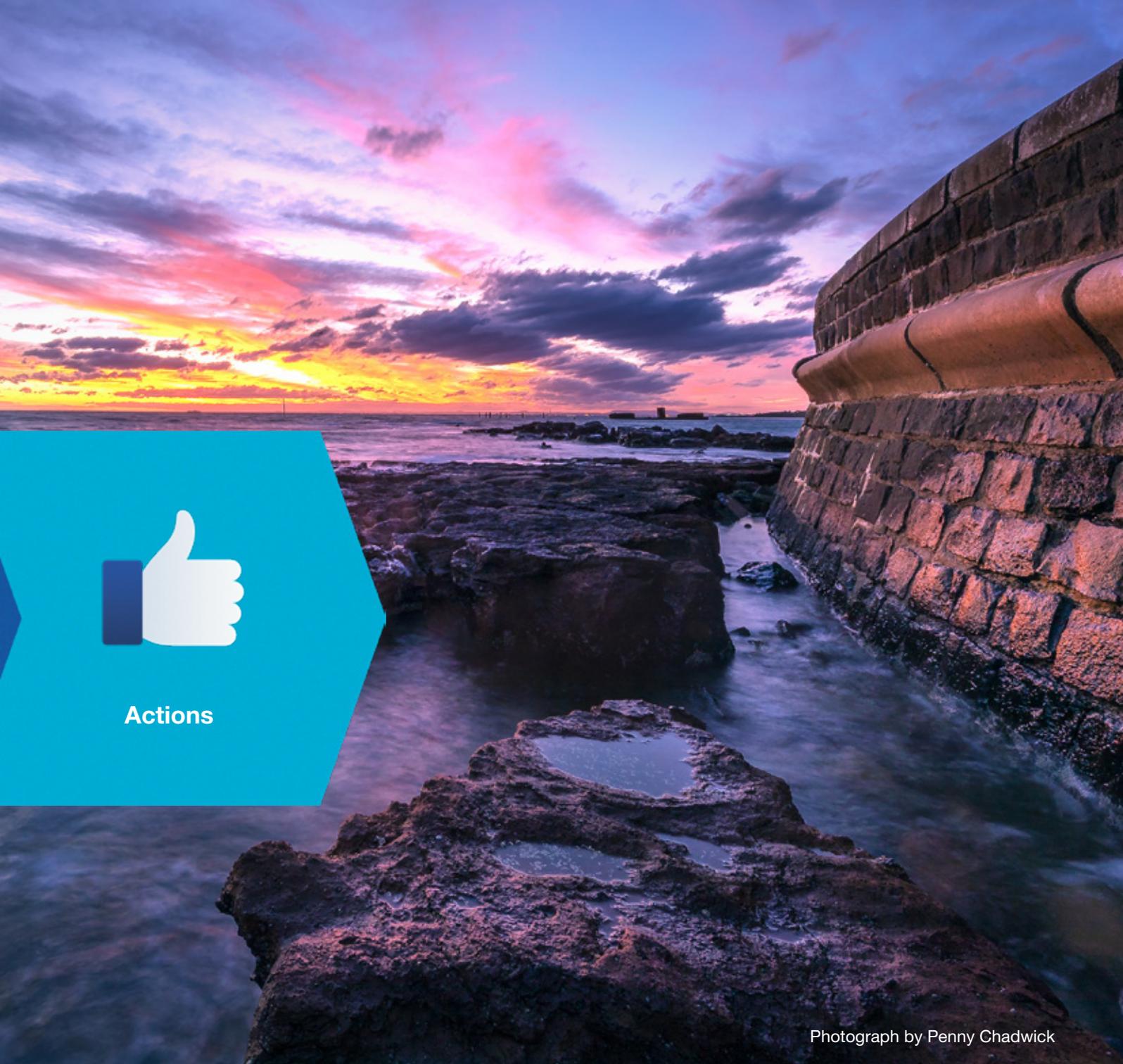
This Annual Report is divided into four parts:

- 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 four goals of the Council Plan 2021–25 adopted in July 2021.

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.



Actions

Photograph by Penny Chadwick

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



**\$3.1M**

Spent on footpaths and shared paths



**1,486**

Oversaw community facility bookings



**\$755,688.41**

Community Grant total (\*inc. reactivation grants)



**30,771**

Delivery of meals



**65,321**

Trees cared for



**2,316**

Volunteering hours



**86,422**

Hours of in home support provided



**\$54.4M**

Spending on capital works



**1,424**

Inspections of food premises



Animal registrations

**12,701**  
(dogs)

**3,488**  
(cats)



**86.8%**

Returning average to pet owners (all)

**99.1%**

Returning average to pet owners (registered)



**17**

Off leash dog areas



**369km**  
Roads maintained  
**\$4.7M**  
Spent on maintaining local roads



**4,205,185**  
Bin lifts/emptied



**1,843**  
Immunisations



**2,196**  
Trees planted



**60**  
Supervised school crossings



Tonnes of waste collected  
**14,252**   **10,282**   **16,808**  
garbage   recyclables   green waste



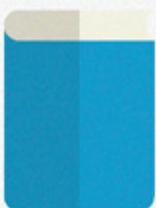
**1,475,813**  
Customer service interactions  
(website 1,287,030;  
active phone calls 188,783)



**1,156**  
Planning decisions



**324 panels (133kw)**  
Installation of solar panels



**564,554**  
Library collection loans



**7,359**  
Child health consultations



**1,283**  
Kindergarten enrolments



**6,186**  
Visitors to the Bayside Gallery

# Awards and Recognition

## Awards

Bayside was honoured with some key awards in 2021-2022:

- 2021 National Federation Award for Environmental Leadership and Sustainability
- 2022 LGPro Best Practice and Innovation in Council Plan Development Award for Council Plan 2021–25.
- 2022 LGPro Diversity and Inclusion Award for excellence for Thomas Street Playground.
- 2021 Best Designed Changing Places Facility in Victoria (Thomas Street Playground).

## Bayside Acquisitive Art Prize

The Bayside Acquisitive Art Prize is one of Australia's most significant annual prizes for painting. It was established in 2015 and each year adds an exceptional contemporary painting to the Bayside Art and Heritage Collection. The prize aims to promote art and artists as a valuable part of the Bayside community.

In 2022 the Award winner was Alice Wormald for her work *Restless interactions 2021*. The Bayside Local Prize was won by Asher Bilu, with his painting *KR 12 2021* and 430 people voted for the people's choice Award which was won by Tinieka Page, with her painting *Self organisation in motion 2021*.

## Public exhibitions at Bayside Gallery

<b>Portrait of Place</b>	10 Jul to 17 Oct 2021
<b>Cat Rabbit Soft Library</b>	5 Nov 2021 to 16 Jan 2022
<b>The Encounter - Michelle Zucculo</b>	27 Feb to 31 Jul 2022
<b>Collection Highlights</b>	12 Mar to 1 May 2022
<b>Meredith Turnbull 'Together'</b>	12 Mar to 1 May 2022
<b>Bayside Acquisitive Art Prize</b>	6 May to 26 Jun 2022

## National Volunteers Week

Volunteering is a valued and integral part of the Bayside community. Across the municipality, Bayside hosts a range of clubs, community groups and organisations that rely on the knowledge and expertise of volunteers. Council hosts over 30 volunteer programs ranging from environmental conservation, library services, gallery, aged care, youth services, sustainability and social and community connection.

Bayside celebrated our volunteers throughout National Volunteers Week with events on each day including a special planting day at Donald MacDonald Reserve, exclusive behind the scenes tour with gallery curator of the 2022 Bayside Acquisitive Art Prize, zero waste meal ideas with Open Table, Autumn Fest activities at Yalukit Willam (formerly Elsterwick Park) Nature Reserve, and a thank you celebration with Bayside's Mayor.

## Flag-raising ceremony

In May 2022, Council conducted its annual National Reconciliation Flag Raising Ceremony at the Corporate Centre, Sandringham after a 2-year hiatus as a result of COVID-19. The event was attended by more than 200 people, and Bunurong Elder Sonia Weston provided a welcome to country and smoking ceremony. The Flag Raising ceremony also included the announcement of the Ellen Jose Art Awards for primary and secondary schools.

## Built Environment Awards

Each year, Council presents the Built Environment Awards to showcase the expertise of building designers, encourage high standards of excellence within the municipality, and raise community awareness of design, landscape and heritage matters. These highly successful awards were suspended during the pandemic, with a plan to recommence in late 2023 with an increased focus on promoting sustainability in design.

## Australia Day Awards

Council conducted its annual Australia Day Ceremony at the Brighton Civic Centre Precinct in the formal gardens on 26 January 2022, which included an Australia Day address by the Mayor. In keeping with the COVID-19 restriction at the time, a small citizenship ceremony was conducted for 25 residents.

The Bayside Australia Day Awards for 2022 were scheduled to be held in the evening on Australia Day but were re-scheduled until March due to the COVID-19 restrictions at the time.

The Awards ceremony was conducted at the Sandringham Yacht Club in March 2022 and was attended by 220 members of the community. The Australia Day Awardees for 2022 were:

### Australia Day Citizen of the Year

Winner: Glenys Reid

### Australia Day Senior Citizen of the Year

Winner: Brenda Todd

### Young Citizen of the Year Award

Winner: Kevin Thong

### Community Event of the Year

Winner: Friends of Black Rock House – Annual Christmas Carols 2021

### Environment Award for an Individual

Winner: Sue Raverty

### Environment Award for a Community Organisation

Winner: St James Catholic Primary School – Sustainable Schools program.

## 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.

During 2021–22, Council conducted a number of citizenship ceremonies both in person and on-line to reflect the current COVID-19 restrictions at the time, whilst providing residents the opportunity to receive their Australian Citizenship during the pandemic.

In 2021–22, Bayside City Council hosted the following ceremonies:

- 16 August 2021 (2 ceremonies) 100 candidates (in-person)
- 27 August 2021 – 86 candidates (on-line)
- 3 September 2021 – 119 candidates (on-line)
- 10 September 2021 – 15 candidates (on-line)
- 26 January 2022 – 25 candidates (in-person)
- 3 March 2022 (3 ceremonies) 120 candidates (in-person)
- 26 April 2022 – (2 ceremonies) 100 candidates (in-person)
- 29 June 2022 – 100 candidates (in-person).

## Letters under seal

Letters under seal are formal letters of Council. During 2021–22 Council resolved to place the Council seal on the following 6 letters:

**18 August 2021** – Mr Mick Cummins – Letter of appreciation for outstanding service and leadership

**30 September 2021** – Ms Lisa Woolmer – Letter of appreciation for service to the Bayside Audit and Risk Committee over the past 6 years

**10 November 2021** – Cr Laurence Evans OAM – Letter of appreciated and recognition of mayoral term for the 2021–22 Council year.

**7 June 2022** – Ms Zoe Daniel – Letter of congratulations as recently elected Federal Member for Goldstein

**7 June 2020** – Mr Tim Wilson – Letter of appreciation and recognition of outstanding public services as the Federal Member for Goldstein from 2016 to 2022.



# Highlights of the year



## Our Planet

Bayside's strong commitment to addressing climate and environmental issues of our planet, particularly in our municipality, saw some key highlights and practical actions towards this goal.

We adopted our first Urban Forest Strategy and developed a Year 1 Action Plan. This is supported through municipal wide imagery and data to capture the existing tree canopy, including significant trees, to provide a benchmark for future improvement.

Bayside achieved carbon neutrality and certification for the second year in a row.

Councillors adopted a significant target to reduce Bayside's community greenhouse gas emissions by 75% by 2030; and achieve net zero emissions by 2035, or earlier. Some of the achievements towards this are highlighted in the section on our Environmental Sustainability Framework (p98).

Works to reduce effects and impacts of changing climate included remediation of coastal erosion at Dendy Street Beach, increased tree and vegetation planting across the municipality (additional 200 trees), and works to increase diversion of stormwater to street trees.

The Bayside Biodiversity Action Plan protects Bayside's flora and fauna. Actions this year include the removal of carp from Landcox Park Lake (seeing the return of frogs to that site, after an absence for years), the introduction of animal friendly lighting, a reduction in the use of barbed wire, and the commencement of phasing out of Second Generation Anticoagulant Rodenticides (SGAR) to reduce ecological impact. Additionally, the first phase of the Yalukit Willam (formerly Elsternwick Park) Nature Reserve: Chain of Ponds were opened which will provide a haven for wildlife and new recreation opportunities for visitors.

We continued our adoption of renewable energy across Council operations by increasing our electric vehicle fleet by four and undertaking works to install more EV charging stations in Bayside.

Our continued focus on sustainable waste management resulted in record low volumes of waste sent to landfill for the third year in a row. This includes a strong program to divert organic waste and increased recycling. We introduced waste management plans for all new multi-unit developments and conducted extensive community information campaign to prepare for a switch in bin collections cycles.



## Our People

Despite a challenging second year of the pandemic, Council continued to provide services to help our community to thrive, to live healthy, active and inclusive lives and worked to sustain and support our local economy.

Council expanded its service offerings to deliver home care packages to older residents who wish to remain living at home and have needs beyond a basic range of entry level services. The initial trial proved successful and highly popular and is set to expand further over next 2 years.

We adopted the Municipal Health and Wellbeing Plan 2021–25 following extensive engagement which sets a strategic focus for the next few years. This plan is complemented by Council adoption of a Community Resilience Plan and Vulnerability Framework.

We developed the Innovate Reconciliation Action Plan 2022–24 working closely with First Nations people in our community and other stakeholders to drive improved outcomes and inclusion.

Council increased its resourcing to support and engage volunteers in Bayside with the adoption of a four year recruitment and retention strategy and ran a number of development workshops for volunteers and volunteering organisations.

We adopted a new Gender Equality Action Plan and developed and piloted a Gender Impact Assessment framework for assessment of new services, programs, policies and strategies to improve access to and participation in Council operations and programs.

The Disability Access and Inclusion Advisory Committee was established and operational with great results including contribution to the (award winning) Thomas Street All Abilities Playground and Changing Places bathrooms, as well as contributing to important policy and service considerations.

Council achieved Australian Childhood Foundation Certification which endorsed the strengthening of Council's framework to safeguard children and young people with the adoption of a new Child Safe policy, code and processes which also improved communication and promotion enabling people to source information and report issues.

We delivered diverse events to support community connection and creativity – Chatty Café, Bayside Local exhibition, Shakespeare in the Gardens, Billilla Garden Party, Christmas in Bayside – as well as events to support the community and local economy activation – Rediscover Bayside, Shops on show, Hampton Easter event and Autumn Fest. In addition, 175 young people were trained with RSA and Barista Certificates, which was a collaboration with economic development, youth services and LLEN partnership to promote career pathways.



## Our Place

Despite challenges to staffing and materials supply, Bayside continues to deliver on its ambitious capital works and renewal programs, ensuring that facilities are modern, accessible and fit-for-purpose for the changing needs of our community. Some highlights include completion of the Sandringham Athletics track, Donald McDonald Pavilion and the Bay Trail upgrade – including separation of bicycles and pedestrians in key locations to improve safety and amenity.

We commenced or progressed work on some key projects such as Fern Street Early Years and Integrated Children’s Centre, Brighton Recreational Centre, Tulip Street Basketball court extension, Black Rock Lifesaving Pavilion and Dendy Street Beach Pavilion. Following extensive consultation we finalised the site for the much-anticipated warm water pool at the Brighton Golf Course.

Hampton Library was upgraded with support of a grant and a widespread consultation program was completed to support the development of a new Libraries, Arts and Cultural Strategic Plan.

The amenity and liveability of Bayside was supported by the finalisation of a Sustainable Building and Infrastructure policy that will ensure our built environment meets sustainability requirements. The Domestic Animal Management Plan was adopted, balancing the needs of enjoying and recreating with our pets with protecting the native flora and fauna.

We adopted a new Park Habitat Improvement and Linkage Plan and commenced works that will see existing habitat areas improved or developed and wildlife corridors created between them all.



## Our Promise

Council formally adopted several key strategic documents such as the Council Plan 2021-2025, Annual Budget, Annual Report, Financial Plan, Annual Financial Statements, Performance Statement and a 10-year Asset Plan. In addition, we developed the Workforce Plan, Complaints Handling Policy, CEO Employment and Remuneration Policy and a Gender Equality Action Plan. These documents were developed in consultation with our stakeholders to support the good governance and meet the final requirements under the new *Local Government Act* and other legislation.

Our strong, targeted advocacy program achieved more than \$40million in federal election campaign pledges including a commitment of \$11.7 million by the new Australian Government for Yalakit Willam Nature Reserve (formerly Elsternwick Park) as well as smaller Victorian Government grant for library refurbishment.

Council’s upgraded website was launched in October, improving our online customer experience and making it easier for our community to access and use our services.

Amidst the COVID-19 restrictions, we conducted virtual Council meetings, accepted written statements and undertook other practices to ensure good governance and transparency whilst maintaining the Council decision making process.

We negotiated a new Enterprise Agreement with staff that supports staff retention, productivity and engagement, improves equity and diversity and ensures sustainable resourcing of key activities.

# Challenges

Bayside City Council faced a number of new and continuing challenges in 2021–22.

## Our Planet

- Dealing with impacts of climate change and continuing policy uncertainty at the national and international levels continues to make it challenging for local government to address climate change mitigation and adaptation.
- Continued loss of biodiversity and vegetation across Bayside affected by climate impacts and development is concerning. Despite the protective Vegetation Protection Overlay and Council's planting program, tree canopy loss is a continuing challenge.
- Coastal erosion was particularly apparent this year requiring mitigation to reduce damage to the amenity and stability of our foreshore.

## Our People

- Responding to the Australian Government Aged Care Reforms, Council officers continue to monitor and respond to the changes in the aged care sector and the population in Bayside to ensure we have the staff and resources to meet service needs.
- Global recycling challenges 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.
- A decline in volunteering as a result of COVID-19, with many volunteer programs suspended during restrictions, is slowly recovering.
- The need to provide support and referrals for an increasing number of women who are experiencing family violence has increased.
- Council continues to monitor and respond to the physical and mental health challenges affecting vulnerable members in our community.

## Our Place

- There is an ongoing concern about the timely protection of heritage places in Bayside. The challenge facing Council is effectively protecting places of heritage value within a statutory process where the Minister for Planning is the final decision maker.
- Council projects incurred delays due to third party approval processes, unforeseen variations, adverse weather and design or planning delays.
- Labour market shortages particularly in construction affected the availability of contractors who would typically undertake works for Council. Smaller contractors, who had previously tendered for Council works were engaged as sub-contractors for larger scale companies at higher rates. This resulted in fewer tender submissions and, in some instances, significantly delayed the ability to commence works.
- 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.
- The ongoing state-wide cladding audit and changed 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.
- 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, has been challenging.
- Provision of sufficient and fit-for-purpose infrastructure to meet the demand for the expanded three and four year old kindergarten program.

## Our Promise

- Council's financial sustainability in a rate-capped environment needed to be preserved, primarily through a greater emphasis on advocating for state and federal government funding.
- The social and economic impacts of the COVID-19 pandemic continue to impact all elements of Council's operations. This required a continued reallocation of resources to support our community through the crisis and resulting in a significant reduction in income, compounding the effects from the 2020–21 budget, exacerbated by inflationary pressures to labour, materials and supply.

# The Future

## Council is committed to continuous improvement through key initiatives.

- We continue to lead advocacy and practical actions to address the climate emergency and drive sustainability across services, policies and programs – by protecting and enhancing open space, vegetation, habitat and biodiversity; ensuring foreshore care and amenity; minimising waste to landfill; and supporting emission reductions in our community.
- Council builds 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 our Access and Inclusion Committee and delivered under our Municipal Health and Wellbeing Plan, Gender Equality Action Plan, Innovate Reconciliation Action Plan, Community Resilience Plan, Vulnerability Framework and actions incorporated into service delivery.
- The proactive use of technology across a range of Council services and facilities provides more efficient options to improve customer experience.
- We ensure quality service delivery through digital technology to meet customer needs, sound research and seeking our community's input and testing of potential designs.
- Our strategic decisions are informed by our Bayside 2050 Community Vision.
- Yalukit Willam (formerly Elsternwick Park) Nature Reserve has been transformed into an environmentally themed area of passive open space respectful of flora and fauna, as well as contributing to flood mitigation and water quality.
- Council is committed to retaining and enhancing the liveability of our municipality and looking at opportunities to enhance our planning policy framework in the future. Our aim is to provide greater certainty to our community that we will deliver on this aspiration while meeting state government requirements and recognising that Bayside has some of the most conservative planning controls in Victoria.
- The once-in-a-lifetime opportunity arising from the transfer of land from the old CSIRO site to Council will assist future development of community facilities and return of open space for community use to help meet the needs of Highett and surrounding areas.
- There is an ongoing focus on community building activities, including the provision of high quality facilities that support a range of important services.
- To support 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 \$19.5 million which is (\$11.88 million) unfavourable to the 2021-22 adopted budget.

### Financial impact of COVID-19

In March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. National and local responses 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. Despite vaccination and strong uptake locally, ongoing variants active in the 2021/22 year mean these impacts have continued to impact Council's financial position although to a lesser extent than in 2020/21.

Council operations and response in this constrained environment have been guided by key principles, one being a commitment to maintain the 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 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 remained unspent at 30 June 2021. The majority of this funding was recognised in 2021/22 as the COVID-19 restrictions were lifted and the programs were successfully delivered.

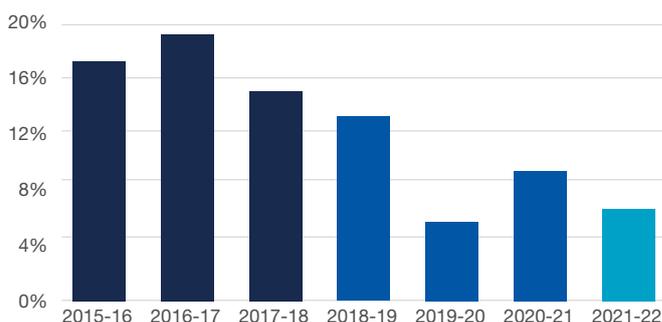
- For 2021/22 Revenue reductions of \$0.9 million were initially forecast primarily in Statutory Fees such as Parking Infringements and Court Recoveries and User Fees including Asset Protection and Statutory Planning fees due to the economic impact of COVID-19 restrictions. However, as COVID-19 restrictions were lifted in the first quarter of 2021/22, revenue rebounded in line with increased economic and social activity and there was no material impact during 2021/22.
- Revenue of \$0.6 million was foregone in 2021/22 by Council in order to support our traders and commercial tenants during COVID-19. This included Footpath Trading fees and Environmental Health Act Registrations for our traders and rent relief provided to commercial tenants.
- Additional expenditure of \$0.6 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.

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.

### Adjusted Underlying Result

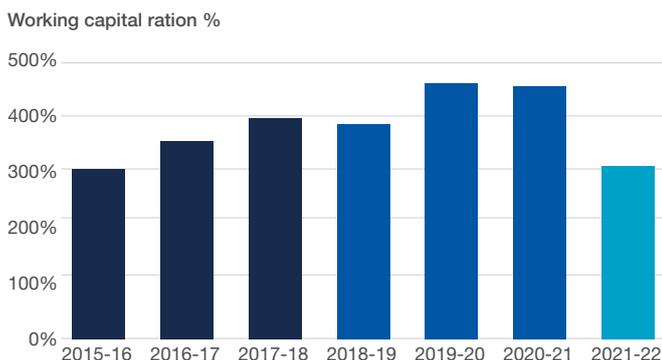
The adjusted underlying surplus after removing non-recurrent capital grants and capital contributions is a surplus of \$18.9 million or 6.2% when compared with adjusted underlying revenue. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$3.91 billion of community assets under Council's control.

Adjusted underlying result ratio %



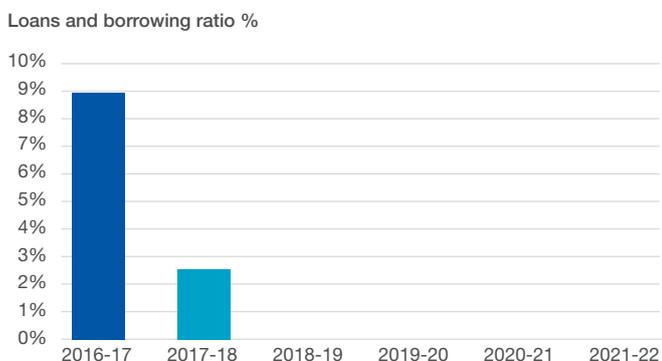
## Liquidity

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. The reduction compared to last year reflects Council’s longer term treasury strategy, as more of our investments are now reported as noncurrent. Despite this, the result of 307.2% is an indicator of a strong financial position.

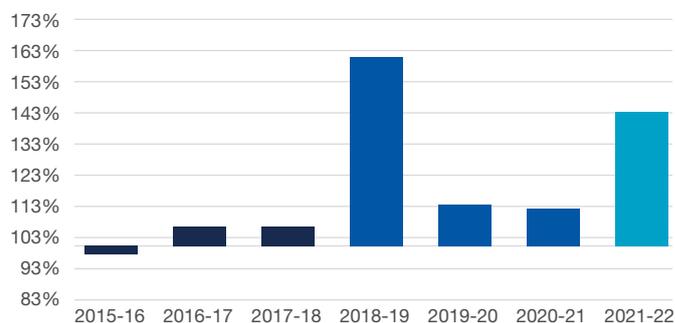


## Obligations

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 \$54.22 million in capital works during the 2021-22-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 143.4% and reflects Council’s accelerated capital works program.



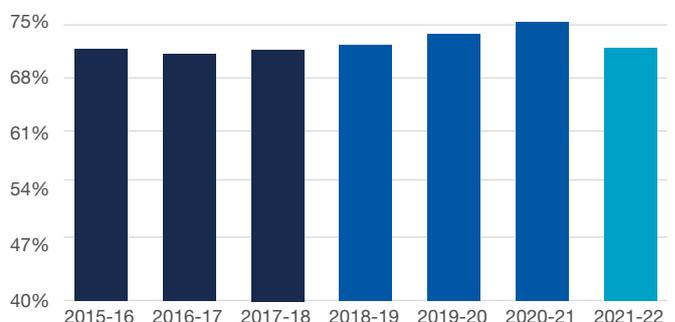
Loans and borrowing ratio %



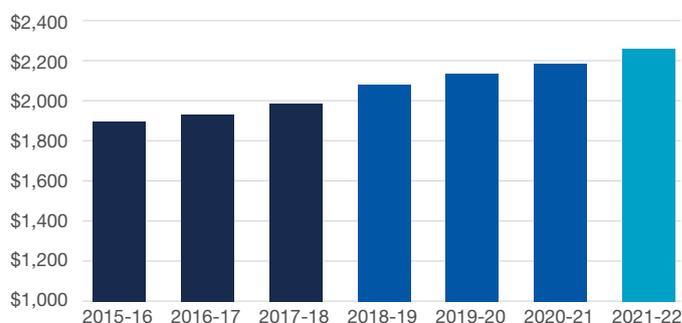
## Stability and Efficiency

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 72.0% for the 2021-22 year which is slightly less than prior years. The decrease is due to an increase in Council’s other revenue including fees and charges, fines revenue, interest income and commercial rentals reflecting the easing of restrictions associated with COVID-19. The average residential rate per residential assessment is \$2,259 which compares equally to similar councils in the inner metropolitan area.

Rates concentration ratio %



Average Rates per Residential Assessment

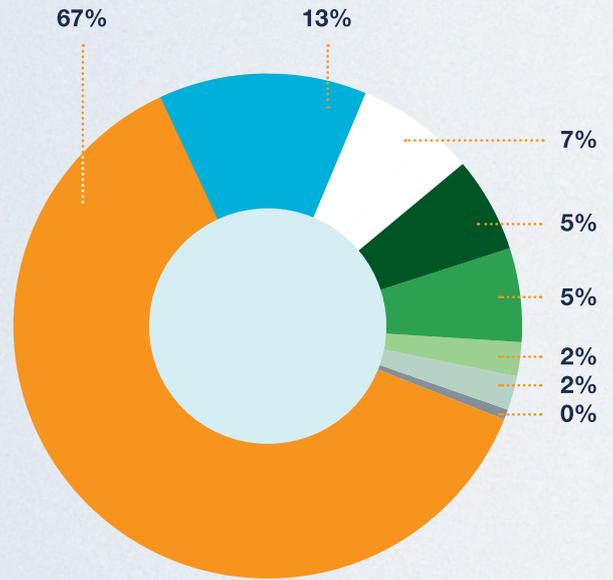


# Financial summary

## Where does the money come from?

Compared with most Councils, Bayside is heavily dependent upon rate revenues for its income. Rate revenue during the 2021-22 financial year made up 67% 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.

- Rates and Charges
- Operating and Capital Grants
- User fees
- Statutory fees and fines
- Assets not previously recognised
- Operating and Capital Contributions
- Rental Income
- Interest Income



## 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 pages 131-132 in the Financial statements.

For every \$100 of expenditure...



Capital Works

**\$34.85**



Planning & Amenity

**\$10.54**



Roads & Drainage

**\$13.27**



Parks & Leisure

**\$10.41**



Environment & Waste

**\$10.25**



Properties & Facilities

**\$8.48**



Aged Services

**\$6.49**



Libraries, Art & Culture

**\$3.35**



Family Services

**\$2.36**

## 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
- 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 2021/22 were as follows:

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

1. Library Services – the impact on Council for 2011/12 to 2021/22 was \$51 thousand.
2. Maternal and Child Health – the impact on council for 2011/12 to 2021/22 was \$8 thousand

#### Type 2: Loss of funding

4. A freeze on indexation of the federal financial assistance grants. The Commonwealth paused 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 2021-22 was \$1.1million.

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

5. The historical freeze on indexation of planning fees has resulted in revenue foregone for 2021-22 of \$830 thousand, had Council been permitted to recover the cost of providing planning services. Indexation was re-introduced from 2016.

#### Type 4: Levies

6. State Government landfill levy has increased from \$9 per tonne in 2008/09 to \$105.90 per tonne in 2021/22 (1,077% increase in 13 years, with a 60.7% increase just in the last 12 months). The levy paid by Council in 2021/22 was \$1.78 million.
7. Animal registration levy - \$70 thousand in 2021/22.

Rates and charges collected by Council help fund more than 100 community services and programs and Council's capital program.

# Operations summary

Bayside City Council's services are fundamental to making Bayside a better place. Council thanks staff members for their hard work and dedication, not only in providing the services but also for the many other internal and external functions they undertake. In 2021–22, Council services included:

## City Planning and Amenity Division

Urban Strategy	Economic Development   Strategic Planning
Amenity Protection	Local Laws and Parking (incl Animal Management and School Crossings) Planning Investigations   Infringement Review, Service and Efficiency Environmental Health & Food Safety
Development Services	Municipal Building Services   Asset Protection   Statutory Planning Development Services Administration

## Community and Customer Experience

Community Services	Aged and Disability Services   Children, Youth and Healthy Ageing Family Service   Community Services Planning and Development
Communications, Engagement and Customer Experience	Community Engagement   Communications   Customer Experience
Customer and Cultural Services	Arts and Culture   Customer Services   Library Services

## Corporate Services

Commercial Services	Workplace Health, Safety and Wellbeing   Procurement Property and Lease Management   Risk and Claims Management
Information Technology	Corporate Records   IT Projects, Data & Applications   GIS Infrastructure and Support
Finance	Accounting Services   Fleet Management   Rates & Revenue
Governance	Governance Administration   Corporate Planning & Reporting
Enterprise Project Management Office	Enterprise Project Management Office

## Environment Recreation and Infrastructure

Climate, Waste and Integrated Transport	Climate and Environmental Sustainability   Recycling and Waste Management Traffic Management   Transport Planning
City Assets and Presentation	Assets and Investigations   Facilities   Infrastructure Maintenance Services   Emergency Management
Project Services	Capital Projects   Capital Developments
Open Space, Recreation and Wellbeing	Community Wellbeing   Open Space   Recreation Services

## People and Strategy

People and Strategy	Strategy and Improvement   People and Capability   Payroll
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# Bayside 2050 Community Vision

Our Bayside 2050 Community Vision was developed through extensive engagement during 2020 and adopted in 2021. Bayside 2050 informs the development and ongoing review of our Council Plan 2021–25 and the 10-year Financial Plan adopted in July 2021, in line with the requirements of the *Local Government Act*. The Community Vision, Council Plan and Financial Plan set the strategic direction for the organisation.

As shown in the diagram below, our planning framework directly informs a range of Council strategies, plans and actions, delivered through the annual Action Plan, Annual Budget and via service plans.





## 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 Willam 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 form 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 a diverse, healthy and liveable place for all.



Photograph by Carolina Couto

The coastal land from Brighton to Mordialloc is the traditional country of the Ngaruk Willam clan of the Kulin nation.

## 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.

### Sport and recreation facilities

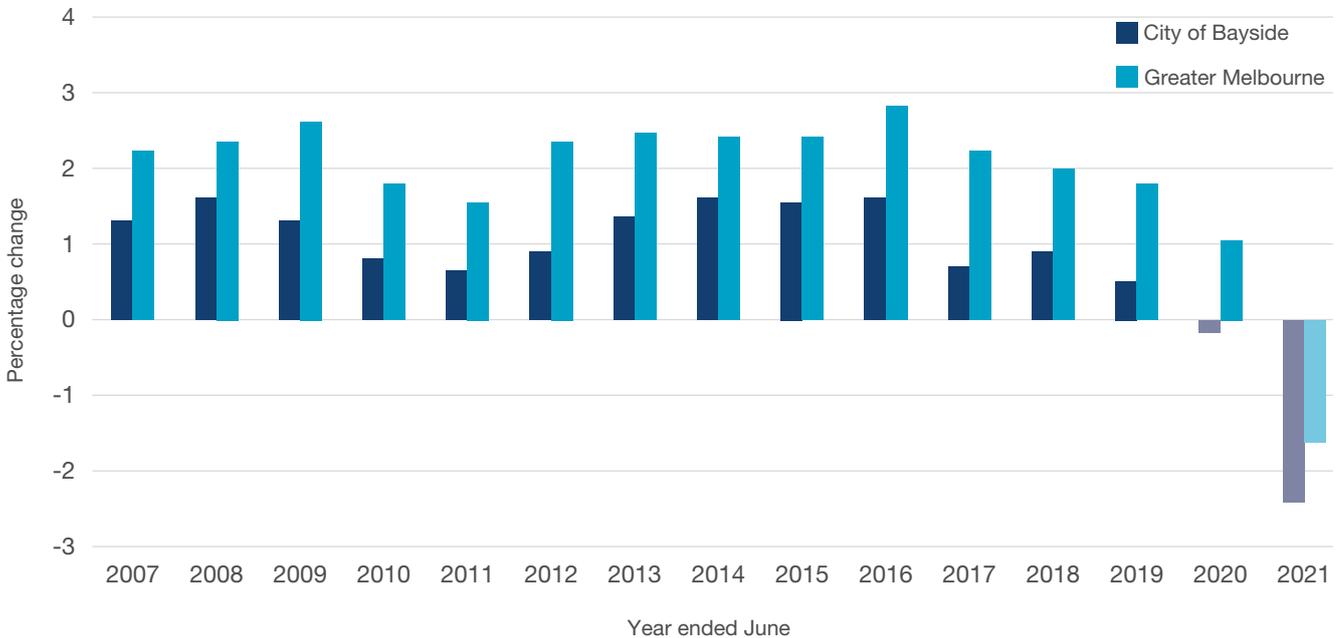
Bayside's parks and bike paths encourage many local residents and visitors to enjoy the outdoors, whether through walking, cycling or pursuing other passive and active recreational activities. The municipality is home to four major yacht clubs and four first-class sand belt golf courses. Council provides 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.

### Population

The original projections for Bayside estimated resident population was for 107,541 people in 2021 and 109,376 in 2022. Since the 2021 census data, the population estimate for Bayside as of the June 2021 has reduced to 102,337 for 2021 and 105,580 for 2022. Since the previous year, the population has declined by 2.43%. Population growth in Greater Melbourne was -1.56%.

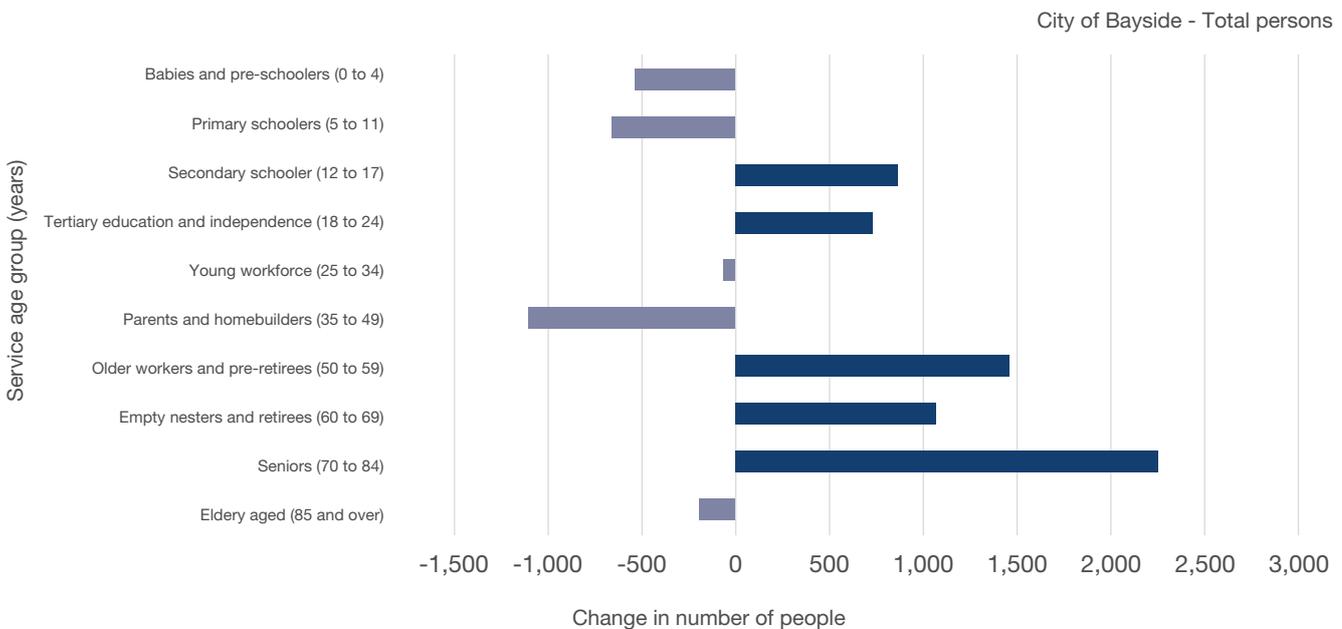
The reduction in population of -2.43% appears to be related to the impact of the COVID-19 pandemic including reduced immigration as well as both intrastate migration (to regions) and interstate migration with Victoria experiencing net loss in population.

**Percentage change in Estimated Residential Population (ERP)  
City of Bayside compared to Greater Melbourne**



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

**Change in age structure - service age group, 2016 to 2021**



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

## Ageing population

The population in Bayside continues to age overall. In 2021, City of Bayside had similar proportion of children (under 18) and a higher proportion of people aged 60 or older than Greater Melbourne including almost double the proportion of ‘frail elderly persons’ (those 85 years and over), although the number of people over 85 reduced overall in Bayside.

The biggest changes in the age structure were a reduction in parents and homebuilders accompanied by their babies and young children, off set by increased proportion of people over 50 categorised as ‘older workers and pre-retirees’ (with their secondary schoolers and tertiary students), as well as ‘empty nesters and retirees’, and ‘seniors’.

## Births

Over the past decade, fertility rates and number of births have been steadily decreasing. In 2021–22 there were 802 birth notifications in Bayside, which indicates a drop from the previous year (850).

The dominant household type in Bayside remains family households – couples with children 35.2% (31.5% in Greater Melbourne) – though this is shrinking as a proportion of the population, with relative increases in older couples without children at home, and lone person households. In addition, 8.8% of households were one-parent families, compared 10.2% of households in Greater Melbourne.

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 (69.7%) born in Australia. Of those born overseas, 14% arrived in the last five years since 2016. The main overseas countries of birth are the United Kingdom, China, New Zealand and South Africa, with 8 out of 10 Bayside residents speaking only English at home. The main non-English languages spoken at home are Mandarin, Greek and Russian, with the main change an increase in Mandarin ahead of Greek.

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

## Housing

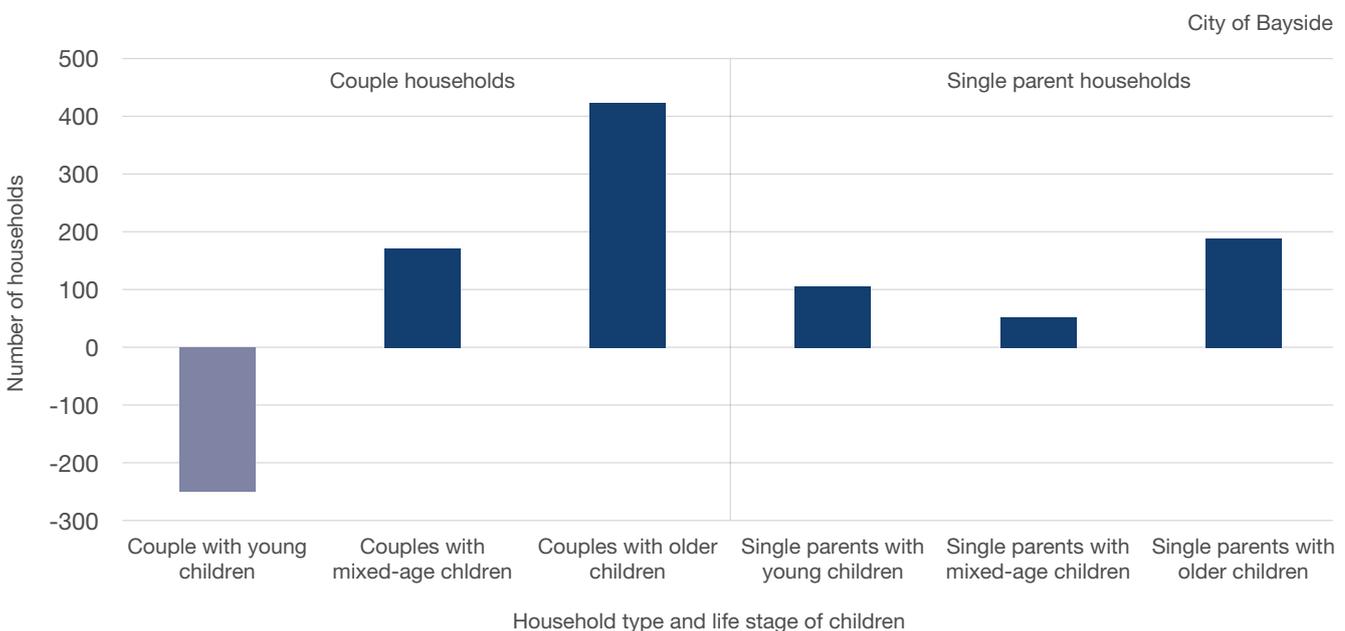
The number of homes in Bayside is increasing. There are currently 43,055 dwellings representing an additional 2,032 from 2016. The number of one-person and two-person households increased proportionately more than any other household type which is forecast to continue over the next decade, along with a smaller increase in family households.

The proportion of separate houses and median density housing have reduced marginally while high density dwellings have slightly increased from 7.6% to 9.3% with the growth of flats, units or apartments and townhouses.

Residential property prices have increased significantly over the past decade. The median house price increased from \$1,050,000 in 2008 to \$2,325,000 in 2021. The median unit price increased from \$510,000 in 2008 to \$920,000 in 2018. This represented an annual increased in median value of 5.9% a year over the five years since 2016.

Source: PropTrack (REA group housing listings, updated twice annually). Calculated and presented by .id (informed decisions).

### Change in households with children, 2016 to 2021



## Education and occupation

People in Bayside are generally well-educated. The proportion of residents (72.7%) who have completed Year 12 schooling (or equivalent) is higher compared to Greater Melbourne (64.3%).

In 2016, 50.8% of Bayside residents held a bachelor's degree or higher qualification, compared to the Greater Melbourne average of 37.0%.\*

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. \*Not all data updates yet released from 2021 census for these profiles.*

## COVID-19 Implications

In early 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Various measures were taken at all levels of government in Australia to reduce the spread of COVID-19. Despite vaccination and strong uptake locally, ongoing variants active in the 2021/22 continued to impact Council and the community during a series of lockdowns and other restrictions to limit the virus.

The pandemic has affected many aspects of life in Bayside and metropolitan Melbourne from population data, businesses, schooling, increased pet ownership, changing transport usage, health and wellbeing to name a few.

Council operations and response have been guided by key principles which, in addition to the commitment to maintain the organisational sustainability outlined in the financial summary (p19), were to support the ongoing health and wellbeing of Bayside residents, local businesses and community.

This included:

- extending its financial hardship policy with no interest being charged on late rate payments
- support for community groups – waiver of lease and licence fees for some community groups, including sporting clubs
- relief for local businesses – waiver and deferral of commercial lease revenue, waiver of fees for footpath trading fees, food premises registration, trader parking permits
- establishing temporary parklets to support outdoor dining
- 53 events to stimulate the local economy predominantly through 'Rediscover Bayside', Christmas program and Autumn Fest
- increased cleaning of community facilities and open spaces
- adjust governance rules and conduct of Council Meetings, Briefings and other Committee meetings and associated submissions in virtual format
- adjusted service delivery where required such as online events, school programs and access to library resources.
- food relief and material aid to community members in isolation with no and/or limited supports
- establishment and support of drive through and walk up COVID-19 testing sites
- 20+ events to support community connection
- Chatty Café and other socialisation activities to minimise the impact of residents experiencing isolation and/or loneliness

Council continues to actively monitor the pandemic impact and work with the business community to support the local economy and will review initiatives over the coming year. This is in addition to the continued support to the community especially people who are most vulnerable.



Council continues to actively monitor the pandemic impact and work with the business community to support the local economy

# Our Council

## Our Councillors

The City of Bayside 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 2021–22, Councillors attended a total of 29 meetings, including the Annual Meeting, Council Meetings, Special Meetings and Delegated Committee Meetings. Councillor attendance across the entire year averaged 92.6%. In those meetings, Councillors considered 406 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 2021–22 Bayside City Council's Mayors were:

- Cr Laurence Evans OAM – 1 July 2021 to 9 November 2021
- Cr Alex del Porto – 10 November 2021 to present.

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.

Although the Mayor has no more authority than other Councillors, the position is a significant one as a community leader and Council spokesperson.

## Councillors (7 single member wards)



### **Dendy Ward**

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



### **Bleazby Ward**

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



### **Castlefield Ward**

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



### **Ivison 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



### **Ebdon Ward**

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



### **Beckett Ward**

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

# Our Council

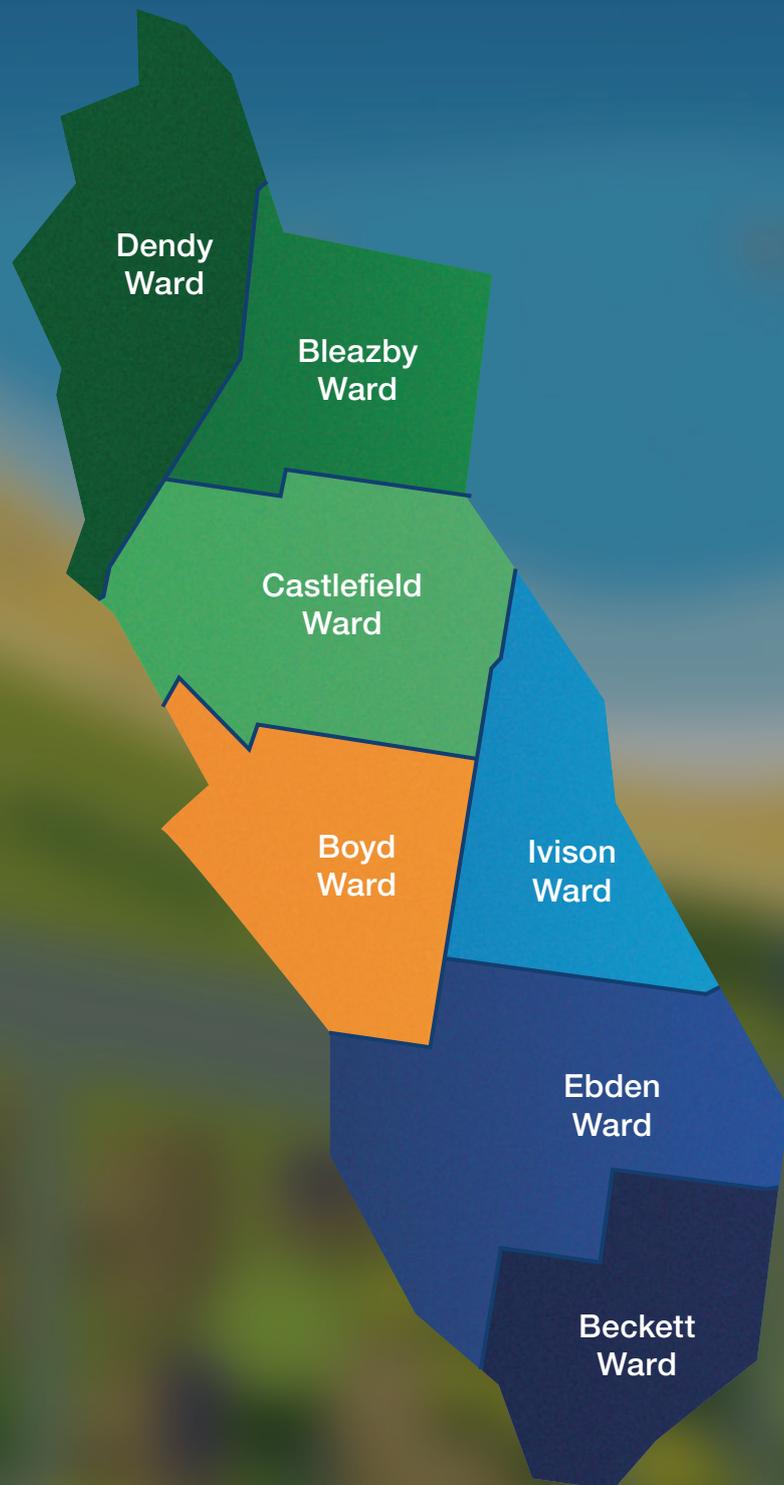
## Council Wards

The 2020 Victorian Local Government elections were held in accordance with changes under the *Local Government Act 2020*. The Act requirements included new electoral boundaries and single ward representation by Councillors which resulted in a change from three to seven new wards, represented by seven Councillors.

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

### Structure as at 30 June 2022



# Our people

## Our Leadership Team



**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.

## Senior Officers reporting directly to the Chief Executive Officer



**Rachael Bragg**

### Executive Manager People and Strategy

- Graduate Diploma in Management
- Master of Leadership and Management (Organisational Dynamics) – currently completing
- Australian Institute of Company Directors (AICD) Graduate

Rachael joined Bayside as the Executive Manager People and Strategy in January 2022 with 10 years' experience in Local Government. Prior to joining Bayside Rachael, was the Director Organisational Development and Learning at WorkSafe. Rachael has extensive experience across the areas of people and culture, diversity, equity and inclusion, whole of organisational strategy and change.

### Areas of responsibility

People and Capability  
Learning and Growth  
Payroll  
Improvement and Change Management  
Service Planning and Reviews  
Organisational Strategy  
Policy and Strategy development



**Jill Colson**

### Director Corporate Services

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

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 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



**Kristy Green**

**A/Director Community and Customer Experience**

- Master of Leadership (in progress)
- Graduate Certificate of Sustainability, Graduate Certificate of Business and Management

Kristy joined Bayside as Manager Sustainability and Transport in June 2019 from her previous role as Sustainability Program Manager at Coles. Kristy was Manager Customer, Libraries and Cultural Services from April 2021 and then Acting Director Community and Customer Experience from March 2022. Kristy has many years of management, business development and leadership experience, with extensive experience in local government across the areas of waste, sustainability, transport, customer service, libraries, art and cultural Services.

**Areas of responsibility**

- Customer Service
- Arts and culture
- Libraries
- Customer Experience
- Community services
- Communications, Engagement and Advocacy



**Adam McSwain**

**Director Environment, Recreation & 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 was the Chief Executive Officer at Edward River Council in NSW and has more than 12 years' experience in local government. Adam has extensive experience in the areas of project planning and delivery, recreation, sustainability and 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 & Events
- Open space and foreshore management and maintenance
- Community Wellbeing
- Infrastructure management and maintenance
- Capital project management and delivery



**Matthew Cripps**

**Director City Planning and Amenity**

- Graduate Certificate Business Administration
- Master of Social Science (Environment & Planning)
- Bachelor of Arts (Urban Studies)
- Registered Planner

Matthew was appointed Director City Planning and Amenity in August 2021, having held the position of Manager Development Services since commencing at Bayside City Council in 2018. Prior to this, he was the Director Planning & Economic Development at Baw Baw Shire Council. Matthew has 25 years' experience in local government in the areas of land use and development, sustainability and environment, economic development, business and change management.

**Areas of responsibility**

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

# Our people

## Our Culture

Bayside's culture is underpinned by four organisational values – respect each other, own it, work together, find better ways. Our values and behaviours give clarity to our culture and support the achievement of Council's goals. They set the expectations for how we work together and how we interact with our community.

A key focus in 2020-21 was recognising, celebrating and leveraging the diversity of our workforce. As part of Council's One Bayside Organisational Strategy, Council articulated and affirmed its Diversity, Equity and Inclusion aspiration to be a great place to work where everyone feels respected and valued in a diverse, equitable and inclusive organisation.

A key action to enable this aspiration was the development of Council's Gender Equality Action Plan (GEAP) that is compliant with the Gender Equality Act 2020 (the Act) following extensive consultation. Council has now commenced implementation of actions.

Council has also worked to improve the experiences of our LGBTIQ+ employees through several initiatives focussed on capability building and celebration including: Council's inaugural participation in the Midsumma Pride March, LGBTIQ+ Inclusion Training delivered to the Executive Team, People and Strategy Team and other employees, activities to celebrate Pride Month and continued investment in Bayside's Pride Group.

Council strengthened its focus on creating a safe place for all through the implementation of the Prevention of Sexual Harassment Policy which takes a zero tolerance approach to all forms of discrimination and harassment and will not stand for any form of sexual harassment in the workplace. To support implementation of the policy all Council employees participated in Prevention of Sexual Harassment training.

Council updated its Code of Conduct in March 2022. The Code of Conduct (Code) sets the acceptable standards of behaviour for the way we work at Bayside City Council (Council). All employees participated in eLearning with the key messages being to:

1. read the Code of Conduct and make sure you understand it – if there is anything you do not understand it is your responsibility to ask for clarification
2. live it by always working in accordance with the Code of Conduct
3. speak up to your people leader if you see a potential breach of the Code or if there is an opportunity for us to improve how we work.

## Our Engaged Employees

Bayside appreciates how critical employee engagement (employees' connection and commitment to our organisation) is to employee wellbeing, retention and attraction of talent and organisational performance. Bayside sought employee engagement survey feedback in November 21 and March to April 2022.

Pleasingly our engagement levels have remained high even during Covid which saw the engagement of most organisations worldwide plummet. In March to April, 70% of our people responded as engaged which is one percentage point up from our November 2021 result and puts Bayside in the top quartile (top 25%) of organisations in the Kincentric database of over 600 organisations in Australia and New Zealand. With a high participation rate of 69% of employees completing the March to April 2022 employee engagement survey, we can feel confident that the results represent the organisation's views. Survey results informed development of the One Bayside Organisational Strategy and local work area action.

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 2021 to 2022:

- 17 employees were recognised for 5 years of service.
- 20 employees were recognised for 10 years of service.
- 18 employees were recognised for 15 years of service.
- 4 employees were recognised for 20 years of service.
- 2 employees were recognised for 25 years of service.
- 1 employee was recognised for 30 years of service.
- 1 employee was recognised for 40 years of service.

## Our Capable People

Council is committed to improving employees' existing competencies and skills and developing newer ones to support Council's goals. Council takes a 70/20/10 approach to learning, acknowledging that most learning and development happens on the job through feedback and opportunities to try new things.

During the past year, in addition to the learning programs mentioned above to support LGBTIQ+, Prevention of Sexual Harassment and Creating a Child Safe Organisation, 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. There were 180 sessions provided throughout the year which was a 100% increase on 2021-2022. 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.



Bayside's culture is underpinned by four organisational values – respect each other, own it, work together, find better ways.

# Our people

## Our workforce

### Workforce by Division x EFT

Please note that this is the current operating EFT.

#### \*Permanent includes fixed term positions

	Corporate Services		Community & Customer Experience		Environment, Recreation & Infrastructure		City Planning & Amenity		CEO/People & Strategy		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
Casual Female	1	0	52	0	1	0	12	0	1	0	67	0
Permanent* Part-time Female	12	8.32	154	96.35	9	5.97	29	9.86	6	4.92	210	125.42
Permanent* Full-time Female	28	28	64	64	28	28	42	42	8	8	170	170
Casual Male	1	0	10	0	0	0	6	0	0	0	17	0
Permanent* Part-time Male	2	1.4	18	10.98	4	3.2	27	6.08	0	0	51	21.66
Permanent* Full-time Male	23	23	14	14	29	29	52	52	2	2	120	120
Casual Self described	0	0	0	0	0	0	0	0	0	0	0	0
Permanent* Part-time Self described	0	0	0	0	0	0	0	0	0	0	0	0
Permanent* Full-time Self described	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>67</b>	<b>60.72</b>	<b>312</b>	<b>185.33</b>	<b>71</b>	<b>66.17</b>	<b>168</b>	<b>109.94</b>	<b>17</b>	<b>14.92</b>	<b>635</b>	<b>437.08</b>

### Workforce by Age, Gender and Contract 2021–22

#### \*Permanent includes fixed term positions

Age	Permanent* Full-time			Permanent* Part-time			Casual			Total
	Female	Male	Self described	Female	Male	Self described	Female	Male	Self described	
< 30	26	14	0	6	2	0	13	3	0	64
30-50	83	65	0	83	10	0	22	5	0	268
> 50	61	41	0	121	39	0	32	9	0	303
<b>Total</b>	<b>170</b>	<b>120</b>	<b>0</b>	<b>210</b>	<b>51</b>	<b>0</b>	<b>67</b>	<b>17</b>	<b>0</b>	<b>635</b>

**Overall, 70% of employees at Bayside are female, with a 50:50 female to male ratio in our Senior Officer team.**

Our classification breakdown across the business is as follows:

<b>Band Level</b>	<b>Female</b>	<b>Male</b>	<b>Self described</b>	<b>Total</b>
Band 1	51	36	0	87
Band 2	57	11	0	68
Band 3	29	10	0	39
Band 4	79	21	0	100
Band 5	66	22	0	88
Band 6	65	37	0	102
Band 7	32	21	0	53
Band 8	21	18	0	39
Nurse	36	0	0	36
Senior Officer Contract	11	11	0	22
Junior	0	1	0	1
Total	447	188	0	635

Overall, 70% of employees at Bayside are female, with a 50:50 female to male ratio in our Senior Officer team.

# Our people



## Our Health and Wellbeing

### Employee Assistance Program

Council recognises the important role that proactive and timely professional assistance has in helping Council staff support their own mental and physical wellbeing. As such, Bayside has recently engaged Acacia EAP to provide not only traditional counselling services, but proactive services such as financial counselling, simple legal advice and dietician advice. Acacia also has experienced counsellors able to provide support for staff with any LGBTIQ+ related needs through the dedicated LGBTIQ+ Connect Line. All sessions are private, short-term and solutions focused to assist our people in any aspect of their life.

### 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 applies a continuous improvement approach across all parts of the system as we strive to meet both compliance requirements and best practice across health, safety and wellbeing. The 2021–22 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 for all leaders and staff. The Mentally Healthy and Well strategy was also approved with initiatives and actions underway. With the WorkSafe Victoria Psychological Health Regulations expected to be released soon, this strategy will be revisited to ensure Council's approach to Psychological Safety and Mental Health is systematic, risk based, and specific to Council's wide range of operational environments.

Council has been insured under the WorkSafe scheme for one full year and a comparison of performance, claims and costs is being undertaken and will reported through to the Executive Team and Risk Committee in the upcoming quarterly reports. 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.

Our focus on work–  
life balance enables  
our employees  
to meet family  
and personal  
commitments...



## COVID-19 Health and Wellbeing Changes

COVID-19 continues to present a range of challenges including pressure on resourcing in certain parts of the organisation. Through the Confirmed COVID-19 in the Workplace and Household Contact Procedure, Council has embedded a strong contact tracing process for employees who attended indoor council workplaces during their infectious period, with only four cases of workplace transmission detected since the beginning of the pandemic. This procedure also sets out how Council will risk-manage staff who are considered household contacts, so as to further reduce the risk of transmission in our workplaces.

Council's wellbeing program provided a wide variety of wellbeing activities and resources in person and online throughout this year to help support staff mental and physical wellbeing. This included activities to re-engage staff who worked from home during Covid with their workplaces. The Wellbeing Program 2022–23 will include initiatives that are accessible by more people more of the time to cater for the wide variety of ways in which our people engage with wellbeing. 76 enthusiastic staff from a variety of sites joined in the Jump Into June 2022 steps challenge with a number of staff praising the challenge for helping to create better physical habits throughout winter.

Council has also partnered with Fitness Passport to offer Bayside staff discounted memberships to a variety of gyms and fitness facilities. This employee value proposition initiative is also available to the immediate family members of staff.

The Wellbeing Network remains strong and active in supporting the identification of staff wellbeing challenges, as well as the creation and implementing of staff wellbeing initiatives, and has recently voted to rename this group the 'Thrive Tribe'.

With one of the three Council Organisational Strategy priorities being 'Diversity, Equity and Inclusion – a great place to work where everyone feels respected and valued in a diverse, equitable and inclusive organisation', Council prides itself on our 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.

# Our performance

## Integrated Strategic Planning and Reporting Framework

The Integrated Strategic Planning and Reporting Framework was established as part of the *Local Government Act 2020 (the Act)*.

The Act introduced strategic planning principles for Victorian councils which include an integrated approach to planning, monitoring and performance reporting.

Part 4 of the Act requires councils to prepare the following:

- A Community Vision (for at least the next 10 financial years)
- A Council Plan (for at least the next 4 financial years)
- A Financial Plan (for at least the next 10 financial years)
- An Asset Plan (for at least the next 10 financial years)
- A Revenue and Rating Plan (for at least the next 4 financial years)
- An Annual Budget (for the next 4 financial years)
- A Quarterly Budget Report
- An Annual Report (for each financial year)
- Financial Policies
- Workforce Plan (including projected staffing requirements for at least 4 years).

Council completed all new plans and strategies required under the Act in 2021–22.

## Know your Council

'Know your Council' – based on the Local Government Performance Reporting Framework – is a mandatory element 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

The Annual Report documents the delivery of Council's four goals through a number of strategic objectives supported by activities detailed in the Council Plan 2021–25 Year 1 Action Plan. The documents were adopted by Council in June 2021.

As a Council our vision is to:

***Partner with our community to protect and care for the community of life in Bayside making an inclusive, active, healthy, connected and creative experience for all.***

We are extremely proud of the Council Plan both for the way it was developed working closely in a deliberative engagement process with a community panel of 31 people from across Bayside; and for the new directions it set for us to deliver on:

- **Our Planet**  
Lead better, smarter and sustainable futures
- **Our People**  
Nurture all people and thriving healthy communities
- **Our Place**  
Foster Bayside's liveability, open space and exceptional places
- **Our Promise**  
We promise open and accountable civic leadership.

The following section details council's performance in 2021–22, against the four goals of the Council Plan. 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 our Annual Report.

## How are we measured

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

1. results of strategic indicators in the Council Plan
2. progress of the commitments to be undertaken during the year in the Council Plan and Annual Action Plan (2021–22)
3. progress of major initiatives and initiatives in the Budget
4. performance of services funded in the Budget
5. results of prescribed service performance indicators and measures.

## How we indicate performance

Key

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



The Annual Report documents the delivery of Council's four goals through a number of strategic objectives

# Goal 1: Our Planet



As custodians, we will lead, act and advocate on the critical issues of environmental sustainability and climate emergency, and on our shared responsibility to care for and protect Earth's vitality, diversity, beauty and the community of life.

### Overview

The Bayside community expects to live in a place where the air, water and land are free from contaminants and pollutants. Our 17 kilometres of 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.

They expect us to actively lead on solutions to climate emergency, energy use, waste and pollution and to employ innovative and sustainable solutions to resolve issues and to advocate and partner with others on matters outside our immediate control.

This goal responds to 3 themes from our community vision Bayside 2050.

#### **Theme 1 The living environment/natural environment**

Bayside will mitigate coastal erosion, protect and enhance indigenous biodiversity from the effects of climate change in the natural environment. This underpins the whole fabric of our vibrant and enjoyable Bayside amenity.

#### **Theme 2 Increase and enhance open space**

Bayside will ensure open space, its protection and amenity are a priority for 2050. This provides an increased sense of community, places for our community to meet and engage; and improves mental and physical health.

#### **Theme 6 Promoting innovation**

Bayside will nurture innovation to encourage a thriving and vibrant community. We seek to encourage creativity and thinking outside the box to improve problem solving and the opportunity to have a competitive advantage.

The key strategies that relate to this goal are:

- Environmental Sustainability Framework 2016–25.
- Urban Forest Strategy
- Climate Emergency Action Plan
- Biodiversity Action Plan.

# Goal 1: Our Planet

## Key

-  Completed / Achieved
-  Not completed / Not achieved
-  Deferred/ongoing
-  Unable to measure/not measured

## Strategic Objectives

- 1.1 Lead and influence change to address the Climate Emergency and strive to reduce its impact on the health of our community, environment and the planet.
- 1.2 Protect and enhance our natural and coastal environments, biodiversity and unique ecosystems.
- 1.3 Improve environmental sustainability through a circular economy approach to waste management, recycling and energy use.

Our Major Initiatives	Status
<p>Climate Emergency Action Plan (ongoing)</p> <p><b>Note:</b> 73 of the 89 deliverables from the plan were progressed in 2021/22. Council maintained certification for carbon neutrality, established a Sustainable Community Grants program and increased the number of local businesses participating in the energy saver program.</p>	
<p>Deliver Urban Forest Strategy (ongoing)</p> <p><b>Note:</b> The UFS was adopted by Council. Implementation is ongoing in 2022/23.</p>	
<p>Park Improvement and Habitat Linkage (ongoing)</p> <p><b>Note:</b> The Park improvement and habitat linkage plan was developed as part of the Biodiversity Action Plan and includes increased planning of indigenous planting.</p>	
<p>Yalukit Willam (formerly Elsterwick Park) Nature Reserve Stage 1: Chain of Ponds (ongoing)</p> <p><b>Note:</b> The Chain of Ponds, with pumping infrastructure and irrigation is completed, and planting commenced (40,000 plants).</p>	



## Performance against Council Plan commitments

In 2021–22, Council progressed against 19 non-financial actions.

Strategy	Action	2021-22 result
Adopt and champion innovative ways of working and evaluate policy against its climate impact to reduce harm.	Implement Climate Emergency Action Plan (CEAP) including: <ul style="list-style-type: none"> <li>develop and deliver programs to support local business' climate actions, through education and incentives</li> <li>establish a Sustainable Community Grants program to support community initiatives that address climate change mitigation and/or adaptation</li> <li>maintain 'Carbon Neutral' certification for council operations, to the 'Climate Active Carbon Neutral Standard'.</li> </ul>	✓
	Increase the number of Electric Vehicles (4) in Council's fleet and negotiate for a commercial light vehicle with our major contractors	✓
Lead and foster awareness to encourage Bayside residents and visitors to think and act in ways that preserve and enhance environmental sustainability and connection to place.	Implement Climate Emergency Community Education programs including: environmental citizenship program, active transport education; waste, consumption and litter education; 'Sustainable Schools' program, Green Money behaviour change program.	✓
Protect and enhance the biodiversity and health of our natural space and foreshore.	Implement the Integrated Water Management Plan including ongoing installation of stormwater irrigation systems at approved locations in streetscapes to protect trees.	✓
	Implement and complete annual review of the Biodiversity Action Plan: <ul style="list-style-type: none"> <li>Develop and commence implementation of a Park Improvement Plan.</li> <li>Continue to support Friends Groups by providing equipment, materials and knowledge to promote and conserve biodiversity.</li> <li>Increase the use of indigenous species used in street trees and nature strip plantings.</li> <li>Manage over abundant indigenous plant species.</li> <li>Undertake an increased annual ecological burns program and utilise cultural burns where achievable.</li> </ul>	✓
	Implement the Yalukit Willam (formerly Elsternwick Park) Nature Reserve (EPNR) Masterplan: Stage 1 Construct Chain of Ponds.	✓

# Goal 1: Our Planet

## Performance against Council Plan commitments (continued)

In 2021–22, Council progressed against 19 non-financial actions.

Strategy	Action	2021-22 result
Enhance vegetation (including the tree canopy) through accelerated planting, and tree protection on public and private land.	Council adopt and commence implementation of the Urban Forest Strategy.	✓
	Implement an increased vegetation and tree planting program.	✓
Partner with and influence government agencies and other entities about our shared responsibility to protect local green spaces, foreshore and marine environments, biodiversity and habitat health.	Develop options to manage coastal erosion at Dendy Street beach	✓
	Partner with South East Water to advocate for funding for local connections to the Dingley, Sandringham, Cheltenham Recycled Water Scheme (A2 pipe).	✓
	Commence development of Marine and Coastal Management Plan (subject to DELWP input).	➤
	<i>Note: Council has completed all actions to influence the Coastal Marine Management Plan (CMMP) development. DELWP has committed to developing more suitable guidelines but not before June 30 2022. This action was formally deferred until 2022–23.</i>	
	Commence investigation and engagement with Department of Environment, Land, Water and Planning (DELWP), local marine care groups and other relevant stakeholders to undertake a modest reef and seagrass restoration pilot project in the surrounding waters of the Ricketts Point Marine Sanctuary.	✓
	Consult and investigate options for the expansion of Ricketts Point Marine Sanctuary and feasibility for heritage listing.	✓
	Continue to partner with Melbourne Water, Kingston City Council, City of Port Phillip and Glen Eira City Council to deliver the Elster Creek Flood Management Plan.	✓

Strategy	Action	2021-22 result
Reduce the amount of waste generated and disposed in landfill through initiatives to prevent, reduce, recycle and reuse waste.	Conduct a Multi-Unit Development (MUD) trial to support diversion of food and green waste and source separation in these sites.	✓
	Ensure all Waste Management Plans (WMP) for new developments address how the development will treat organic waste, to divert this from landfill.	✓
	Develop a plan and implement actions to transition Council’s waste services to align with the State Government Recycling Victoria Policy. Undertake consultation on changing kerbside collection schedules.	✓
	Continue the collaborative procurement process for an advanced waste processing facility in the South East of Melbourne, facilitated by Metropolitan Waste and Resource Recovery Group (MWRRG).	✓
Continue to promote and explore waste to energy projects and alternative energy sources and use.	Implement the Climate Emergency Action Plan action to upgrade streetlights to LED to reduce energy use.	✓

## Other Related Plans

### Climate Emergency Action Plan (2020–25)

Council declared a Climate Emergency in December 2019 and adopted the Climate Emergency action plan in 2020 following a petition from the community. Delivery of the plan is based on seven delivery principles which guide the decision making and project design.

The plan is framed around seven key themes to deliver a multi-faceted, integrated response to the climate emergency, both with other organisations and the community and through other complementary strategies and plans.

Actions are delivered across the 5-year life of the plan. In 2021–22, Council progressed 73 of the 89 deliverables.



Photograph by Kylie Jeffares

# Goal 1: Our Planet

## Performance against strategic indicators

Strategic indicator	2021–22 target	2021–22 result	Status
Community satisfaction that Council is meeting its environmental responsibilities.	Maintain or improve very good rating (7.25-7.75).	6.98 (good)	
Maintain Council's status as Certified "Carbon Neutral".	Council's is certified as 'Carbon Neutral' against the Climate Active standard.	Yes	
Reduction in total energy used for Council operations.	5% Annual Reduction.	+27% (Council facilities reopen)	
Community satisfaction with the appearance of the beach and foreshore, including bushland.	Maintain or improve very good rating (7.25-7.75).	7.93 (excellent)	
Community satisfaction with Council's advocacy protecting Port Phillip Bay and limiting coastal erosion.	Maintain or improve good rating (6.5-7.25).	Not collected in 2022	
Number of trees planted on public land.	More than 2,000 trees per year.	3,250	
Community satisfaction on the provision and maintenance of street trees.	Maintain or improve good rating (6.5-7.25).	7.26 (very good)	
Number of formal and informal partnership agreements with government agencies to protect local green spaces, foreshore and marine environments, biodiversity, and habitat health.	1 agreement in 2021–22.	1	
Community satisfaction with waste and recycling services.	Maintain or improve excellent rating (7.75+) for Rubbish.	8.33 (excellent)	
	Maintain or improve excellent rating (7.75+) for Recycling.	8.27 (excellent)	
	Maintain or improve excellent rating (7.75+) for Hard rubbish.	8.2 (excellent)	
	Maintain or improve excellent rating (7.75+) for Green waste.	8.26 (excellent)	
Diversion of waste from landfill.	Target – More than 60%.	59.34%	

## Related Council departments

- Climate, Waste and Integrated Transport
- Open Space, Recreation and Wellbeing
- Executive Services

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

Service	Description	Actual Net Cost Service Budget Variance \$'000
Environmental Sustainability	Embeds environmentally sustainable practices across Council operations and empowers our community to take action to reduce its environmental impact and address the Climate Emergency through implementation of the Environmental Sustainability Framework.	726
		893
		167
Executive Team	The Executive Team (ET) includes the Chief Executive Officer, four Directors and Executive Manager People and Strategy. Provides whole of organisation leadership to enable high performance by setting clear direction, planning for the future, developing and executing strategy, fostering a culture of collaboration and accountability, and unlocking the potential of all staff.	288
		343
		55
Open Space Management	Manages and maintains parks, bushlands, sports fields and foreshore areas, as well as trees on Council land, so that Bayside residents and visitors have access to open spaces that meet their diverse needs. It also manages the Bayside Community Nursery and works with Friends of groups to conserve and enhance open spaces and biodiversity.	12,515
		12,681
		167
Recycling and Waste Management	Collects, recycles and disposes of general, green, food, recycling and hard waste from kerbside and street litter bins. Educates the community and partners with industry groups and government agencies to increase resource recovery and minimise waste to landfill.	12,503
		12,225
		(278)



# Goal 2: Our People



We will plan and advocate for a Bayside where our diverse communities and people can thrive, live healthy and active lives, fostering inclusion and participation through holistic, innovative approaches to economic and social wellbeing.

### Overview

Bayside has a highly engaged community, with more families with school age and young adults, retirees and ageing residents than young families. While Bayside rates high on social-economic indicators, there are pockets of disadvantage, issues of social isolation, mental and physical health issues, and a higher proportion of people over 80 seeking to live well and age in place. The community recognises that inclusive and accessible services, and opportunities to play sport, walk and cycle freely around the municipality, volunteer, participate in community and cultural activities and enjoy an enriching social life are key to their health. Our community also wants a local economy that is entrepreneurial, with local retail and commercial businesses that contribute to a vibrant and sustainable sense of place participation and connection.

This goal responds to 3 themes from our community vision Bayside 2050.

#### **Theme 4 Community feel and direction**

Bayside will be a city that is greener and has more open space, and creates a community that is inclusive, respectful and accessible. Bayside wants to encourage all residents to participate and feel part of the local community. This leads to social cohesion and hence less crime, cost savings, increased standard of living and achieving community goals.

#### **Theme 5 Nurturing creativity**

Bayside will nurture creativity. We celebrate Bayside's leadership in creativity in the arts.

#### **Theme 8 Access and inclusion**

Bayside will be inclusive and accessible for all. Bayside values all individuals. Bayside wishes to demonstrate that they value the lived experiences of all cultures and that they want to be inclusive of people of all abilities in the community.

#### **Theme 10 Tourism, commercial and economic opportunities**

Bayside encourages a vibrant commercial sector of environmentally compatible industries including tourism, high-tech and commercial activities to underpin the economy of the city.

# Goal 2: Our People

## Key

- ✓ Completed / Achieved
- ✗ Not completed / Not achieved
- Deferred/ongoing
- Unable to measure/not measured

## Strategic Objectives

- 2.1 Nurture healthy people and resilient communities ensuring services and programs are adaptable to meet diverse and changing needs.
- 2.2 Engage with our diverse communities to improve access and inclusion in Bayside.
- 2.3 Foster economic vitality and creativity in the local economy.

Our Major Initiatives 2021–25	Status
Municipal Health and Wellbeing Plan (ongoing) <i>Note: The Plan and associated actions were endorsed by Council to be delivered over 5 years.</i>	✓
Innovate Reconciliation Action Plan (ongoing). <i>Note: The Plan and associated actions were endorsed by Council to be delivered over 2 years.</i>	✓
Affordable Housing Strategy (ongoing). <i>Note: We commenced implementation of the Housing Strategy with amendments to the Planning Scheme submitted to DELWP for authorisation.</i>	✓



## Performance against Council Plan commitments

In 2021–22, Council progressed against 16 non-financial actions.

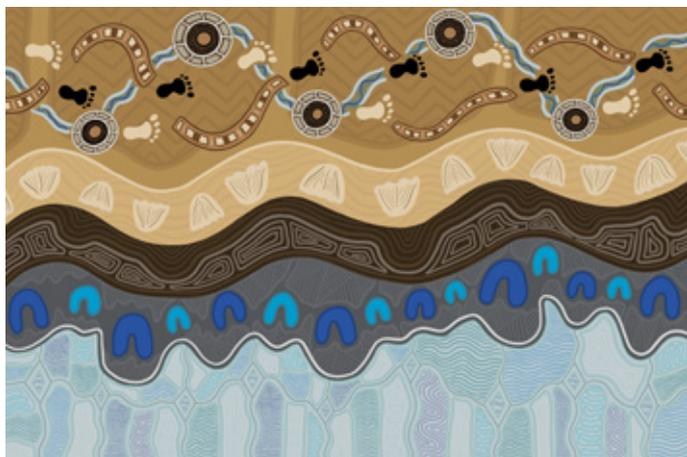
Strategy	Action	2021-22 result
Partner with community, agencies and other levels of government to deliver fit-for-purpose services so all people in Bayside can feel safe and live healthy, resilient, active lives at all ages and stages of their life	Council adoption of the Municipal Health and Wellbeing Plan.	✓
	Implement Child Safe Standards 2020–22.	✓
	Develop a functional brief and governance model to inform the concept design for Hampton Hub and integrated open space.	✓
Facilitate opportunities for people to participate in community life, through volunteering, civic leadership, sport, artistic, cultural and social programs, to enable inclusion, social connection and wellbeing.	Complete the review of the Strategic Arts and Cultural plan for 2022–23.	✓
	Administer the COVID-19 community recovery package.	✓
Respect and care for our First Nations cultural heritage to build inclusion, celebrate diversity and enhance connection to place.	Review and evaluate the Reflect Reconciliation Action Plan (RAP) and develop a new Innovate Reconciliation Action Plan.	✓
In partnership with others, facilitate an appropriate mix of inclusive, sustainable and affordable housing, including social housing, to meet the changing needs of people of Bayside.	Commence implementation of the Affordable Housing Strategy.	✓
Build social policy and strategy to improve equity, inclusion and diversity in our community.	Develop Community Resilience Plan 2021–22.	✓
	Review the Disability Access and Inclusion Advisory committee with view to transition into a broader Access and Inclusion committee.	✓
	Develop and implement a Gender Equality Action Plan 2021–25 in accordance with the requirements of the Gender Equality Act 2020.	✓
Improve the amenity, accessibility and unique sense of place of local shopping strips and streetscapes.	Council adoption of the revised of the Footpath Trading guidelines.	✓
	Implement the Graffiti initiatives identified in the joint Inner South Metropolitan Mayors Forum (ISMMF) funding grant.	✗
	<b>Note:</b> <i>Delays in the state government funding agreement resulted in some delays to the program and funds for remaining works (13%) were carried forward.</i>	

# Goal 2: Our People

## Performance against Council Plan commitments (continued)

In 2021–22, Council progressed against 19 non-financial actions.

Strategy	Action	2021-22 result
Foster economic activity and local employment, within Bayside business district (BBD) and major activity centres.	Deliver Bayside Business Network event and activities.	➤
	<i>Note The action was deferred by Council resolution on 17 May 2022. The impacts of COVID meant that the annual program for 2021–22 has not been able to be established.</i>	
	Respond to the impact of COVID 19 on the levels of vacancies and changes to the type of use in activity centres and bayside business district.	✔
Support delivery of events that promote community connectedness and attract economic benefits.	In partnership with the traders, facilitate feasibility and delivery of events and programs to support and promote the local economy.	✔
	Conduct the Built Environment Awards to promote excellence in design incorporating principles of environmental sustainability.	➤
	<i>Note Criteria to ensure principles of environmentally sustainable design are now incorporated into the Award categories. Council resolution on 17 May 2022 approved deferral of the Built Environment Awards to be undertaken in 2022–23.</i>	



Artwork for the Innovate Reconciliation Action Plan by local indigenous artist, Nikia Cadd. This artwork acknowledges the beautiful Bunurong country which Bayside council is situated on. It honours the significant landmarks, the bay and its many storylines.

We build on the existing foundations in our journey to reconciliation, through continued work, sponsorship and celebration of Australia’s First Peoples.

## Other Related Plans

### Municipal Health and Wellbeing Plan 2021–25

Bayside’s Municipal Public Health and Wellbeing Plan 2021–25 outlines the health and wellbeing priorities for Bayside City Council over four years. The Plan is an evidence-based, strategic document to guide Council’s planning, policy, and strategic direction in response to improving public health and wellbeing at a local community level. Bayside’s Municipal Public Health and Wellbeing Plan 2021–25 identifies four key goals:

- **Goal 1** - Connected and thriving community
- **Goal 2** – Healthy and active community
- **Goal 3** – Respectful and safe community
- **Goal 4** – Fair and inclusive community.

Over the last 12 months key achievements for this Plan have included:

- development of Bayside’s Volunteer Recruitment, Retention and Recognition Plan to support volunteerism in Bayside
- support for new community engagement initiatives on public housing estates in Bayside to get residents re-engaged with services after COVID lockdowns
- funding of mental health initiatives including events at Hampton and Highett Neighbourhood House for R U OK day.
- delivery of Council’s Community Resilience Plan
- White Ribbon accreditation
- promotion of the contribution that young people make – through the delivery of the Bayside Youth Awards
- delivery of the Bayside Seniors Festival.

### Innovate Reconciliation Action Plan 2022-24

Bayside successfully completed a Reflect Reconciliation Action Plan in 2019–20. In 2021–22, Council consulted widely to develop the next phase of the reconciliation program: the Innovate Reconciliation Action Plan 2022–24 which moves us towards stronger, more impactful action. We build on the existing foundations in our journey to reconciliation, through continued work, sponsorship and celebration of Australia’s First Peoples.

The plan was supported by the Bunurong Land Council, endorsed by Reconciliation Australia and adopted by Council in June 2022. It contains 98 actions to be delivered across Council in the two year plan 2022–24.



# Goal 2: Our People

## Performance against strategic indicators

Strategic indicator	2021–22 target	2021–22 result	Status
Maintain community satisfaction with services provided	Maintain or improve excellent rating (7.75+).	7.99 (excellent)	✓
- for children from birth to 5 years of age			
- for youth	Maintain or improve good rating (6.5-7.25).	7.63 (very good)	✓
- for older people	Maintain or improve very good rating (7.25-7.75).	7.75 (excellent)	✓
- for people with a disability	Maintain or improve very good rating (7.25-7.75).	7.68 (very good)	✓
Percentage of children enrolled who participate in the maternal child health service.	Maintain or improve target – 80%.	76.93%	✗
Percentage of Aboriginal children enrolled who participate in the maternal child health service.	Maintain or improve target – 80%.	62.50%	✗
Percentage of residents who volunteer 'regularly' (once/month or more).	20% - Regularly.	22.3%	✓
Number of formal and informal partnership agreements with external and/or government agencies to support resilience initiatives.	2 agreements in 2021–22.	3	✓
Community satisfaction with Council's advocacy for increasing the supply of social and affordable housing in Bayside.	Maintain or improve good rating (6.5-7.25).	Not collected in 2022	–
Number of formal and informal partnership agreements with external and/or government agencies pertaining to sustainable and affordable housing including social housing.	1 agreement in 2021–22.	1	✓
High level of satisfaction from members and participants at BBN (Bayside Business Network) events.	85%+.	Not collected in 2021–22	–
Community satisfaction of the availability of parking around business and shopping strips/commercial areas.	Maintain or improve solid rating (6.0-6.5).	6.32 (solid)	✓
Number of community driven events supported by Council	5 events per year	73*	✓

\*Number events is high, due to state government one off funding which supported many community and reactivation events

## Related Council departments

- Amenity Protection
- Community Services
- Customer, Libraries and Cultural Services
- Executive Services
- Open Space, Recreation and Wellbeing
- Urban Strategy

The major services listed below contribute to the performance of Council objectives across the goal 'Our People':

Service	Description	Actual Net Cost Service Budget Variance \$'000
<b>Aged and Disability Services</b>	Supports older people, people of all ages with disabilities, their carers, and people experiencing vulnerability. Provides information and assessment, in-home personal care, domestic assistance, home maintenance and modifications, delivered meals, shopping assistance, social activities and community transport.	<u>1,403</u> 1,817 <b>414</b>
<b>Animal Management</b>	Supports and encourages responsible domestic animal ownership to protect the amenity, safety and wellbeing of the Bayside community.	<u>(735)</u> (596) <b>138</b>
<b>Arts and Cultural Services</b>	Provides inspiring, creative, artistic and cultural experiences and education for the community through community programs and the Bayside Gallery.	<u>936</u> 989 <b>53</b>
<b>Community Services Management</b>	Plans for and creates strategies and policies to ensure quality, accessible and inclusive service delivery to support healthy ageing, and early years and inter-generational programs. Implements Child Safe Standards and coordinates Council's response to community safety issues.	<u>1,059</u> 1,030 <b>(28)</b>
<b>Community Strengthening and Safety</b>	Provides social events and activities and education programs for all age groups to improve Community wellbeing and resilience. Activities include school holiday programs, youth ambassador program, schools-based and community information sessions, and cultural and recreation programs.	<u>458</u> 577 <b>119</b>
<b>Community Wellbeing</b>	Develops and implements programs and strategies to improve and promote health, wellbeing, inclusion and access in the Bayside community. Provides community grants. Promotes and supports volunteering.	<u>1,344</u> 1,273 <b>(71)</b>
<b>Customer Experience</b>	Supports the community to access Council services through in-person, telephone and digital interactions, ensuring that Council is easy to deal with and customers receive a consistent, fair and transparent experience. Supports Council services to deliver exceptional customer experience by supporting customer-focused practices, processes, and decision-making.	<u>150</u> 290 <b>140</b>

# Goal 2: Our People

## Related Council departments (continued)

The major services listed below contribute to the performance of Council objectives across the goal 'Our People':

Service	Description	Actual Net Cost Service Budget Variance \$'000
<b>Economic Development</b>	Encourages and facilitates Bayside's business community to work together to advance a resilient and robust local economy. Provides design advice for activity centre amenity, including street furniture and outdoor dining areas.	<u>736</u> 713 <b>(23)</b>
<b>Emergency Management</b>	Ensures Council continues to deliver critical services during emergency situations and keeps the community safe in collaboration with relevant authorities. Manages resource allocation to respond to emergencies. Works to reduce the cause and effect of emergencies.	<u>46</u> 44 <b>(2)</b>
<b>Environmental Health and Food Safety</b>	Registers and inspects food and other prescribed businesses and investigates complaints to protect and improve the safety, health and wellbeing of those who live, work in or visit Bayside.	<u>512</u> 424 <b>(89)</b>
<b>Executive Team</b>	The Executive Team (ET) includes the Chief Executive Officer, four Directors and Executive Manager People and Strategy. Provides whole of organisation leadership to enable high performance by setting clear direction, planning for the future, developing and executing strategy, fostering a culture of collaboration and accountability, and unlocking the potential of all staff.	<u>146</u> 137 <b>(9)</b>
<b>Families and Children</b>	Supports Bayside families to optimise their health, wellbeing, safety, development and learning through maternal and child health, immunisations, playgroups, kindergarten planning, development and enrolment, and parent education sessions.	<u>1,410</u> 1,548 <b>139</b>
<b>Library Services</b>	Provides access to information, resources, programs and spaces for all ages to learn, imagine, create and connect, enriching social life, wellbeing and liveability in Bayside, contributing to a sense of belonging.	<u>2,812</u> 3,046 <b>234</b>
<b>Recreation and Events</b>	Works with sports and recreation organisations and provides spaces, sporting facilities and public halls to encourage and support active, healthy and inclusive communities. Facilitates celebrations, festivals and events that benefit the community and the local economy. Manages permits for filming, photography and personal training.	<u>670</u> 584 <b>(87)</b>
<b>School Crossings</b>	Protects, educates and provides safe passage to students and parents crossing roads when traveling to and from school.	<u>344</u> 506 <b>162</b>



Supports Bayside families to optimise their health, wellbeing, safety, development and learning through maternal and child health...

# Goal 3: Our Place



Our open space and foreshore, our facilities and the built environment are highly valued, shared and enhanced to ensure their sustainability, use, liveability, character, and amenity for current and future generations.

### Overview

The Bayside community highly values its sense of place and local liveability which is a product of our abundant open space, 17 kilometres of foreshore, the many facilities and attractions, and the built environment.

Bayside residents have a strong desire to see neighbourhood character preserved, with development that is sympathetic or responsive to the natural environment. These qualities vary across Bayside, with residents strongly identifying with the individual character of their local area, which includes diverse examples of heritage, post-war, modern and contemporary architecture increasingly showcasing buildings which represent the sustainability and environmental standards.

This desire extends to increasing access to a variety of transport options and the convenience that this choice provides. Walking and cycling are preferred by our residents for exercise and increasingly integrated into commuting options. 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 remains an issue for some Bayside residents, especially with commuters' parking in residential streets, and for some multi-car families.

This goal responds to 3 themes from our community vision Bayside 2050.

#### Theme 2 Increase & enhance open space

Bayside will ensure open space and its protection and amenity is a priority for 2050. Increased sense of community provides places for our community to meet and engage; Improves mental and physical health.

#### Theme 3 Transport walkability & rideability

Bayside will support provision of effective, sustainable and inclusive transport services and infrastructure. As population grows a good integrated transport system will reduce congestion, decrease the need for parking and be better for the environment, enabling residents and visitors to move freely within the community.

#### Theme 9 The built environment

The built environment includes residential and commercial properties, roads and transport infrastructure and all aspects that a Council would 'build'/'rate' as part of the overall environment across Bayside. Caters for multiple and varying views on how to best develop the built environment across the city to allow for future accommodation increases and protection of the liveability of Bayside.

The key strategies that relate to this goal are

- Bayside Open Space Strategy 2012–32.
- 'Active by the Bay' Recreation Strategy 2013–22
- Asset Plan
- Urban Forest Strategy
- Affordable Housing Strategy
- Integrated Transport Strategy

# Goal 3: Our Place

## Key

-  Completed / Achieved
-  Not completed / Not achieved
-  Deferred/ongoing
-  Unable to measure/not measured

## Strategic Objectives

- 3.1 Open space is increased, and the foreshore is cared for, to support diverse use and connect to community.
- 3.2 Infrastructure and assets are sustainable, accessible and fit for purpose now and for the future.
- 3.3 Land use will enhance Bayside’s liveability for the community of life and protect the distinctive heritage and character of our various localities.
- 3.4 Transport planning and infrastructure facilitates a well-connected, accessible, safe and convenient transport system that contributes to a zero carbon future and wellbeing.

Our Major Initiatives	Status
<p>Netball Centre</p> <p><b>Note:</b> <i>The outcome of the VCAT hearing confirmed that no planning permit was required. Final capital payments were finalised with Victorian School Building Authority for the site.</i></p>	
<p>Dendy Street Beach Pavilion</p> <p><b>Note:</b> <i>VCAT approved commencement and construction is underway, with ground floor slab poured. Delivery schedule is on track.</i></p>	
<p>Beaumaris Arts Centre</p> <p><b>Note:</b> <i>Planning documents submitted, project scheduled to be delivered on four year capital plan by April 2024.</i></p>	
<p>Warm Water Pool</p> <p><b>Note:</b> <i>Location endorsed for Brighton Golf course, community consultation completed.</i></p>	
<p>Wangara Road Park Masterplan</p> <p><b>Note:</b> <i>Constraints based masterplan completed, awaiting EPA commentary and direction for Council.</i></p>	
<p>Heritage Review</p> <p><b>Note:</b> <i>Implement the Heritage Action Plan (Year 2) including exhibition of mid-century modern planning scheme amendments: Post-War Modern Residential Heritage Study was completed.</i></p>	
<p>Tulip Street Basketball</p> <p><b>Note:</b> <i>Works are progressing with project schedule on track.</i></p>	

Open space is increased, and the foreshore is cared for, to support diverse use and connect to community.

## Performance against Council Plan commitments

In 2021/2022, Council progressed against 22 non-financial actions.

Strategy	Action	2021-22 result
Our foreshore, open space and amenities deliver enhanced functionality for a wide range of uses.	Implement the Playground Improvement plan including activity spaces for all ages and abilities at approved sites. Sites to be delivered in 2021–22 include <ul style="list-style-type: none"> <li>• RG Chisolm Reserve, Sandringham</li> <li>• Train Street Reserve, Highett</li> <li>• Hanby Street Reserve Playground, Brighton</li> <li>• Whyte Street, Brighton</li> <li>• Donald McDonald Reserve, Beaumaris</li> </ul> Older Adults Equipment: <ul style="list-style-type: none"> <li>• Illaroo Reserve, Beaumaris</li> <li>• Tibrockney Reserve, Highett</li> <li>• Wilson Recreation Reserve, Brighton</li> </ul> <i>Note Detail design of playgrounds and tender documentation are finalised, however through reprioritisation of the capital works program will not be delivered until 23/24. Retrofit to playgrounds commenced in 2019 are expected to be complete by August 2022. As a result of long lead times the seniors equipment will not be installed until September 2022.</i>	
	Develop the Highett Grassy Woodland Masterplan (CSIRO site). <i>Note The action was formally deferred to 2022–23 as Council access to the site was delayed until May 2022.</i>	
	Commence the development of the Wangara Road Masterplan (driving range), subject to EPA outcomes.	
	Facilitate discussions between MESAC and Beaumaris Yacht Club to encourage shared use of facilities.	
	Partner with Association of Bayside Municipalities to engage with DELWP/Parks Victoria to provide certainty for all foreshore lessees.	
Focus on increasing open space within key residential growth areas in major activity centres	Develop a framework to audit and identify open space opportunities within major activity centres.	

# Goal 3: Our Place

## Performance against Council Plan commitments (continued)

In 2021/2022, Council progressed against 22 non-financial actions.

Strategy	Action	2021-22 result
Manage our open space and public places to balance the different needs of people who visit, live or work in Bayside.	Council adoption of 4-year Domestic Animal Management Plan (DAMP).	✓
	Develop Wishart Reserve concept design including options for improving dogs off leash opportunities.	✓
	Commence development of a Landscape Plan for Elsterwick Park South.	✓
	Implement new Local Law and provisions to enhance amenity including the expanded Foreshore Smoking ban – subject to Council adoption of changes in the Local Law review (2020–21).	✓
Plan for and implement effective stewardship of all Council assets to ensure our infrastructure is safe, activated, accessible, adaptable and environmentally sustainable.	Develop an Asset Plan in accordance with <i>Local Government Act 2020</i> .	✓
	Determine location and complete the design for development of a warm water pool.	✓
	Implement the approved capital works program including: <ul style="list-style-type: none"> <li>• Dendy Street Beach Pavilion</li> <li>• Bayside Netball Centre</li> <li>• Donald McDonald Reserve Pavilion</li> <li>• Beaumaris Reserve Pavilion</li> <li>• Green Point and Royal Avenue Reserve Public Toilets</li> <li>• Fern Street Early Years Integrated Children’s Centre</li> <li>• Brighton Recreation Centre</li> </ul>	✗
	<i>Note The annual capital program delivered 75% of the scheduled works, with the lag set to continue as the construction industry experiences impacts in resourcing availability, materials supply and increased costs.</i>	
	Complete the feasibility and community engagement for the Cheltenham Station Building (pending Council approval).	✓
Strategic planning and controls protect and reflect the diverse environmental and heritage values of Bayside.	Work with State Government to develop an Environmentally Sustainable Development (ESD) policy and tools.	✓
	Implement the Heritage Action Plan (Year 2) including exhibition of mid-century modern planning scheme amendments.	✓

Strategy	Action	2021-22 result
Encourage the planning of well-designed new development that is appropriately located and consistent with the preferred neighbourhood character and residential amenity.	Review and implement the Neighbourhood Character Policy.	✓
Continue to promote and explore waste to energy projects and alternative energy sources and use.	Implement actions from Council’s Integrated Transport Strategy: <ul style="list-style-type: none"> <li>• Dendy Street and New Street roundabouts pedestrian refuge islands upgrade.</li> <li>• Identify strategic locations for bicycle parking spaces in activity centres</li> <li>• Progress the Neighbourhood seating program</li> </ul>	✓
	Implement improvements to bicycle infrastructures, safety and connectivity on local road networks: <ul style="list-style-type: none"> <li>• Normanby to Brighton Street beach</li> <li>• Small Street – Orlando Street</li> </ul> <p><b>Note</b> <i>This is a multi-year project. The Bay Trail upgrades in Brighton and Hampton are both currently in the planning phase.</i></p>	✗
	Review the parking technology in Church Street to assess feasibility for other Major Activity Centres (MACs).	✓
	Expand the network of public electric vehicle charging stations. <p><b>Note</b> <i>Council elements of this action are completed with final power connection to be established by United Energy by the end of 2022.</i></p>	➤
	Develop a new Bayside Parking Strategy <p><b>Note</b> <i>Finalisation of the Parking Strategy was re-scheduled over two financial years due to budget constraints. The final Parking Strategy is now scheduled for endorsement in February 2023.</i></p>	✗

Continue to promote and explore waste to energy projects and alternative energy sources and use.

# Goal 3: Our Place

## Performance against strategic indicators

Strategic indicator	2021–22 target	2021–22 result	Status
Community satisfaction with the provision and maintenance of parks, reserves	Maintain or improve excellent rating (7.75+)	7.70 (very good)	
Community satisfaction score for sports grounds and ovals.	Maintain or improve excellent rating (7.75+).	7.92 (excellent)	
Maintain 100% of asset renewal as a percentage of depreciation.	100%.	100%	
Community satisfaction with public toilets.	Maintain or improve good rating (6.5-7.25).	6.9 (good)	
Community satisfaction with maintenance and repair of assets and facilities:	Maintain or improve good rating (6.5-7.25).	7.32 (very good)	
- Sealed local roads			
- Drains	Maintain or improve good rating (6.5-7.25).	7.2 (good)	
- Footpaths.	Maintain or improve good rating (6.5-7.25).	6.83 (good)	
Increased activation of Council pavilions during non-sport allocated hours.	5 pavilions with community opening hours for year 1 (COVID dependent).	Not collected in 2022	
Increase Council and delegate planning decisions upheld at VCAT	Target 60%.	50%	
Community satisfaction with appearance and quality of new developments in their area	Improve poor rating (5.5-6.0).	5.86 (poor)	

Community satisfaction with on and off-road bike paths improved.

Strategic indicator	2021–22 target	2021–22 result	Status
Community satisfaction with planning with population growth.	Improve poor rating (5.5-6.0).	5.93 (poor)	✘
Planning applications decided within 60 days.	Target – 70%.	85.55%	✔
Average time taken to decide planning applications.	Target 65 days.	53	✔
Community satisfaction with protection of local heritage.	Improve poor rating (5.5-6.0).	6.07 (solid)	✔
Community satisfaction with on and off-road bike paths.	Maintain or improve very good rating (7.25 -7.75).	7.37 (very good)	✔
Community satisfaction with Council’s advocacy for better bus routes, sufficient commuter parking, and developments around stations.	Improve poor rating (5.5-6.0).	Not collected in 2022	–
Community satisfaction with availability of parking on residential streets.	Improve poor rating (5.5-6.0)	6.55 (very good)	✔



# Goal 3: Our Place

## Related Council departments

- Amenity Protection
- City Assets and Presentation
- Development Services
- Project Services
- Climate, Waste and Integrated Transport
- Urban Strategy

The major services listed below contribute to the performance of Council objectives across the goal Our Place.

Service	Description	Actual Net Cost Service Budget Variance \$'000
<b>Asset Protection</b>	Ensures developers respect, protect and reinstate our public assets to a high and safe standard in accordance with the Local Law when undertaking development or construction work.	(359) (214) <b>144</b>
<b>Assets and Investigations</b>	Plans and manages Council's civil and community infrastructure assets including roads, drainage and buildings, to ensure they are fit for their intended purpose and meet community needs now, and in the future.	1,283 1,283 <b>(0)</b>
<b>Executive Team</b>	The Executive Team (ET) includes the Chief Executive Officer, four Directors and Executive Manager People and Strategy. Provides whole of organisation leadership to enable high performance by setting clear direction, planning for the future, developing and executing strategy, fostering a culture of collaboration and accountability, and unlocking the potential of all staff.	288 343 <b>55</b>
<b>Local Laws (inc. Parking and Appeals)</b>	Protects community safety and amenity through the enforcement of relevant laws and regulations. Provides community education to encourage compliance. Provides independent reviews for appeals against infringements to ensure decisions are fair, consistent and transparent.	(3,478) (3,059) <b>418</b>
<b>Maintenance Services</b>	Maintains and improves Council buildings, roads, footpaths and drainage network to ensure they are functional and safe. This service delivers maintenance work and improvements to Councils infrastructure and assets to meet the needs of the Bayside community.	10,445 9,739 <b>(706)</b>

Protects community safety and amenity through the enforcement of relevant laws and regulations.

Service	Description	Actual Net Cost Service Budget Variance \$'000
Planning Investigations	Ensures compliance with relevant regulations to protect Bayside's neighbourhood amenity, built and natural environment, heritage places and to ensure public safety. Supports local businesses to provide safe and accessible footpath trading and assesses vegetation control and tree removal applications.	<u>725</u>
		912
		<b>186</b>
Project Services	Develops, manages, and reports on Council's Prioritised Capital Works Program to deliver new assets, and to renew, upgrade and or expand existing assets in a safe, sustainable and inclusive manner to meet community needs.	<u>441</u>
		511
		<b>70</b>
Statutory Building	Registers building permits, pools and spas and determines report and consent applications. Provides property information and building regulatory advice to customers. Ensures the built environment is safe for the community through enforcement action regarding illegal or dangerous buildings.	<u>432</u>
		145
		<b>(287)</b>
Statutory Planning	Ensures proper and orderly land use, development and subdivision, to protect neighbourhood and landscape character for the future of Bayside. Determines planning permit applications through administration of relevant legislation and implementation of the Bayside Planning Scheme. Provides information and advice to residents and permit applicants.	<u>1,025</u>
		2,017
		<b>992</b>
Strategic Planning	Develops and implements strategies and policies to guide future developments and land use in Bayside. Administers changes to the Bayside Planning Scheme.	<u>1,528</u>
		1,741
		<b>213</b>
Traffic and Transport	Delivers and advocates for a traffic and transport system that is safe, well-connected, accessible and convenient and positively contributes to a strong economy, the health and wellbeing of the community, local amenity, and a low carbon future.	<u>1,096</u>
		1,120
		<b>25</b>

# Goal 4: Our Promise



We will engage with and represent for all in our community, and provide ethical, open and accountable stewardship of the Bayside municipality and deliver sustainable services that meet the vision and needs of the current and future generations of Bayside.

### Overview

*The Local Government Act 2020* is a principles-based Act, designed to promote improved transparency, community engagement and service value to the communities we serve. Bayside is committed to meeting our responsibilities under the Act to ensure the economic, social and environmental sustainability of the municipality, including the mitigation and planning for Climate Change risks.

The Council Plan is committed to ensuring strong and effective democratic representation from Council, and to deliver responsive and financially responsible services and facilities that meet community needs. Strategies include a strong advocacy program to leverage other sources of income for strategic priorities, a strong integrated planning and reporting framework, and robust governance through policies and audit program.

These commitments are all underpinned and driven through a lens of addressing the climate emergency, engaging with and representing our community on decisions that affect them, and improving the customer experience in all interactions with Council.

Our strong financial position ensures Council is able to provide a broad range of services at a lower cost to the community than most other councils while maintaining high levels of customer satisfaction. It has also enabled significant investment in new and existing infrastructure.

Our Financial Plan and budget are committed to maintaining this position while managing the medium term challenges derived from increased expenditure to support the community and businesses during COVID-19 restrictions and associated revenue loss (rate and fee relief, reduced income from facility use, parking, and increased supply chain costs). In addition, we seek to manage ongoing pressure due to the cumulative impact of the State government rate capping policy 'Fair Go Rates', in addition to the increasing cost pressures associated with addressing the Climate Emergency.

This goal responds to two themes from our community vision Bayside 2050

#### **Theme 7 Council operations and accountability**

Bayside City Council serves the needs of its communities, engaging with them, reflecting their desires and aspirations in its activities, including, where appropriate, encouragement for community members to drive the vision.

#### **Theme 6 Promoting Innovation**

Bayside will nurture innovation to encourage a thriving and vibrant community. Creativity and thinking outside the box improve problem solving and the opportunity to have a competitive advantage.

# Goal 4: Our Promise

## Key

-  Completed / Achieved
-  Not completed / Not achieved
-  Deferred/ongoing
-  Unable to measure/not measured

## Strategic Objectives

- 4.1 Identify an agreed program of advocacy to secure funding and policy reform to be a leading voice for change
- 4.2 Ensure flexible and transparent decision making through open and accountable governance.
- 4.3 Provide customer-focussed and effective service delivery and value in all we do.

Our Major Initiatives	Status
Develop and implement the Annual Budget (2021–22)	
Develop and implement the annual Council Plan Action Plan (2021–22)	
<i>Note: Council delivered 94% of the ambitious 66 actions in the first year of the Council Plan 2021–25. Council won the LGPro Corporate Planners award for the development of the Council Plan.</i>	

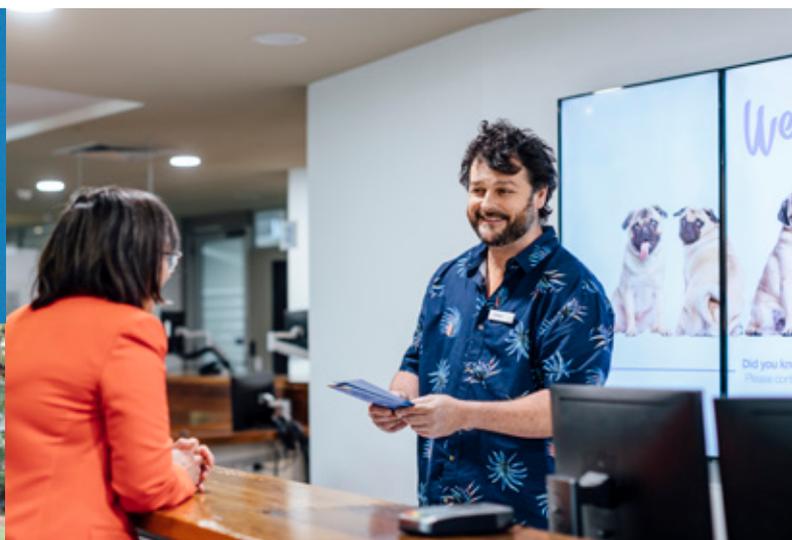
## Performance against Council Plan commitments

During 2020/2021, Council progressed against 9 non-financial actions.

Strategy	Action	2021-22 result
Identify an agreed program of advocacy, build relationships with government and partner with others to optimise our effort.	Develop and deliver the advocacy program on that focuses on Council priorities:	
	<ul style="list-style-type: none"> <li>• addressing Climate Emergency</li> <li>• a connected sustainable city</li> <li>• inclusion and accessibility for all.</li> </ul>	
Engage with our community, consider all views and report openly enabling people to be informed about and involved in key decisions, policies and projects that affect them.	Develop and implement Annual Council Plan Action Plan and Annual Budget.	
	Develop Annual Report on delivery of major plans, strategies and performance and progress against Council Plan and Budget	
Model ethical standards and practices and make evidence based decisions to build trust in our leadership.	Implement the revised Governance Rules.	
	Establish a framework for Gender Equality Impact Assessments for Council services and policies.	
Ensure integrated planning and sound financial management while allocating resources to meet community needs.	Adopt the 10-Year Financial Plan.	
	Review the Property Strategy.	
Provide enhanced online services to our community, placing the customer at the centre of everything we do.	Update Council's website to continue to enhance customer experience and accessibility.	
	Review efficacy of Better Approvals Planning Program.	

Performance against strategic indicators

Strategic indicator	2021–22 target	2021–22 result	Status
Maintain or improve community satisfaction with Council’s reputation, lobbying and advocacy.	Maintain or improve solid rating (6.0-6.5).	6.56 (good)	✓
Community satisfaction with Council Consultation and engagement.	Maintain or improve good rating (6.5-7.25).	6.67 (good)	✓
Community satisfaction with Council responsiveness to community needs.	Maintain or improve good rating (6.5-7.25).	6.81 (good)	✓
Community satisfaction with Council maintaining trust and confidence of local community.	Maintain or improve good rating (6.5-7.25).	6.84 (good)	✓
Improve percentage of Council’s facilities with current tenancy agreements.	Target 92%.	78.3%.	✗
Community satisfaction that Council provides important services that meet the needs of the whole community.	Maintain or improve very good rating (7.25-7.75).	7.44 (very good)	✓
Community perception averaged rating for overall aspects of customer service.	Maintain or improve very good rating (7.25-7.75).	7.68 (very good)	✓



# Goal 4: Our Promise

## Related Council departments

- Executive Team
- Finance
- Information Technology
- Governance
- Commercial Services
- Communications, Engagement and Customer Experience
- People and Strategy

The major services listed below contribute to the performance of Council objectives across the goal Our Promise.

Service	Description	Actual Net Cost Service Budget Variance \$'000
<b>Communications</b>	Builds community awareness, understanding and trust in Council decisions, operations and policies through external communication and media campaigns. Supports the delivery of advocacy activities on behalf of Council and the community. Ensures proactive communication of information and activities and promotion of organisational priorities within the organisation. Positively contributes to organisational engagement and culture.	<u>1,331</u> 1,232 <b>(98)</b>
<b>Community Engagement</b>	Supports Council to inform and engage with affected people and groups so that its decisions align with community needs, are transparent, understood and accepted.	<u>420</u> 372 <b>(47)</b>
<b>Customer Experience</b>	Supports the community to access Council services through in-person, telephone and digital interactions, ensuring that Council is easy to deal with and customers receive a consistent, fair and transparent experience. Supports Council services to deliver exceptional customer experience by supporting customer-focused practices, processes, and decision-making.	<u>1,848</u> 2,110 <b>262</b>
<b>Enterprise Project Management Office</b>	Facilitates project management training, project planning and reporting, to ensure the effective delivery of Council projects through an Enterprise Project Management Framework and a Project Portfolio Management system.	<u>372</u> 334 <b>(39)</b>
<b>Executive Team</b>	The Executive Team (ET) includes the Chief Executive Officer, four Directors and Executive Manager People and Strategy. Provides whole of organisation leadership to enable high performance by setting clear direction, planning for the future, developing and executing strategy, fostering a culture of collaboration and accountability, and unlocking the potential of all staff.	<u>1,717</u> 1,778 <b>61</b>
<b>Financial Services</b>	Manages Council's finances including preparing and managing the annual budget, internal and external financial reporting, and ensuring Council meets its statutory financial and taxation obligations. Provides financial leadership to assure the long term financial sustainability of Council. Manages the collection of revenue including rates from residents and businesses to fund Council services and Council assets and their ongoing maintenance. Ensures Council's vehicle fleet is available to meet service delivery requirements.	<u>7,133</u> (497) <b>(7,631)</b>

Service	Description	Actual Net Cost Service Budget Variance \$'000
<b>Governance</b>	Supports the elected Council, organisation and staff to perform their functions and duties in accordance with laws, with transparency and integrity. Supports Council meetings and delivers civic and ceremonial events, such as Citizenship Ceremonies. Administers Freedom of Information requests. Supports Council to develop its 4-year Council Plan and annual action plan. Ensures transparency and accountability to the community by reporting Council's performance and delivery of the Council Plan through the Quarterly Performance Report, Annual Report and Know Your Council website.	<u>1,588</u> 1,814 <b>256</b>
<b>Information Technology</b>	Provides contemporary technology, communications and information management systems to enable secure, productive and efficient service delivery to the Bayside community.	<u>5,932</u> 6,212 <b>281</b>
<b>People and Strategy</b>	Provides human resource and organisational development services for the organisation. This includes employee relations, payroll, learning and development, organisational strategy, service planning and improvement services.	<u>1,908</u> 2,056 <b>148</b>
<b>Procurement</b>	Supports the Council to make sound procurement decisions that maximise community benefit and ensure good governance and probity outcomes.	<u>553</u> 595 <b>42</b>
<b>Property and Lease Management</b>	Manages Council's extensive property portfolio for maximum community benefit and so that, directly or indirectly, services are delivered to the community.	<u>(1,810)</u> (1,891) <b>(82)</b>
<b>Risk and Claims Management</b>	Establishes and monitors Council's strategic and operational risk to reduce exposure for Council and the community. It also coordinates business continuity planning, manages Council's insurances and oversees the claims management process.	<u>320</u> 321 <b>0</b>
<b>Workplace Health and Safety</b>	Supports the organisation with effective systems, processes and education to keep staff, volunteers and contractor safe and maintain positive health and wellbeing.	<u>282</u> 274 <b>(8)</b>

# 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 Delegated Committee meetings are open to the public and usually held on the 2nd and 3rd Tuesday of the month. It is usual for members of the public to attend all meeting; however, due to COVID-19 restrictions at the time, several meetings were conducted online which restricted members of the community attending meetings in person, although all meetings were streamed live for the community to watch.

Alternative arrangements for members of the public were provided to encourage participation with regard to submitting public questions, written statements and petitions.

In 2021–22 Council conducted the following:

- 11 Council Meetings
- 4 Special Council Meetings
- 12 Planning and Amenity Committee Meetings (Delegated Committee)
- 1 Special Delegated Committee (Heritage)
- 1 Annual Meeting.

The following table provides a summary of Councillor attendance at formal Council and Special Committee meetings for 2021–22

	Annual Meeting	Council Meetings	Special Council Meetings	Planning & Amenity Committee Meetings	Special Delegated Committee Meetings	Total number of meetings	Percentage of meetings attended
<b>Total number of meetings</b>	<b>1</b>	<b>11</b>	<b>4</b>	<b>12</b>	<b>1</b>	<b>29</b>	<b>100%</b>
Cr Alex del Porto	1	10	4	12	1	28	96.5%
Cr Sonia Castelli	1	11	4	10	1	27	93.1%
Cr Laurence Evans	1	11	4	11	1	28	96.5%
Cr Clarke Martin	1	11	4	12	1	29	100%
Cr Hanna Al Mouallem	1	11	4	11	1	28	96.5%
Cr Jo Samuel-King	1	11	4	8	1	26	89.6%
Cr Fiona Stitfold	1	11	4	12	1	29	100%

The following table provides a summary of the Council meeting schedule of dates for 2021–22.

Month	Council meeting dates	Planning committee dates	Special Council Meetings dates	Special Delegated Committees dates
<b>2021</b>				
July	20	13		
August	17	10		
September	14	7	21	
October	26	19, 20	19	
November	23	16	10 Annual	
December	21	14		
<b>2022</b>				
January				
February	15	8		
March	15	8		
April	26	12	5	
May	17	10		
June	28	14	7	15

Council conducted **5** Special Meetings throughout the year which were specifically held for the consideration of the following matters.

Date	Purpose
21 September 2021	<ul style="list-style-type: none"> <li>• Audit and Risk Committee Annual Report 1 July 2020 to 31 August 2021</li> <li>• Annual Report on Operations 2020–21</li> <li>• Performance Statement for Year Ending 30 June 2021</li> <li>• Draft Annual Financial Statements for the year ended 30 June 2021</li> <li>• Victorian Child Safe Standards</li> <li>• Bayside Environmental Sustainability Framework 2016-2025 – Annual Progress Report</li> <li>• CONTRACT CON/20/55 Provision of Facility Maintenance Services Contract</li> <li>• CONTRACT CON/20/80 Dendy Street Beach Redevelopment Works</li> <li>• CONTRACT CON/21/67 Kerb and Channel Renewal Program 2021–22 and 2022–23</li> <li>• CONTRACT CON/21/68 Road Renewal Program 2021–22 and 2022–23</li> </ul>
19 October 2021	Annual Report 2020–21
10 November	Annual Meeting of Council
5 April 2022	<p>Proposed change of date for Delegated Committee Hearing to hear submissions in relation to the draft Post-War Modern Residential Study</p> <p>Contract 21/161 Brighton Recreation Centre Redevelopment</p>
7 June 2022	<p>Federal Member for Goldstein – Letters under seal of Council</p> <p>Response to Notice of Motion 319 – Powerful Owl Protection – Second Generation Anticoagulant Rodenticides (SGARs)</p>

# Corporate Governance

## Delegated Committees

The *Local Government Act 2020* (the Act) allows councils to establish one or more Delegated Committee 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 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 Planning and Amenity Committee is deemed a Delegated Committee of Council and accordingly met on **12** occasions throughout the year, which is summarised in the meeting attendance table.

## Assemblies of Councillors

In addition to the formal meetings of Council, Delegated Committees and the Audit and Risk Management Committee, a number of Assembly of Councillors meetings were held in 2021–22.

A number of Councillor Briefings and Strategic Issues Discussions are examples of an Assembly of Councillors. In 2021–22, **11** Assemblies of Councillors were held.

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.

## Business of Council transacted at meetings

During 2021–22, the number of business items considered by the various Council and Committee meetings was as follows:

	2021 –22	2020 –21	2019 –20	2018 –19	2017 –18
Planning and Amenity Committee	138	130	137	197	134
Council Meetings	242	216	241	271	256
Special Council Meeting	22	21	8	4	5
Special Delegated Committee Meeting	4	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 2021–22, 5 confidential reports were considered.

Year	Number of confidential matters considered by Council
2021–22	5
2020–21	9
2019–20	12
2018–19	10
2017–18	10

The following table indicates the ten categories which are considered under Section 66(2)(a) and Section 3(a) of the *Local Government Act 2020*.

<b>Section 3 (a) LGA 2020 – Category</b>	<b>Number of reports to Ordinary Meetings</b>	<b>Number of reports to Special Meetings</b>
(a) Council business information	Nil	Nil
(b) security information	Nil	Nil
(c) land use planning information	Nil	Nil
(d) law enforcement information	Nil	Nil
(e) legal privileged information	1	Nil
(f) personal information	4	Nil
(g) private commercial information	Nil	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 66(2) (a) of the <i>Local Government Act 2020</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. Members of the community are also able to participate at meeting through written statements and requests to be heard. The following table summarises the number of items considered for 2021–22 and a four-year trend:

	<b>2021–22</b>	<b>2020–21</b>	<b>2019–20</b>	<b>2018–19</b>	<b>2017–18</b>
Total number of meetings	29	35	38	44	43
Number of items considered at meetings	406	371	396	420	478
Number of items considered in confidential	5	9	12	10	10
Number of notice of motions submitted	9	14	16	11	6
Number of petitions	8	14	5	13	14
Number of public questions answered	123	285	116	137	55
Number of urgent business items	4	Nil	2	Nil	1
Number of Councillor reports	12	11	16	29	22
Number of requests to be heard at meetings	53	1564	607	551	636
Number of written statements presented at meetings	397				

# Corporate Governance

## Councillor Code of Conduct

The *Local Government Act 2020* Council is required to have a Code of Conduct which is designed to:

- ensure Councillors adhere to the legislative Councillors Conduct Principles
- assist Councillors to maintain the highest standards of conduct and behaviour, as well as provide a means to deal with problems they may encounter
- assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

The Code also outlines the definitions under the Act relating to misuse of position, improper direction, breach of confidentiality and conflict of interest, and also highlights the roles and responsibilities of Councillors and articulates a dispute resolution procedures.

In November 2021, Council reviewed its Code of Conduct to include reference to the recent Council adopted Safeguarding Children and Young People Policy.

## 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 2021–22, there were **22** conflicts of interest declared by Councillors.

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

Councillors	General Interest (Section 127) – LGA	Material Interest (Section 128 – LGA)
Cr El Mouallem	9	1
Cr del Porto	1	-
Cr Samuel-King	1	-
Cr Castelli	6	-
Cr Stitfold	-	-
Cr Evans OAM	4	-
Cr Martin	-	-

The responsibility for making decisions rests with Councillors through a vote at formal Council meetings.

## Councillor allowances

In accordance with section 39 of the *Local Government Act 2020*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is entitled to receive a higher allowance.

During 2021–22 the Victorian Independent Remuneration Tribunal reviewed the allowances payable to Councillors and Mayor. The review was completed in November 2021 and came into effect as from 18 December 2021. The review also established a separate allowance for the role of Deputy Mayor.

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.

The following table outlines the payment of allowance to Councillors during the reporting year:

Category	1 July 21 to 17 December 2021	18 December 21 to 30 June 2022
Mayoral allowance	\$81,204	\$96,400
Deputy Mayor allowance	-	\$48,235
Councillors allowance	\$26,245	\$30,890

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

The following table contains details of allowances paid to the Mayor and Councillors during the year, including backpay. It should also be noted that where a Councillors takes leave of absence from their duties, the allowance is suspended for the relevant period.

Councillor	Allowance
Cr Sonia Castelli	\$28,436
Cr Alex del Porto (Mayor)	\$71,268
Cr Laurence Evans	\$43,469
Cr Jo Samuel King	\$28,436
Cr Hanna Al Moullem (Deputy Mayor)	\$36,345
Cr Stitfold	\$28,436
Cr Clarke Martin	\$28,436

## Reimbursement of expenses of Councillors

Under section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred while performing their 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.

During the reporting year, no expenses were reimbursed to Councillors.

# Corporate Governance

## Councillor representation for 2021–22

Various Committees	Councillor representation	
	1 July 2021 to 18 November 2021	19 November 2021 to 30 June 2022
Planning and Amenity Delegated Committee	All Councillors (Chairperson – Cr del Porto)	All Councillors (Chairperson – Cr El Mouallem)
Audit and Risk Committee (Advisory Committee)	Cr Castelli and Cr Mouallem (External Chairperson – Ms Lisa Woolmer from July to 30 September 21 Mr Geoff Harry from 1 October 21 to 30 June 2022)	Cr Castelli and Cr Evans (External Chairperson – Mr Geoff Harry)
Chief Executive Officer's Employment Matters Committee (Advisory Committee)	Cr Castelli, Cr Martin, Cr Mouallem and Cr Evans (External Chairperson – Ms Topsy Petchey)	Cr Castelli, Cr Martin, Cr del Porto and Cr Evans (External Chairperson – Topsy Petchey)
Bayside Arts and Gallery Committee (Advisory Committee)	Cr Castelli and Cr del Porto Chairperson: Cr Castelli	Cr Castelli and Cr del Porto Chairperson: Cr Castelli
Disability Access and Inclusion Committee (Advisory Committee)	Cr Martin and Cr El Mouallem Chairperson: Cr Martin	Cr Martin and Cr El Mouallem Chairperson: Cr Martin

## 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 2021 to 18 November 2021	19 November 2021 to 30 June 2022
Association of Bayside Municipalities	Cr Stitfold (Rep) Open Space Coordinator (Substitute Rep)	Cr Stitfold and Cr Martin (Joint Reps) Open Space Coordinator (Substitute Rep)
Inner South Metropolitan Mayors' Forum	The Mayor of the Day	The Mayor of the Day
Metropolitan Transport Forum	Cr Castelli (Rep) Director Environment, Recreation and Infrastructure (Substitute Rep)	Director Environment, Recreation and Infrastructure (Rep)
Metropolitan Local Government Waste Forum	Cr Martin (Rep) Director Environment, Recreation and Infrastructure (Substitute Rep)	Cr Martin (Rep) Director Environment, Recreation and Infrastructure (Substitute Rep)
Municipal Association of Victoria (MAV)	Cr del Porto and Cr Sonia Castelli (substitute rep)	Cr del Porto and Cr Clarke Martin (Substitute rep)
MAV Environment Committee	Director Environment, Recreation and Infrastructure	No appointment made
South East Councils Climate Change Alliance (SECCCA)	Cr Martin (Rep) Cr Stitfold (Substitute Rep)	Cr Martin (Rep) Cr Stitfold (Substitute Rep)

## 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.

Networks and forums	Councillor representation	
	1 July 2021 to 18 November 2021	19 November 2021 to 30 June 2022
Bayside Tourism Network	Cr El Mouallem	Cr El Mouallem
Built Environment Awards Judging Panel	Cr El Mouallem and Cr Evans	Cr El Mouallem and Cr Evans
<i>*cancelled due to COVID-19 restrictions</i>		

## Organisational memberships

Bayside City Council maintained membership of a number of organisations in 2021–22

Membership	Annual Fee
Australian Library and Information Association	\$1,245
Public Libraries Victoria Network Inc	\$2,224
FinPro Local Government Finance Professionals	\$1,240
LGPro Local Government Professionals	\$4860
South East Councils Climate Change Alliance (SECCCA)	\$41,156
Leading Aged Services Australia (LASA)	\$3,386
Vicsport	\$420
IAP2 Membership	\$ 2,200
Volunteering Victoria	\$330
Youth Affairs Council of Victoria	\$230
Arboriculture Australia	\$880
Municipal Association of Victoria (MAV)	\$60,573.70
Play Australia (IPA Australia)	\$429
Early Learning Association Australia Inc	\$787
Built Environment Sustainability Scorecard (BESS) subscription	\$11,000
Council Alliance for a Sustainable Built Environment (CASBE)	\$8,800
Victorian Building Authority Registrations	\$1,857
Australian Institute of Building Surveyors (AIBS) Memberships	\$1,560
Victoria Municipal Building Surveyors (VMBSG) Memberships	\$1,470

# Corporate Governance

## Good Governance Framework

Council has reviewed and maintains several statutory items and overarching good governance principles to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council. The *Local Government Act 2020* (the Act) requires Council to undertake an integrated approach to planning, monitoring and performance reporting. This includes an annual assessment against the governance and management checklist and include this in its report of operations. The items included in the checklist are key components of the management framework and of good governance. Council Governance and Management Checklist results are set out in the section below.

## Governance and Management Checklist for Year ended 30 June 2022

In accordance with the Local Government Performance Reporting Framework, Council undertook a Governance and Management Audit in 2020–21 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	<p><b>Community Engagement Policy</b></p> <p>Policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest.</p>	Adopted in accordance with section 55 of the Act. Date of adoption: 16 February 2021.	✓
2	<p><b>Community Engagement Guidelines</b></p> <p>Guidelines to assist staff to determine when and how to engage with the community.</p>	Adopted in accordance with section 55 of the Act. Date of adoption: 16 February 2021.	✓
3	<p><b>Financial Plan</b></p> <p>Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years.</p>	Adopted in accordance with section 91 of the Act. Annual Review adopted: 20 July 2021.	✓
4	<p><b>Asset plan</b></p> <p>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.</p>	Adopted in accordance with Section 92 of the Act. Date of adoption: 26 April 2022.	✓
5	<p><b>Revenue and Rating Strategy</b></p> <p>Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges.</p>	Adopted in accordance with section 93 of the Act. Date of adoption: 29 June 2021.	✓
6	<p><b>Annual budget</b></p> <p>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.</p>	Adopted 2021–22 Budget in accordance with section 130 of the Act. Date of adoption: 29 June 2021.	✓
7	<p><b>Risk Policy</b></p> <p>Policy outlining Council's commitment and approach to minimising the risks to Council's operations.</p>	Date of operation of current policy: 26 April 2022.	✓

Governance and management items		Assessment	
8	<p><b>Fraud Policy</b></p> <p>Policy outlining Council's commitment and approach to minimising the risk of fraud.</p>	Date of operation of current policy: 26 April 2022.	✓
9	<p><b>Municipal Emergency Management Plan</b></p> <p>Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery.</p>	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> : Date of authorisation and last review: September 2020.	✓
10	<p><b>Procurement Policy</b></p> <p>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.</p>	Adopted in accordance with section 108 of the Act. Date of adoption: 21 December 2021.	✓
11	<p><b>Business Continuity Plan</b></p> <p>Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.</p>	Date of operation of current plan: 21 September 2021.	✓
12	<p><b>Disaster Recovery Plan</b></p> <p>Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.</p>	Date of operation of current plan: 1 March 2022.	✓
13	<p><b>Risk Management Framework</b></p> <p>Framework outlining Council's approach to managing risks to Council's operations</p>	Date of operation of current framework: 8 February 2021.	✓
14	<p><b>Audit and Risk Management Committee</b></p> <p>Advisory committee of Council under sections 53 and 54 of the Act 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.</p>	Established in accordance with section 53 of the Act: 28/07/2020 - Reappointed annually at the Annual Meeting 18/11/21.	✓
15	<p><b>Internal audit</b></p> <p>Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.</p>	Date of Report: 29 June 2022 Appointed for a three-year term with a one year extension, contract expires 30 June 2025.	✓
16	<p><b>Performance Reporting Framework</b></p> <p>A set of indicators measuring financial and nonfinancial performance, including the performance indicators referred to in section 98 of the Act.</p>	Organisation strategy approved including financial and non-financial indicators aligned to 3 organisational priorities: plus LGPRF service indicators. 30/6/22.	✓
17	<p><b>Council Plan reporting</b></p> <p>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.</p>	Reports presented to Council: 21 September 21, 23 November 21, 15 March 22, 17 May 22.	✓

# Corporate Governance

Governance and management items		Assessment	
18	<p><b>Financial reporting – quarterly budget reports</b></p> <p>Quarterly statements to Council under section 97 of the Act comparing actual and budgeted results and an explanation of any material variations.</p>	<p>Reports presented to Council in accordance with section 97(1) of the Act 2020</p> <p>Date of reports: 21 September 2021, 23 November 2021, 15 March 2022, 17 May 2022.</p>	✓
19	<p><b>Risk reporting</b></p> <p>Six-monthly reports of strategic risks to Council’s operations, their likelihood and consequences of occurring and risk minimisation strategies.</p>	<p>Date of reports: 25 August 2021 21 February 2022.</p>	✓
20	<p><b>Performance reporting</b></p> <p>Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act.</p>	<p>Date of reports: 23 November 2021 15 March 2022 17 May 2022.</p>	✓
21	<p><b>Annual Report</b></p> <p>Annual report under sections 98, 99 and 100 of the Act to the community containing a report of operations and audited financial and performance statements.</p>	<p>Considered at meeting of Council in accordance with section 100 of the Act. Date statements presented: 19 October 2021.</p>	✓
22	<p><b>Councillor Code of Conduct</b></p> <p>Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.</p>	<p>Adopted in accordance with section 139 of the Act and later reviewed. Date reviewed: 23 November 2021.</p>	✓
23	<p><b>Delegations</b></p> <p>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.</p>	<p>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</p>	✓
24	<p><b>Meeting procedures</b></p> <p>Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.</p>	<p>Governance Rules adopted in accordance with section 60 of the Act. Date Governance Rules adopted: 25/8/2020; and further reviewed on 15/6/2021.</p>	✓

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



Mick Cummins

Chief Executive Officer

Dated: 20 September 2022



Cr Alex del Porto

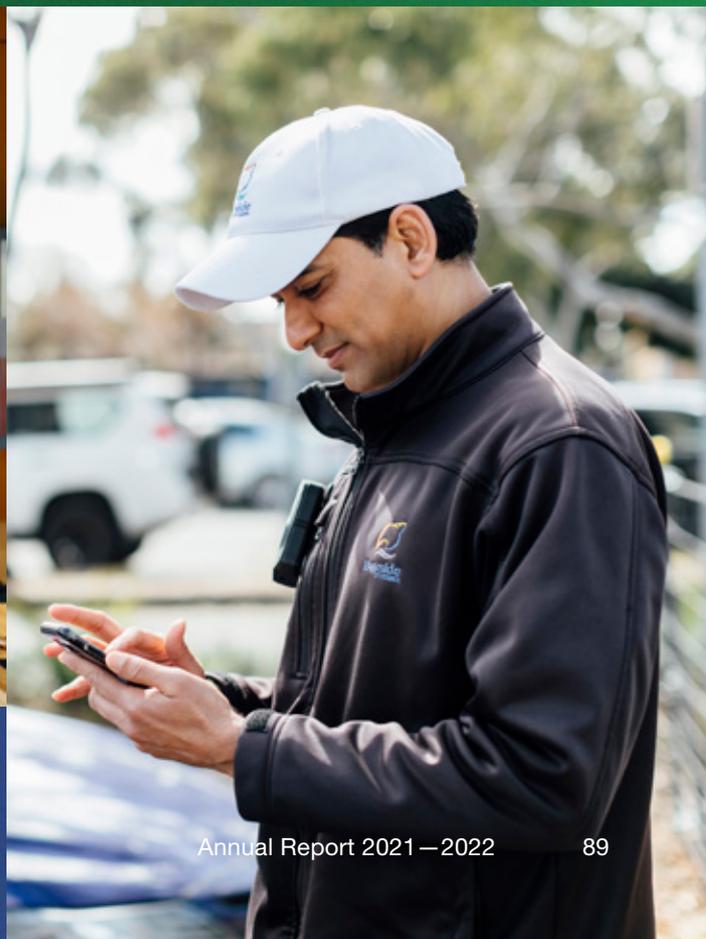
Mayor

Dated: 20 September 2022

## Local laws

The following list details the local laws that were current at the end of the 2021/2022 reporting year.

Local law	Subject	Date of adoption / last amendment
1	<p>Neighbourhood Amenity Local Law 2021</p> <p>The purposes of this Local Law are to:</p> <ol style="list-style-type: none"><li>(1) protect community safety and neighbourhood amenity</li><li>(2) protect public assets and infrastructure, and the built and natural environment</li><li>(3) enhance the use, access and enjoyment of public places for the community's benefit</li><li>(4) provide for the administration of Council's powers and functions</li><li>(5) revoke Council's Neighbourhood Amenity Local Law No. 2 (as amended), made in April 2012.</li></ol>	<p>Adopted by Council on 15 June 2021 and came into effect 1 July 2021</p>



# Corporate Governance

## Audit and Risk 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.

## 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*.

## 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.

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 (1/7/21/to 30/9/21)	30 September 2021
Mr Geoff Harry	Independent Member (Current Chair) (from 18/11/2021)	30 September 2022
Ms Jenny Johanson	Independent Member	30 September 2023
Mr Mick Jaensch	Independent Member	30 September 2024
Cr Sonia Castelli	Council Member	18 November 2022
Cr Hanna El Muallem	Council Member	18 November 2021
Cr Laurence Evans	Council Member	18 November 2023

External members receive a meeting fee in accordance with the *Local Government Act 2020*. From July 2021 to November 2021 the meeting fee was set at \$1,607 per meeting and the Chairperson fee was set at \$2,040 per meeting. At the Annual Meeting of Council held on 10 November 2021 Council resolved to set the meeting fee at \$1,633 per meeting fee and the Chairperson fee be increased to \$2,072 per meeting.

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

Councillor appointed members do not receive remuneration for attending Audit and Risk Committee meetings.

Independent member terms have been established by Council to achieve rotation of independent members consistent with good practice.

## Meeting attendance

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

Name	25 August	30 August (a)	22 November	21 February	30 May
Ms Lisa Woolmer	✓	✓	(b)	(b)	(b)
Mr Geoff Harry	✓	✓	✓	✓	✓
Ms Jenny Johanson	✓	✓	✓	✓	✓
Mr Mick Jaensch	(b)	(b)	✓	✓	✓
Cr Sonia Castelli			✓	✓	✓
Cr Hanna El Mouallem	✓	✓	(b)	(b)	(b)
Cr Laurence Evans OAM	(b)	(b)	✓	✓	✓

(a) Meeting considered the financial report and performance statement for the year ended 30 June 2021

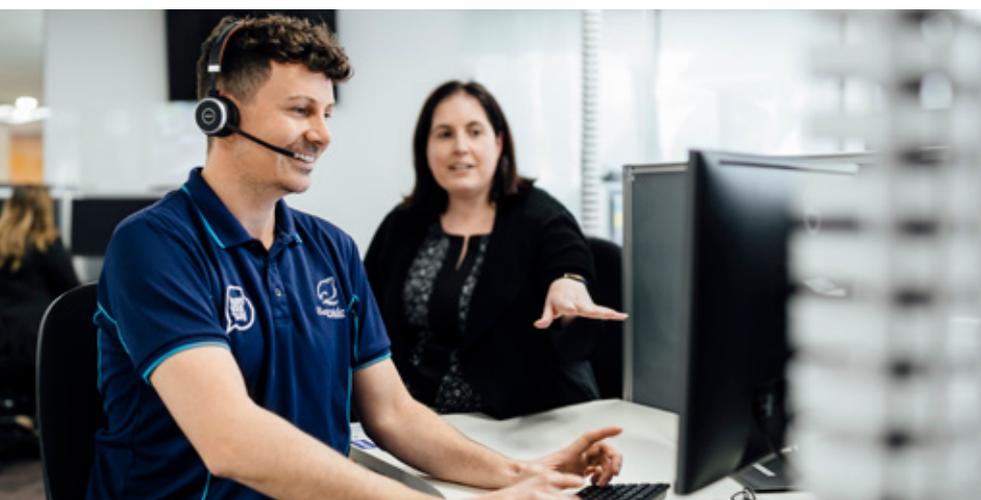
(b) Member not eligible to attend

The Committee has 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 Audit and Risk Management Committee for 2021–22

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

### External Audit

- Consideration of the 2020–21 Annual Statements including the Financial Statements, Performance Statement; and Auditors Management Letters and Auditor’s Closing Report.
- Review of the 2021–22 External Audit Strategy.
- Monitoring of the completion of outstanding actions in relation to areas for improvement identified by the Auditors in Management Letters.
- Provided in camera meeting opportunities between the Audit and Risk Committee members only and the External Auditor.
- Consideration of the Interim Management Letter for year ending 30 June 2022.

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

### Internal Audit

- Considered the Strategic Three-Year Internal Audit Plan for 2021–22 to 2023–24
- Considered the Internal Audit Report relating to:
  - Contract Management
  - OHS – Contractors
  - Privacy
  - Credit Cards and Fuel Cards
  - Recruitment and Onboarding.
- Considered Quarterly Internal Audit Status reports including notable external reports and publications of interest to the Audit and Risk Management Committee and Council.
- Provided in camera meeting opportunities between the Audit and Risk Committee members only and the Internal Auditor.

The internal audit reports provided at the conclusion of each review contain audit findings and recommendations for control improvements, together with management responses, and are presented to the Committee for review at each meeting. The Committee monitors implementation of the recommendations by the agreed due dates.

## Financial and Performance Reporting

- Considered 4 management financial reports throughout the year:
  - 3 months to 30 September 2021
  - 6 months to 31 December 2021
  - 9 months to 30 March 2022
  - 12 months Financial results as at 30 June 2022
- Considered the 2022–23 Budget and 10-year Financial Plan underlying principles and assumptions

During the reporting year, the Committee has been satisfied with these reports, assessing them as being of high quality, and noting that the matters that are raised by the external auditors at the conclusion of their work are generally not substantive in nature. The Committee endorsed both the annual financial report and the annual performance statement for the year ended 30 June 2021 and recommended to Council that the financial and performance statements be approved and signed.

## Ethical and Statutory Compliance

- Considered quarterly status reports on Statutory Compliance.
- Considered the implications of the *Local Government Act 2020* and the organisations compliance against the various implementation stages of the Act.
- Considered reports relating Gifts and Hospitality declarations, reimbursement of Councillors and members of delegated Committee expenses, Travel Register and Councillor Conflict of interest register.
- Considered the rolling 4-year plan of policies and procedures.

## Internal Controls

- Reviewed applicable reports and recommendations including from the Victorian Auditor General’s Office, the Ombudsman Victoria and IBAC and considered an organisational self-assessment against the findings in relation to:
- Ombudsman Report – Investigations into allegations of collusion with property developers at Kingston City Council
- VAGO Parliamentary Report – Management of spending in response to COVID-19
- VAGO Parliamentary Report – Protecting Victoria’s Biodiversity
- VAGO Parliamentary Report – Managing Conflicts of Interest in Procurement
- VAGO Parliamentary Report – Major Infrastructure Program Delivery Capability
- VAGO Parliamentary Report – Major Projects Performance
- VAGO Parliamentary Report – Results of the 2020–21 Local Government Audits.
- VAGO Parliamentary Report – Council Waste Management Services
- VAGO Parliamentary Report – Business Continuity during COVID-19
- VAGO Parliamentary Report – Fraud control over Local Government Grants

The Committee continues to monitor reports released by State based integrity agencies and receives officer briefings on any reports that may be relevant to Council. The Committee focusses on whether there are any learnings for Council arising from these reports and monitors implementation of such improvements.

## Risk Management

- Considered the risks associated with the expansion of Council’s Aged Care Services.
- Received briefings on Council’s insurance portfolio including claims and premiums.
- Considered a report on Crisis and Business Continuity Testing.
- Reviewed the 2021–22 Strategic Risk Register.
- Received briefings from the organisation on major capital projects.
- Reviewed the organisation’s strategic risks bi-annually and recommended to Council that the strategic risks be noted in accordance with Section 12, Schedule 1 of the *Local Government (Planning and Reporting) Regulations 2014*.

The Committee considered various risk management matters at all meetings with an ongoing focus on the assessment of strategic risks and related treatment plans. The Committee was pleased to see that an Executive Management Risk Committee (EMRC) provides added support to Council’s risk management activities at an officer level.

## Other responsibilities

- Reviewed and approved and continue to monitor the 2021–22 Work Plan for the Audit and Risk Management Committee.
- Reviewed and adopted the 2020–21 Annual Report of the Audit and Risk Committee
- Noted Council’s 2022–23 Annual Budget and Financial Plan.
- Considered the appointment of the Chairman of the Audit and Risk Management Committee
- Considered a report on the results of the Audit and Risk Committee self-assessment of its performance.
- Considered the Chairman’s bi-annual report to Council on the Committee’s activities.
- Reviewed and considered at number of key Council policies relating to: Procurement Policy, Asset Accounting Policy, Risk Management Policy, and Fraud and Corruption Policy
- Considered the six-monthly status report on LGPRF performance indicators.
- Received several updates from the Chief Executive Officer on a range of operational matters that require the Committee’s knowledge and oversight.

	2018 –19	2019 –20	2020 –21	2021 –22
Number of matters considered by the Audit and Risk Committee	69	72	68	80

## Fraud control and compliance

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.

## Other Matters

There were no Conflicts of Interest declared by Audit and Risk Committee members during the 2021–22 year pertaining to matters listed on the agendas for the relevant meetings.

# Corporate Governance

## Other Advisory Committees of Council

### Bayside Arts and Gallery Advisory Committee

The Bayside Arts and Gallery Advisory Committee provides advice and supports 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 Committee is made up of two Councillor representatives: Cr Castelli and Cr del Porto. Council appointed Cr Castelli as Chair of the Committee at the Annual Meeting of Council.

The Committee also has 6 appointed community members to this Advisory Committee namely: Ms Sarah Morris, Mr Arvind Vasan, Mr Brian Long, Ms Lyn Stephens, Mr Brian Hewitt and Ms Bo Rutecki.

The Committee met quarterly during 2021–22 in addition to 2 special meetings to discuss and develop a new strategic plan for Arts and Culture as the current plan ends in 2022. The Committee has been responsible for reporting on delivery of the 2018–22 Bayside Arts Strategy which has overseen the management and delivery of a multidisciplinary and diverse arts and cultural program.

Over the last year, highlights of the Arts and Culture program include an outdoor production of 'As You Like It' by Shakespeare in the Brighton Gardens, opportunities for local

artists to develop their practice and contribute to programs through the Billilla Artists Studio Program and the exhibition, Bayside Local at the Bayside Gallery; worked with Aged Care facilities to promote and encourage participation in Connections: Art + Dementia program resulting in over 1,000 residents engaging annually with the program. Working with our colleagues in Youth Services and local schools Council has partnered with and encouraged young people to participate in the arts to deliver a Comedy Night at Sandringham; Saturday Studio Sessions as well as the Upstanders Program. Representatives from the Committee also participate in the procurement process for public art.

*Bayside: Portrait of Place* celebrated the tenth anniversary of Bayside Gallery which opened its doors to the public in 2011. The exhibition brought together sixty-two paintings, sculptures, ceramics and works on paper by fifty-three artists featuring, amongst other things, imagery of the local landscape created by artists who have lived in the area. The exhibition was a major undertaking and while only open for two weeks due to continued Lockdowns attracted a record number of visitors to the Gallery. A competition inviting residents to create their own Portrait of Place attracted 100s of entries, some of which are included in the pages of this Annual Report – it is a testament to our community and the Arts Committee that such creativity exists and thrives in Bayside.

Art + Dementia program resulting in over 1,000 residents engaging annually with the program.



**Bayside City Council Art and Heritage Acquisitions 2021-22**



**2022-001**

John Ford Paterson, *Ti-tree, Brighton Beach 1895*, oil on canvas, 25.5 x 40.5 cm. Bayside City Council Art and Heritage Collection. Purchased 2022.



**2022-002**

Alice Wormald, *Restless interactions 2021*, oil on linen, 122 x 97 cm. Bayside City Council Art and Heritage Collection. Winner of Bayside Acquisitive Art Prize 2022.



**2021-009**

David Wood, *Spirit of place 2021*, galvanized wrought iron, 375 x 300 x 300 cm. Bayside City Council Art and Heritage Collection. Commissioned 2021



**2022-003**

John Mather, *Brighton Beach 1896*, watercolour, 47 x 81 cm. Bayside City Council Art and Heritage Collection. Purchased 2022

# Corporate Governance

## Chief Executive Officer's Employment Matters Committee

The Chief Executive Officer's 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 Topsy Petchey and four Councillors comprising of the following members at the time of the meeting, namely: Mayor Cr del Porto and Councillors Martin, Evans 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: Cr El Mouallem and Cr Martin (Chair) and 10 ordinary members appointed through a public expression of interest process. The current community members consist of: Ms Fel Andronicou, Ms Emily Costello, Mr Ade Djajamihardja, Mr Mark Glascodine, Ms Jo Levett, Mr Jeff Naylor, Ms Emma Olivier, Mr Sam Seoud, Mr Andrew Turner and Ms Tara Webb.

This Committee met quarterly during the reporting year.

## Other Management Requirements

### 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 6-monthly 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 2021–22 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 with 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.

## Business Continuity Plan/ Crisis Management Plan

Council's Business Continuity Plan (BCP) had a significant review in 2021 and was renamed Crisis Management Plan (CMP). The CMP incorporates the BCP and was updated to include Council's ongoing pandemic response and a scaleable crisis framework based on the nature of the crisis. This best practice and contemporary standard will ensure continuity of critical services in the event of a major interruption. In addition, the CMP underwent testing during the year to ensure it is fit for purpose and effective along with training of new members.

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)
- Municipal Emergency Recovery Plan (MERP)
- Crisis Communication Plan.

# Corporate Governance

## 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.

Since Council declared a climate emergency in 2019, it unanimously adopted its Climate Emergency Action Plan in 2020, which drives a number of key actions each year.

Key achievements in 2021–22 included:

- winning the 2021 National Federation Award for Environmental Leadership and Sustainability
- setting a target for Bayside's community greenhouse gas emissions to reduce by 75% by 2030 and achieve net zero emissions by 2035, or earlier
- achieving certified 'Carbon Neutral' status for Council's operations for the second year
- upgrading over 900 streetlights to more energy efficient LED technology to reduce Council's electricity use by over 500,000 kilowatt-hours per year, which is approximately the annual electricity used by 100 average Bayside households
- procuring a further four new electric fleet vehicles and working to install more EV charging stations in Bayside
- installation of 324 solar panels (133kw) on 10 Council buildings
- increased small business engagement in energy saver program to 136 (target of 900 businesses)
- launch of the Bayside Community Grants program to support community initiatives that address climate change mitigation – with 4 successful grants applications
- adoption of a new Sustainable Building and Infrastructure Policy in March 2022

- a further significant increase in the number of planning applications providing Sustainable Management Plans that include a report prepared using the Built Environment Sustainability Scorecard (BESS)
- delivery of the Youth Sustainability Leaders program for young people aged 15 to 25 who are passionate about climate action and sustainability and supported the Sustainable Schools Festival
- 1,583 residents participated in online webinars and in-person programs as diverse as on sustainable gardening, home cooling, Garage Sale Trail, Clean Up Australia day; Solar and Batteries Expo hosted with Kingston, active transport programs with 'Ladies Back on Your bike', many oversubscribed and all drawing strong participation and positive feedback.

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

## Service value

### Service planning and continuous improvement

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. In 2021–22, the organisation continued to deliver service-level planning for the 48 services in our service catalogue. We used a revised approach for 2022–23 Service Planning, with inclusion of greater focus on workforce planning and alignment of service delivery to the priority areas of the Organisation Strategy: customer experience, performance, climate, and DEI (diversity, equity and inclusion).

We support services through continuous improvement and change management approach 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.

## Community grants

In 2021–22, Bayside City Council provided \$755,688.41 in community grants to fund various initiatives.

Grants program	No. of successful grants 2021–22	Grant funding provided
Annual Community Grants Program	35	\$210,329.00
New program or community initiative	6	\$44,111.00
Events and festivals (including 16 Days of Activism)	20	\$19,620.00
Donations to fundraising appeals	1	\$1,000.00
Individuals and families in financial hardship	15	\$7,722.00
Inclusive Bayside Partnership Program	4	\$19,549.00
Climate Emergency	4	\$18,030.00
Major Grants Program	6	\$435,327.41



# Statutory Information

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

The following documents are available for inspection as required by the *Local Government Act 2020* and Council's Public Transparency Policy:

## Documents such as:

- Plans and Reports adopted by Council
- Council Policies
- Project and Service Plans
- Service Agreements, Contracts, Leases and Licences
- Relevant technical reports and/or research that inform Council's decision making.

## Process information such as:

- Application processes for approvals, permits, grants, and access to Council services
- Decision-making processes
- Guidelines and manuals
- Community Engagement Processes and
- Complaints Handling Processes.

The following information will be available at Council offices or on Council's website:

- Governance Rules (including election period policy)
- Meeting Agenda
- Minutes of Meetings
- Audit and Risk Committee Charter
- Terms of Reference for Delegated Committees and Advisory Committees
- Gift Register for Councillors and Council staff
- Travel Register for Councillors and Council staff
- Registers of Conflicts of Interest disclosed by Councillors and Council staff
- Registers of Leases entered into by Council
- Register of Delegations under section 11(8) and 47(7)
- Register of Authorised Officers
- Register of Election Campaign Donations as per Section 307(2)
- Summary of Personal Interests
- Information about any proposed special rate, special charge or combination of both under section 163 of the Act
- Councillor and member of a delegated committee Expenses Policy
- Copies of Bayside Local Laws under section 75
- Information about any declared differential rates section 161, and
- Any other Registers or Records required by the Act or any other Act.

## Gender Equality Act

A key focus in 2021–22 was recognising, celebrating and leveraging the diversity of our workforce. A key action was the development of Council's Gender Equality Action Plan (GEAP) that is compliant with the *Gender Equality Act (2020)* following extensive consultation.

GEAP was submitted to the Gender Equality Commission to meet the 31 March 2022 deadline. The Commission advised Council in June 2022 that the Bayside GEAP meets the requirements for compliance under the Act.

Council has now commenced implementation of actions.

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 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
- having representation of carers on the Bayside Healthy Ageing Reference Group
- 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 2021 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
- submitting a successful funding application to expand and increase Council's support to carers
- advocating for the needs of carers through participation on a range of local, regional and state-wide networks.

## Contracts

During the 2021–22 year, Council did not enter into any contracts valued at \$300,000 or more as specified in [Council's Procurement policy 2021–25](#) without engaging in a competitive process or undertaking a market scan.

## Municipal Health and Wellbeing Plan 2021–25

Bayside's Municipal Public Health and Wellbeing Plan 2021–25 outlines the health and wellbeing priorities for Bayside City Council over the next four years. The Plan is an evidence-based, strategic document to guide Council's planning, policy, and strategic direction in response to improving public health and wellbeing at a local community level. The Health and Wellbeing Plan meets the requirements of the *Public Health and Wellbeing Act 2008* whilst streamlining and integrating Council's planning across services.

## Disability action plan

Council's requirements and actions under section 38 of the *Disability Act 2006*, are incorporated and reported under the Municipal Health and Wellbeing Plan 2021–25.

## 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. Through active participation in individual estate working groups, 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. Key achievements during the last 12 months have including increasing access to COVID related services such as testing and vaccinations as well as fresh meals and food items.

## Report against the Domestic Animal Management Plan

The *Domestic Animals Act 1994* requires all Victorian councils to have a four-year plan in place for the management of dogs and cats within their municipality. From September 2021 to May 2022 Council developed a new 4-year Domestic Animal Management Plan (DAMP).

To develop the 2022–26 DAMP and ensure it meets community needs, two phases of comprehensive community engagement were undertaken. Phase 1 occurred in October and November 2021 as a comprehensive community research project to inform development of the draft DAMP. Phase 2 consultation was undertaken in March and April 2022 on the draft DAMP. The DAMP was adopted by Council in May 2022.

The DAMP sets out a broad range of activities, programs, and initiatives to support responsible dog and cat ownership, ensure the safety of the community and pets, protection of the environment including fauna, and manage the range of issues that can occur as pets and the community interact.

Given the ongoing challenges related to the COVID-19 pandemic, key achievements in 2021–22 include:

- outdoor lighting trial at 3 sports grounds over winter to expand access to open space for dog off-leash purposes
- dedicated DAMP webpage created with key activities and 'what's on' updates for residents
- 12,701 dogs registered and 3488 cats are registered as of 30 June 2022
- new pooch pouch and litter bags, given to dog owners at customer service to help promote 'pick up after your dog'
- two additional Animal Management Officer employed over summer dedicated to patrolling the foreshore to educate dog owners on regulations
- new interactive map that makes it easy to understand where and when your pooch can be off leash in Bayside
- in April we hosted a 'Pets Day Out' – over 300 people and pets attended with activities, pet parade, food stalls, music and annual pet registration
- high rates of reclaimed animals which is well above the average for metropolitan councils. A strong focus of reuniting pets with owners and on educating the community on responsible pet ownership has contributed to this result. DAMP engagement showed that animals in Bayside are highly valued resulting in a smaller numbers being impounded and a high reclaim rate.
- a continued high level of responsiveness with an 8.3% reduction in time taken to actions requests, due to our proactive animal management patrols and activities.
- community satisfaction with the service rated as 'Very Good' with 56.1% of respondents 'very satisfied'.

# Statutory Information

## 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 2021–22 financial year, Council received no Ministerial Directions associated with the Act.

## Freedom of information

The *Freedom of Information Amendment Act 1982* 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 shall be writing
- it shall identify, as clearly as possible, which document is being requested
- it must 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 Public Access Deputy 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 2021–22, Council processed 52 Freedom of Information applications.

## Public Interest Disclosures

The *Public Interest Disclosures 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 2021–22 reporting year, there were no disclosures under section 13 notified by Council to the Independent Broad-based Anti-Corruption Commission (IBAC).

## 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 required 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 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.

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 2021–22 reporting year, there were no formal complaints were made to the Human Rights Commissioner.

## 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 2021–22 there were no complaints made to the Office of the Victorian Information Commissioner (OVIC).

## 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 2021–22 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 2021–22 year the following information regarding infrastructure and development contributions is disclosed below.

**Table 1 – Total DCP levies received in 2021–22**

Council	DCP name	Year approved	Levies received in 2020–21 financial year (\$)
Bayside	DCP 2017*	Aug-17	\$814,721

\*Bayside Drainage Development Contributions Plan (DCP) 2017

**Table 2 – DCP land, works, services or facilities accepted as works-in-kind in 2020–21**

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

**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	\$4,177,042	\$2,418,125	\$0.00	\$4,177,042

**Table 4 – Land, works, services or facilities delivered in 2021–22 from DCP levies collected for Bayside Drainage Development Contributions Plan**

Project description	Project ID	DCP fund expended (\$)	Works-in-kind accepted (\$)	Council's contribution (\$)	Other contributions (\$)	Total project expenditure (\$)	Percentage of item delivered %
Drain Hawthorn Road (Nepean Highway End) Brighton East	DCL 4B	\$26,971.74	\$0.00	\$28,072.63	\$0.00	\$55,044.37	7
New Drainage Construct Hornby Street Brighton East	DCL 4B	\$ 242,355.47	\$0.00	\$252,247.53	\$0.00	\$ 494,603.00	64
Unscheduled Drainage Capital Works 21/22 – Glyndon	DCL 8A	\$15,931.94	\$0.00	\$16,582.23	\$0.00	\$32,514.17	2
Third Street Drain Black Rock – Design & Construct	DCL 21	\$57,481.31	\$0.00	\$59,827.49	\$0.00	\$117,308.80	75
Unscheduled Drainage Capital Works 21/22 – Reserve	DCL 25	\$15,931.94	\$0.00	\$16,582.23	\$0.00	\$32,514.17	266
		<b>\$402,843.44</b>		<b>\$419,286.06</b>		<b>\$822,129.50</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



## Performance Statement for year ending 30 June 2022

### Description of municipality

Bayside City Council (the Council) is situated on the coastline of Port Phillip Bay and has an estimated residential population of 102,337 which after steadily increasing in the past decade, has seen a population reduction from the previously estimated 105,880 during the 2020–22 period of the pandemic.

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

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

Bayside is characterised by quality residential areas and is also home to a variety of businesses. Residents and visitors alike enjoy Bayside's numerous parks, reserves, foreshore, local retail centres, excellent sporting and recreational grounds and buildings, heritage buildings and sites, art galleries and festivals.

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

### Sustainable Capacity Indicators

For the year ended 30 June 2022

Indicator/measure	Results				Material variations
	2019	2020	2021	2022	
<b>Population</b>	\$1,100.96	\$1,177.90	1,133.04	\$1,289.02	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 increase in expenses per head in 2021/22 is driven by a number of factors including one off expenditure for the write-off of the net loss on disposal of property, infrastructure, plant and equipment \$5.3 million which included \$3.8 million of demolished buildings as part of Council's capital program, additional savings identified during 2020–21 to combat the financial impact of the COVID-19 restrictions on other revenue as well as additional projects funded by external grants during 2021–22.
<i>Expenses per head of population</i>					
[Total expenses / Municipal population]					
<b>Infrastructure per head of population</b>	\$5,051.91	\$5,613.17	\$5,723.81	\$5,841.43	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.
[Value of infrastructure / Municipal population]					
<b>Population density per length of road</b>	284.95	288.04	286.01	286.12	The population density of Bayside is comparable to other metropolitan councils and reflects the relatively low density nature of bayside suburbs.
[Municipal population / Kilometres of local roads]					
<b>Own-source revenue</b>	\$1,149.97	\$1,142.94	\$1,136.78	\$1,214.92	Own-source revenue has increased due to the reduced COVID-19 restrictions in 2021–22.
<i>Own-source revenue per head of population</i>					
[Own-source revenue / Municipal population]					
<b>Recurrent grants</b>	\$98.57	\$97.60	\$95.06	\$122.36	Recurrent grants increased in 2021–22 predominately due to the early receipt of Victorian Grants Commission funding and an increase in aged care funding for Home Care Packages. A decrease in the municipal population has also contributed to this variance.
<i>Recurrent grants per head of population</i>					
[Recurrent grants / Municipal population]					

# Performance Statement

## Sustainable Capacity Indicators (continued)

Indicator/measure	2019	2020	Results		Material variations
			2021	2022	
<b>Disadvantage</b>	10	10	10	10	The rating indicates that, overall Bayside has a lower number of disadvantage when compared to most other local government areas in Victoria, and to metropolitan Melbourne.
<i>Relative socio-economic disadvantage</i>					
[Index of Relative Socio-economic Disadvantage by decile]					
<b>Workforce turnover</b>	13.6%	8.8%	13.41%	12.1%	Staff turnover reduced slightly but is broadly consistent with previous years. Some retirements and resignations were influenced by pandemic factors as well the favourable job market enabling people to progress careers elsewhere.
<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					

### Definitions

“adjusted underlying revenue” means total income other than:

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

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

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

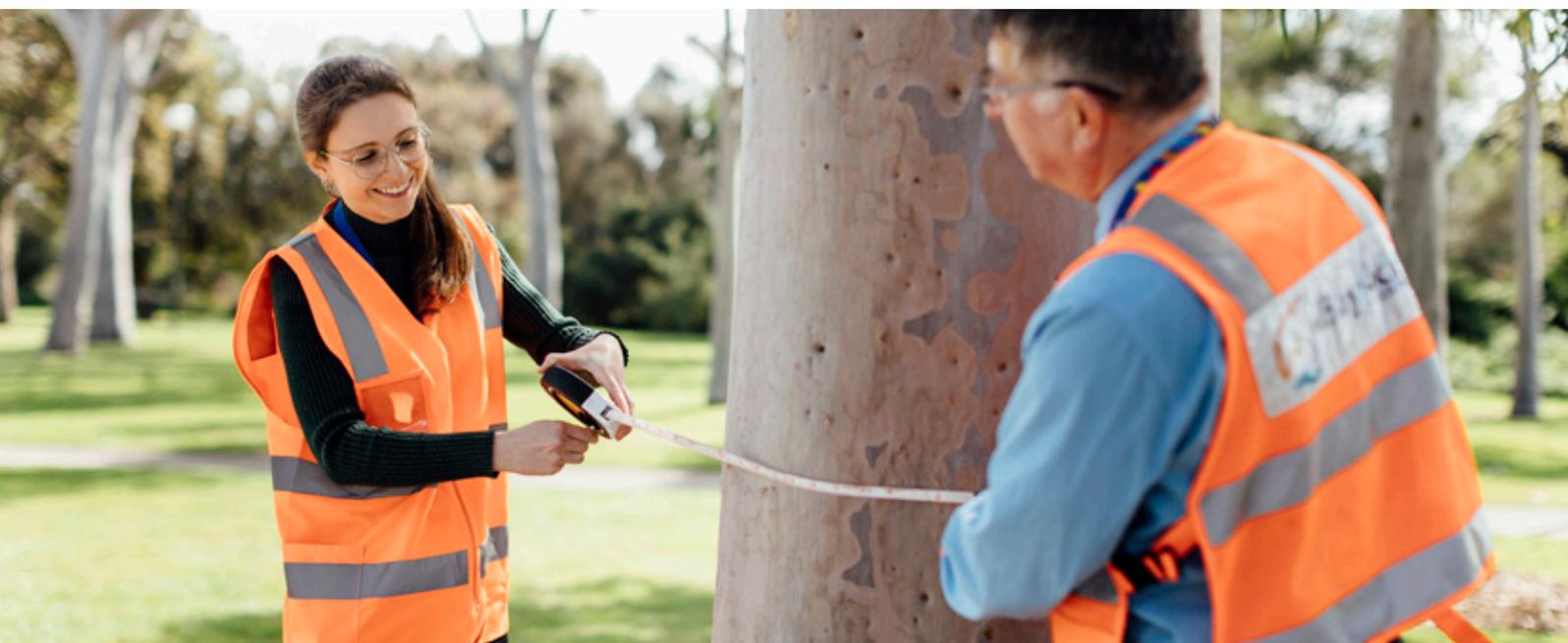
“population” means the resident population estimated by council

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

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

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.



## Service Performance Indicators

For the year ended 30 June 2022

Indicator/measure	Results				Material variations
	2019	2020	2021	2022	
<b>Aquatic Facilities</b> <i>Utilisation</i> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0	0	0	0	Council owns two aquatic facilities within the Bayside area: Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths. Both these facilities are operated and managed under private commercial lease agreements. Council is not responsible for the operation or management of the Sandringham Aquatic Centre and the Middle Brighton Sea Baths is not technically defined as an aquatic facility.
<b>Animal Management</b> <i>Health and safety</i> <i>Animal management prosecutions</i> [Percentage of successful animal management prosecutions]	New in 2020	100.00%	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> <i>Health and safety</i> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100.00%	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> <i>Satisfaction</i> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	71.6	72.10	62.0	67.3	The satisfaction rating is sourced from the Annual Satisfaction Survey conducted by an independent research company. Bayside's result has increased slightly compared to the previous year noting that the survey was conducted in hybrid format (in person and telephone) given pandemic implications.
<b>Libraries</b> <i>Participation</i> <i>Active library borrowers in the municipality</i> [The sum of the number of active library borrowers in the last 3 financial years / Municipal population] x100	21.05%	21.64%	21.51%	22.27%	Active borrowers have returned to pre-pandemic numbers, combined with a slight reduction in municipal population, resulting in a marginally higher % of the population as active borrowers.
<b>Maternal and Child Health Service (MCH)</b> <i>Participation</i> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	76.67%	79.78%	79.61%	76.93%	Participation has slightly decreased in 2021–22 but has remained consistent over many years and is within the target range. The slight decrease was due to the COVID pandemic and the implementation of prioritised service. The option of telehealth enabled the service to remain accessible for many families. Participation in the Maternal and Child Health service is voluntary.

# Performance Statement

## Service Performance Indicators (continued)

For the year ended 30 June 2022

Indicator/measure	Results				Material variations
	2019	2020	2021	2022	
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	89.19%	91.43%	88.37%	62.50%	Participation rates are within target range but dropped significantly in 2021–22 in the older children cohort of 2-4 years of age. The participation rates of children aged 0-2 years was 100%. Further investigation of the causes of the reduced participation rates is being undertaken. It is worth noting that with a relatively low number of Aboriginal children enrolled in the service (>20 children), 2-3 children represent as a 15% drop, when 3 families elected to attend the Aboriginal Health Service instead and Council's database had now been amended to accurately reflect this.
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	73.5	74.8	71.00	73.20	The rating is sourced from the annual Community Satisfaction Survey conducted by an independent research company. Bayside's satisfaction result has returned to pre pandemic level. This is an improvement on the 2020/21 satisfaction survey which was conducted 100% by phone during pandemic lockdown resulting in reduced satisfaction across several indicators. Some of the improvement is attributable to the fact that the survey methodology was able to include face to face surveys again (60%) as well as phone surveys (40%).
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	51.79%	63.64%	48.78%	50.00%	During the reporting year 46 appeals have been determined with 23 being affirmed, resulting in an overall result of 50% 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. While marginally improved on 2020/21 the result remains below the target for the number of planning decisions being upheld by Victorian Civil and Administrative Tribunal (VCAT).
<b>Waste collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	50.43%	57.94%	58.57%	59.34%	The food and green waste collection service introduced in 2019 continues drive a shift in community attitude to separation of food waste, resulting in a year on year progressive increase in diversion from landfill.
<b>RETIRED</b> <b>Indicator/measure</b>	2019	2020	2021	2022	Comments
<b>Animal Management</b> <b>Health and Safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	8	Retired in 2020	Retired in 2020	Retired in 2020	This measure was replaced by <i>Animal management prosecutions (%)</i> for 2020.

## Definitions

“Aboriginal child” means a child who is an Aboriginal person

“Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*

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

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

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

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

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

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

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

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

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

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

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

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

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

“population” means the resident population estimated by council

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

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

## Financial Performance Indicators

For the year ended 30 June 2022

### Dimension, indicator and measure

#### Efficiency/ expenditure level

#### Expenses per property assessment

[Total expenses / Number of property assessments]

#### Results

2019	2020	2021	2022
\$2,527.39	\$2,681.46	\$2,592.51	\$2,895.64

#### Forecast

2023	2024	2025	2026
\$2,897.02	\$2,963.31	\$3,104.56	\$3,170.90

### 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 low. The increase for 2021–22 is a result of increased expenditure predominately due to a \$5.3 million net loss on disposal of property, infrastructure, plant and equipment including \$3.8 million of buildings demolished as part of Council’s annual capital program. During the height of the COVID-19 Pandemic in 2020–21 additional savings were identified to negate the impact of a loss of revenue caused by the social and economic restrictions.

### Dimension, indicator and measure

#### Revenue average rate per property assessment

#### Average rate revenue per property assessment

[Total rate revenue / number of property assessments]

#### Results

2019	2020	2021	2022
New in 2020	\$1,796.28	\$1,858.45	\$1,903.34

#### Forecast

2023	2024	2025	2026
\$1,948.19	\$1,966.56	\$2,029.81	\$2,052.80

### Material Variation

The general rates and the municipal charge for 2021–22 increased by 1.5%, in accordance with the Fair Go Rates System. Waste services which are direct cost recovery increased by 7.8% largely driven by the increase in the State Government Landfill Levy.

# Performance Statement

## Dimension, indicator and measure

### Liquidity

#### Working capital

Current assets compared to current liabilities

$[\text{Current assets} / \text{Current liabilities}] \times 100$

### Results

2019	2020	2021	2022
383.30%	458.48%	452.20%	307.20%

### Forecast

2023	2024	2025	2026
236.40%	227.09%	219.17%	198.26%

### Material Variation

Council's result is an indicator of a strong financial position. The variance this year is reflective of a decrease in current assets, predominately cash and cash equivalents. Whilst total cash levels have remained constant, Council has more investments with maturity dates of 12 months or more and thus classified as non current. There has also been a corresponding increase in current liabilities with higher trade and other payables and refundable deposits. 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

### Unrestricted cash

Unrestricted cash compared to current liabilities

$[\text{Unrestricted cash} / \text{Current liabilities}] \times 100$

### Results

2019	2020	2021	2022
195.19%	213.04%	222.78%	40.45%

### Forecast

2023	2024	2025	2026
66.14%	104.77%	108.06%	91.30%

### Material Variation

The variance is reflective of a decrease in unrestricted cash as well as an increase in current liabilities. The decrease in unrestricted cash is due to the recent investment of cash in longer (12+ month) investments, thus reducing the cash recorded as a current asset. The increase in current liabilities is due to an increase in trade and other payables and refundable deposits received during the year.

## Dimension, indicator and measure

### Obligations

#### Loans and borrowings

Loans and borrowings compared to rates

$[\text{Interest bearing loans and borrowings} / \text{Rate revenue}] \times 100$

### Results

2019	2020	2021	2022
0.00%	0.00%	0.00%	0.00%

### Forecast

2023	2024	2025	2026
0.00%	0.00%	0.00%	0.00%

### Material Variation

Council continues to have no requirement for borrowing at this time.

## Dimension, indicator and measure

### Loans and borrowings repayments compared to rates

$[\text{Interest and principal repayments on interest bearing loans and borrowings} / \text{Rate revenue}] \times 100$

### Results

2019	2020	2021	2022
0.00%	0.00%	0.00%	0.00%

### Forecast

2023	2024	2025	2026
0.00%	0.00%	0.00%	0.00%

### Material Variation

Council continues to have no requirement for borrowing at this time.

## Dimension, indicator and measure

### Obligations

#### Indebtedness

Non-current liabilities compared to own source revenue

$[\text{Non-current liabilities} / \text{Own source revenue}] \times 100$

### Results

2019	2020	2021	2022
0.79%	1.64%	1.29%	1.15%

### Forecast

2023	2024	2025	2026
1.89%	2.01%	2.11%	2.12%

### Material Variation

For the 2021–22 year, the lower result is due to an increase in own source revenue, particularly statutory fees, fines and user fees as economic conditions improved post COVID-19 lockdown. The 2020–21 year was impacted by a decrease in own source revenue due to COVID-19 restrictions.

**Dimension, indicator and measure****Asset renewal and upgrade***Asset renewal and upgrade compared to depreciation***Results**

2019	2020	2021	2022
New in 2020	114.32%	112.50%	143.35%

**Forecast**

2023	2024	2025	2026
217.00%	153.25%	121.21%	107.84%

**Material Variation**

Council maintains a level of renewal and upgrade expenditure which is sufficient to ensure that its assets are renewed in accordance with condition assessment and service needs. The increase in 2021/22 reflects Council's aggressive capital program with expenditure on a number of large building projects.

**Dimension, indicator and measure****Operating position****Adjusted underlying result***Adjusted underlying surplus (or deficit)*

[Adjusted underlying surplus (or deficit) / Adjusted underlying revenue] x100

**Results**

2019	2020	2021	2022
12.73%	5.47%	9.13%	6.16%

**Forecast**

2023	2024	2025	2026
7.95%	6.79%	5.43%	4.45%

**Material Variation**

Council maintained a higher underlying result during 2021–22 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 continue to decrease slightly 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 and measure****Stability****Rates concentration***Rates compared to adjusted underlying revenue*

[Rate revenue / Adjusted underlying revenue] x100

**Results**

2019	2020	2021	2022
71.86%	73.89%	75.90%	72.37%

**Forecast**

2023	2024	2025	2026
73.52%	73.89%	74.02%	74.22%

**Material Variation**

The reduced COVID-19 restrictions compared to prior years has resulted in an increase in other sources of revenue, particularly statutory and user fees, and thus Council was slightly less reliant on rate revenue.

**Dimension, indicator and measure****Rates effort***Rates compared to property values*

[Rate revenue / Capital improved value of rateable properties in the municipality] x100

**Results**

2019	2020	2021	2022
0.14%	0.14%	0.15%	0.14%

**Forecast**

2023	2024	2025	2026
0.12%	0.12%	0.12%	0.12%

**Material Variation**

The rate increase is in accordance with the rate capping framework. Property values are projected to increase at a higher rate resulting in a slight reduction in rates effort.

# Performance Statement

RETIRED Dimension/indicator/measure	Results				Comments
	2019	2020	2021	2022	
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$2,095.39	Retired in 2020	Retired in 2020	Retired in 2020	This measure was replaced by Average rate per property assessment for 2020.
Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x 100	121.23%	Retired in 2020	Retired in 2020	Retired in 2020	This measure was replaced by Asset renewal and upgrade compared to depreciation for 2020.

## Definitions

“adjusted underlying revenue” means total income other than:

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

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

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

“current assets” has the same meaning as in the AAS

“current liabilities” has the same meaning as in the AAS

“non-current assets” means all assets other than current assets

“non-current liabilities” means all liabilities other than current liabilities

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

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

“population” means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“recurrent grant” means a grant other than a non-recurrent grant

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

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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

## Other Information

For the year ended 30 June 2022

### 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 2020* 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 Financial 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 Financial Plan on 30 June 2021 and which forms part of the Council Plan. The Financial 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 Financial 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**

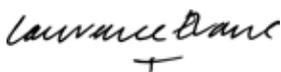
Principal Accounting Officer  
20 September 2022

In our opinion, the accompanying performance statement of Bayside City Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* 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**

Councillor and Audit and  
Risk Committee Member

20 September 2022



**Cr Sonia Castelli**

Councillor and Audit and  
Risk Committee Member

20 September 2022



**Mick Cummins**

Chief Executive Officer

20 September 2022

# Independent Auditor's Report

## To the Councillors of Bayside City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Bayside City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2022</li> <li>• sustainable capacity indicators for the year ended 30 June 2022</li> <li>• service performance indicators for the year ended 30 June 2022</li> <li>• financial performance indicators for the year ended 30 June 2022</li> <li>• other information and</li> <li>• certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement of Bayside City Council in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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

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

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MELBOURNE  
28 September 2022



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

# Financial Statements 2021–22



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# Financial Statements 2021–22

## Certification of the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.



*Bill Shanahan CPA*

**Principal Accounting Officer**

Date: 20 September 2022

*Sandringham*

In our opinion the accompanying financial statements present fairly the financial transactions of Bayside City Council for the year ended 30 June 2022 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 2020* to certify the financial statements in their final form.



*Cr Laurence Evans OAM*

**Councillor and Audit and Risk  
Committee Member**

Date: 20 September 2022

*Sandringham*



*Cr Sonia Castelli*

**Councillor and Audit and Risk  
Committee Member**

Date: 20 September 2022

*Sandringham*



*Mick Cummins*

**Chief Executive Officer**

Date: 20 September 2022

*Sandringham*

# Victorian Auditor-General's Office

## Auditors' Report



Victorian Auditor-General's Office

### Independent Auditor's Report

#### To the Councillors of Bayside City Council

<b>Opinion</b>	<p>I have audited the financial report of Bayside City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2022</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• statement of capital works for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

# Victorian Auditor-General's Office

## Auditors' Report

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

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

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

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

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

---

MELBOURNE  
28 September 2022



Travis Derricott  
*as delegate for the Auditor-General of Victoria*

# Comprehensive Income Statement

## For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Income</b>			
Rates and charges	3.1	104,390	101,245
Statutory fees and fines	3.2	8,218	6,963
User fees	3.3	8,997	7,336
Grants - operating	3.4(a)	16,349	11,429
Grants - capital	3.4(b)	3,817	1,167
Contributions - monetary	3.5	6,893	6,397
Contributions - non monetary	3.5	233	291
Rental Income	3.7	3,798	3,793
Interest Income	3.8	1,361	1,606
Other income	3.9	1,506	1,250
Fair value adjustments for financial assets	3.10	-	71
Assets not previously recognised	3.11	-	1,226
<b>Total income</b>		<b>155,562</b>	<b>142,774</b>
<b>Expenses</b>			
Employee costs	4.1	47,727	44,994
Materials and services	4.2	57,977	51,599
Depreciation	4.3	21,767	21,541
Amortisation - intangible assets	4.4	882	828
Amortisation - right of use assets	4.5	930	936
Bad and doubtful debts	4.6	1,041	830
Net loss on disposal of property, infrastructure, plant and equipment	3.6	5,270	135
Fair value adjustments for financial assets	3.10	15	-
Finance Costs - leases	4.7	45	66
Other expenses	4.8	440	919
<b>Total expenses</b>		<b>136,094</b>	<b>121,848</b>
<b>Surplus for the year</b>		<b>19,468</b>	<b>20,926</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	6.1	218,439	278,176
<b>Total comprehensive result</b>		<b>237,907</b>	<b>299,102</b>

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

# Balance Sheet

## As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1(a)	7,589	12,218
Other financial assets	5.1(b)	67,000	109,013
Trade and other receivables	5.1(c)	13,759	10,082
Inventories	5.2(a)	121	92
Other assets	5.2(b)	22,511	5,097
<b>Total current assets</b>		<b>110,980</b>	<b>136,502</b>
<b>Non-current assets</b>			
Other financial assets	5.1(b)	49,000	6,071
Trade and other receivables	5.1(c)	94	100
Other assets	5.2(b)	75	130
Intangible assets	5.2(c)	2,363	2,541
Right-of-use assets	5.7	831	1,259
Property, infrastructure, plant and equipment	6.1	3,910,809	3,683,803
<b>Total non-current assets</b>		<b>3,963,172</b>	<b>3,693,905</b>
<b>Total assets</b>		<b>4,074,152</b>	<b>3,830,407</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3(a)	13,245	9,646
Trust funds and deposits	5.3(b)	7,422	5,624
Unearned Income/revenue	5.3(c)	3,866	3,758
Provisions	5.4	11,082	10,350
Lease liabilities	5.7	511	809
<b>Total current liabilities</b>		<b>36,126</b>	<b>30,186</b>
<b>Non-current liabilities</b>			
Provisions	5.4	1,141	1,101
Lease liabilities	5.7	335	478
<b>Total non-current liabilities</b>		<b>1,476</b>	<b>1,579</b>
<b>Total liabilities</b>		<b>37,602</b>	<b>31,764</b>
<b>Net assets</b>		<b>4,036,550</b>	<b>3,798,643</b>
<b>Equity</b>			
Accumulated surplus		935,632	911,630
Reserves	9.1(b)	3,100,918	2,887,013
<b>Total Equity</b>		<b>4,036,550</b>	<b>3,798,643</b>

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

# Statement of Changes in Equity

## For the Year Ended 30 June 2022

<b>2022</b>	<b>Note</b>	<b>Total \$'000</b>	<b>Accumulated Surplus \$'000</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Other Reserves \$'000</b>
Balance at beginning of the financial year		3,798,643	911,630	2,804,671	82,343
Surplus for the year		19,468	19,468	-	-
Net asset revaluation increment	9.1(a)	218,439	-	218,439	-
Transfers to other reserves	9.1(b)	-	(16,368)	-	16,368
Transfers from other reserves	9.1(b)	-	20,902	-	(20,902)
<b>Balance at end of the financial year</b>		<b>4,036,550</b>	<b>935,632</b>	<b>3,023,110</b>	<b>77,809</b>

<b>2021</b>	<b>Note</b>	<b>Total \$'000</b>	<b>Accumulated Surplus \$'000</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Other Reserves \$'000</b>
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>

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 2022

	Note	2022 Inflows/ (Outflows) \$'000	2021 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		103,655	99,649
Statutory fees and fines		5,569	6,222
User fees		7,756	8,003
Rental income		3,879	3,359
Grants - operating		17,115	12,535
Grants - capital		3,078	2,790
Contributions - monetary		6,893	6,397
Interest received		1,254	1,898
Trust funds and deposits taken		3,525	2,824
Other receipts		1,506	1,250
Net GST refund/(payment)		7,192	7,248
Employee costs		(47,263)	(44,411)
Materials and services		(60,427)	(54,936)
Short-term, low value and variable lease payments		(476)	(504)
Trust funds and deposits repaid		(1,727)	(2,145)
Other payments		(440)	(919)
<b>Net cash provided by operating activities</b>	9.2	<b>51,089</b>	<b>49,259</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(53,801)	(32,690)
Proceeds from sale of assets held for sale		-	4,158
Payments for investments		(930)	(7,984)
<b>Net cash used in investing activities</b>		<b>(54,731)</b>	<b>(36,516)</b>
<b>Cash flows from financing activities</b>			
Interest paid - lease liability		(45)	(66)
Repayment of lease liabilities		(942)	(932)
<b>Net cash used in financing activities</b>		<b>(987)</b>	<b>(998)</b>
Net increase / (decrease) in cash and cash equivalents		(4,629)	11,745
Cash and cash equivalents at the beginning of the financial year		12,218	473
<b>Cash and cash equivalents at the end of the financial year</b>	5.1(a)	<b>7,589</b>	<b>12,218</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 2022

	Note	2022 \$'000	2021 \$'000
<b>Property</b>			
Buildings		31,913	9,445
Building improvements		3,656	2,932
<b>Total buildings</b>		<b>35,569</b>	<b>12,376</b>
<b>Total property</b>		<b>35,569</b>	<b>12,376</b>
<b>Plant and equipment</b>			
Arts and culture		129	120
Fixtures, fittings and furniture		563	461
Computers and telecommunications		715	653
Library books		535	353
<b>Total plant and equipment</b>		<b>1,943</b>	<b>1,588</b>
<b>Infrastructure</b>			
Roads		2,268	2,978
Bridges		59	-
Footpaths and cycleways		4,668	2,344
Off street car parks		442	258
Road management, traffic signals and street furniture		730	711
Laneways		186	12
<b>Total infrastructure</b>		<b>16,707</b>	<b>18,681</b>
<b>Total capital works expenditure</b>		<b>54,219</b>	<b>32,644</b>
<b>Represented by:</b>			
New asset expenditure		12,053	7,820
Asset renewal expenditure		21,524	17,411
Asset expansion expenditure		10,963	592
Asset upgrade expenditure		9,679	6,822
<b>Total capital works expenditure</b>		<b>54,219</b>	<b>32,644</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 2022

### Note 1 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 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

#### Significant accounting policies

##### (a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill 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 (until 15 December 2021) a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. 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 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 remained unspent at 30 June 2021. The majority of this funding was recognised in 2021/22 as the COVID-19 restrictions were lifted and the programs were delivered.
- For 2021/22 Revenue reductions of \$0.9 million were forecast 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. However as COVID-19 restrictions were lifted in the first quarter of 2021/22, revenue rebounded in line with increased economic and social activity and the budget was met on all revenue items during 2021/22.
- Revenue foregone for 2021/22 of \$0.6 million to support our traders during COVID-19 including Footpath Trading fees and Environmental Health Act Registrations
- Additional expenditure of \$0.6 million was 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.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### Note 2 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 2020* 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 29 June 2021. 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

#### 2.1.1 Income and expenditure

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
<b>Income</b>					
Rates and charges	104,278	104,390	112	0%	
Statutory fees and fines	8,404	8,218	(186)	(2%)	
User fees	8,381	8,997	616	7%	
Grants - operating	11,157	16,349	5,192	47%	1
Grants - capital	2,971	3,817	846	28%	2
Contributions - monetary	2,860	6,893	4,033	141%	3
Contributions - non-monetary	12,000	233	(11,767)	100%	4
Rental	3,951	3,798	(153)	(4%)	
Interest	1,200	1,361	161	13%	5
Other income	1,767	1,506	(261)	(15%)	6
<b>Total income</b>	<b>156,969</b>	<b>155,562</b>	<b>(1,407)</b>	<b>(1%)</b>	
<b>Expenses</b>					
Employee costs	49,173	47,727	1,446	3%	7
Materials and services	52,190	57,977	(5,787)	(11%)	8
Depreciation	21,381	21,767	(386)	(2%)	
Amortisation - Intangible assets	685	882	(197)	(29%)	9
Amortisation - Right of use assets	808	930	(122)	(15%)	10
Bad and doubtful debts	839	1,041	(202)	(24%)	11
Net loss on disposal of property, infrastructure, plant and equipment	-	5,270	(5,270)	100%	12
Finance costs - Leases	61	45	16		
Other expenses	482	440	42	9%	
<b>Total expenses</b>	<b>125,619</b>	<b>136,094</b>	<b>(10,475)</b>	<b>(8%)</b>	
<b>Surplus/(deficit) for the year</b>	<b>31,350</b>	<b>19,468</b>	<b>(11,882)</b>	<b>(38%)</b>	

## Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	The favourable variance of \$5.1 million includes \$2.3 million of unbudgeted grant funding for one off projects delivered by Council during the year such as Street Lighting upgrades, the Business Concierge and Hospitality program, COVID Safe Outdoor Activation projects, Household Recycling Reform, Hampton Multideck Car Park Feasibility, and the Collaborative Graffiti program. Council also received an additional \$1 million (2022/23 funding in advance) from the Victorian Grants Commission. Council also commenced Home Care Package Services during the year which resulted in an additional \$0.747 million of unbudgeted funding.
2	Grants - capital	\$2.945 million of additional funding has been recognised in accordance with project milestones and includes additional funding for Chain of Ponds at Elsternwick Park, Asbestos Removal from Community Council Buildings, Black Rock Yacht Club Roof Replacement, and Black Rock Life Saving Club Redevelopment. This has been offset by grants not yet recognised due to delays in project completion of \$2.1 million and includes \$1.6 million for Fern Street Children's Centre and \$0.5 million for Dendy Street Beach Masterplan Implementation. The funding is expected to be recognised in 2022/23 aligned to project completion.
3	Contributions - monetary	Open Space contributions are favourable to budget \$3.4 million while Drainage contributions are favourable \$0.64 million reflecting increased development activity. These funds are held in reserves to fund future open space investment and draining works.
4	Contributions - non-monetary	The adopted budget included \$12 million of land and building assets to be contributed to Council by the developer of the CSIRO site in Highett as part of their purchase contract with the Commonwealth Government. Handover of the assets from the developer is now expected in future years in accordance with the S173 agreement commencing in 22/23.
5	Interest	Interest income from rates late payments was higher than anticipated. Ratepayers who were approved for a payment plan under Council's financial hardship policy were not charged interest during the year.
6	Other income	Proceeds from the sale of discontinued laneways was unfavourable to budget impacted by COVID-19 delays as well as consideration of alternative uses of laneways.
7	Employee costs	Employee costs were \$1.4 million favourable to budget due to vacant positions and recruitment delays across the organisation of \$1.5 million as well as savings of \$0.455 million due to the COVID-19 impact of lockdowns and reduced services in Libraries, Aged and Disability Services and School Crossings. Council also commenced Home Care Package Services during the year which resulted in an additional \$0.609 million of unbudgeted salaries funded from Commonwealth Grants.
8	Materials and services	The \$5.8 million unfavourable budget variance relates primarily to \$1.8 million of unbudgeted expenditure on grant funded projects including the Street Lighting Upgrade program, LCRI funded additional tree planting, COVID Safe Outdoor Activity program, Home Care Packages Service, and the Collaborative Graffiti Removal Pilot program. Work In Progress write-offs of \$3.1 million include Asbestos Removal \$1 million and minor building renewals and traffic management of \$0.554 million. These projects are funded as part of the capital program but cannot be capitalised because of their nature. A provision of \$0.538 million was also established during 2021/22 to accommodate the anticipated future remedial works required to cap the former Springvalley Landfill which Bayside used during the 1990's. Projects of \$0.568 million were also approved during the year to be funded from reserves including the Dendy Street Beach Box Erosion Solution as well as the Mid Century Modern Heritage Study.
9	Amortisation - Intangible assets	The increase in amortisation expense for Intangibles reflects increased costs of software expenditure and its implementation and the relative short-life of intangible assets.
10	Amortisation - Right of use assets	The unfavourable variance of \$0.12 million reflects the increasing value of Council's Fleet including electric vehicles leased during the year.
11	Bad and doubtful debts	The provision for parking infringements has increased by \$0.364 million reflecting the increase in parking revenue in prior years. Collection rates remain constant at 71%.
12	Net loss on disposal of property, infrastructure, plant and equipment	The \$5.27 million unfavourable variance reflects the written-down value of assets which have been replaced during the year as part of the capital program including \$2.83 million Brighton Recreation Centre, \$0.473 million Donald McDonald Reserve pavilion, \$0.269 million Beaumaris Soccer pavilion and \$0.164 million Brighton Beach Life Saving Club. These assets were disposed of during the year as part of Council's renewal program.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 2.1.2 Capital works

	Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000	Variance %	Ref
<b>Property</b>					
Buildings	47,945	31,913	(16,032)	(33%)	1
Building improvements	2,950	3,656	706	24%	2
<b>Total Buildings</b>	<b>50,895</b>	<b>35,569</b>	<b>(15,326)</b>	<b>(30%)</b>	
<b>Total Property</b>	<b>50,895</b>	<b>35,569</b>	<b>(15,326)</b>	<b>(30%)</b>	
<b>Plant and Equipment</b>					
Arts and culture collection	230	129	(101)	(44%)	3
Fixtures, fittings and furniture	150	563	413	274%	4
Computers and telecommunications	487	715	228	47%	5
Library books	550	535	(15)	(3%)	
<b>Total Plant and Equipment</b>	<b>1,419</b>	<b>1,943</b>	<b>524</b>	<b>37%</b>	
<b>Infrastructure</b>					
Roads	4,112	2,268	(1,844)	(45%)	6
Bridges	283	59	(224)	(79%)	7
Kerb and Channel	1,654	1,476	(178)	(11%)	8
Footpaths and cycleways	2,656	3,192	536	20%	9
Drainage	2,487	1,799	(688)	(28%)	10
Parks, open space and streetscapes	6,907	5,168	(1,739)	(25%)	11
Foreshore and conservation	2,102	1,386	(716)	(34%)	12
Off street car parks	335	442	107	32%	
Other infrastructure	1,047	916	(132)	(13%)	
<b>Total Infrastructure</b>	<b>21,583</b>	<b>16,707</b>	<b>(4,876)</b>	<b>(23%)</b>	
<b>Total Capital Works Expenditure</b>	<b>73,897</b>	<b>54,219</b>	<b>(19,678)</b>	<b>(27%)</b>	
<b>Represented by:</b>					
New asset expenditure	13,982	12,054	(1,928)	(14%)	
Asset renewal expenditure	30,448	21,524	(8,924)	(29%)	
Asset expansion expenditure	8,121	10,963	2,842	35%	
Asset upgrade expenditure	21,345	9,679	(11,667)	(55%)	
<b>Total Capital Works Expenditure</b>	<b>73,897</b>	<b>54,219</b>	<b>(19,677)</b>	<b>(27%)</b>	

## Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	The \$16 million underspend in buildings is mainly due to the carry forward of a number of large projects impacted by delays including COVID-19 lockdowns, VCAT hearings and tender delays due to current construction market conditions. The projects to be carried forward include Dendy Street Beach Pavilion \$3.8 million, Basketball Stadium \$3.2 million, Fern St Early Years Integration Centre \$2.7 million, Sandringham Hub (Masonic Hall) \$1.6 million, Boss James Reserve Pavilion \$1.2 million, Brighton Recreation Centre \$1 million, North Brighton Children's Centre \$0.9 million, Sillitoe Reserve Pavilion \$0.7 million, the Black Rock Lifesaving Club \$0.6 million, and the Donald McDonald Reserve Pavilion \$0.4 million. All of these projects are proceeding in 2022/23 in accordance with their project plan.
2	Building improvements	Building improvement expenditure included an additional \$1 million of asbestos removal from Council buildings as well as the Black Rock Yacht Club roof replacement \$0.36 million both new projects funded from external grants. This was offset by an underspend on Sandringham Leisure Centre major repairs \$0.58 million which were delayed due to COVID-19 impact on the tenant. These works will proceed in 2022/23 accommodating the tenant's needs.
3	Arts and culture collection	The installation of public art at Landcox Park is subject to ongoing collaboration between the artist and the Bunurong Land Council. This project is expected to be completed in 2022/23.
4	Fixtures, fittings and furniture	The refurbishment of Council building workspaces \$0.382 million to accommodate COVID-19 restrictions was carried forward from 2020/21 and complete during 2021/22.
5	Computers and telecommunications	The project costs for the upgrade to the Website Content Management System increased in line with the revised scope which was finalised during the discovery phase of the project.
6	Roads	The Thomas Street Road Reconstruction program \$1.56 million have been delayed and is expected to be completed in 2022/23.
7	Bridges	Works on the New Street and Brickwood Street Bridges has been delayed due to poor weather and is expected to be completed in 2022/23.
8	Kerb and Channel	Works have been completed with savings identified in the program.
9	Footpaths and cycleways	The project costs for the Bay Trail Middle Brighton Baths increased to accommodate urgent safety issues identified during the design phase of the project.
10	Drainage	The 2020/21 Integrated Water Management plan project has been completed with savings \$0.245 million while the 2021/22 project has been delayed and carried forward \$0.120 million to 2022/23. The Hornby Street, Brighton East drainage project has been delayed \$0.293 million due to supply chain issues and poor weather. This project is expected to be completed in 2022/23.
11	Parks, open space and streetscapes	The Chain of Ponds project at Elsterwick Park \$1.2 million was carried forward from 2020/21 and completed during 2021/22. The Sandringham Athletics Club synthetic track \$1.064 million was also carried forward from 2020/21 due to COVID-19 restrictions and poor weather and completed during 2021/22. This was offset by \$1.7 million savings in contaminated land provision which was not required to be utilised and a number of Streetscape projects which were cancelled during the year due to COVID-19 and the projects not satisfying urban design outcomes \$0.870 million.
12	Foreshore and conservation	A number of foreshore and gardens masterplan implementations have been carried forward to 2022/23 due to delays caused by external stakeholder consent, lack of tender responses, and to accommodate traders \$0.792 million.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

#### 2.2.1

##### CEO Division

The CEO Division provides oversight of the organisation and each of its Directorates with immediate direct support to Council in the areas of strategic planning, business improvements, service planning and people and capability 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.

#### 2.2.2 Summary of Income, expenses, assets and capital expenses by program

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
<b>2022</b>					
CEO Division	2,882	2,882	-	-	-
Corporate Services	26,682	26,682	-	3,920	11,063
Environment, Recreation and Infrastructure	86,758	67,290	19,468	6,099	4,051,549
City Planning and Amenity	16,452	16,452	-	1,283	1,896
Community and Customer Experience	22,788	22,788	-	8,864	9,644
	<b>155,562</b>	<b>136,094</b>	<b>19,468</b>	<b>20,166</b>	<b>4,074,152</b>
<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	-	7,226	9,384
	<b>142,774</b>	<b>121,848</b>	<b>20,926</b>	<b>12,596</b>	<b>3,830,407</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 2021/22 was \$72,872 million (2020/21 \$68,251 million).

	2022 \$'000	2021 \$'000
General rates	81,381	79,058
Municipal charge	7,488	7,314
Waste management charge	14,611	13,569
Supplementary rates and rate adjustments	588	975
Cultural and recreational	322	329
<b>Total rates and charges</b>	<b>104,390</b>	<b>101,245</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2021, and the valuation was first applied in the rating year commencing 01/07/2021. Council's rate revenue increase complied with the Victorian Government rate cap of 1.5% set for 2021/22.

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

	2022 \$'000	2021 \$'000
Infringements and costs		
Parking	4,258	3,527
Animal management	68	41
Compulsory voting enforcement	62	62
Other	64	6
Court recoveries	1,082	934
Town planning fees	1,536	1,381
Land information certificates	151	116
Building permits	869	799
Other	128	97
<b>Total statutory fees and fines</b>	<b>8,218</b>	<b>6,963</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 2022

### 3.3 User fees

	2022 \$'000	2021 \$'000
Aged and health services	1,183	1,063
Open space and recreation	909	475
Planning and infrastructure	1,757	1,316
Parking	2,080	1,888
Animal registration permits	1,392	1,341
Amenity protection	822	517
Waste management services	125	100
Other fees and charges	729	636
<b>Total user fees</b>	<b>8,997</b>	<b>7,336</b>

#### User fees by timing of revenue recognition

User fees recognised at a point in time	8,997	7,336
<b>Total user fees</b>	<b>8,997</b>	<b>7,336</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:

	2022 \$'000	2021 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	11,877	8,514
State funded grants	8,289	4,082
<b>Total grants received</b>	<b>20,166</b>	<b>12,596</b>
<b>(a) Operating grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Financial assistance grants	3,900	2,611
General home care	3,549	3,349
Aged care	1,877	711
Assessment and Review	704	694
Other	40	8
<b>Recurrent - State Government</b>		
Aged care	12	80
General home care	357	273
School crossing supervisors	370	344
Youth services	29	16
Libraries	705	681
Maternal and child health	898	836
Community safety and wellbeing	196	128
<b>Total recurrent operating grants</b>	<b>12,637</b>	<b>9,731</b>
<b>Non-recurrent - Commonwealth Government</b>		
Regional projects	454	334
Open Space	-	60
Tree Management	291	-
Street Lighting Upgrade	690	210
Aged and disability services	-	44
<b>Non-recurrent - State Government</b>		
Aged and disability services	67	164
Environmental	183	11
Library	16	16
Youth services	80	1
Working for Victoria	630	221
Economic Development	743	462
Waste	149	-
Maintenance Services	123	-
Health	108	20
COVID-19 Support	-	107
Other	177	46
<b>Total non-recurrent operating grants</b>	<b>3,712</b>	<b>1,698</b>
<b>Total operating grants</b>	<b>16,349</b>	<b>11,429</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

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

<b>(b) Capital Grants</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<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
<b>Non-recurrent - State Government</b>		
Buildings	2,229	500
Open Space	1,000	-
VicRoads	-	175
<b>Non-recurrent - Other</b>		
Buildings	217	-
<b>Total non-recurrent capital grants</b>	<b>3,446</b>	<b>796</b>
<b>Total capital grants</b>	<b>3,817</b>	<b>1,167</b>

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

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Operating</b>			
Balance at start of year		1,107	435
Received during the financial year and remained unspent at balance date		1,733	1,037
Received in prior years and spent during the financial year		(967)	(365)
Balance at year end		<b>1,873</b>	<b>1,107</b>
<b>Capital</b>			
Balance at start of year		1,623	50
Received during the financial year and remained unspent at balance date		884	1,623
Received in prior years and spent during the financial year		(1,623)	(50)
Balance at year end		<b>884</b>	<b>1,623</b>
<b>Total Unspent grants</b>	9.1(b)	<b>2,757</b>	<b>2,730</b>

### (d) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 *Income for Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

#### Income recognised under AASB 1058 *Income of Not-for-Profit Entities*

	2022 \$'000	2021 \$'000
General purpose	3,900	2,611
Specific purpose grants to acquire non-financial assets	3,817	1,167
<b>Revenue recognised under AASB 15 <i>Revenue from Contracts with Customers</i></b>		
Specific purpose grants	12,449	8,818
	<b>20,166</b>	<b>12,596</b>

### 3.5 Contributions

	2022 \$'000	2021 \$'000
<b><i>Monetary – Operating</i></b>		
VicRoads road maintenance	30	29
	<b>30</b>	<b>29</b>
<b><i>Monetary – Capital</i></b>		
Open space contributions	5,446	5,430
Drainage	814	918
Buildings	603	-
Roads	-	20
	<b>6,863</b>	<b>6,368</b>
<b>Total monetary contributions</b>	<b>6,893</b>	<b>6,397</b>
Non-monetary	233	291
<b>Total contributions</b>	<b>7,126</b>	<b>6,688</b>

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

Footpaths	6	-
Laneways	34	-
Drainage	193	291
<b>Total non-monetary contributions</b>	<b>233</b>	<b>291</b>

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

# Notes to the Financial Report

## For the Year Ended 30 June 2022

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

	2022 \$'000	2021 \$'000
<b>Disposal of non-current assets held for sale</b>		
Proceeds of sale	-	4,158
Written down value of assets disposed	-	(3,064)
<b>Gain from disposal of non-current asset held for sale</b>	<b>-</b>	<b>1,094</b>
<b>Written down value of asset disposed</b>		
Footpaths and cycleways	(618)	(452)
Roads	(649)	(607)
Drains	(31)	(36)
Buildings	(3,894)	(134)
Parks & Open Space	(7)	-
Laneways	(66)	-
Road Management	(5)	-
<b>Total loss on disposal of assets</b>	<b>(5,270)</b>	<b>(1,229)</b>
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>(5,270)</b>	<b>(135)</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.

### 3.7 Rental income

	2022 \$'000	2021 \$'000
Golf Courses	853	878
Other recreation facilities	1,349	1,358
Mobile phone facilities	884	891
Food premises	516	446
Other rentals	196	220
<b>Total rental income</b>	<b>3,798</b>	<b>3,793</b>

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

### 3.8 Interest income

	2022 \$'000	2021 \$'000
Interest - Cash and cash equivalents	804	859
Interest - Rates late payment	557	526
Interest - Other	-	221
<b>Total Interest Income</b>	<b>1,361</b>	<b>1,606</b>

Interest is recognised as it is earned.

### 3.9 Other income

	2022 \$'000	2021 \$'000
Cost recovery	814	357
Sale of roads and laneways	446	520
Employee contributions	203	229
Other	43	144
<b>Total other income</b>	<b>1,506</b>	<b>1,250</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

	2022 \$'000	2021 \$'000
Fair value adjustments	(15)	71
<b>Total Fair value adjustments for financial assets</b>	<b>(15)</b>	<b>71</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

	2022 \$'000	2021 \$'000
Assets not previously recognised	-	1,226
<b>Total assets not previously recognised</b>	<b>-</b>	<b>1,226</b>

In 2021, 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 2022

### Note 4 The cost of delivering services

#### 4.1 Employee costs

##### (a) Employee costs

	2022 \$'000	2021 \$'000
Wages and salaries	40,538	38,848
WorkCover	565	430
Casual staff	1,094	717
Superannuation	4,127	3,680
Fringe benefits tax	301	301
Agency Staff	1,102	1,018
<b>Total employee costs</b>	<b>47,727</b>	<b>44,994</b>

##### (b) Superannuation

Council made contributions to the following funds:

Scheme	Type of scheme	Rate	2022 \$'000	2021 \$'000
Vision Super	Defined Benefits	10.00%	126	140
Vision Super	Accumulation	10.00%	1,883	1,695
Australian Super	Accumulation	10.00%	393	287
HESTA Super	Accumulation	10.00%	174	150
Hostplus Super	Accumulation	10.00%	211	173
REST Super	Accumulation	10.00%	151	114
VicSuper	Accumulation	10.00%	136	123
Other Funds	Accumulation	10.00%	1,032	996

\$0 employer contributions payable at reporting date (2021: \$0)

Refer to note 9.3 for further information relating to Council's superannuation obligations.

## 4.2 Materials and services

	2022 \$'000	2021 \$'000
Contracts		
Environmental sustainability and open space services	23,551	20,830
City works services	3,511	3,271
Other services	2,272	1,721
General maintenance	3,401	3,145
Building maintenance	2,264	1,662
Services and purchases	12,293	9,920
Motor vehicle costs	215	168
Short-term and low value leases	860	1,028
Office administration	764	816
Insurance	1,173	1,037
Community grants and sponsorship	1,331	883
Utilities and taxes	2,412	2,465
Other materials and services	3,930	4,653
<b>Total materials and services</b>	<b>57,977</b>	<b>51,599</b>

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

## 4.3 Depreciation

	Note	2022 \$'000	2021 \$'000
Buildings		5,096	5,108
Plant and equipment		943	978
Infrastructure		15,728	15,455
<b>Total depreciation</b>	6.1	<b>21,767</b>	<b>21,541</b>

## 4.4 Amortisation – Intangible assets

	Note	2022 \$'000	2021 \$'000
Software		882	828
<b>Total Amortisation – Intangible assets</b>	5.2(c)	<b>882</b>	<b>828</b>

## 4.5 Amortisation – Right of use assets

	Note	2022 \$'000	2021 \$'000
Plant and equipment		252	254
Vehicles		578	582
Other		100	100
<b>Total Amortisation – Right of use assets</b>	5.7	<b>930</b>	<b>936</b>

Refer to note 5.2(c), 5.7 and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 4.6 Bad and doubtful debts

	2022 \$'000	2021 \$'000
Parking fine debtors	812	447
Other debtors	229	384
<b>Total bad and doubtful debts</b>	<b>1,041</b>	<b>830</b>

#### Movement in provisions for doubtful debts

Balance at the beginning of the year	4,793	4,268
New provisions recognised during the year	1,041	830
Amounts already provided for and written off as uncollectible	(210)	(305)
<b>Balance at end of year</b>	<b>5,624</b>	<b>4,793</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.

### 4.7 Finance Costs – Leases

	2022 \$'000	2021 \$'000
Interest – Lease Liabilities	45	66
<b>Total finance costs</b>	<b>45</b>	<b>66</b>

### 4.8 Other expenses

	2022 \$'000	2021 \$'000
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	64	67
Auditors' remuneration - Internal Audit	94	81
Councillors' allowances	255	256
Council Election Costs	27	511
Other	-	4
<b>Total other expenses</b>	<b>440</b>	<b>919</b>

## Note 5 Our financial position

### 5.1 Financial assets

#### (a) Cash and cash equivalents

	2022 \$'000	2021 \$'000
Cash at bank and on hand	7,589	12,218
<b>Total cash and cash equivalents</b>	<b>7,589</b>	<b>12,218</b>

#### (b) Other financial assets

##### Current

Term deposits	67,000	109,013
	<b>67,000</b>	<b>109,013</b>

##### Non-current

Floating-Rate Notes	-	3,071
Term Deposits	49,000	3,000
	<b>49,000</b>	<b>6,071</b>
<b>Total other financial assets</b>	<b>116,000</b>	<b>115,084</b>
<b>Total financial assets</b>	<b>123,589</b>	<b>127,302</b>

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))	7,422	5,624
Statutory Reserves (Note 9.1(b))	26,383	22,607
Total restricted funds	<b>33,805</b>	<b>28,231</b>
Total unrestricted cash and cash equivalents	<b>89,784</b>	<b>99,071</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))	23,415	23,022
Total other discretionary reserves (Note 9.1 (b))	28,011	36,714
Total funds subject to intended allocations	<b>51,426</b>	<b>59,736</b>

<b>Total unallocated unrestricted financial assets</b>	<b>38,358</b>	<b>39,335</b>
--	---------------	---------------

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 classified as current and non current 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.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 5.1 Financial assets (continued)

#### (c) Trade and other receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
<b>Statutory receivables</b>		
Rates debtors	5,970	5,228
Parking infringement debtors	5,891	5,146
Provision for doubtful debts - parking infringements	(4,109)	(3,471)
Other infringement debtors	238	194
Provision for doubtful debts - other infringements	(124)	(160)
Net GST receivables	2,113	1,346
<b>Non statutory receivables</b>		
Aged and disability	105	101
Rental debtors	3,167	1,397
Other debtors	1,899	1,463
Provision for doubtful debts - other debtors	(1,391)	(1,162)
<b>Total current trade and other receivables</b>	<b>13,759</b>	<b>10,082</b>
<b>Non-current</b>		
<b>Statutory receivables</b>		
Rates debtors	94	100
<b>Total non-current trade and other receivables</b>	<b>94</b>	<b>100</b>
<b>Total trade and other receivables</b>	<b>13,853</b>	<b>10,182</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:

	2022 \$'000	2021 \$'000
Current (not yet due)	3,327	1,211
Past due by up to 30 days	449	193
Past due between 31 and 60 days	166	145
Past due by more than 60 days	1,229	1,412
<b>Total trade and other receivables</b>	<b>5,171</b>	<b>2,961</b>

## 5.2 Non-financial assets

### (a) Inventories

	2022 \$'000	2021 \$'000
Inventories held for sale	121	92
<b>Total inventories</b>	<b>121</b>	<b>92</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

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepayments	20,189	4,688
Accrued income	2,322	409
	<b>22,511</b>	<b>5,097</b>

Prepayments of \$20.2 million includes \$18.05 million as part of Council's contribution to the Netball facilities at Sandringham College which are still under construction. Once the facility is commissioned and ready for use, the prepayment will be transferred to Right of Use Assets and its value amortised over the life of the Right of Use agreement.

#### Non-current

Deposits held by suppliers – refundable	75	130
<b>Total other assets</b>	<b>22,586</b>	<b>5,227</b>

### (c) Intangible assets

Software	2,363	2,541
<b>Total intangible assets</b>	<b>2,363</b>	<b>2,541</b>

#### Gross carrying amount

	Software \$'000
Balance at 1 July 2021	8,628
Additions	630
Disposals	(9)
Work in progress	83
<b>Balance at 30 June 2022</b>	<b>9,332</b>

#### Accumulated amortisation and impairment

Balance at 1 July 2021	(6,087)
Amortisation expense	(882)
<b>Balance at 30 June 2022</b>	<b>(6,969)</b>
Net book value at 30 June 2021	2,541
<b>Net book value at 30 June 2022</b>	<b>2,363</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 2022

### 5.3 Payables, Trust funds and deposits and Unearned income/revenue

#### (a) Trade and other payables

	2022 \$'000	2021 \$'000
Trade payables	8,248	4,397
Accrued expenses		
Capital	1,866	2,242
Materials and service	2,401	2,480
Employee cost	730	527
<b>Total trade and other payables</b>	<b>13,245</b>	<b>9,646</b>

#### (b) Trust funds and deposits

Building and Infrastructure refundable deposits	4,879	3,800
Fire services levy	734	333
Retention amounts	172	164
Other refundable deposits	1,637	1,327
<b>Total trust funds and deposits</b>	<b>7,422</b>	<b>5,624</b>

#### (c) Unearned income/revenue

Grants received in advance - operating	1,873	1,107
Grants received in advance - capital	884	1,623
Rental In advance	470	468
Rental Deferred	639	560
<b>Total unearned income</b>	<b>3,866</b>	<b>3,758</b>

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

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grants received in advance and rental income received in advance and deferred. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.4 (c).

#### **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. Amounts 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

<b>2022</b>	<b>Annual leave \$ '000</b>	<b>Long service leave \$ '000</b>	<b>Staff gratuity scheme \$ '000</b>	<b>Other Provisions \$ '000</b>	<b>Total \$ '000</b>
Balance at beginning of the financial year	4,263	7,106	10	72	11,451
Additional provisions	3,832	1,294	1	583	5,710
Amounts used	(3,799)	(494)	-	(72)	(4,365)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(572)	-	-	(572)
<b>Balance at the end of the financial year</b>	<b>4,296</b>	<b>7,334</b>	<b>11</b>	<b>583</b>	<b>12,224</b>
<b>2021</b>					
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>

### (a) Employee provisions

	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	2,563	2,530
Long service leave	863	863
Staff gratuity scheme	11	10
	<b>3,437</b>	<b>3,403</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	1,733	1,733
Long service leave	5,329	5,142
	<b>7,062</b>	<b>6,875</b>
<b>Total current employee provisions</b>	<b>10,499</b>	<b>10,278</b>
<b>Non-current provisions</b>		
Long service leave	1,141	1,101
<b>Total non-current employee provisions</b>	<b>1,141</b>	<b>1,101</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	10,499	10,278
Non-current	1,141	1,101
<b>Total aggregate carrying amount of employee provisions</b>	<b>11,640</b>	<b>11,379</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 5.4 Provisions (continued)

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

#### Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

Key assumptions:	2022	2021
• discount rate	3.69%	2.95%
• inflation rate	3.85%	1.49%

#### Staff Gratuity Scheme

The staff gratuity scheme entitlement of \$10,658 (2021: \$10,141) 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

	2022 \$'000	2021 \$'000
Current	583	72
<b>Total other current provisions</b>	<b>583</b>	<b>72</b>

#### Aggregate carrying amount of provisions:

Current	11,082	10,350
Non-current	1,141	1,101
<b>Total aggregate carrying amount of provisions</b>	<b>12,223</b>	<b>11,451</b>

### 5.5 Financing arrangements

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

	2022 \$'000	2021 \$'000
Credit card facilities	95	95
<b>Total facilities</b>	<b>95</b>	<b>95</b>
Used facilities	18	28
Unused facilities	77	67

## 5.6 Commitments and Lease receivables

### 5.6 (a) Commitments for expenditure

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.

2022	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Waste collection and disposal	10,197	4,014	1,965	3,305	19,481
Infrastructure and Open Space	18,872	18,872	18,872	7,863	64,479
Other	1,820	796	434	-	3,050
<b>Total</b>	<b>30,889</b>	<b>23,682</b>	<b>21,271</b>	<b>11,168</b>	<b>87,010</b>
<b>Capital</b>					
Buildings	19,453	-	-	-	19,453
Foreshore and conservation	9,502	-	-	-	9,502
Carparks	969	-	-	-	969
Parks, open space and streetscapes	1,108	-	-	-	1,108
Drainage	800	-	-	-	800
Roads	1,254	-	-	-	1,254
<b>Total</b>	<b>33,086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,086</b>
<b>2021</b>					
<b>Operating</b>					
Waste collection and disposal	12,269	2,743	2,088	-	17,100
Infrastructure and Open Space	17,838	17,680	43,482	-	79,000
Cleaning	100	-	-	-	100
Building maintenance	421	-	-	-	421
Other	1,618	873	-	-	2,491
<b>Total</b>	<b>32,246</b>	<b>21,296</b>	<b>45,570</b>	<b>-</b>	<b>99,112</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
<b>Total</b>	<b>25,515</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,515</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 5.6 Commitments and Lease receivables (continued)

#### 5.6 (b) 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 ongoing COVID-19 impacts, On 3 August 2021, the Victorian Government introduced into Parliament The Commercial Tenancy Relief Scheme Regulations 2021 (Vic) which commenced on 28 July 2021 and ran until Friday, January 15, 2022. The regulations required Council to provide rent relief to eligible tenants, commensurate with the reduction in turnover of 50% waived and 50% deferred, along with an extension of lease for the period of deferral. The Victorian Government subsequently introduced new regulations under the Commercial Tenancy Relief Scheme Regulations 2022 which extended COVID-19 rent relief to 15 March 2022 for eligible tenants. As at 30 June the impact on rental income is a reduction of \$639,606 in deferred rent to be paid back in accordance with individual payment plans and \$677,980 in rent waived.

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

	2022 \$'000	2021 \$'000
Not later than one year	3,510	3,167
Later than one year and not later than five years	5,849	5,867
Later than five years	8,154	6,509
	<b>17,513</b>	<b>15,543</b>

## 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.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 5.7 Leases (continued)

<i>Right-of-Use Assets</i>	IT Equipment \$'000	Vehicles \$'000	Other \$'000	Total \$'000
Balance at 1 July 2021	374	785	100	1,259
Additions	-	349	-	349
Adjustments due to re-measurement of lease liability	(7)	160	-	153
Amortisation charge	(252)	(578)	(100)	(930)
<b>Balance at 30 June 2022</b>	<b>115</b>	<b>716</b>	<b>-</b>	<b>831</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)
<b>Balance at 30 June 2021</b>	<b>374</b>	<b>785</b>	<b>100</b>	<b>1,259</b>

	2022 \$'000	2021 \$'000
<b>Lease Liabilities</b>		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	537	847
One to five years	347	494
More than five years	-	-
<b>Total undiscounted lease liabilities as at 30 June:</b>	<b>884</b>	<b>1,341</b>
Lease liabilities included in the Balance Sheet at 30 June:		
Current	511	809
Non-current	335	478
<b>Total lease liabilities</b>	<b>846</b>	<b>1,287</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 \$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.

	2022 \$'000	2021 \$'000
<b>Expenses relating to:</b>		
Leases of low value assets	476	504
<b>Total</b>	<b>476</b>	<b>504</b>

### **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:

	2022 \$'000	2021 \$'000
Payable:		
Within one year	372	348
Later than one year but not later than five years	22	334
<b>Total lease commitments</b>	<b>394</b>	<b>682</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### Note 6 Assets we manage

#### 6.1 Property, infrastructure, plant and equipment

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

	Carrying amount at 30 June 2021 \$'000	Additions \$'000	Contributed Assets \$'000	Revaluation \$'000	Depreciation \$'000
Land	3,070,801	-	-	223,270	-
Buildings	184,881	6,566	-	(18,143)	(5,096)
Plant and equipment	8,615	932	-	-	(943)
Infrastructure	403,266	8,804	233	13,312	(15,728)
Work in progress	16,239	37,206	-	-	-
	<b>3,683,803</b>	<b>53,508</b>	<b>233</b>	<b>218,439</b>	<b>(21,767)</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	7,168	29,002	(1,946)	(15,350)	(1,384)	<b>17,490</b>
Plant and equipment	65	297	(60)	-	(62)	<b>240</b>
Infrastructure	9,006	7,907	(1,097)	(36)	(4,354)	<b>11,426</b>
<b>Total</b>	<b>16,239</b>	<b>37,206</b>	<b>(3,103)</b>	<b>(15,386)</b>	<b>(5,800)</b>	<b>29,155</b>

<b>Disposal \$'000</b>	<b>Write-off \$'000</b>	<b>Transfers - WIP \$'000</b>	<b>Transfers - Class \$'000</b>	<b>Carrying amount 30 June 2022 \$'000</b>
-	-	-		<b>3,294,071</b>
(3,894)	-	1,384	13	<b>165,712</b>
-	-	62	38	<b>8,705</b>
(1,376)	-	4,354	300	<b>413,166</b>
-	(3,103)	(5,800)	(15,386)	<b>29,155</b>
<b>(5,270)</b>	<b>(3,103)</b>	<b>-</b>	<b>(15,035)</b>	<b>3,910,809</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

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

#### (a) Property

	Land – specialised \$'000	Land – non specialised \$'000	Land under roads \$'000	Total land \$'000
At fair value 1 July 2021	2,163,544	362,200	545,057	3,070,801
Accumulated depreciation at 1 July 2021	-	-	-	-
	<b>2,163,544</b>	<b>362,200</b>	<b>545,057</b>	<b>3,070,801</b>
<b>Movements in fair value</b>				
Additions	-	-	-	-
Revaluation	95,959	8,296	119,015	223,270
Disposal	-	-	-	-
Write-off	-	-	-	-
Transfers WIP - Other classes	-	-	-	-
Transfers WIP - Capitalised	-	-	-	-
	<b>95,959</b>	<b>8,296</b>	<b>119,015</b>	<b>223,270</b>
<b>Movements in accumulated depreciation</b>				
Depreciation and amortisation	-	-	-	-
Accumulated depreciation of disposals	-	-	-	-
Revaluation	-	-	-	-
	-	-	-	-
At fair value 30 June 2022	2,259,503	370,496	664,072	3,294,071
Accumulated depreciation at 30 June 2022	-	-	-	-
<b>Carrying amount 30 June 2022</b>	<b>2,259,503</b>	<b>370,496</b>	<b>664,072</b>	<b>3,294,071</b>

#### (b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000
At fair value 1 July 2021	2,107	5,788
Accumulated depreciation at 1 July 2021	(1,885)	(3,695)
	<b>222</b>	<b>2,093</b>
<b>Movements in fair value</b>		
Additions	-	383
Write-off	-	-
Transfers WIP - Other classes	23	-
Transfers WIP - Capitalised	-	62
	<b>23</b>	<b>445</b>
<b>Movements in accumulated depreciation</b>		
Depreciation and amortisation	(111)	(502)
	<b>(111)</b>	<b>(502)</b>
At fair value 30 June 2022	2,130	6,234
Accumulated depreciation at 30 June 2022	(1,995)	(4,197)
<b>Carrying amount 30 June 2022</b>	<b>135</b>	<b>2,037</b>

Heritage buildings \$'000	Buildings – specialised \$'000	Buildings – non specialised \$'000	Total buildings \$'000	Work In progress \$'000	Total property \$'000
31,937	288,367	2,305	322,609	7,168	3,400,578
(8,790)	(128,468)	(470)	(137,728)	-	(137,728)
<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>
16	6,550	-	6,566	29,002	35,568
21,621	(10,372)	1,199	12,448	-	235,718
-	(9,651)	-	(9,651)	-	(9,651)
-	-	-	-	(1,946)	(1,946)
-	13	-	13	(15,350)	(15,337)
-	1,384	-	1,384	(1,384)	-
<b>21,637</b>	<b>12,076</b>	<b>1,199</b>	<b>10,760</b>	<b>10,322</b>	<b>244,352</b>
(252)	(4,806)	(38)	(5,096)	-	(5,096)
-	5,756	-	5,756	-	5,756
(25,543)	(3,604)	(1,443)	(30,590)	-	(30,590)
<b>(25,795)</b>	<b>(2,654)</b>	<b>(1,481)</b>	<b>(29,930)</b>	<b>-</b>	<b>(29,930)</b>
53,574	276,291	3,504	333,369	17,490	3,644,930
(34,585)	(131,122)	(1,951)	(167,658)	-	(167,658)
<b>18,989</b>	<b>145,169</b>	<b>1,553</b>	<b>165,711</b>	<b>17,490</b>	<b>3,477,272</b>
Library books \$'000	Arts and culture assets \$'000	Work in progress \$'000	Total plant and equipment \$'000		
6,980	5,071	65	20,011		
(5,753)	-	-	(11,333)		
<b>1,227</b>	<b>5,071</b>	<b>65</b>	<b>8,678</b>		
535	14	297	1,229		
-	-	(60)	(60)		
-	15	-	38		
-	-	(62)	-		
<b>535</b>	<b>29</b>	<b>175</b>	<b>1,207</b>		
(331)	-	-	(943)		
<b>(331)</b>	<b>-</b>	<b>-</b>	<b>(943)</b>		
7,515	5,100	240	21,218		
(6,084)	-	-	(12,275)		
<b>1,431</b>	<b>5,100</b>	<b>240</b>	<b>8,943</b>		

# Notes to the Financial Report

## For the Year Ended 30 June 2022

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

#### (c) Infrastructure

	Roads	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Parks open spaces and streetscapes \$'000
At fair value 1 July 2021	206,956	6,969	174,417	326,801	82,119
Accumulated depreciation at 1 July 2021	(86,659)	(2,092)	(86,505)	(224,012)	(36,003)
	<b>120,297</b>	<b>4,877</b>	<b>87,912</b>	<b>102,789</b>	<b>46,116</b>
<b>Movements in fair value</b>					
Additions	1,958	60	4,100	576	1,574
Contributed Assets	-	-	6	193	-
Revaluation	-	-	-	44,503	-
Disposal	(1,140)	-	(1,828)	(157)	(13)
Write-off	-	-	-	-	-
Transfers WIP - Other classes	-	-	-	-	300
Transfers WIP - Capitalised	334	870	244	222	1,624
	<b>1,152</b>	<b>930</b>	<b>2,522</b>	<b>45,337</b>	<b>3,485</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(2,754)	(77)	(3,444)	(3,819)	(3,937)
Accumulated depreciation of disposals	492	-	1,210	125	6
Revaluation	-	-	-	(31,190)	-
	<b>(2,262)</b>	<b>(77)</b>	<b>(2,234)</b>	<b>(34,884)</b>	<b>(3,931)</b>
At fair value 30 June 2022	208,108	7,899	176,939	372,138	85,604
Accumulated depreciation at 30 June 2022	(88,921)	(2,169)	(88,739)	(258,896)	(39,934)
Carrying amount 30 June 2022	<b>119,187</b>	<b>5,730</b>	<b>88,200</b>	<b>113,242</b>	<b>45,670</b>

#### Acquisition

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

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

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

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
14,204	16,297	15,921	11,595	9,006	864,284
(7,956)	(492)	(6,337)	(1,956)	-	(452,012)
<b>6,248</b>	<b>15,805</b>	<b>9,584</b>	<b>9,639</b>	<b>9,006</b>	<b>412,272</b>
122	60	143	211	7,907	16,711
-	-	-	34	-	233
-	-	-	-	-	44,503
-	-	(11)	(67)	-	(3,216)
-	-	-	-	(1,097)	(1,097)
-	-	-	-	(36)	264
231	186	643	-	(4,354)	-
<b>353</b>	<b>246</b>	<b>775</b>	<b>178</b>	<b>2,420</b>	<b>57,398</b>
(666)	(332)	(494)	(205)	-	(15,728)
-	-	6	1	-	1,840
-	-	-	-	-	(31,190)
<b>(666)</b>	<b>(332)</b>	<b>(488)</b>	<b>(204)</b>	<b>-</b>	<b>(45,078)</b>
14,557	16,543	16,696	11,773	11,426	921,682
(8,622)	(824)	(6,825)	(2,160)	-	(497,090)
<b>5,935</b>	<b>15,719</b>	<b>9,871</b>	<b>9,613</b>	<b>11,426</b>	<b>424,592</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

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

<i>Asset recognition thresholds and depreciation periods</i>	<b>Depreciation Period</b>	<b>Threshold Limit \$'000</b>
<b>Property</b>		
land	Nil	Nil
buildings	15-75 years	10
heritage building	50-75 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
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
kerb & channel	55-75 years	20
laneways	25-129 years	20
drainage	75-100 years	10
parks, open space and streetscapes	9-100 years	10
<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 except for buildings. The useful lives of buildings was assessed by our valuers Marsh Pty Ltd as part of the 2022 building valuation. The result was a reduction in the useful life of Heritage assets to a maximum of 75 years (previously up to 250 years). This is expected to be more appropriate because of factors such as physical and functional obsolescence due to changes in design and materials of construction, technology or manufacturing techniques.

### **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 undertaken in 2021/22 by a qualified independent valuer ValTec Property Pty Ltd Registration number 62774. During the 2021/22 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 15% since the 2019 valuation which triggered a full revaluation and as a result Council's land values were increased in accordance with the fair value assessment as at 30 June 2022.

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.

A full valuation of Council's building assets was also undertaken by a qualified independent valuer, Marsh Pty Ltd API Registration number 103170 as at 30 June 2022. The valuation involved physical inspection of individual buildings including condition assessments and a review of useful lives.

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 2022:

	<b>Level 1 \$'000s</b>	<b>Level2 \$'000s</b>	<b>Level 3 \$'000s</b>	<b>Valuation Date</b>
Land specialised	-	-	2,259,503	Jun-22
Land non specialised	-	370,496	-	Jun-22
Land under roads	-	-	664,072	Jan-22
Heritage Buildings	-	-	18,989	Jun-22
Buildings specialised	-	-	145,169	Jun-22
Buildings non specialised	-	1,553	-	Jun-22
<b>Total</b>	<b>-</b>	<b>372,049</b>	<b>3,087,733</b>	

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 6.1 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), MInfrastructEng&Mgt.

The date of the current valuation is detailed in the following table. An indexation review was conducted in 2021/22 which identified a weighted increase of 11.6% across drainage assets. Drainage assets are required to undergo a full revaluation in 2022/23 in accordance with the asset policy, however, in light of the indexation results, drainage assets were increased by 11.6% in 2021/22 in advance of a full revaluation in 2022/23. An indices movement review did not identify any significant movement in the Footpaths, Roads, Bridges, Laneways, Road Management or Off-Street Car Park 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 2022.

The valuation is at fair value based on current 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 2022 are as follows:

	Level 1	Level 2	Level 3	Valuation Date
Roads	-	-	119,187	Mar-20
Bridges	-	-	5,730	Jun-21
Footpaths and cycleways	-	-	88,200	Mar-20
Laneways	-	-	9,613	Jun-21
Drainage	-	-	113,242	Jun-22
Road mgmt, traffic signals & street furnitures	-	-	9,871	Jun-21
Off-Street Car Parks	-	-	15,719	Jun-21
<b>Total</b>	-	-	<b>361,562</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 3% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$190 and \$7,505 per square metre. The methodology for valuing land under roads is based on Council's Municipal Site Value and was calculated at 30 June 2022. 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 \$114 per square meter.

**Specialised buildings** are valued using a current 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. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 3 years to 60 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 current 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	2022 \$'000	2021 \$'000
Land under roads	664,072	545,057
Parks and reserves	2,259,503	2,163,544
<b>Total specialised land</b>	<b>2,923,575</b>	<b>2,708,601</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

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Bayside City Council. The Councillors, Chief Executive Officer, Directors and Executive Managers are deemed KMP.

##### **Councillors**

Alex del Porto - (Mayor 11 November 2021 to 30 June 2022, Councillor from 1 July 2021)

Laurence Evans - (Mayor 1 July 2021 to 10 November 2021, Councillor from 11 November 2021)

Sonia Castelli - (Councillor)

Hanna El Mouallem (Councillor )

Clarke Martin - (Councillor)

Jo Samuel-King (Councillor)

Fiona Stitfold - (Councillor)

##### **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

Matthew Cripps - Director City Planning and Amenity (from 23 August 2021, acting Director to 22 August 2021)

Bryce Craggs - Director Community and Customer Experience (from 1 July 2021 to 21 March 2022)

Kristy Green - Acting Director Community and Customer Experience (from 22 March 2022 to 30 June 2022)

Rachael Bragg - Executive Manager People and Strategy (from 10 January 2022)

Charlotte Farrugia - Acting Executive Manager People and Strategy (from 22 October 2021 to 9 January 2022)

Rebecca Aldridge - Executive Manager People and Strategy (from 1 July 2021 to 21 October 2021)

	2022 No.	2021 No.
<b>Total number of Councillors</b>	7	10
<b>Total of Chief Executive Officer and other key management personnel</b>	9	8
<b>Total number of key management personnel</b>	<b>16</b>	<b>18</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 7.1 Council and key management remuneration (continued)

#### (c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2022 \$	2021 \$
Short-term benefits	1,715,877	1,754,200
Long-term benefits	34,146	36,699
Post-employment benefits	184,996	184,162
Termination benefits	75,297	-
<b>Total</b>	<b>\$2,010,316</b>	<b>\$1,975,061</b>

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

	2022 No.	2021 No.
\$1 - \$9,999	-	4
\$10,000 - \$19,999	-	3
\$20,000 - \$29,999	-	2
\$30,000 - \$39,999	5	-
\$40,000 - \$49,999	2	1
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	2	-
\$80,000 - \$89,999	-	1
\$90,000 - \$99,999	1	-
\$110,001 - \$119,999	1	-
\$130,001 - \$139,999	-	1
\$260,001 - \$269,999	2	2
\$280,001 - \$289,999	-	1
\$290,001 - \$299,999	1	-
\$310,001 - \$319,999	1	1
\$370,000 - \$379,999	1	1
	<b>16</b>	<b>18</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	2022 No.	2021 No.
\$151,000 - \$159,999		11	4
\$160,000 - \$169,999		4	3
\$170,000 - \$179,999		5	3
\$180,000 - \$189,999		6	4
\$190,000 - \$199,999		1	1
\$210,000 - \$219,999		1	-
\$220,000 - \$229,999		-	1
\$270,000 - \$279,999		-	1
\$310,000 - \$319,999		1	-
	(i)	29	17
Total remuneration for the reporting year for Senior Officers included above, amounted to:		\$4,998,108	\$3,061,799

(i) The increase in senior officer remuneration includes the payment of leave provisions on the resignation of a long-serving senior officer during the year. There were 11 senior officers whose remuneration exceeded the reportable amount for the first time in 2022, amounting to \$1.7m.

## **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 2022

### 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

###### CSIRO Land

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council. As part of a sale agreement with the Commonwealth and the Developer of the old CSIRO site in Highett, Bayside is to receive assets as developer contributions. The S173 agreement between Bayside and the developer has been signed following endorsement of the Development Plan which imposes contractual obligations on the developer and indicates when title will be transferred. The total value of the assets to be transferred is estimated to be land of \$17.2 million and a \$4.0 million community facility. Whilst there is still uncertainty as to the exact handover date, it is expected to commence in March 2023 and continue for 5 years in accordance with the agreement.

###### Dendy Beach Pavilion Planning Objections

The construction of the Dendy Beach Pavilion is underway after the protracted court action taken by a small group of objectors. The legal fees incurred by Council associated with the cost of defending the Supreme Court proceeding and the Court of Appeal proceeding equated to approximately \$278,000. A costs order has been made in Council's favour against the applicant in both proceedings. Council is in the process of pursuing its costs in accordance with those costs orders.

##### (b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

###### 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 2021/22 financial year (2021: \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022.

###### 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

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

## Wangara Road (Former Landfill Site)

The Wangara Road location is a former landfill site and investigations have identified landfill gas and groundwater leachate. Council is working with the EPA and an independent environmental consultant to respond to Environmental Action Notices (EANs), which will contribute to determining the extent of contamination and potential migration. The monitoring will inform a Rehabilitation Plan which will outline the works required to ensure there is no risk to human health. An Annual Compliance Report was completed in July 2022 and submitted to the EPA for review and response. The cost of work associated with mitigating this risk is not yet clear and subject to further monitoring and development of the Rehabilitation Plan.

## 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 the proposed project work zone. The EPA issued a Clean Up Notice in July 2020. Council engaged Landserv to undertake testing of soil and assist in the response to the EPA CUN. The premises was subject to multiple filling and land modification events along its length between the 1930s until the late 1970s. This filling has resulted in the contamination of soils beneath the premises, with soil sampling undertaken in 2018 and soil sampling undertaken as part of a site contamination assessment in 2022 resulting in the existing clean up notice on the site being removed and an Environmental Action Plan issued by the EPA in June 2022. In response to the Environmental action plan Council has presented an Implementation plan which has been endorsed by an EPA approved auditor. As a requirement of the Implementation Plan further groundwater and soil testing is required and due to the EPA in December 2022. The cost of work associated with responding to the Environmental action Plan is not yet clear and subject to discussions with the EPA.

## (c) Guarantees for loans to other entities

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

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

	Entity	Bank	Guarantee (\$)	Project	Loan Balance	
					2022 (\$)	2021 (\$)
(i)	Brighton Beach Bowls Club	Bendigo Bank	100,000	Replacement of the surface and installation of floodlights	55,848	66,750
(ii)	Cheltenham Football Club Inc.	Bendigo Bank	30,000	Upgrade existing sportsground lighting, electrical power supply and install an electronic scoreboard	18,743	24,259
				<b>TOTAL</b>	<b>74,591</b>	<b>91,010</b>

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact 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. The borrowings may be from either banks or the Treasury Corporation of Victoria (TCV). 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.

##### *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 2020. 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.

### **(c) 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.

### **(d) 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.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 8.3 Financial instruments (continued)

#### (e) 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 + 1.50% and -0.50% in market interest rates (AUD) from year-end rates of 3.00%.

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.

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**

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 2022

### 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>2022</b>			
<b>Property</b>			
Land and land improvements	2,329,040	104,255	2,433,295
Land under roads	105,643	119,015	224,658
Buildings	108,268	(18,143)	90,125
	<b>2,542,951</b>	<b>205,127</b>	<b>2,748,078</b>
<b>Infrastructure</b>			
Roads	133,818	-	133,818
Bridges	2,451	-	2,451
Footpaths & cycleways	35,266	-	35,266
Road mgmt, traffic signals & street furnitures	-	-	-
Offstreet carparks	8,717	-	8,717
Laneways	4,441	-	4,441
Drainage	75,105	13,312	88,416
	<b>259,797</b>	<b>13,312</b>	<b>273,109</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>2,804,671</b>	<b>218,439</b>	<b>3,023,110</b>

	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>2,804,671</b>

(i) The decrement 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.

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 2022

### 9.1 Reserves (continued)

#### (b) Other reserves

2022	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	426	4	-	430
Drainage contribution reserve	1,377	382	-	1,759
Recreational land reserve	20,804	5,653	(2,263)	24,194
<b>Total statutory reserves</b>	<b>22,607</b>	<b>6,039</b>	<b>(2,263)</b>	<b>26,383</b>
<b>Discretionary reserves</b>				
Infrastructure reserve	19,238	3,208	(10,028)	12,418
Dendy Street beach improvement reserve	2,503	(2,503)	-	-
Community facilities enhancement reserve	2,716	27	(155)	2,588
Defined superannuation shortfall	4,000	500	-	4,500
Unspent conditional grants reserve	2,730	2,757	(2,730)	2,757
Capital works carried forward reserve	23,022	5,716	(5,323)	23,415
Early childhood facilities reserve	5,208	52	(403)	4,857
Street and park tree management reserve	319	572	-	891
<b>Total discretionary reserves</b>	<b>59,736</b>	<b>10,329</b>	<b>(18,639)</b>	<b>51,426</b>
<b>Total other reserves</b>	<b>82,343</b>	<b>16,368</b>	<b>(20,902)</b>	<b>77,809</b>
<b>Total reserves</b>	<b>2,887,014</b>			<b>3,100,918</b>
<b>2021</b>				
<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>

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 2022. 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 2022 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 2022

### 9.2 Reconciliation of cash flows from operating activities to surplus

	2022 \$'000	2021 \$'000
Surplus for the year	19,468	20,926
Depreciation/amortisation	23,579	23,305
Loss on disposal of property, infrastructure, plant and equipment	5,270	135
Finance costs	45	66
Work in progress written-off	3,111	3,946
Contributions - Non-monetary assets	(233)	(291)
Assets not previously recognised	-	(1,226)
Fair value adjustment for financial assets	15	(71)
<i>Change in assets and liabilities:</i>		
(Increase) in trade and other receivables	(3,670)	(1,493)
(Increase)/decrease in operating prepayments	2,550	(944)
Decrease in accrued income	(1,913)	237
Increase/(decrease) in trade and other payables	217	1,406
Increase in income in advance	109	2,295
(Increase)/decrease in inventories	(29)	52
Increase/(Decrease) in provisions	773	237
Increase in trusts and deposits	1,798	679
<b>Net cash provided by/(used in) operating activities</b>	<b>51,089</b>	<b>49,259</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. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

### **Accumulation**

The Fund's accumulation 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 2022, this was 10.0% (9.5% in 2020/21) as required under Superannuation Guarantee (SG) legislation.

### **Defined Benefit**

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Bayside City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

### **Funding arrangements**

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2021, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns	4.75% pa.
Salary information	2.75% pa.
Price inflation (CPI)	2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns	5.5% pa.
Salary information	2.5% pa to 30 June 2023, and 3.5% pa thereafter
Price inflation (CPI)	3.0% pa.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

# Notes to the Financial Report

## For the Year Ended 30 June 2022

### 9.3 Superannuation (continued)

#### Employer Contributions

##### (a) Regular Contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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.

##### (b) Funding Calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### The 2021 interim 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 is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last 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 (Interim) \$m	2021 (Triennial) \$m
• A VBI Surplus	214.7	100.0
• A total service liability surplus	270.3	200.0
• A discounted accrued benefits surplus	285.2	217.8

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 2021. 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 2021. 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 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

### The 2022 Interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

<b>Scheme</b>	<b>Type of Scheme</b>	<b>Rate</b>	<b>2022 \$'000</b>	<b>2021 \$'000</b>
Vision super	Defined benefits	10.0% (2021: 9.5%)	126	140
Vision super	Accumulation	10.0% (2021: 9.5%)	1,884	1,695
Other	Accumulation	10.0% (2021:9.5%)	2,097	1,813

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$nil (2020/21 \$nil).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$130,000.

## Note 10 Change in accounting policy

There have been no change to accounting policies in the 2021-22 year.

# Glossary

## **Actual 2021–22**

Actual performance achieved where this measure was used in the 2021–22 financial year.

## **Balance Sheet**

Reports all assets owned by Council (including amounts owed to Council) and all liabilities owed by Council.

## **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 2021–25 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 2021 to 30 June 2022.

## **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

AAS	Australian Accounting Standards	ICT	Information and Communication Technology
AASB	Australian Accounting Standards Board	IPAA	Institute of Public Administration Australia
ALGWA	Australian Local Government Women's Association	IT	Information Technology
ARA	Australasian Reporting Awards	JMAPP	JLT Municipal Asset Protection Plan
AUD	Australian Dollars	KLU	Kids Like Us
BBBA	Brighton Bathing Box Association	kL	Kilolitre
BBN	Bayside Business Network	KM	Kilometre
BEYCEC	Bayside Early Years Community Education and Care	GRI	Global Reporting Initiative
BPSR	Bayside Planning Scheme Review	GST	Goods and Services Tax
CEO	Chief Executive Officer	LGPRF	Local Government Victoria Performance Reporting Framework
CO <sup>2</sup> e	Carbon Dioxide Equivalent	LGPro	Local Government Professionals
CPA	Certified Practising Accountants	MAICD	Member of the Australian Institute of Company Directors
CR	Councillor	MAV	Municipal Association of Victoria
CRMS	Customer Request Management System	MEMC	Municipal Emergency Management Committee
DHS	Department of Human Services	MESAC	Marine Education Science and Community Centre
DMA	Disclosure on Management Approach	MFB	Metropolitan Fire Brigade
FCPA	Fellow of the Society of Certified Practising Accountants	MNGV	Multicultural Nature Guides Victoria
FINSIA	Financial Services Institute of Australasia	MEMP	Municipal Emergency Management Plan
FTE	Full Time Equivalent	MERO	Municipal Emergency Resource Officer
GIS	Geographic Information System	MERP	Municipal Emergency Recovery Plan
GJ	Gigajoule	MRM	Municipal Recovery Manager
Grad Dip	Graduate Diploma	MSS	Municipal Strategic Statement
HACC	Home and Community Care		
IAP2	International Association for Public Participation		
IBAC	Independent Broad-based Anti-Corruption Commission		

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