Agenda Paper

for the

Ordinary Meeting of Council

**CHANGE OF LOCATION:**
BEAUMARIS COMMUNITY CENTRE
96 RESERVE ROAD, BEAUMARIS

Tuesday, 19 September, 2017
at 7.00pm

Cr: Cr Alex del Porto (Mayor)

Councillors: Cr Laurence Evans
Cr James Long BM JP
Cr Michael Heffernan
Cr Clarke Martin
Cr Rob Grinter
Cr Sonia Castelli
Members of the Gallery

Your attention is drawn to Section 92 of Council's Governance Local Law No 1.

Section 92 The Chair's Duties and Discretions

In addition to other duties and discretions provided in this Local Law, the Chair –

(a) must not accept any motion, question or statement which is derogatory, or defamatory of any Councillor, member of Council staff, or member of the community.

(b) may demand retraction of any inappropriate statement or unsubstantiated allegation;

(c) must ensure silence is preserved in the public gallery during any meeting

(d) must call to order any member of the public who approaches the Council or Committee table during the meeting, unless invited by the Chair to do so; and

(e) must call to order any person who is disruptive or unruly during any meeting.

An Authorised Officer must, if directed to do so by the Chairman, remove from a meeting any Councillor or other person who has committed such an offence.

Your cooperation is appreciated

Chairperson of Council
Order of Business

1. Prayer
2. Acknowledgement of Original Inhabitants
3. Apologies
4. Disclosure of any Conflict of Interest of any Councillor
5. Adoption and Confirmation of the minutes of previous meeting
6. Public Question Time
7. Petitions to Council
   Nil
8. Minutes of Advisory Committees
   8.1 Minutes of the Audit Committee meeting held on 6 September 2017 .......................................................... 7
9. Reports by Special Committees
   Nil
10. Reports by the Organisation
    10.1 Needs Assessment For Athletics......................................................... 13
    10.2 Amendment C151 - Implementation of the Hampton East (Moorabbin) Structure Plan 2016 ............................................. 47
    10.3 Friends of Beaumaris RSL - Request of Council ......................... 57
    10.4 Consideration of Submissions to Amendment C155- Sites in Bayside at Risk of Potential Land Contamination .................. 61
    10.5 Amendment C126 - Small Activity Centres Strategy 2014 .......... 71
    10.6 Proposed extension of Lease - Elsternwick Tennis Centre ...... 75
    10.7 Sustainable Infrastructure Policy 2017 .......................................... 79
    10.8 Proposed sale of Council land - 31 Abbott Street and 16 Station Street .................................................................................. 99
    10.9 Mid-Century Modern Heritage Study - Scope Clarification ...... 107
    10.10 Building Services - Service Review .............................................. 113
    10.11 Information Services Service Review ......................................... 125
    10.12 CON/17/62 Tjilatjirrin (Spring Street) Reserve, East Oval Reconstruction ............................................................................. 131
10.13 Annual Report on Operations 2016-17 ............................................ 135
10.14 Annual Financial Statements for the year ended 30 June 2017 .......................................................... 157
10.15 Municipal Association of Victoria - State Council - Call for Motions ........................................................ 213
10.16 Council action awaiting report ...................................................... 217

11. Reports by Delegates

12. Urgent Business

13. Notices of Motion
   Nil
1. **Prayer**

   O God  
   Bless this City, Bayside,  
   Give us courage, strength and wisdom,  
   So that our deliberations,  
   May be for the good of all,  
   Amen

2. **Acknowledgement of Original Inhabitants**

   We acknowledge that the original inhabitants of this land that we call Bayside were the Boon wurrung people of the Kulin nation.

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

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

3. **Apologies**

4. **Disclosure of any Conflict of Interest of any Councillor**

5. **Adoption and Confirmation of the minutes of previous meeting**

   5.1 Confirmation of the Minutes of the Ordinary meeting of Bayside City Council held on 22 August 2017.

   5.2 Confirmation of the Minutes of the Special meeting of Bayside City Council held on 13 September 2017.

6. **Public Question Time**

7. **Petitions to Council**

   Nil
8. Minutes of Advisory Committees

8.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 6 SEPTEMBER 2017

The minutes of the Audit Committee meeting held on 6 September 2017 which forms an attachment are presented in camera in accordance with the Local Government Act 1989 Section 89(2)(h) – any other matter which the Council or a Special Committee considers would prejudice the Council or any person.

Should Councillors wish to discuss the content of the minutes it would be appropriate that Council resolves to consider the matter in-camera.

Executive summary

Purpose and background

To advise Council of the business transacted at the Audit Committee held on 6 September 2017.

The Audit Committee is an independent Advisory Committee to Council appointed by Council pursuant to Section 139 of the Local Government Act 1989.

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

The Audit Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibilities. The Audit Committee does not have any management function and is therefore independent of management.

As part of Council’s governance obligations to its community, the Audit Committee was established to provide the Council with guidance on:

- Internal and external financial reporting;
- Management of financial and other risks;
- Effectiveness of the internal and external audit functions;
- Provision of an effective means of communication between the external auditor, internal auditor, management and Council; and
- Advice and recommendations on various matters within the charter in order to facilitate decision making by Council in relation to the discharge of its responsibilities.

The internal, external auditors and other assurance providers support the Audit Committee by providing independent and objective assurance on internal corporate governance, risk management, internal control and compliance.
Key issues
The matters discussed at the meeting on 9 August 2017 included:

Annual Financial Statements
The Manager Finance presented the Financial Statements for year ending 30 June 2017. It was highlighted that Council achieved an operating surplus of $30.9m for the year which was $4.2m greater than the previous years' surplus. Revenue for the financial year exceeded budget by $5.7m predominantly due to one off unbudgeted revenue items. The expenditure for the financial was $2.9m favourable to budget as a result of a number of savings achieved through initiatives.

The Audit Committee members reviewed the content of the Annual Financial Statements and sought clarification to a new of matters.

The Chairman thanked the Manager Finance and the Financial Accountant for the presentation of the well-presented Financial Statements and the clarification of items sought from the Audit Committee Members.

The Committee also considered the draft Representation Letter which was tabled at the meeting.

Draft Performance Statement for year ended 30 June 2016
The Director Corporate Services presented the draft Performance Statement for year ending 30 June 2017. The Performance Statement was developed in accordance with the Local Government Performance Reporting Framework Indicator Workbook and Better Practice Guide. The Performance Statement contains commentary on the 6 Sustainable Capacity Indicators, 12 auditable service indicators and 12 financial indicators.

As a result of the detailed discussion of the Financial Statements and Performance Statement, the Audit Committee recommended to Council that Council resolves to give “in principle” approval for the Financial Statements and the Performance Statement for the financial year ending 30 June 2016 subject to minor editorial changes.

VAGO – Closing Report and Management Letter
The Committee reviewed the VAGO Closing Report for the audit undertaken. The VAGO representative was present at the meeting to discuss the closing report in detail.

Information Technology (IT) Controls Audit Recommendations
A summary of the recommendations from the IT Controls audits undertaken by VAGO were considered and discussed by Audit Committee members.

Meeting with VAGO Representatives
In accordance with the Audit Committee Charter the Audit Committee provided the opportunity for the External Auditor to the Committee without the presence of Council officers to discuss any items. The External Auditor indicated that there was nothing to discuss that has not previously been discussed during the meeting.
Performance Review of the External Auditor

In accordance with the Audit Committee Charter, the organisation was provided the opportunity to discuss the performance of the External Auditor in camera. The Director Corporate Services indicated that the relationship between Council officers and the External Auditors was extremely professional and cooperation was extended both ways.

Retirement of Audit Committee Member Dr AJ Purcell

The Chairman congratulated Dr AJ Purcell for completing two terms as an Audit Committee member at Bayside City Council, and thanked him for his contribution over the period.

Audit Committee member Cr Rob Grinter presented Dr AJ Purcell with a formal letter of appreciation under the seal of Council on behalf of Bayside City Council for his contribution.

Dr Purcell suitable responded to the presentation, and thanked the Audit Committee members and Council Officers for their support during his term at Bayside.

Recommendation

That Council:

1. notes the minutes of the Audit Committee held on 6 September 2017, and
2. adopts the following recommendations of the Audit Committee meeting of 6 September 2017:

   Item 9.1.3 Draft Annual Financial Statements for the year 30 June 2017
   That the Audit Committee:
   1. receives and notes the Financial Report and draft management representation letter for the financial year ended 30 June 2017; and
   2. recommends to Council that Council resolves subject to changes recommended by the Audit Committee to give in principal approval of the Financial Report for the financial year ended 30 June 2017.

9.1.4 Performance Statement for year ending 30 June 2017
That the Audit Committee:
1. recommends to Council that Council resolves to adopt the Performance Statement for the financial year ending 30 June 2017 in principle;
2. recommends to Council that the two Councillor representatives on the Audit Committee certify the performance statement in the required format; and
3. receives a trend analysis report at the February meeting on the LGPRF Performance Measures over the past three years and a comparison against similar Councils.

Support Attachments
1. Minutes - 6 September 2017 - Audit Committee (separately enclosed) ⇔
9. **Reports by Special Committees**

Nil
Executive summary

Purpose and background
The purpose of this report is to inform Council on the outcomes of the Needs Assessment for Athletics (the Needs Assessment) undertaken to consider the requirements for athletic facilities to service current and future demand.

The requirement to undertake the Needs Assessment resulted from a decision by Council not to proceed with a proposal to construct a new netball centre at the Thomas Street/Glamis Avenue site. This proposal would have resulted in the collocation of the three Bayside athletics clubs at a consolidated synthetic athletics facility at Dendy Park.

At its 20 December 2016 ordinary meeting it was resolved that Council:

1. Acknowledges that the three Bayside athletics clubs do not support the proposed relocation of athletics to a like facility at Dendy Park and development of a two indoor and eight outdoor court netball centre at Thomas Street; and without this support, the proposal is not feasible;

2. Writes to the lead petitioners to notify them of the recommendations included in this report;

3. Reconfirms its commitment to meet the identified needs for netball being the provision of two indoor and eight outdoor netball courts, including a commitment to consider funding in 2017/18 and future years as required to meet the needs of netball in Bayside;

4. In keeping with its commitment to engage stakeholders, convenes a Project Reference Group including representatives of Sandringham and District Netball Association to update the Netball Needs Assessment and in the form of site assessment and facility planning, examine alternatives for Council to respond to the needs of netball in Bayside;

5. Presents a report to the August 2017 Ordinary meeting of Council outlining the findings of the netball site assessment and facility planning activities;

6. Engages representatives of the Sandringham Athletics Club, Sandringham Little Athletics Club and Brighton Little Athletics Club to convene a Project Reference Group and complete a needs assessment for athletics in Bayside;

7. Presents a report to the September 2017 Ordinary meeting of Council outlining the findings of the Athletics Needs Assessment and recommend next steps for Council to support athletics in Bayside; and

8. Notes that Council’s current 2016/17 Budget includes a sum of $206,689 that may be utilised to progress netball site assessment and facility planning and complete an Athletics Needs Assessment.
In January 2017 a Project Reference Group (PRG) was convened and included representatives of the Brighton Little Athletics Club (BLAC), Sandringham Athletic Club (SAC), Sandringham Little Athletics Centre (SLAC) and Council staff.

Key issues
The Needs Assessment (refer Attachment 1) has been informed by research into the current provision of senior and junior (little) athletics within Bayside and the surrounding region, and comparison of state-wide athletics participation trends, with the trends of membership of the three Bayside athletics clubs, that was completed by an experienced recreation consultant.

The Needs Assessment also included input from the three Bayside athletics clubs and two peak athletics organisations, Athletics Victoria and Little Athletics Victoria.

Athletics Participation
The Needs Assessment recognises that there is a short to medium term need for two athletics tracks. However if the synthetic track at Glamis Avenue was renewed, it is expected that there could be a natural transition of participants of BLAC and the Dendy Park facility to Glamis Avenue in the medium to long term. It is expected that in the long term the two little athletic clubs (BLAC and SLAC) would amalgamate or collocate. Accordingly, it is essential that the athletics groups plan for this, and considers additional and renewed infrastructure at the Glamis Avenue site to accommodate its likely future use as Bayside’s only athletics facility.

Facility Provision at Glamis Avenue
The Glamis Avenue athletics facility is currently leased to SAC who in turn sub-let to SLAC. The lease is currently in over-holding and would need to be renewed as part of any development project. The current lease holds the Lessee (SAC), and not Council, responsible for any track and pavilion renewal/upgrade or other infrastructure improvements.

The Needs Assessment examined the current traffic and site layout at the Glamis Avenue site and recommends that if a new site for netball is developed, the existing Thomas Street Netball site be included in future athletics facility planning.

Based on the outcomes of the Needs Assessment, an eight-lane polyurethane track, with ten sprint lanes along both straights and Australian standard lighting (training) are required to meet the future needs of athletics at Glamis Avenue. The provision of four long jump pits, two discus cages, two javelin runways, two shot put circles and capability to run two high jump training sessions/competitions concurrently is also required to facilitate training and competition activities.

The renewal of the pavilion to support mixed gender participation and provide the appropriate storage, kiosk, first aid, club meeting and social space and retention of the existing gym space should also be considered.

Facility Provision at Dendy Park
The Needs Assessment identified that renewal of the existing long jump pits with polyurethane surfaces to allow year round use of these areas will address short to medium term needs at Dendy Park. As part of the Pavilion Improvement Plan, it is proposed that Council addresses the issues around mixed gender facilities and provides appropriate storage areas to facilitate club activities.

The Dendy Park athletics track is allocated by Council on a seasonal basis and Council is responsible for any renewal or infrastructure improvements. Improvements to long jump pits and pavilion facilities at Dendy Park would be the responsibility of Council.
The above changes to infrastructure, identified as part of the Needs Assessment, have the in-principle support of the three Bayside athletics clubs.

Management Model – Glamis Avenue

Feedback provided from SAC and SLAC as part of the Needs Assessment has highlighted a growing division between the two Glamis Avenue based clubs regarding access to and overall management of the Glamis Avenue facility. SLAC has suggested a commercial partnership model be considered as part of any redevelopment. This model is not supported by SAC or Council staff.

If redevelopment of the Glamis Avenue site is supported it is recommended that management issues are addressed in the early stages of planning any future facility development.

Next Steps

The tenant athletics clubs at Glamis Avenue should collaborate with Athletics Victoria and Little Athletics Victoria regarding any proposed redevelopment of the Glamis Avenue athletics facility. This collaboration should include the development of a suitable funding model to renew the track and a management model to provide sustainable income for ongoing maintenance and future renewal.

Council should prioritise the renewal of the long jump pits and run-ups at Dendy Park, noting that responsibility for this renewal and upgrade sits with Council.

Recommendation

That Council:

1. notes the Needs Assessment for Athletics as set out in Attachment 1;

2. refers the renewal of the long jump pits and run-ups at Dendy Park for consideration as part of Council’s 2018/19 Budget preparation process;

3. encourages the Sandringham Athletics Club and Sandringham Little Athletics Centre to collaborate with Athletics Victoria and Little Athletics Victoria to develop a suitable funding model for the renewal and upgrade of the Glamis Avenue synthetic track and associated infrastructure; and

4. advises Project Reference Group members of the outcomes of this report.

Support Attachments

1. Attachment 1 - Needs Assessment for Athletics in Bayside

Considerations and implications of recommendation

Liveable community

Social

The development of improved athletic facilities will provide positive benefits for young people and adults, through their participation and engagement in sport and recreation activities.
Natural Environment
There are no natural environment implications associated with the proposition included in this paper, as the identified improvements are within the existing site areas of the Glamis Avenue and Dendy Park athletics tracks.

Built Environment
There are significant costs associated with the development of synthetic athletics tracks and associated infrastructure.

Customer Service and Community Engagement
A Project Reference Group (PRG) was convened in January 2017 that included representatives from Sandringham Athletic Club, Sandringham Little Athletics Centre and Brighton Little Athletics Club. Three meetings were held and multiple phone and email correspondence has been conducted with PRG members.

All stakeholders were involved in engagement sessions with the consultant while preparing the Needs Assessment.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon, the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
The Glamis Avenue athletics facility is currently leased to Sandringham Athletic Club who in turn sub-let to Sandringham Little Athletics Centre. A suitable leasing arrangement and management model for the Glamis Avenue facility should be developed and agreed to by Sandringham Athletic Club and Sandringham Little Athletics Centre, prior to any future development of the site.

Finance
The current lease holds the Lessee (Sandringham Athletic Club) and not Council responsible for any track renewal/replacement or other infrastructure improvements. The two tenant athletics clubs have limited capacity to fund the renewal of the Glamis Avenue site.

Further consideration of the ongoing maintenance and renewal costs at Glamis Avenue, along with the development of an appropriate management model, will be required as part of the facility planning process.

The Dendy Park athletics track is allocated by Council on a seasonal basis and as such Council is responsible for any renewal or infrastructure improvements. Improvements to long jump pits and pavilion facilities at Dendy Park would be the responsibility of Council. These facilities are available for community use at all times.

Links to Council policy and strategy

The athletics facilities discussed in this paper contribute to the above plans and strategies by:
- Providing athletics based recreation facilities for children and adults;
- Using open space and parkland to meet the needs of the Bayside community; and
- Ensuring the use of open space and parkland is fit for purpose with appropriate infrastructure.
Item 10.1 – Reports by the Organisation
# TABLE OF CONTENTS

**EXEUTIVE SUMMARY** ......................................................... 1

1. **STUDY BACKGROUND** .................................................. 5

2. **CURRENT SITUATION** ................................................... 6

   2.1. Athletics in the City of Bayside ........................................ 6

      2.1.1. Sandringham Athletics Club ..................................... 6

      2.1.2. Sandringham Little Athletics Club ................................. 8

      2.1.3. Brighton Little Athletics Club .................................... 9

   2.2. Athletics in the Region ............................................... 11

3. **ATHLETICS PARTICIPATION ANALYSIS** ............................... 14

   3.1. Victorian Participation Rates ......................................... 14

   3.2. City of Bayside Participation Trends ................................. 15

4. **STAKEHOLDER ENGAGEMENT** .......................................... 18

   4.1. Sandringham Athletics Club .......................................... 18

   4.2. Sandringham Little Athletics Club ................................... 18

   4.3. Brighton Little Athletics Club ....................................... 19

   4.4. Athletics Victoria .................................................... 20

   4.5. Little Athletics Victoria ............................................. 20

5. **FUTURE DEMAND FOR ATHLETICS** .................................... 22

   5.1. Trend of Athletics Participation ...................................... 22

   5.2. Comparative Rates of Participation by Bayside Residents 22

   5.3. Athletics Facility Benchmarking ...................................... 23

   5.4. Input from Stakeholders ............................................. 23

6. **STUDY CONCLUSIONS** .................................................... 25
EXECUTIVE SUMMARY

The Bayside Athletics Needs Assessment was commissioned to identify the future athletics needs of the residents of the City of Bayside.

Club-based athletics participation opportunities in Bayside are currently available with the Sandringham Athletics Club (a senior club) and two junior athletics groups: the Sandringham Little Athletics Club and the Brighton Little Athletics Club. Bayside has two public athletics facilities: the Glamis Avenue Athletics Centre in Hampton, which is a dedicated athletics facility and features a polyurethane surface track; and the Dendy Park athletics facility, which has a grass surface track and is operated and available as a summer season facility only.

The Bayside Athletics Needs Assessment study has been informed by research into the current provision of senior and junior athletics within Bayside and the surrounding region, and by comparing statewide athletics participation trends with the trends of membership of the three Bayside athletics clubs. Important information and input into the study was received from the three Bayside athletics clubs and from the two peak athletics organisations in Victoria: Athletics Victoria and Little Athletics Victoria.

Athletics Participation

Participation in club-based senior athletics in Victoria has remained relatively stable in the past four years, however, within the region in which the Sandringham Athletic Club (SAC) competes, there was a 14% increase in membership between 2011 and 2016.

For club-based junior athletics, there has been a 5.5% decline in participation in little athletics in Victoria in the past five years. In the Southern Metro Region, the region in which both the Sandringham and Brighton little athletics groups compete, there was a 10% decline in membership between 2011 and 2016.

The participation rate in club-based athletics in Bayside has been variable during the past six years. The membership of the SAC has steadily increased since 2011-12 when the Club had 57 members, to 154 members in the 2016-17 season.

The membership of the Sandringham Little Athletics Club (SLAC) has decreased since 2011-12, but importantly has been stable for the past three seasons. The overall decline in membership by 24% since 2011-12 can be partly explained by the overall decline in little athletics participation across the state, and partly by the Centre's decision to reduce the number of members to around 500 children. The latter to ensure all athletes were able to enjoy a quality experience on competition days. In the 2016-17 season the Centre had 450 members.

The membership of the Brighton Little Athletics Club (BLAC)
has remained stable for the past six seasons, and recorded its largest membership (280) during that period in the most recently completed 2016-17 season. The BLAC has also introduced an optimum number of members (300 children) for similar reasons to the SLAC.

Looking at all participation in junior athletics across Bayside, irrespective of which club/centre children participate at, the participation has declined by 38% since 2012-13. The rate of decline was the highest three years ago at 23%, however, between 2014-15 and 2015-16 the decline was only 8%. In 2015-16, 78% of all Bayside children participating in club-based little athletics were doing so as members of either the Sandringham Little Athletics Club or the Brighton Little Athletics Club, with most of the remaining children being members of either the Mentone or Moorabbin Little Athletics Centres in the City of Kingston.

Athletics Facility Provision

The current condition and configuration of the athletics facilities at the Glanis Avenue Athletics Centre are poor and do not meet the needs of the SAC, the SLAC, the athletes and coaches using the centre, or many hire groups. The key constraints of the Centre are the condition of the track surface, the lack of additional sprint lanes for training and competition, the field event areas being single-use only which restricts training and competition capacities, the poor condition, layout and size of the clubrooms, and the inadequate car parking provision.

The grass track at Dandy Park provides a key point of difference to other little athletics centres in the region, and is one of the reasons the BLAC enjoys a wide catchment of members. Notwithstanding the unique feature of the grass track, it also presents as one of the key constraints for the Club. This is largely due to the public having access to the track at all times, including when Club members are training which can detract from the quality and effectiveness of the training experience of members. A related issue from the public’s unrestricted access to the facilities is the deterioration of the condition of the track and of some field event areas from overuse by non-Club people.

Issues with the Dandy Park facility identified by the BLAC include the poor track surface (uneven, pot holes and poor drainage), the poor condition of the long jump runway, the lack of a secure external storage for the high jump mats and bars, and the layout and functionality of the pavilion does not meet all needs of the Club. The shared use of the pavilion with the soccer clubs has also presented challenges for the Club.
There is no recognised industry benchmark for the provision of grass athletics tracks or synthetic surface athletics tracks in a local government context. However, a comparative assessment between the City of Bayside and selected neighbouring LGAs was undertaken to compare the ratio of the number of athletes to tracks. The comparison shows that the current provision of two athletics tracks in Bayside is comparable when compared to the current provision of tracks in the City of Kingston and the City of Glen Eira.

Future Demand for Athletics in Bayside

The trend of participation in athletics by Bayside residents has increased for senior athletics in the past four years, but decreased for junior athletics. However, the overall decline in junior athletics for the past two seasons has been lower than the state average. Notwithstanding the small decline in athletics participation by children, Bayside has more than 700 children actively involved in club athletics (or more than 5% of all children aged 4 – 14 years in the municipality), and many more than this number involved in school athletics.

Based on current participation rates in athletics and the projected increase in the population of the City of Bayside to 2036, it is projected that there will only be a small increase in the number of Bayside residents participating in athletics during the next 20 years.

All athletics stakeholders, including the Bayside athletics clubs and the two athletics peak bodies, advocate for not only the retention of the two athletics tracks in Bayside, but for their redevelopment and improvement.

The SLAC and BLAC both currently cap their memberships, as the current number, configuration and condition of athletics infrastructure and equipment available at the Glamis Avenue Athletics Centre and the Dendy Park athletics facility constrain the activities able to be offered to members, and the quality of the "athletics experience" available for members during competition days.

The SAC currently has to contain its training and coaching offerings to current levels due to the configuration and condition of the athletics infrastructure and equipment available at the Glamis Avenue Athletics Centre. There are also external users and hirers that are currently unable to access the Centre facilities due to the constraints previously referred to.

Study Conclusions

From the research conducted and the input from athletics stakeholders, the following conclusions have been drawn for the future provision of athletics in Bayside:

1. The City of Bayside requires two athletics tracks in the short to medium term.
2. The Glamis Avenue Athletics Centre should be redeveloped into a high-quality athletics training centre. It should have the capability to host school carnivals and AV Shield Blue Zone senior competitions, but not be developed to a standard to be in competition with the Duncan MacKinnon Athletics Track for the rights to regularly hold AV Shield Blue Zone meetings and other regional athletics championships.
3. Any redevelopment of the Glamis Avenue Athletics Centre should, where possible, consider incorporating the adjacent netball centre area to ensure sufficient space is available to increase the number of straight
lanes for the track, and to resolve the off-street car parking constraints.

4. In order to support the objective of the Glamis Avenue Athletics Centre becoming a ‘high-quality athletics training centre’, any redevelopment of the site needs to include:
   - Polyurethane eight lane track, with a minimum of 10 sprint lanes along both straights, and, if possible, supplemented by a grass six lane straight track.
   - Floodlighting of the track to training standard.
   - Field event areas: 2 discus cages, 2 javelin runways, 4 long jump pits with full length runways, 2 shot put circles, and capability to conduct 2 high jump training sessions/competitions concurrently. Pole vault infrastructure is not considered necessary, as this is available at the Duncan Mackinnon Reserve Athletics Track.
   - New and enlarged clubroom building with unisex change rooms, canteen, office, meeting room, internal storage, and conditioning gymnasium.
   - Adequate external equipment storage facilities.

5. As a secondary, but complementary objective to redeveloping Glamis Avenue Athletic Centre into a ‘high-quality athletics training centre’, investigate the feasibility of establishing the site as a ‘health and fitness hub’. This creates the opportunity for the Centre to accommodate and encourage other allied users, such as personal trainers, triathletes, and boot camp operators (from which an income could be derived), and residents who could utilise both formal and informal health and fitness facilities and spaces provided within the site, such as outdoor fitness equipment, jogging tracks, and the grass and synthetic surface athletics tracks.

6. Retain and optimise the Dendy Park athletics track as a venue fit-for-purpose for grass-based little athletics, however, continue to retain the site as a freely accessible, shared and multi-use venue for other uses outside of the designated hours of use by the BLAC.

7. Investigate the feasibility of including the following infrastructure within and adjacent to the Dendy Park athletics track, as strategies to improve the sustainability of and the offerings by the BLAC:
   - Installing a power source within the infield of the grass track.
   - Installing secure storage for the high jump mats and bars at grade with the grass track.
   - Installing signage that clearly informs the public of the days/ hours when the site is allocated for the exclusive use of the BLAC.
1. STUDY BACKGROUND

The catalyst to undertake the Bayside Athletics Needs Assessment was a decision of Bayside City Council not to proceed with a proposal to construct a new netball centre on the Thomas Street (Hampton) site, which would have incorporated the site of the current athletics track off Glamis Avenue.1

The decision not to proceed with the netball centre project was partly due to the three athletics groups in Bayside not supporting an associated proposal for the clubs to co-locate at a proposed new synthetic athletics facility at Dendy Park.

The resolutions from the Council Ordinary Meeting held 20 December 2016 relevant to this study are that Council:

1. Acknowledges that the three Bayside athletics groups do not support the proposed relocation of athletics to a like facility at Dendy Park and development of a two indoor and eight outdoor court netball centre at Thomas Street, and without this support, the proposal is not feasible.

2. Engages representatives of the Sandringham Athletics Club, Sandringham Little Athletics Club and Brighton Little Athletics Club to convene a Project Reference Group and complete a needs assessment for athletics in Bayside.

3. Presents a report to the September 2017 Ordinary meeting of Council outlining the findings of the Athletics Needs Assessment and recommends next steps for Council to support athletics in Bayside.

The Bayside Athletics Needs Assessment was commissioned to identify the future athletics needs of residents. The key information that has informed the findings of the study include (but is not limited to):

- Current and likely future rates of participation in athletics by Bayside residents.
- Broader trends of participation and provision of athletics facilities in Victoria.
- Aspirations of the three Bayside athletics groups for the future provision of facilities and services.
- Views of Athletics Victoria and Little Athletics Victoria in relation to the future provision of athletics facilities in Bayside.
- Outcomes of three workshops facilitated by The Geelong Consulting Group2 with the three Bayside athletics groups.

The study recommends an optimal mix of athletics facilities and services for the City of Bayside to meet the future needs of residents for junior and senior athletics.

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1 Report No. 10.2 at the Council Ordinary Meeting, 20 December 2016.

2 The Geelong Consulting Group was engaged by Bayside City Council in 2016 to consult with the three Bayside athletic clubs and the Sandringham and District Netball Association. The purpose of the stakeholder engagement was to understand the needs of each group in the context of the feasibility study to construct a new netball centre on the Thomas Street site.
2. CURRENT SITUATION

There are three athletics clubs within the City of Bayside:

- Sandringham Athletics Club
- Sandringham Little Athletics Club
- Brighton Little Athletics Club

Some residents access other athletics clubs and facilities located outside of the municipality. This section provides an overview of the current provision of athletics within Bayside, and also includes a regional review of athletics clubs and facilities in adjoining municipalities.

2.1. Athletics in the City of Bayside

Bayside has a rich history of developing and nurturing athletes of all abilities, from beginners and casual athletes, to State, National, Commonwealth and Olympic Games track and field medallists. The three Bayside athletics groups have achieved this from the effective delivery of athletics programs and services in a co-operative and integrated way.

2.1.1. Sandringham Athletics Club

The Sandringham Athletics Club (SAC) was formed in 1930 and initially utilised the Sandringham Beach Oval (now Trevor Barker Oval) and Tulip Street Reserve as training and competition venues, before moving to its present venue in Glamis Avenue in 1962. Council owns the land and the Club leases the land and facilities from Council.

The SAC primarily provides athletic services for people aged 12 years and over. In the 2016/17 season, the Club had 154 members, an increase of 22% on the membership three years ago (refer Section 3.2 for more information on club membership). Being the only senior athletics club in Bayside, the SAC provides an important athletics pathway for athletes from the Sandringham Little Athletics Club and the Brighton Little Athletics Club, and for the development of coaches for little athletes.

Whilst SAC members use the Glamis Avenue Athletics Centre track and associated facilities on most days to train, the peak training times are the periods 4.00-8.00pm weekdays, and 9.00am-12.00pm Sundays.

In summer, the Club competes in Athletics Victoria's track and field Shield competition in the Blue Zone, which comprises of athletics clubs located in the southern and eastern area of Metropolitan Melbourne. The three venues mainly used for Blue Zone interclub competitions are Frankston, Knox and Casey Fields. The Glamis Avenue Athletics Centre does not have the minimum required mix or quality of athletics facilities to be eligible to host Blue Zone interclub competitions.

In winter, the Club competes in Athletics Victoria's cross country competition.
The SAC has cash reserves of approximately $80,000, which excludes $80,000 held in a Track Fund in accordance with its Lease obligations. The Track Fund money is set aside for track and field event infrastructure maintenance projects. The Club generates an estimated $32,000 per year from track and equipment hire, and $18,500 from membership fees, training fees, and fundraising. It contributes approximately $5,000 - $7,000 towards the Track Fund annually. Council is responsible for the maintenance and care of the grounds and building infrastructure within the Glamis Avenue Athletics Centre (excluding the track and field event areas).

The Glamis Avenue Athletics Centre comprises of the following facilities and infrastructure (see Figure 1):

- Eight lane polyurethane surface track
- One polyurethane surface long jump and triple jump runway with two pits
- One polyurethane surface high jump area
- One polyurethane surface javelin runway
- One permanent throwing cage
- Two shot put circles and porous landing areas
- Clubroom building, including a small gymnasium
- Storage sheds
- Unsealed car park

The centre is fenced, however, pedestrian access is available at all times for the community.

Immediately to the southeast of the centre is the Thomas Street Netball Centre, which comprises of one indoor court, six outdoor courts, a car park and other associated infrastructure.
2.1.2. Sandringham Little Athletics Club

The Sandringham Little Athletics Club (SLAC) was formed in 1966, however, a junior group for children aged 10 – 13 years was part of the offerings of the Sandringham Athletics Club in its formative years.

The SLAC is the 2nd oldest little athletics club in Victoria and the oldest of the Metropolitan Melbourne Athletics Centres.

The SLAC primarily provides athletic services for children aged 8 – 15 years. In the 2016/17 season, the Centre had 450 members, a decrease of 3% on the previous season. This was largely due to the loss of members who had reached the age of 15, or had moved to other locations.

The Centre has had high levels of membership over the past 5 years, with the Centre having approximately 700 members in 2016/17. However, this is less than 500 due to constraints of the current number and quality of facilities available at the Centre.

Under the current leasing arrangement SLAC hires the Gladesville Athletics Centre for winter training. The Centre has regular access to the track and associated facilities on Saturdays and Wednesdays. The Centre also has access to the Centre on Friday evenings, which are open to the Centre for training.

The SLAC is part of Little Athletics Victoria’s Southern Metro Group for its summer competition. Whilst there is a winter cross-country season, the Club is not based at the Gladesville Athletics Centre for the season.

The SLAC has a cash reserve of approximately $20,000. Whilst the Centre generates an estimated surplus of $20,000 annually, it reinvests most back into equipment and coaches.
2.1.3. Brighton Little Athletics Club

The Brighton Little Athletics Club (BLAC) was formed in 1969, and became the 63rd little athletics centre to be formed in Victoria. It has always been based at the Dendy Park athletics facility.

The BLAC primarily provides athletic services for children aged 6 – 15 years, however, a majority of its members are aged 8 – 11 years. In the 2016/17 season, the Centre had 280 members, an increase of 17% on the membership three years ago (refer Section 3.2 for more information on club membership). The Club experienced significant growth (25%) in the previous 12 months, mainly due to improved governance arrangements within the Club, a targeted recruiting strategy, and the promotional benefit of following an Olympic year.

BLAC now informally caps its membership at 300 due mainly to constraints of facilities available at Dendy Park.

The Club is allocated the Dendy Park facilities from Council on a seasonal basis (October – March), and has no management or facility hiring responsibilities. Whilst Council maintains the grass surface (mowing) and field event areas, the Club is required to undertake all line marking of the grass track surface. The BLAC uses the facilities each evening from Monday to Thursday for training (5.00-7.30pm), and on Saturday mornings 8.30-10.30am for its 20 summer competitions. The BLAC is part of Little Athletics Victoria’s Southern Metro Group for its summer competition.

The BLAC has cash reserves of approximately $80,000, and generates an estimated surplus of $20,000 annually.

The Dendy Park athletics facility is adjacent to Dendy Street along the northern boundary of the park, and is set up on a seasonal basis only. In winter, the area is the base for the Brighton Old Boys Soccer Club, Brighton Soccer Club and the East Brighton United Football Club.

When set up as an athletic centre, it comprises of the following facilities and infrastructure (see Figure 2):

- Eight lane grass surface track with 12 lane sprint straight
- One polyurethane surface long jump and triple jump runway with two pits
- One polyurethane surface high jump area
- Two temporary throwing cages
- One shot put circle and grass landing area
- Three temporary (grass) shot put areas
- Clubroom building, including three storage areas
- Shared unsealed car park

The centre is not fenced, which creates some conflicts with other park users who utilise the area during authorised athletics training times, and contribute to the wear and tear on the grass track.
Item 10.1 – Reports by the Organisation
2.2. Athletics in the Region

There are eight athletics tracks located in the inner southeast region of Melbourne servicing 12 athletics clubs, including the two tracks and three clubs located in Bayside.

Six of the tracks have a polyurethane surface, and two are seasonal grass tracks. The map on the following page shows that the distribution of tracks throughout the inner southeast is relatively even, except for a potential shortfall of one track in the Dingley/Keysborough area. Of note is the provision of a grass track at the northern end of the region at Dendy Park in Brighton, and one at the southern end at Edithvale Recreation Reserve, thereby providing reasonable access to a grass track for those families with that preference.

Bayside residents are well served in the northern area of the municipality by the athletics tracks at Dendy Park, Glamis Avenue Athletics Centre in Hampton, and GR Bricker Reserve in Moorabbin. In the southern area, residents have good access to the track located at Dolmore Reserve in Mentone. The Moorabbin Athletics Track (GR Bricker Reserve) has been allocated funding by Kingston City Council to convert the surface from rubberised bitumen to polyurethane, and the track at Duncan Mackinnon Reserve has also been allocated funding (by Glen Eira Council, to be re-surfaced).

The Sandringham Athletics Club and the Mentone Athletics Club provide Bayside residents with good access to senior athletics clubs, and there are four little athletics clubs/centres within and just outside of the City of Bayside that provide Bayside residents with excellent access to little athletics venues.

The following data identifies the athletics clubs at each track venue within the inner southeast, the relative membership of each, and the growth or decline in membership since 2011.

<table>
<thead>
<tr>
<th>City of Bayside</th>
<th>City of Glen Eira</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandringham Avenue</td>
<td>Duncan Mackinnon Reserve</td>
</tr>
<tr>
<td>Little Athletics Club</td>
<td>Track</td>
</tr>
<tr>
<td>450 members (2016)</td>
<td>287 members (2016)</td>
</tr>
<tr>
<td>24% decline since 2011</td>
<td>13% growth since 2011</td>
</tr>
<tr>
<td>Sandringham Athletics</td>
<td>Glenhuntly Athletics Club</td>
</tr>
<tr>
<td>Club</td>
<td>230 members (2016)</td>
</tr>
<tr>
<td>154 members (2016)</td>
<td>13% decline since 2011</td>
</tr>
<tr>
<td>170% growth since 2011</td>
<td></td>
</tr>
<tr>
<td>Dendy Park Athletics</td>
<td></td>
</tr>
<tr>
<td>Track</td>
<td></td>
</tr>
<tr>
<td>Brighton Little Athletics</td>
<td>Club is now in recess</td>
</tr>
<tr>
<td>Club</td>
<td></td>
</tr>
<tr>
<td>280 members (2016)</td>
<td></td>
</tr>
<tr>
<td>6% growth since 2011</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City of Kingston</th>
<th>City of Greater Dandenong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doveton Reserve Athletics</td>
<td></td>
</tr>
<tr>
<td>Track</td>
<td></td>
</tr>
<tr>
<td>Little Athletics Club</td>
<td></td>
</tr>
<tr>
<td>330 members (2016)</td>
<td>214 members (2016)</td>
</tr>
<tr>
<td>22% decline since 2011</td>
<td>98% growth since 2011</td>
</tr>
<tr>
<td>Mentone Athletics Club</td>
<td></td>
</tr>
<tr>
<td>92 members (2016)</td>
<td></td>
</tr>
<tr>
<td>39% growth since 2011</td>
<td></td>
</tr>
<tr>
<td>Chelsea Athletics Track</td>
<td></td>
</tr>
<tr>
<td>Little Athletics Club</td>
<td></td>
</tr>
<tr>
<td>245 members (2016)</td>
<td></td>
</tr>
<tr>
<td>1% decline since 2011</td>
<td></td>
</tr>
<tr>
<td>Moorabbin Athletics Club</td>
<td></td>
</tr>
<tr>
<td>Little Athletics Club</td>
<td></td>
</tr>
<tr>
<td>229 members (2016)</td>
<td></td>
</tr>
<tr>
<td>53% growth since 2011</td>
<td></td>
</tr>
<tr>
<td>Oakleigh Athletics Club</td>
<td></td>
</tr>
<tr>
<td>71 members (2016)</td>
<td></td>
</tr>
<tr>
<td>29% growth since 2011</td>
<td></td>
</tr>
<tr>
<td>Oakleigh Athletics Club</td>
<td></td>
</tr>
<tr>
<td>18 members (2016)</td>
<td></td>
</tr>
<tr>
<td>22% decline since 2011</td>
<td></td>
</tr>
<tr>
<td>Club is now in recess</td>
<td></td>
</tr>
<tr>
<td>Springvale Athletics</td>
<td></td>
</tr>
<tr>
<td>Track</td>
<td></td>
</tr>
<tr>
<td>Little Athletics Club</td>
<td></td>
</tr>
<tr>
<td>214 members (2016)</td>
<td></td>
</tr>
</tbody>
</table>
The membership data from all athletics clubs located within the inner southeast identifies no consistent trends when comparing senior and little athletics membership data between 2011 and 2016, and between LGAs.

There is no recognised industry benchmark for the provision of either grass or polyurethane athletics tracks.

However, when compared to the two neighbouring local government areas of Kingston and Glen Eira, Bayside has a comparable athlete to track ratio.

**City of Bayside**
Total number of athletes = 884 (154 senior, 730 little athletes)
Number tracks = 2
Ratio of athlete to tracks is 1: 442

**City of Kingston**
Total number of athletes = 896 (92 senior, 804 little athletes)
Number tracks = 3
Ratio of athlete to tracks is 1: 300

**City of Glen Eira**
Total number of athletes = 517 (230 senior, 287 little athletes)
Number tracks = 1
Ratio of athlete to tracks is 1: 517
3. ATHLETICS PARTICIPATION ANALYSIS

This section analyses athletics participation trends both statewide and within the City of Bayside for both senior athletics and little athletics, and projects the likely future participation in athletics to 2036 in Bayside, based on the projected population growth.

3.1. Victorian Participation Rates

Participation in club-based senior athletics in Victoria has remained relatively stable in the past four years at just on 4,700 registered athletes (see Figure 2).

For the Blue Zone, the Shield region in which the Sandringham Athletic Club competes, there was an overall 14% increase in membership between 2011-12 (850 members) and 2015-16 (973 members).

For club-based junior athletics, there has been an overall 5.5% decline in participation in little athletics in Victoria in the past five years. However, the promotional impact of the Olympics every four years creates what could be considered a ‘false participation level’ (see Figure 3).

For the Southern Metro Region, the region in which both the Sandringham and Brighton little athletics groups compete, there was an overall 10% decline in membership between 2011-12 (3,853 members) and 2015-16 (3,400 members).
3.2. City of Bayside Participation Trends

The participation rate in club-based junior and senior athletics in Bayside has been variable during the past six years. The membership of the Sandringham Athletics Club (senior athletics) has steadily increased since 2011-12 when the Club had 57 members. The membership for the 2016-17 season was 154, or an increase of 170% (see Figure 4).

Of note, growth in membership at the SAC has occurred across all age groups, with the highest growth evident for boys and girls mid-teens. In 2016-17, 60% of Club members were Bayside residents, with another 38% from adjoining LGAs.

The membership of the Sandringham Little Athletics Club has decreased since 2011-12, but importantly has been stable for the past three seasons (see Figure 5). The overall decline in membership by 24% since 2011-12 can be partially explained by the Club’s decision to reduce the total number of members to around 500 to ensure all athletes were able to have a quality experience on competition days, and partially due to the overall decline in little athletics participation, most likely due to the increased range of sporting and recreational choices now available for children.

In 2016-17, 88% of SLAC members were Bayside residents.

The membership of the Brighton Little Athletics Club has remained stable for the past six seasons (see Figure 6). Importantly, the Club recorded its largest membership from the past six seasons in the most recently completed 2016-17 season.

In 2016-17, 44% of BLAC members were Bayside residents. This comparatively low figure when compared to the SLAC is not unexpected, as Dendy Park is located close to the boundary of the municipality, so the Club attracts a high proportion of children who live in adjoining suburbs outside the City of Bayside: Elwood, Elsternwick and Bentleigh.

Figure 4 – Membership: Sandringham Athletics Club (2011 to 2017)
Figure 5 – Membership: Sandringham Little Athletics Club (2011 to 2017)

Figure 6 – Membership: Brighton Little Athletics Club (2011 to 2017)
Looking at all participation in junior athletics across Bayside, irrespective of which club/centre children participate at, the trend of participation has been in decline since 2012-13.

Table 1 shows the participation rates by Bayside children in club-based little athletics since 2012-13, and drills down to suburb level. The Table shows that:

- There has been an overall decline of 38% by Bayside children in club-based little athletics since 2012-13.
- The rate of decline was the highest three years ago (23%), from 2014-15 to 2015-16 decline was 8%.
- Children living in Brighton have left the sport at the highest rate of all Bayside suburbs since 2012-13 (48%), whilst Brighton East and Hampton had the lowest overall decline (both 33%).
- Of note is that children in Highett and Cheltenham increased their levels of participation in club-based little athletics between the two most recent seasons: 2014-15 to 2015-16.

In 2015-16, 78% of all Bayside children participating in club-based little athletics were doing so as members of either the Sandringham Little Athletics Club or the Brighton Little Athletics Club (see Table 2). Despite the large decline by Bayside children in little athletics between 2012-13 and 2015-16, the proportion of Bayside children as members of the two Bayside little athletics clubs remained similar at 75%.

It is not surprising that the Mentone Little Athletics Centre is the club/centre outside of the City of Bayside with the highest number of Bayside children as members (14%), given its close location to the southern area of Bayside where no little athletics centre is located.

### Table 1 – Athletics Participation by all Bayside Children (2012 to 2016)

<table>
<thead>
<tr>
<th>Postcode</th>
<th>12/13</th>
<th>13/14</th>
<th>14/15</th>
<th>15/16</th>
<th>Decline</th>
<th>% Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>3186</td>
<td>220</td>
<td>177</td>
<td>142</td>
<td>115</td>
<td>105</td>
<td>48%</td>
</tr>
<tr>
<td>3187</td>
<td>151</td>
<td>126</td>
<td>125</td>
<td>101</td>
<td>50</td>
<td>33%</td>
</tr>
<tr>
<td>3188</td>
<td>230</td>
<td>186</td>
<td>165</td>
<td>160</td>
<td>79</td>
<td>33%</td>
</tr>
<tr>
<td>3190</td>
<td>50</td>
<td>37</td>
<td>29</td>
<td>30</td>
<td>20</td>
<td>40%</td>
</tr>
<tr>
<td>3191</td>
<td>62</td>
<td>54</td>
<td>50</td>
<td>47</td>
<td>35</td>
<td>43%</td>
</tr>
<tr>
<td>3192</td>
<td>118</td>
<td>88</td>
<td>62</td>
<td>73</td>
<td>45</td>
<td>38%</td>
</tr>
<tr>
<td>3193</td>
<td>141</td>
<td>103</td>
<td>97</td>
<td>90</td>
<td>51</td>
<td>36%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1001</td>
<td>771</td>
<td>670</td>
<td>616</td>
<td>385</td>
<td>38%</td>
</tr>
</tbody>
</table>

### Table 2 – Athletics Participation by all Bayside Children (2012 to 2016)

<table>
<thead>
<tr>
<th>Year</th>
<th>Little Athletics Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sham</td>
</tr>
<tr>
<td>2012-13</td>
<td>630</td>
</tr>
<tr>
<td>2015-16</td>
<td>356</td>
</tr>
</tbody>
</table>

- 2012/13: 78% of all Little Athletes
- 2015/16: 75% of all Little Athletes
4. STAKEHOLDER ENGAGEMENT

During January and February 2017, meetings were conducted with the following stakeholders as part of the research undertaken for this athletics needs assessment:

1. Sandringham Athletics Club (SAC)
2. Sandringham Little Athletics Club (SLAC)
3. Brighton Little Athletics Club (BLAC)
4. Athletics Victoria (AV)
5. Little Athletics Victoria (LAV)

This section summarises the key findings from the stakeholder engagement.

4.1. Sandringham Athletics Club

A meeting was held with representatives from the SAC on 30 January 2017. Some of the information collected during the meeting has been reported in previous sections. Other key information was:

- Training is an important component of the Club, and it was explained that ‘serious’ athletes require up to three outdoor sessions and three weights sessions per week, for up to 52 weeks per year. This illustrates the importance of having a well-equipped, accessible, and athlete-specific fitness gymnasium onsite.

- The SAC provides an important pathway for SLAC and BLAC athletes, and provides coaches for both Bayside little athletics groups.

- The existing constraints of the Glamis Avenue Athletics Centre currently impacts the opportunities to maximise concurrent usage by both SAC members and authorised external user groups, such as other coaches and athletes, and other hirers.

- SAC has a preference to retain a community management model for the centre.

- It is the opinion of the SAC that the Blue Zone requires another compliant competition venue.

- From the perspective of the SAC, the key constraints with the Glamis Avenue Athletics Centre are:
  - Poor track surface and sub-surface: it is hard and eroding, and the track is failing in some sections due to tree root damage and shallow sink holes.
  - Eight lane track restricts training and competition uses, and the floodlighting is poor.
  - The field event areas are currently single use only, which restricts training and competition uses, and the throwing cage does not comply with Athletics Victoria competition standard.
  - Poor condition, layout and size of the clubrooms, including the toilets and kitchen/ canteen, which are not fit for purpose. Pavilion has previously been rated a 0/10 in Council condition assessments.
  - Limited spectator shelter.
  - Lack of storage.
  - Poor condition of the unsealed and unmarked car park creates inefficiencies and detracts from the amenity of the centre.

4.2. Sandringham Little Athletics Club

A meeting was held with representatives from the SLAC on 30 January 2017. Some of the information collected during the
meeting has been reported in previous sections. Other key information was:

- The Centre's access to the track and field event areas for training is largely restricted to only Wednesdays during the competition season, and the group would prefer additional access.
- The SLAC would like to have more control of the use/management of the Glamis Avenue Athletics Centre.
- Competition is conducted over two timeslots on Saturday: U6–U9 years at 8.15–10.30am, U10-15 years at 10.30am-1.15pm.
- The key feeder schools for the Centre are Hampton Primary School and St Marys Primary School.
- The SLAC has experienced strong success at State and National Championships.
- Key facility constraints:
  - Poor track surface and quality of floodlighting.
  - Some of the field event infrastructure is not considered safe, including the high jump and javelin areas, and the throwing cage needs to be upgraded.
  - Poor condition, layout and size of the clubrooms, including the toilets and kitchen/canteen, which are not fit for purpose.
  - Lack of secure internal storage.
  - Poor condition of the unsealed and unmarked car park creates inefficiencies and detracts from the amenity of the centre.

4.3. Brighton Little Athletics Club

A meeting was held with representatives from the BLAC on 8 February 2017. Some of the information collected during the meeting has been reported in previous sections. Other key information was:

- Competition is conducted over one timeslot on Saturday morning: 8.30-10.30am.
- A key focus for the Club in recent years has been improving its governance framework and improving its coaching outputs.
- The grass track is a distinct point of difference from other little athletics centres, and is one of the reasons the Club enjoys a wide catchment of members.
- A key constraint for the Club is the public's free access to the track, with the key impact being on the members' training experience due to non-Club people using the facility during training sessions. A related issue from the public's unrestricted access to the facilities is the deterioration of the condition of the track and some field event areas from overuse by non-Club people.
- Volunteerism is very strong at the Club (75% active involvement).
- Key facility constraints:
  - Poor track surface – uneven and evidence of pot holes, and the drainage is poor.
  - Long jump runway is in poor condition, and the discus cages are temporary facilities only.
  - Lack of access to a permanent power supply within the track infield.
  - Lack of a secure external storage for the high jump mats and bars.
  - The centre takes a long time to set up for competition, as few facilities are permanently set up, and the track line-marking is a Club responsibility. The Club accepts the burden of
these additional tasks, as part of the benefits of the point of difference that the grass track brings.

- Pavilion is old, and poorly laid out for the Club’s needs. Whilst the surfaces and fixtures of some spaces have been recently upgraded by Council, the general functionality of the kitchen/ canteen, the social space and the change/ toilet amenities is poor.
- The shared use of the pavilion with the soccer clubs also presents challenges.
- Lack of shelters and seats.
- Lack of identification signage.

4.4. Athletics Victoria

A meeting was held with representatives from Athletics Victoria (AV) on 8 February 2017. Some of the information collected during the meeting has been reported in previous sections. Other key information was:

- Lakeside Stadium is the current ‘championship’ standard athletics venue in Melbourne. The athletics centres at Casey Fields and Doncaster are regarded as the fall-back facilities for AV championships.
- AV Shield is the summer competition for athletics, and comprises of 12 rounds of competition being held in seven zones across Victoria - four Melbourne Metropolitan zones, and three country zones. The Sandringham Athletic Club competes in the Blue Zone, which comprises of 10 clubs.
- Venues servicing Blue Zone are Casey Fields, Knox and Frankston, with Duncan Mackinnon Reserve a fourth venue, however, it currently has some technical constraints/ non-compliances.
- Blue Zone has experienced a decline in participation, which is partly explained by the distance that athletes and officials are required to travel to compete. As a result, there is an identified need for a compliant venue in the northern region of Blue Zone.
- AV introduced a new points system during the 2016-17 Shield season, which has changed Shield from a ‘competition-based’ framework to a ‘performance-based’ framework. The benefits of the new points system are that it reduces the requirement for athletes to have to travel, and improves the outcomes for ‘serious’ athletes, as athletes specialising in the same event(s) can all arrange to compete at a specific venue against each other, with the points that they accrue still being assigned back to their club that might be competing at alternate venue.
- A key future goal of AV is to better align/ integrate little athletics competitions and senior athletics competitions at the same venue – create a blended morning to afternoon program.
- AV is currently developing an athletics facilities framework, which will identify the minimum (preferred) facility and equipment requirements for the various levels within the hierarchy of athletic events, i.e. capability of a centre to host Shield, to host State Championships, to host National Championships, etc.

4.5. Little Athletics Victoria

A meeting was held with representatives from Little Athletics Victoria (LAV) on 10 February 2017. Some of the information collected during the meeting has been reported in previous sections. Other key information was:
- LAV is divided into seven regions across Victoria - four Melbourne Metropolitan regions and three country regions. The two Bayside little athletic groups compete in the Southern Metro Region, which comprises of 16 centres.

- A majority of metro venues operate on Saturday mornings (only Melton, South Melbourne and Box Hill groups compete on Sundays).

- There is a variance of grass and synthetic tracks throughout Melbourne. LAV prefers synthetic tracks (with a high quality grass in-field) for the following reasons:
  - Reduced maintenance requirements.
  - Competitions can generally proceed in all weather conditions.
  - Increased flexibility for programming, as the season can be longer (not reliant on optimal grass growing periods).
  - Marketing benefits.
  - Tracks can maintain their ‘fit for purpose’ assessment more easily.
  (Waverley is regarded as the best grass track).

- The largest little athletics centre is Geelong, which has approximately 800 children competing in nine clubs. The design and configuration of the Geelong track and associated facilities allows a high number of children to compete.

- LAV regards the SLAC and BLAC to be well-managed groups, and considers Moorabbin to be a progressive centre.

- LAV encourages all centres to host their regions’ relay championships, track and field championships, multi-event championships, and cross-country championships.
5. FUTURE DEMAND FOR ATHLETICS

An assessment of athletics facility needs for the City of Bayside was undertaken using the following data:

1. Trend of participation in athletics by Bayside residents, and within Victoria overall.
2. Rate of participation by Bayside residents in athletics compared to adjoining LGAs and State participation rates, and the projected future rate of participation by Bayside residents.
3. Facility provision benchmarking.
4. Feedback and input from athletic stakeholder groups.

5.1. Trend of Athletics Participation

Section 3.2 shows that the trend of participation in athletics by Bayside residents has increased for senior athletics in the past four years, but decreased for junior athletics. The increase for senior athletics was by 52 people, or by 51%, whilst the decrease for junior athletics was by 385 children, or by 38%.

Notwithstanding the overall decline in junior athletics during the past four years, the rate of decline between 2014-15 and 2016-16 was only 8%.

The trend of participation in athletics by Bayside residents, reflects Statewide trends for the same period:

- Participation in club-based senior athletics in Victoria has remained relatively stable in the past four years.
- Participation in club-based junior athletics in Victoria has declined by 20% in the past four years, but by only 6% between 2014-15 and 2015-16.

5.2. Comparative Rates of Participation by Bayside Residents

The participation rate of Bayside adults in athletics is comparable to adjoining LGAs, whilst it is significantly higher by Bayside children (see Figure 7)\(^3\).

\[\text{Figure 7} - \text{Comparison of Bayside Participation with Adjoining LGAs (2015-16)}\]

The athletics participation rate of Bayside adults (0.19%) is comparable to all of Victoria (0.6%)\(^4\), whilst the rate of participation by Bayside children (5.2%) is higher than the State average (3.2%)\(^5\).

\(^3\) Using club memberships as the data source.
\(^5\) Source: Children's Participation in Cultural and Leisure Activities, ABS (2012).
Based on current participation rates in athletics and the projected increase in the City of Bayside population to 2036, it is estimated that there will only be a small increase in the number of Bayside residents participating in athletics over the next 20 years:

- Bayside senior athletics participation is projected to increase by 32 adults.
- Bayside junior athletics participation is projected to increase by 11 children.

The adult increase is calculated by applying the current adult participation rate in athletics (0.19%) to the projected number of Bayside residents aged over 15 years in 2036 (98,042 people) and subtracting the current number of participants at the SAC (104). The same methodology was applied to calculate the junior increase … for the projected number of children aged 4 – 14 years in Bayside in 2016 (14,253 children), and subtracting the combined total of SLAC and BLAC members (730).

The above increases are small, and don’t take into account increases in the levels of participation that might occur as a result of other influences, such as new/ upgraded athletics facility provision, effective marketing and promotional campaigns by the three Bayside clubs, and future successes by Australian athletes in future Olympic Games (role model effect).

5.3. Athletics Facility Benchmarking

There is no recognised industry benchmark for the provision of grass athletics tracks or synthetic surface athletics tracks.

A comparative assessment between the City of Bayside and selected neighbouring LGAs was undertaken in Section 2.2 to compare the ratio of the number of athletes to tracks. The comparison shows that the current provision of two athletics tracks in Bayside is ‘average’ when compared to the current provision of tracks in the City of Kingston and the City of Glen Eira.

- City of Bayside: ratio of athlete to tracks is 1: 442
- City of Kingston: ratio of athlete to tracks is 1: 300
- City of Glen Eira: ratio of athlete to tracks is 1: 517

5.4. Input from Stakeholders

All athletics stakeholders (the Bayside athletics clubs and the two athletics sports peak bodies) advocate for not only the retention of the two athletics tracks in Bayside, but for their redevelopment and improvement.

The SLAC and BLAC both currently cap their memberships, as the current scope, configuration and condition of athletics infrastructure and equipment available at the Glamis Avenue Athletics Centre and the Dendy Park athletics track constrain the activities able to be offered to members, and the quality of the ‘athletics experience’ available for members during competition days.

The SAC currently has to contain its training and coaching offerings to current levels due to the configuration and condition of athletics infrastructure and equipment available at the Glamis Avenue Athletics Centre, and there are external users and hirers that are currently unable to be granted access to the centre facilities due to the constraints referred to above.
Athletics Victoria (AV) acknowledges the significant roles that the SAC and the Glamos Avenue Athletics Centre play for the sport via the excellent training and coaching programs offered at the centre. AV also notes that the Blue Zone requires a competition facility in the northern area of the Zone, and that any upgrade of the Glamos Avenue Athletics Centre could be the opportunity to rectify this gap. This view is partly supported by the fact that the Duncan Mackinnon Reserve athletics track has compliance issues relating to its long jump infrastructure. However, Glen Eira City Council has secured funding in the 2017/18 financial year to reconfigure the long jump pits and to re-surface the athletics track and associated field events with polyurethane surfaces at the Duncan Mackinnon Reserve athletics track. The facility will become a compliant athletics venue following these upgrades.

Little Athletics Victoria (LAV) holds both the SLAC and the BLAC in high regard in relation to the quality of the little athletics programs provided by both groups, and the progressive and professional nature of the respective committees. Whilst LAV supports the provision of synthetic athletics tracks over grass tracks as venues to host little athletics clubs/centres, it recognises and acknowledges the points of difference of grass tracks and that there are families who have a preference for grass tracks for their children.
6. CONCLUSIONS

From the research conducted and the input from athletics stakeholders, the following conclusions have been drawn for the future provision of athletics in Bayside:

1. The City of Bayside requires two athletics tracks in the short to medium term.

2. The Glamis Avenue Athletics Centre should be redeveloped into a high-quality athletics training centre. It should have the capability to host school carnivals and AV Shield Blue Zone senior competitions, but not be developed to a standard to be in competition with the Duncan MacKinnon Athletics Track.

3. Any redevelopment of the Glamis Avenue Athletics Centre should consider, where possible, incorporating the adjacent netball centre site to ensure sufficient space is available to increase the number of straight lanes for the track, and to resolve the off-street car parking constraints.

4. In order to support the objective of the Glamis Avenue Athletics Centre becoming a 'high-quality athletics training venue', any redevelopment of the site needs to include:
   - Polyurethane eight lane track, with a minimum of 10 sprint lanes along both straights, and, if possible, supplemented by a grass six lane straight track.
   - Floodlighting of the track to training standard.
   - Field event areas: 2 discus cages, 2 javelin runways, 4 long jump pits with full length runways, 2 shot put circles, and capability to conduct 2 high jump training sessions/competitions concurrently.

   Pole vault infrastructure is not considered necessary, as this is available at the Duncan MacKinnon Reserve Athletics Track.

   - New and enlarged clubroom building with unisex change rooms, canteen, office, meeting room, internal storage, and conditioning gymnasium.
   - Adequate external equipment storage facilities.

5. Improved car parking and vehicle access in and around the site.

6. Retain and optimise the Dendy Park athletics track as a venue fit-for-purpose for grass-based little athletics, however, continue to retain the site as a freely accessible, shared and multi-use venue for other uses outside of the designated hours of use by the BLAC.

7. Investigate the feasibility of including the following infrastructure within and adjacent to the Dendy Park athletics track, as strategies to improve the sustainability of and the offerings by the BLAC:
   - Installing a power source within the infield of the grass track.
   - Installing signage that clearly informs the public of the days/ hours when the site is allocated for the exclusive use of the BLAC.
   - Installing secure storage for the high jump mats and bars at grade with track.
Item 10.1 – Reports by the Organisation
Executive summary

Purpose
To present Council with the recommendations of the Planning Panel in relation to Planning Scheme Amendment C151, which implements the Hampton East (Moorabbin) Structure Plan 2016 (‘the Structure Plan’).

Background
The Bayside Housing Strategy 2012 identifies Major Activity Centres (MACs) in Bayside as the areas for the primary residential growth across the municipality. Bayside’s MACs are typically Key Focus Residential Growth Areas, where the majority of medium and high density residential development will be located. These areas should provide a diverse range of housing types to meet the needs of the existing and future Bayside community.

State Government Policy confirms that Structure Plans should be provided for MACs across Melbourne as the way to guide development in growth areas. The Housing Strategy states that the height, site coverage, scale and massing of new development must be in accordance with the recommendation of the relevant Structure Plan for the area which will define clear boundaries for growth.

The Hampton East Activity Centre is cemented in policy as a prime location for housing growth given its access to the Moorabbin Station, the arterial road network and a range of commercial and community uses.

As Hampton East forms part of the larger Moorabbin MAC, Council prepared the Hampton East (Moorabbin) Structure Plan, adopted in February 2016, to guide the growth and development of the centre. This involved comprehensive background analysis and three stages of community consultation between 2013 and 2016. A range of feedback was provided throughout the development of the Structure Plan which considered issues such as building heights, the need to improve parking and traffic and opportunities for increased community infrastructure.

The final Structure Plan is based on the consultation outcomes and provides the foundation for a range of changes for the centre including additional open space, clear advocacy actions, improvements to the road network and a range of other enhancements. The Structure Plan provides the policy direction to inform the future built form in the centre to ensure that any new development has regard to Council’s preferred vision for the area.

There are six precincts proposed in the Activity Centre, each with a unique role and purpose.

- Precinct 1 provides the main retail precinct along the Nepean Highway, where the primary commercial activity will be focused with residential located above;
- Precinct 2 provides a second commercial precinct with a particular focus on health related uses, leveraging off many of the existing uses in this location;
- Precinct 3 will comprise the mixed use core, with development of up to 6 six storeys and a new centrally located community space;
Precinct 4 comprises a triangular strategic redevelopment site on the northern side of South Road where residential development is encouraged. In each of these four precincts, apartments are the preferred housing typology;

Precinct 5 provides consolidation objectives with development of townhouses and apartments encouraged to transition down and away from the six storey precinct; and

Precinct 6 provides the transition to areas outside the activity centre and provides a range of objectives and standards to facilitate townhouse style development in this location.

Amendment C151 implements the Structure Plan into the Bayside Planning Scheme and seeks to put in place a planning framework for the centre, building on the vision outlined in the Structure Plan.

By using the Activity Centre Zone (ACZ), it allows Council to tailor specific planning controls for the different precincts within the MAC to ensure that there is a clear framework in place that guides the expected future character for each area.

**Key issues**

**Public Exhibition of Amendment C151**

Amendment C151 was publicly exhibited between 21 July 2016 and 19 August 2016. Of the 31 submissions received, 17 were in support with 14 submissions opposing or seeking substantial change to the amendment.

Council was presented with the issues raised in submissions at its February 2017 Ordinary meeting where it resolved to request the Minister for Planning to appoint an independent Planning Panel to consider the submissions.

**Planning Panel Report**

The Planning Panel heard submissions from Council and ten submitters on 10 and 11 May 2017. All submissions were considered by the Panel however the primary issues considered by the Panel, chaired by Michael Kirsch and assisted by Michael Bullock, included:

- Whether the amendment is strategically justified;
- Whether the boundaries of the activity centres are appropriate;
- Whether the proposed building heights and setbacks (front, side and rear, upper level) are appropriate;
- Whether mandatory or discretionary controls are appropriate for the centre;
- Other issues as identified within the Planning Panel Report (refer Attachment 1).

The Planning Panel made only 5 recommendations regarding Amendment C151, most of which relate to the use of discretionary controls where Council has specified mandatory controls should be applied. The Panel’s recommendations are to:

1. Apply a discretionary building height of four storeys (14 metres) and three storeys (11 metres) in Precinct 5 of the ACZ1;
2. Apply a discretionary maximum building height of three storeys in Precinct 6 of the ACZ1;
3. Apply a discretionary upper storey setback in Precincts 1 and 2 of the ACZ1 that applies to all levels above the third storey;
4. Apply a discretionary building setback of 6 metres in Precinct 6 of the ACZ1; and

5. Include an additional objective in Clause 5.1-2 of the ACZ1: ‘To improve pedestrian access to the Moorabbin Railway Station.’

Recommendation 5 is consistent with the Structure Plan and community feedback in relation to the difficulties with crossing the Nepean Highway. If Council resolve to adopt Amendment C151 in full or in part, this change be incorporated into the ACZ1.

Panel Recommendation 1 and 2: Height controls in Precincts 5 and 6 should be discretionary

The intent of the proposed mandatory height controls in Precincts 5 and 6 is to allow for housing diversity, provide a transition to residential areas outside the ACZ1 boundary, manage potential amenity impacts and provide certainty to residents about future built form.

The Panel recognised Council’s intent, however considered that providing greater flexibility through a discretionary maximum height for both Precincts would be consistent with the centre’s broader role and the policy support for change. In the Panel’s view, carrying a mandatory height limit into Precinct 6 would ignore its MAC location and would not be appropriate.

Despite the Panel’s recommendation that these should be discretionary, Council officers do not share this view.

At the time when the planning controls for this area were prepared and exhibited, the controls were discretionary. The purpose of the controls was to provide certainty whilst providing for a diverse type of dwellings that could accommodate the expected population growth.

Council and the community has identified a need to provide greater certainty as to the development that should be expected within General Residential Zoned (GRZ) land prior to the introduction of VC110. Council’s draft controls for Precinct 6 provides a range of requirements in relation to gardens, landscaping, setbacks and a mandatory height control of three storeys. This is similar for Precinct 5, except it may go to four storeys where the lot consolidation objectives are achieved.

Whilst current planning practices favour discretionary controls over mandatory controls (in order to allow for exceptional circumstances where a development may need to provide a different but appropriate design response) the mandatory height controls proposed by Council are consistent with the post-VC110 GRZ and do not provide any significant greater restrictions than presently exist under the revised GRZ.

It is considered that a case may be made for mandatory controls despite the Panel’s recommendation.

Panel Recommendation 3: Upper storey setbacks in Precincts 1 and 2 (commercial areas) should be discretionary.

The Panel accepted that a three storey street wall height is an appropriate scale and that setting back upper levels is desirable. The Panel considered however, that the setbacks should be part of the design response to the precincts objectives rather than a blanket mandatory control. An example of where a reduction to the five metres proposed is along South Road, where the considerably wider road may warrant an alternate treatment than the 5 metre mandatory setback proposed.

Council considers that the purpose of specifying mandatory setbacks was to provide certainty about future built form outcomes, to provide clear guidance for new development and to achieve a pedestrian scale that is oriented to pedestrian activity. It is considered that the setbacks should be retained as mandatory.
Panel Recommendation 4: The 6 metre front setback requirement in Precinct 6 should be discretionary.

The intent of the proposed mandatory front and upper level setback controls in Precinct 6 is to ensure that redevelopment contributes to the garden character, allows the planting of canopy trees and provides an appropriate transition to the Neighbourhood Residential Zoned land outside the activity centre boundary.

A number of submitters put to the Panel that a 6 metre mandatory setback in Precinct 6 was inappropriate for irregularly shaped lots.

The Panel concluded that the mandatory 3 metre front setback in Precinct 5 was appropriate (at 3 metres) however the mandatory 6 metre setback in Precinct 6 was excessive and may not suit all situations.

The Panel recognised Council’s intent and agrees that transition to land outside the centre is important, however again considered that mandatory controls are not necessary to achieve the outcomes sought.

The Panel considered that the ACZ1 provides comprehensive objectives and guidelines that will provide a detailed framework for informing future decisions in relation to discretionary building heights.

It is considered that in order to provide the certainty and outcomes envisaged in the Structure Plan, it is recommended that the controls should be retained as mandatory.

Next Steps
Section 27 of the Planning and Environment Act 1987 requires that a ‘planning authority must consider the Panel’s report before deciding whether or not to adopt the amendment.’

Council has the following options to progress Amendment C151:

1. Adopt Amendment C151 as exhibited, without making the Panel’s recommended changes;
2. Adopt Amendment C151 incorporating some or all of the Panel’s recommended changes, and submit for approval to the Minister for Planning;
3. Proceed with Amendment C151 for Precincts 1 to 4 of the ACZ1 and abandon the part of the Amendment relating to Precincts 5 and 6; or
4. Abandon Amendment C151 in its entirety.

It is recommended that Council incorporate the Panel’s recommendation in relation to including an additional objective at Clause 5.1-2 of the ACZ1. Council considers that the amendment should retain the mandatory controls proposed through the exhibition process rather than adopting the discretionary controls recommended by the Panel for the reasons outlined in this report.
Recommendation

That Council:

1. Adopt Amendment C151 as exhibited (i.e. with mandatory controls), and include the Panel’s recommendation for the additional objective to ‘improve pedestrian access across the Nepean Highway.’

2. Writes to the Minister for Planning requesting Amendment C151 be approved.

3. Writes to all submitters and advises them accordingly.

Support Attachments

1. C151 Planning Panel Report (separately enclosed) ⇒
Considerations and implications of recommendation

Liveable community

Social
Amendment C151 seeks to create a more vibrant Hampton East MAC through introducing objectives and strategies into the Bayside Planning Scheme that guide future land use, built form, access and movement and landscaping. The Amendment seeks to provide a mixture of housing types to increase housing choice and diversity in an area that is well serviced by shops and transport. In addition, the clustering of medical and health uses along Nepean Highway will provide accessible, convenient medical services for the ageing population of Bayside.

Natural Environment
This amendment seeks to maintain and enhance the landscaped environment though encouraging new developments to provide canopy trees and other planting in the front and rear yards, particularly in Precincts 5 and 6. The amendment encourages the protection of backyardscapes in Precinct 5 so that the landscaped character of the area is maintained.

Built Environment
The amendment will provide clear direction for the future development of the centre. The ACZ1 provides guidance to achieve the expected land use and built form development outcomes by outlining specific requirements in relation to building height, setbacks, land use and lot size. The amendment will provide certainty and clarity on how the built form in the area is expected to change over the next 20-30 years.

Customer Service and Community Engagement
In addition to the three stages of community consultation which occurred as part of the development of the Structure Plan, Amendment C151 was publicly exhibited between 21 July 2016 and 19 August 2017. The public exhibition comprised four drop-in sessions, statutory notices in the Government Gazette and Bayside Leader, weekly advertisements in the Bayside Leader, a brochure drop to approximately 3,000 households within 800 metres of the activity centre. Properties within the activity centre were provided letters and brochures directly mailed to each property.

Submitters to the amendment were invited to attend the Panel hearing to put forward their concerns to the Panel. The Panel considered all written submissions received by Council in its deliberations on the matter.

Human Rights
The implications of this paper have been assessed and are not considered likely to breach or infringe upon the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006. The consultation process that has been undertaken complies with the provisions of Section 223 of the Local Government Act 1989 and the prescribed consultation process of the Planning and Environment Act 1987.

Legal
Pursuant to the Planning and Environment Act 1987, Planning Authorities (i.e. Council) must consider the Planning Panel’s recommendations regarding a proposed planning scheme
amendment before it is adopted and submitted to the Minister for Planning. Amendment C151 will form part of the Bayside Planning Scheme upon its approval by the Minister for Planning. In making its decision, the Minister for Planning can make changes to the Amendment.

Finance
Council has invested considerable resources in the preparation of the Background Report, Structure Plan and Amendment C151. Resources to progress Amendment C151 have been allocated in Council’s 2017/2018 Budget. Further resources would be required if Council resolves to re-exhibit or split Amendment C151.

Links to Council policy and strategy
Community Plan 2025
Amendment C151 is broadly consistent with the Community Plan 2025. In particular, it delivers on the following ‘domains of liveability’ and associated ‘community aspirations’:
- Open Space: Amendment C151 seeks to create a centrally located open space to provide a gathering space and improve the amenity of the Centre;
- Local Economy: Amendment C151 seeks to encourage active uses at ground levels of commercial development, improve local employment opportunities and strengthen South Road’s health focussed services; and
- Housing and Neighbourhoods: Amendment C151 provides a framework to manage development within the Hampton East (Moorabbin) MAC, encourages the retention of canopy trees and additional landscaping, and facilitates housing diversity.

Council Plan 2017-2021
Amendment C151 is also consistent with the Council Plan 2017-2021. In particular, it is consistent with Goal 3: Housing and neighbourhoods, which includes the strategy to “Develop and review structure plans to ensure localities are developed in line with Council’s Housing Strategy.” Implementing the Structure Plan into the Bayside Planning Scheme through Amendment C151 will enable the management of new development in the Hampton East (Moorabbin) MAC.

Bayside Housing Strategy 2012
The Bayside Housing Strategy 2012 identifies the Hampton East (Moorabbin) MAC as a major focus for future medium and high density residential development within Bayside. It recommends the preparation of a structure plan for the MAC.

Amendment C151 delivers the Bayside Housing Strategy by providing a framework based on the Hampton East (Moorabbin) Structure Plan to manage development and deliver a wide range of housing types and sizes to meet the varied needs of the community.

Hampton East Structure Plan 2016
Amendment C151 implements the vision of the Hampton East Structure Plan 2016 by translating the objectives relating to Land Use, Built Form, Access and Movement, and Landscaping into a series of planning provisions that guide future land use and development in the Hampton East (Moorabbin) MAC.
## Options considered

### Option 1

<table>
<thead>
<tr>
<th>Summary</th>
<th>Adopt Amendment C151 as exhibited, without making the Panel’s recommended changes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>The General Residential Zone was amended early in 2017 to provide a greater focus on garden area requirements and provided a three storey mandatory height control. This is consistent with the ACZ1 to be applied to Precincts 5 and 6 and as such, is not significantly different from the existing controls affecting these precincts.</td>
</tr>
<tr>
<td></td>
<td>Retaining mandatory height controls is consistent with the mandatory nature of the revised residential zones. This will assist in providing certainty about the built form outcomes for Precincts 5 and 6.</td>
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<tr>
<td></td>
<td>Mandatory heights are provided in the residential precincts of Bayside’s other MACs and this approach is consistent with Bayside’s activity centre planning.</td>
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<td></td>
<td>This provides the certainty that Council was seeking through the intent of the Structure Plan.</td>
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<td></td>
<td>The mixture of housing types and to accommodate population growth is still able to be achieved.</td>
</tr>
<tr>
<td>Issues</td>
<td>The Panel was presented with this information however determined that a discretionary height control was more appropriate when compared to the mandatory control proposed.</td>
</tr>
<tr>
<td></td>
<td>Mandatory setback controls for Precinct 6 will result in some lots being unable to be easily developed as no flexibility will exist to consider other approaches.</td>
</tr>
<tr>
<td></td>
<td>Practice Note 56: The Activity Centre Zone provides guidance on how the ACZ should be applied. The MAC location and the recommendation of the Panel may not support the use of mandatory controls in Precincts 5 and 6.</td>
</tr>
<tr>
<td></td>
<td>The Minister for Planning may view Council’s disagreement with the Panel’s recommendations unfavourably.</td>
</tr>
</tbody>
</table>

### Option 2

<table>
<thead>
<tr>
<th>Summary</th>
<th>Adopt Amendment C151 with all or part of the Panel’s recommended changes, and submit to the Minister for Planning for approval.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>The Planning Panel has considered the merits of Amendment C151 and has recommended that Amendment C151 be approved subject to some changes.</td>
</tr>
<tr>
<td></td>
<td>The proposed controls provide planning policy for the area to guide future development outcomes.</td>
</tr>
<tr>
<td></td>
<td>Discretionary controls will allow for flexibility to occur in new development in the centre.</td>
</tr>
</tbody>
</table>
The changes recommended to the ACZ1 are generally consistent with the intent of the Hampton East (Moorabbin) Structure Plan.

This option will provide a robust policy framework to guide development in the Activity Centre area. Whilst the discretionary controls could be tested by the development industry, having a robust framework embedded within the Planning Scheme will be highly regarded at Tribunal settings and will set the expectation of the development that is intended for this area.

### Issues

The discretionary setback controls could result in development possibly contesting preferred setback.

The Minister for Planning may not agree with Council's approach to the mandatory height controls for Precincts 5 and 6.

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### Option 3

<table>
<thead>
<tr>
<th>Summary</th>
<th>Proceed with Amendment C151 for Precincts 1 to 4 of the ACZ1 and split the Amendment to exclude the ACZ1 from Precincts 5 and 6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>The existing General Residential Zone has a mandatory height limit of 3 storeys (11 metres). This is a similar approach with the residential precincts in other Major Activity Centres in Bayside.</td>
</tr>
<tr>
<td>Issues</td>
<td>Further resources would be required if Council resolves to re-exhibit or split Amendment C151. Support would be required from the Department of Environment, Land, Water and Planning to split Amendment C151. The Panel has supported the controls as proposed, encouraging discretionary controls over mandatory controls. If Council proposes this approach, there is no guarantee that the Minister for Planning would agree with Council's decision which may jeopardise the outcome of the amendment. Council has invested considerable resources in the preparation of the Structure Plan since 2013 and if the Minister for Planning is not supportive of Council's revised approach, this creates a significant policy gap for the centre. This could lead to development which is considerably different to that proposed in the Structure Plan. Pursuing this path may impact Council's advocacy in relation to the use of height controls in activity centres. As Council has requested to participate in a pilot project regarding discretionary height controls, moving away from State Government policy on the use of mandatory controls is likely to have implications beyond Amendment C151, particularly in relation to advocacy. Given the imminent review of the residential zones, moving away from Council's strategic planning framework is likely to have significant impacts beyond the Structure Plan area. The splitting of the precinct is not consistent with Practice Note 56: The Activity Centre Zone.</td>
</tr>
</tbody>
</table>
### Option 4

<table>
<thead>
<tr>
<th>Summary</th>
<th>Abandon Amendment C151.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>There are no benefits associated with this option.</td>
</tr>
<tr>
<td>Issues</td>
<td>No planning mechanisms will be in place to implement the <em>Hampton East (Moorabbin) Structure Plan</em> 2016. Council would not be able to manage growth and improvement in the Centre as a clear set of planning controls for the Centre would not be in place.</td>
</tr>
<tr>
<td></td>
<td>This would result in a lack of guidance for the area, which would likely lead to community concern as development occurs in the Activity Centre.</td>
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</table>
10.3 FRIENDS OF BEAUMARIS RSL - REQUEST OF COUNCIL

Environment, Recreation & Infrastructure - Open Space, Recreation & Wellbeing
File No: PSF/17/65 – Doc No: DOC/17/192421

Executive summary

Purpose and background
The purpose of this report is to inform Council of correspondence received from the Friends of Beaumaris (Returned and Services League) RSL. The Friends of the Beaumaris RSL have requested Council to consider exploring the potential for a Beaumaris RSL club to be housed at the proposed Beaumaris Reserve Hub.

Key issues
A feasibility study is currently being prepared for a Beaumaris Community Hub that will examine the collocation of some of the services and renewal of some of the buildings located in Beaumaris Reserve.

Council's 2017/18 Budget includes a provision of $30,000 to undertake the Beaumaris Reserve Hub Feasibility Study. Work on the Feasibility Study has commenced and meetings have been held with a number of stakeholder groups to determine the needs of those groups so that the uses and special needs of a community hub proposal at Beaumaris Reserve can be quantified.

Beaumaris Reserve Hub Feasibility Study
The Feasibility Study has commenced and a stakeholder meeting was convened on 5 September 2017 that included representatives of the Beaumaris Arts Group, Beaumaris Soccer Club and Beaumaris Community Centre Tennis Club. These groups have previously identified a number of opportunities associated with a community hub development. The services and needs of these groups will inform the Feasibility Study.

At this time, the Beaumaris Library and Seniors Centre (also used by the University of the Third Age) are not being considered for inclusion in the community hub, but any future design work will aim to recognise the importance of all of the uses and facilities within Beaumaris Reserve.

Friends of Beaumaris RSL
A letter from the Friends of the Beaumaris RSL was received on 22 August 2017 (Attachment 1) requesting Council to consider exploring the potential for a Beaumaris RSL club to be housed at the proposed Beaumaris Reserve Hub. The letter does not provide information regarding the requirements of any Beaumaris RSL components of a facility, nor what level of funding the Friends of Beaumaris RSL may be able to contribute to such a facility. A meeting was held with a representative of the Friends of Beaumaris RSL who advised that the club is seeking access to spaces commonly provided in a community hub, for example, meeting/function room, kitchen, bar, amenities and toilets. The Beaumaris RSL club has a memorabilia collection and there is a desire for this to be able to be displayed.

Based on the above stated needs, it is recommended that the inclusion of the Beaumaris RSL club be considered as part of the Beaumaris Reserve Hub Feasibility Study and funding contributions and tenancy requirements be explored.
Recommendation
That Council resolves to include the Beaumaris RSL club as part of the Beaumaris Reserve Hub Feasibility Study and the Friends of Beaumaris RSL be advised of this decision.

Support Attachments
1. Attachment 1 - Letter from Friends of Beaumaris RSL - 22 August 2017

Considerations and implications of recommendation

Liveable community

Social
The development of improved community art and sporting facilities will provide positive benefits for young people and adults, particularly through their participation and engagement in sport and art activities. The Friends of the Beaumaris RSL are seeking to establish a new model of club that is integrated with other community activities.

Natural Environment
There are no environmental implications associated with the recommendations include in this report. The proposal doe a Beaumaris Reserve Hub will involve changes within the reserve.

Built Environment
The proposed scope of the Beaumaris Reserve Hub Feasibility Study will explore a new single facility to replace three outdated and not fit for purpose buildings currently housing the Beaumaris Arts Group, Beaumaris Soccer Club and Beaumaris Community Centre Tennis Club. The inclusion of the Beaumaris RSL club will be explored as part of this work.

Customer Service and Community Engagement
A Project Reference Group was convened on 5 September 2017 that included representatives of the Beaumaris Arts Group, Beaumaris Soccer Club and Beaumaris Community Centre Tennis Club.

Consultation with stakeholders will continue as the Feasibility Study is developed.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon, the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
There are no legal implications associated with the recommendations of this report.

Finance
Council’s 2017/18 Budget includes an allocation of $30,000 to undertake the Beaumaris Reserve Hub Feasibility Study. The Feasibility Study will inform future budget requirements.
Links to Council policy and strategy

Improvement to sport and recreation facilities is supported by a number of key strategy and policy documents including the Council Plan 2017-2021, Bayside 2020 Community Plan, Recreation Strategy 2013, and Wellbeing for All Ages and Abilities Strategy 2013 – 2017.

The Bayside Library, Arts and Culture Strategy 2012-2017 recognises that artistic and cultural expression can grow when there are the right facilities for arts practice. The improvement of arts facilities at Beaumaris Reserve would provide appropriate spaces for artistic endeavour.
FRIENDS OF BEAUMARIS RSL

22nd August 2017

Att: CEO Adrian Robb
Bayside City Council
76 Royal Avenue
Sandringham VIC 3191
aroobb@bayside.vic.gov.au

Friends of Beaumaris RSL
2 Cooke Street, SANDRINGHAM, 3191
clarkemartin@bigpond.com

Re: Proposed Liquidation of Beaumaris RSL Sub Branch Incorporated

Dear Mr Robb

I write to you in my role as the President of the Friends of the Beaumaris RSL. Our group was recently established to fight the recently announced heavy handed and unnecessary actions of the Victorian State RSL to liquidate our club (See attached) on the 14th of August. After two hours of debate the Chair of this meeting the CEO of the Victorian State RSL adjourned the meeting to take further advice.

Our group was invited to a further meeting with the CEO, the State President Dr. Rob Webster and the CFO Luke Gilholme. At this meeting it was agreed our group would be given the opportunity to provide the State RSL a concept plan an alternative to liquidation at their upcoming board meeting this Thursday 24th of August 2017.

I would like to formally request Council to consider exploring the potential of our club being housed at the proposed Beaumaris Hub Redevelopment. We believe as part of a long term plan our club could partner with other stakeholders and form an innovative and much needed community RSL club.

I would be most appreciative if you could provide a response as soon as possible.

Yours Faithfully,

Clarke Martin
President
Friends of the Beaumaris RSL
0412 259 631
Executive summary

Purpose
To present Council with the submissions received in response to Amendment C155, which proposes to apply the Environmental Audit Overlay (EAO) to 118 properties in Bayside.

Background
Council undertook an assessment of the current and previous use of 3,000 commercial properties in Bayside to determine the number of sites subject to potential contamination. At its 28 March 2017 Ordinary Meeting, Council endorsed a proposal to apply the EAO to 116 sites determined to be subject to potential contamination.

The EAO ensures that properties covered by it are audited by an environmental auditor prior to it being redeveloped for a residential or other sensitive land use to alleviate any risk posed by potential land contamination.

Council officers met with the Environment Protection Authority (EPA) prior to exhibition of the amendment and following the completion of the public exhibition process. Council also provided notice of Amendment C155 to the EPA for comment. The EPA’s advice regarding potentially contaminating land uses has informed the amendment and Council’s process has been consistent with the Potentially Contaminated Land Practice Note.

Amendment C155 was publicly exhibited between 8 June 2017 and 11 August 2017. During the exhibition period two additional properties were included in the amendment and one property was removed. The affected owners and occupants were notified. A total of 295 letters were sent to affected property owners and occupiers with notices provided in the Bayside Leader and Government Gazette.

Key issues

Outcomes of public exhibition
Public exhibition of the amendment occurred between 8 June and 11 August 2017 during which seven submissions were received. The primary issue raised in submissions related to:

- The property had not been subject to the potentially contaminating use that Council had identified;
- The practices of any potentially contaminating use were such that there is likely to be a low risk of contamination; or
- The site has been fully or partly remediated.

A number of other respondents did not object to the amendment after holding discussions with Council officers as the owner recognised that they could not provide evidence to support the perceived lower risk of contaminants. In some cases, potential submitters indicated that they were not proposing to change the use to a sensitive use and recognised the benefits of undertaking an environmental audit prior to such a change occurring.
There is one property raised by submitters where upon further review, there appears to be an inconsistency in Councils past records. As a result, officers consider that 1-4 Railway Walk, Brighton, can be removed from the amendment due to there being a reasonable level of doubt about the site’s historical use.

In addition, following advice from the EPA, it is considered that 112-114 Bay Road, Sandringham can be removed from the amendment as there is unlikely to be any risk of contamination from the plant nursery that operates at the site.

Based on the information provided with submissions, Council is not in a position to confirm that there is no risk of contamination at some submitters properties. As such, it is not proposed to remove these properties from the Amendment.

Next steps
Section 23 of the Planning and Environment Act 1987 requires Council, after considering a submission which requests a change to the amendment, to:

- Change the amendment in the manner requested;
- Refer the submissions to a Planning Panel; or
- Abandon the amendment.

It is recommended that Council requests the Minister for Planning to appoint an independent Planning Panel to consider submissions. The Planning Panel will consider submissions, receive presentations from submitters and then provide recommendations to Council and the Minister for Planning on any changes to be made to the amendment. Changes recommended to the amendment documents to address submissions will be presented, discussed and tested through the Panel process.

Recommendation
That Council:

1. Adopt Amendment C155 including:
   - A revised list of properties for insertion under an Environmental Audit Overlay as contained in Attachment number 2 to this report; and
   - Minor insertions to the local policy requested by the EPA.

2. Request the Minister for Planning to appoint an independent Planning Panel to consider submissions to Amendment C155;

3. Advise submitters and relevant authorities of Council’s decision.

Support Attachments
1. Attachment 1 - Response to Submissions
2. Attachment 2 - Revisions to Exhibited Amendment C155 (separately enclosed)
Considerations and implications of recommendation

Liveable community

Social
Amendment C155 will assist in managing the use and development of land that has a potential risk of contamination so as to protect the health and safety of residents and the community.

Natural Environment
Amendment C155 will improve Bayside’s natural environment by requiring removal of environmental contaminants prior to redevelopment of land.

Built Environment
Amendment C155 will improve Bayside’s natural environment by requiring removal of environmental contaminants prior to redevelopment of land.

Customer Service and Community Engagement
The consultation process to be undertaken will comply with the prescribed process of the Planning and Environment Act 1987. Letters were sent to affected property owners and occupiers with notices provided in the Bayside Leader and Government Gazette.

Human Rights
Amendment C155 will not breach or infringe upon the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
There are unlikely to be any legal implications arising from referring Amendment C155 to an independent Planning Panel.

Finance
Resources for the implementation of Amendment C155 has been provided in Council’s 2017/18 Budget. Any costs of an environmental audit required under an EAO will be borne by the developer.

Links to Council policy and strategy
Implementation of Amendment C155 will ensure redevelopment from a commercial use to a residential use is undertaken in a safe and sustainable manner to meet the following objectives of the Council Plan 2013-2017:

- Strategy 2.1.4: Enhancing the public health and wellbeing of the Bayside community; and
- Strategic Objective 3.1: Protecting and enhancing amenity and liveability.

The Council Policy and Procedure, Contaminated and Potentially Contaminated Land, provides a framework and detailed guidance for management of Council land in a manner that will protect the community from the potential risks associated with land contamination.
### Options considered

#### Option 1

<table>
<thead>
<tr>
<th>Summary</th>
<th>Request that the Minister for Planning appoint an independent Planning Panel to consider the submissions received for Amendment C155.</th>
</tr>
</thead>
</table>
| Benefits | Will provide the opportunity for all submitters to have their issues and concerns considered by an independent body.  
Will allow the merits of the amendment to be considered and Council will have the benefit of understanding the recommendations of the Planning Panel. The Panel members will enquire into all aspects of the amendment and submissions and will give expert advice to Council regarding the amendment.  
After the Planning Panel hearing, a Panel report will be forwarded to Council and the Minister for Planning (usually at least 20 days after the hearing) and will be released to the public after 28 days of Council receiving the report. The Panel report will provide recommendations on how Council should proceed with the amendment and might suggest changes to the Amendment documents. The Panel’s report is not binding on the Council. However, Council must consider the recommendations of the report before any decision on how to proceed with the amendment is made. |
| Issues | None.  
The cost associated with the Planning Panel hearing has already been accounted for in the 2017/18 Budget and officer time has also been considered in the Urban Strategy department work plan. |

#### Option 2

<table>
<thead>
<tr>
<th>Summary</th>
<th>Seek to negotiate with submitters to achieve an outcome that is mutually acceptable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Will provide an additional opportunity to negotiate changes with submitters and may reduce the number of submitters.</td>
</tr>
</tbody>
</table>
| Issues | Due to the nature of submissions, a mutually acceptable outcome is unlikely to be achieved in all cases. It is likely that a Planning Panel would still be required.  
This would delay the amendment and would possibly require Council having to go through the exhibition process after making any relevant changes. |
### Option 3

<table>
<thead>
<tr>
<th><strong>Summary</strong></th>
<th>Abandon Amendment C155.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefits</strong></td>
<td>There are no benefits associated with this option.</td>
</tr>
<tr>
<td><strong>Issues</strong></td>
<td>There will be no mechanism in place to require potentially contaminated land to require an environmental audit prior to being redeveloped.</td>
</tr>
</tbody>
</table>
## Attachment 1

**Bayside Planning Scheme Amendment C155 – Potentially contaminated land – Response to submissions**

<table>
<thead>
<tr>
<th>No.</th>
<th>Comments/Summary</th>
<th>Response to Submission</th>
<th>Proposed Direction</th>
</tr>
</thead>
</table>
| 1.  | Affected property: 1-4 Railway Walk, Brighton  
The owners were of the view there had been no potential contaminating use at the site and Council's records that the site has been used as a 'mechanics room workshop' must be incorrect. The owners stated the property had only been used for an office/shop. | Council files indicate premises has been used as shop and office since 1969. There appears to be inconsistent records in relation to the property address. Upon further review, Council is satisfied that there is no certain evidence that 1-4 Railway Walk has been used as a mechanics room/workshop. Council considers that 1-4 Railway Walk, Brighton, can be removed from Amendment C155. | Remove 1-4 Railway Walk, Brighton from Amendment C155. |
| 2.  | Affected property: 1-4 Railway Walk, Brighton  
The owners were of the view there had been no potential contaminating use at the site and Council's records that the site has been used as a 'mechanics room workshop' must be incorrect. The owners stated the property had only been used for an office/shop. | Council files indicate premises has been used as shop and office since 1969. There appears to be inconsistent records in relation to the property address. Upon further review, Council is satisfied that there is no certain evidence that 1-4 Railway Walk has been used as a mechanics room/workshop. Council considers that 1-4 Railway Walk, Brighton, can be removed from Amendment C155. | Remove 1-4 Railway Walk, Brighton from Amendment C155. |
| 3.  | Affected property: 36 Bay Road, Sandringham  
The owners opposes the application of the EAO on the property.  
1. The site is currently used as a dry cleaners and has been for many years. The extent of the use is a low scale/intensity and as such the risk is significantly less than other more commercial based dry cleaners.  
2. Current practices are such that the chemicals used on site are stored in small containers and collected by external contractors, managed in accordance with the law. As such, there are no chemicals that are stored in storage tanks below ground level and as far as the owner is aware, there | If land is potentially contaminated and a sensitive use is proposed, Ministerial Direction 1 provides that a planning authority must satisfy itself that the land is suitable for that use through an environmental audit. Given the site’s location within an activity centre, is it likely that at some point in the future the site will be redeveloped in some form as a mixed use development. The Potentially Contaminated Land Practice Note (2005) identifies land used for dry cleaning as having a high potential for contamination. Whilst the use has a relatively small footprint, and | No changes proposed.  
Retain 36 Bay Road, Sandringham in Amendment C155. |
<table>
<thead>
<tr>
<th>No.</th>
<th>Comments/Summary</th>
<th>Response to Submission</th>
<th>Proposed Direction</th>
</tr>
</thead>
</table>
| 4.  | Affected property: 257 Bay Road, Cheltenham  
The owner/developer has submitted a request to remove the EAO from the property on the basis that a statement of audit current practices appear positive, no evidence has been provided which confirms that there has been no previous contamination of the site. Council’s review of the site history indicates that the site has been used as a dry cleaners for a number of years and no information has been provided by the submitter which supports the submission of the lower risk. Regardless of the date of Ministerial Direction 1 (2001) and the Practice Note (2005), these documents provide guidance to Council on how to approach potentially contaminated land. Council’s approach for C155 has been consistent with these documents and it is not proposed to remove the property from the amendment. It is considered that the costs associated with an environmental audit do not unreasonably burden potential permit applicants. The risk associated with not applying the EAO to potentially contaminated land is considered to outweigh the costs of undertaking an audit. It is noted that the EAO does not prevent development and requires an audit only if the site is to be developed for a sensitive use. Council has liaised with the EPA throughout the preparation of Amendment C155 and it is considered that Council’s justification for the inclusion of the site in the EAO is sound. | The works recommended within the Statement of Audit have not yet been carried out on the site. As such, there is no evidence that the works | No changes proposed. |
|     | has never been and underground or other storage tanks on site.  
3. The chemicals stored on site are no different to chemicals in restaurants or other businesses. As such, the small dry cleaners on the site does not pose a greater risk of contamination than other surrounding land uses.  
4. The State Government practice note on potentially contaminated land is outdated, and applies to ‘land used or known to have been used for …the storage of chemicals.’ Other commercial uses store a range of chemicals which are a greater risk than the small sized dry cleaners. There are not expected to be any ancillary activities which have resulted in contamination of the site.  
5. Applying the EAO will increase the potential costs of any potential future residential or mixed use development as an environmental audit would be mandatory. The additional costs associated with an EAO are unwarranted and unfair as there is no evidence to suggest that the previous and current land use on the site has resulted in contamination. There is no evidence to suggest contamination of the site. An environmental audit is costly is an unnecessary burden on development.  
6. The proposed EAO is a restriction on the land and may be perceived to be a form of implied notice to the ‘world at large’; that the site is contaminated. This is misleading and has the potential to unnecessarily impact on the site value.  
7. Amendment C155 is misconceived and futile as Council does not have any form of evidence to indicate that the site is contaminated or warrant the application of the EAO. More evidence is needed from Council rather than simply an outdated practice note. | | |
<table>
<thead>
<tr>
<th>No.</th>
<th>Comments/Summary</th>
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<th>Proposed Direction</th>
</tr>
</thead>
</table>
| 5.  | Affected property: 303 Hampton Street, Hampton  
The owner stated the property was not used as a dry cleaners over the past 20 years since it has been in the current ownership. The site has been a tile retailer and currently a café. The owner believes that the site may have been a dry cleaners in the past however does not have sufficient evidence to be able to confirm or deny the previous use. The submitter is concerned that the EAO may impact the ability to sell the property. The owner is seeking additional information from Council to confirm the use and advise accordingly. | conditions recommended in the Statement of Audit have been satisfied. As there are some additional ongoing requirements, it is considered that the EAO should continue to apply to the site.  
If a future application is made, for a sensitive use other than those specified in the statement of audit, it may be necessary for a further statement of audit to be obtained. As such, it is recommended that the EAO be applied to this property. | Retain 257 Bay Road, Cheltenham in Amendment C155. |
| 6.  | Affected property: 422 New Street, Brighton  
The subject site has been used in the past as an automotive mechanics. The owner objects to the EAO as the property was audited in 2012 by Compass Environmental. The owner’s consultant provided a copy of the report which states that ‘completion of an environmental audit is not warranted to support the redevelopment of the site for a high density residential use, and that appropriate environmental controls can be implemented through the construction process to ensure the site is suitable for the proposed high density residential use.’ | The site assessment states that the risk posed by the identified contamination to ecological or human receptors was outside the scope of the assessment.  
The submission indicates that the site may be suitable for high density residential and that this can be managed through the construction process. This is not clearly articulated in the Compass Environmental report and no Statement of Audit has been undertaken.  
This approach is not consistent with Ministerial Direction 1 or the Potentially Contaminated Land Practice Note. | No changes proposed.  
Retain 422 New Street, Brighton in Amendment C155. |
<table>
<thead>
<tr>
<th>No.</th>
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<th>Response to Submission</th>
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</tr>
</thead>
<tbody>
<tr>
<td>7.</td>
<td>The EPA supports the methodology and intent of Amendment C155. The EPA recommends that sites used for a retail plant nursery, as opposed to horticulture, be removed from the amendment.</td>
<td>Council considers that the report provided is not sufficient in place of a Statement of Audit and cannot be relied upon to justify removal of the proposed EAO.</td>
<td>Remove 112-114 Bay Rd Sandringham from the amendment.</td>
</tr>
<tr>
<td></td>
<td>The EPA supports the ongoing application of an EAO to sites that have not obtained a Certificate of Environmental Audit due to the existence of residual contamination. There may be a need for a further audit if the site is redeveloped in the future.</td>
<td>Further investigation of the current and historical use of the plant nursery at 112-114 Bay Road Sandringham has been completed in response to the EPA’s recommendation.</td>
<td>Retain other sites within the amendment</td>
</tr>
</tbody>
</table>
|     | Landowners seeking to provide evidence of environmentally sound management practices to avoid undertaking an environmental audit should complete a “Preliminary Site Investigation” that meets the requirements of Schedule 92 of the National Environment Protection Measure 1999 (Amended 2013). The EPA encourages Council to include sites zoned Commercial 2 within the amendment as they can be redeveloped for a child care centre or an education centre with a planning permit. | Contaminated sites which have obtained either a Statement of Environmental Audit or have undertaken some remediation after completing soil tests were considered by the EPA and Council Officers during a recent meeting. The EAO is required until the issue of a Certificate of Audit. | Minor changes to the local policy have been made to require landowners or developers to complete a Preliminary Site Investigation under the following circumstances:  
- when seeking to avoid an environmental audit based on clean management practices of a potentially contaminating use; or  
- when proposing to develop a sensitive use on land zoned Commercial 2.  
Minor changes have been made to the relevant local policy clauses to reflect the EPA’s recommendations. |
Executive summary

Purpose
To update Council on the review of the Small Activity Centres Strategy 2014 and Amendment C126, having regard to the issues raised in submissions and Council’s resolution at its 23 May 2017 Ordinary Meeting.

Background

Summary of Amendment C126
The Small Activity Centres Strategy 2014 seeks to guide future development of 33 of Bayside’s smaller order shopping centres. The Amendment seeks to implement the Strategy primarily through:

- Applying new Design and Development Overlay Schedules to the centres to guide intended built form outcomes for each new centre;
- Rezoning 13 centres in some way (whether the entire centre or part);
- Including 3 centres in the Schedule to Clause 52.28-4, within which electronic gaming machines are prohibited (most of Bayside’s small activity centres are specified within this clause). The New Street and Martin Street centre is proposed to be removed as it no longer complies with the policy for inclusion; and
- Applying an Environmental Audit Overlay to the North Road and Nepean Highway Centre in Brighton East which is operated as a petrol station and zoned residential. This overlay will ensure that potential contamination issues are addressed if the land was ever to be used for a sensitive use in the future.

A range of other changes are proposed to give effect to other aspects of the Strategy.

Outcomes of Public exhibition
Following public exhibition of Amendment C126 in March and April 2017, 90 submissions were received. The key issues raised in submissions relate to:

- Most were supportive of the amendment as it addresses a policy gap within the Planning Scheme and provides greater certainty for business owners and residents about the future for these small activity centres;
- Conflicting views on the proposed height controls to be introduced (some submitters sought greater height than proposed, others supported the height controls as proposed or less);
- A number of buildings across the centres already exceed the height controls proposed, therefore the height controls should be reviewed;
- Of the submissions seeking greater height, it was often also recommended that discretionary controls be provided rather than the mandatory controls proposed;
Some submitters identified that with land use change in some centres since the adoption of the Strategy, the hierarchy of centres outlined in the Strategy has been undermined;

Some submitters raised concerns that the controls proposed would promote minimal growth in some centres, contrary to State Policy and the Bayside Planning Scheme;

Conflicting views on some of the proposed site specific rezoning proposed in the amendment, as submitters considered that current zones were more appropriate;

Changes should be made to the wording of the DDOs to provide greater certainty for residential interfaces. This primarily related to the setbacks to residential areas and how these could be strengthened to protect residential amenity.

At its 23 May 2017 Ordinary Meeting, Council resolved to:

Accept the late submissions received to Amendment C126 in accordance with Section 22 of the Planning and Environment Act 1987;

Defer consideration of the submissions to Amendment C126 until its 19 September 2017 Ordinary meeting;

Undertake a review of the Small Activity Centres Strategy 2014 and Amendment C126 having regard to the issues raised in submissions; and

Requests an exemption from Ministerial Direction 15.

Key issues
To inform the review, Council commissioned independent urban design advice and economic analysis and revisited the background information for each of the 33 small activity centres affected by Amendment C126.

Council has received comprehensive urban design and economic analysis in relation to the centres which provides a range of recommendations for many of the centres and informs the review.

As a result of some of the recommendations of this work, including in relation to opportunities for commercial floorspace growth, potential changes to proposed built form controls and changes to the activity centre hierarchy.

In order to properly consider the implications of these potential changes, it is no longer possible to have this information completed for the 19 September 2017 Council meeting.

A revised report will be presented to a future Council meeting regarding the submissions to Amendment C126 and the outcome of Council’s review.

Recommendation
That Council:

1. Considers the submissions to Amendment C126 at a future Council meeting.

2. Receives a briefing on the outcome of the review at its 5 December 2017 Councillor briefing.

3. Writes to submitters and advises of its decision.
Considerations and implications of recommendation

Liveable community

Social
Amendment C126 seeks to create more vibrant small activity centres through introducing design requirements which will protect local commercial uses and ensure access for local communities. This will assist in providing a mixture of housing, economic growth and social gathering places in the centres, and support housing diversity in appropriate areas.

Natural Environment
Amendment C126 seeks to reduce car dependency and sustainable public transport use by increasing the number and diversity of dwellings within the centres. This will ensure dwellings are constructed close to shops and services regarding reducing reliance on private transport.

Built Environment
The amendment allows a small level of growth and development in centres. The Design and Development Overlays proposed will provide guidance for future development in the area and outlines specific requirements for each type of centre, including building height and setbacks. The amendment will provide certainty and clarity on how the centres are expected to change over time. Taking further time to consider the implications of the economic and urban design advice will ensure that the proposed built form controls are strategically justified and cognisant of the changes which have occurred in various centres.

Customer Service and Community Engagement
Public exhibition of Amendment C126 was undertaken between 18 March 2017 and 24 April 2017. If any further changes to Amendment C126 are proposed following Council’s review, it is expected that further exhibition of the Amendment will occur.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
There are no legal implications as a result of this report.
Finance

Links to Council policy and strategy

Bayside Housing Strategy 2012

Amendment C126 is consistent with the *Bayside Housing Strategy 2012* as it accords with the Strategy’s vision of directing medium density development into Bayside’s smaller order activity centres. The Housing Strategy provides guidance on the level of growth to be accommodated and ensures development must have regard to building rhythm and the surrounding residential character.

Amendment C126 builds on this vision by outlining the role that these centres plan in providing options for accommodating growth and dwelling diversity and retaining the commercial roles of activity centres.
10.6 PROPOSED EXTENSION OF LEASE - ELSTERNWICK TENNIS CENTRE

Corporate Services - Commercial Services
File No: PSF/17/73 – Doc No: DOC/17/179488

Executive summary

Purpose and background
The Tiebreak Enterprises Pty Ltd trading as Elsternwick Park Tennis Centre (the EPTC) is located in Elsternwick Park, Glenhuntly Road, Elsternwick under a lease from Council acting as a Committee of Management of the land that has the status of Crown Land. The current lease has an initial term of (ten) 10 years with a further option term of five (5) years which if exercised, would commence on 1 July 2018.

The EPTC has been experiencing difficulties with its court lighting which is aging, has poor illumination and requires high on-going maintenance. A recent audit of the lighting confirmed its poor performance and identified the work required to improve it to the required standard.

A proposal submitted by the EPTC has indicated that the cost of the works, which will not require any Council contribution, will be $150,000 and will be funded by EPTC including a low interest loan from Tennis Australia.

EPTC has requested that a further option lease term of six (6) years be added to the current total lease terms of fifteen (15) years, to provide a longer remaining time period over which the cost of the upgrade investment, including the loan servicing with Tennis Australia can be amortised. This would take the lease expiry to 30 June 2029 if all options were taken.

The EPTC is considered to be a very successful and viable tennis operation that offers a wide range of tennis programs to all sectors of the community and which has full endorsement of key industry bodies such as Tennis Australia.

Key issues
The current lighting at EPTC has been audited and has been assessed as no longer being fit for purpose in relation to the standard of illumination that it provides and its general reliability.

Lighting of the courts at EPTC to the required standard is critical to the operation of a wide range of after-hours programs that are an essential aspect of the operation’s business plan. The proposal is fully self-funded with a substantial part of the capital being provided by EPLT and with loan funding support from Tennis Australia.

The approval of a further six (6) year option term will require Ministerial approval (under delegation) through DWELP, the State Government Body that administers Crown Land. The maximum lease term that is usually granted under the Crown Lands Act is twenty one (21) years which aligns with the adjustment to the total lease term that has been request by EPTC. It would be intended to apply to the Minister after the processes required under the Local Government Act 1989, as described below have been completed.

The extension to the lease will also be required to comply with the processes under S190 and S223 the Local Government Act 1989 (the Act) which require Council to give public notice of its intention to extend the lease, and invite and consider public submissions before making an final decision to proceed with the matter.

Works approval and time frames
The lighting works proposed will require final design works and formal approval from the appropriate Council officer, acting as Landlord, and relevant permits before proceeding. It is
anticipated that these approvals would occur at the appropriate time after the lease extension is in place. Works will be supervised by the EPTC using suitably credentialed contractors.

**Recommendation**
That subject to Ministerial approval, Council:

1. Commences the statutory procedures in accordance with section 190 and 223 of the Local Government Act 1989 to give public notice of Council’s intention to grant a further option term of six (6) years ending 30 June 2029 with Tiebreak Enterprises Pty Ltd for Elsternwick Park Tennis Centre at a current rental of $80,669 (plus GST) with annual increases in accordance with the lease agreement;

2. establishes a Special Committee of Council in accordance with section 223 of the Local Government Act 1989 consisting of all councillors with a quorum of four (4) Councillors to consider any submissions received pursuant to section 223 of the Local Government Act 1989 at a meeting to be held on 15 November 2017 at 6.30pm in the Council Chambers, Boxshall Street Brighton in relation to the proposed lease extension; and

3. If no submissions are received delegates to the Director Corporate Services the authority to complete any processes and execute the lease with Tiebreak Enterprises Pty Ltd.

**Support Attachments**
Nil

**Considerations and implications of proposition**

**Liveable community**
The provision of Council assets for community use, be they leased or Council operated, that are fit for purpose and well utilised is critical to supporting liveability. This proposal relates to the upgrading of a quality and well utilised facility.

**Social**
Council property provides a wide range of social, health and sporting benefits.

**Natural Environment**
There are no impacts on the natural environment in relation to this report.

**Built Environment**
Council manages a significant property portfolio. This includes a large number of aging facilities that were purpose built, are single use, poorly utilised, are not energy efficient and require ongoing maintenance and renewal. This proposal acknowledges the need for facilities to be upgraded to match changing standards and community expectations. The light poles and lighting are no longer fit for purpose and do not provide light to an adequate standard. A number of electrical issues would be addressed through this upgrade.
Customer Service and Community Engagement

It is expected that the upgrading of the facilities at the Elsternwick Park Tennis Centre would be strongly supported by existing patrons and would present the opportunity for a wider range of program options. The current lighting levels do not meet the service need and the tenant has provided a number of testimonials from clients advising they will not be able to continue at the site due to the substandard lighting.

Human Rights

There are no Human Rights issues assessed in relation to this report.

Legal

There is no specific legal issues related to this report other than the possibility of changes to the current leasing arrangements if Council proceeds with the granting of the additional lease option.

The extension of the lease requires Ministerial consent should Council agree with the proposal.

Finance

The proposal to upgrade the lighting is estimated at $150,000 and will be fully self-funded by EPTC with assistance from Tennis Australia and no Council funding contribution.

Current rental return is $80,669, a market rent review each option and 5% increases annually.

Links to Council policy and strategy

The Council Plan contains three strategies that link to the property related matters as follows:

Goal 3 - A liveable City, strategy 3.2.1 Ensuring community assets and infrastructure meet current and expected needs;

Goal 7 - Financial Responsibility and Good Governance, strategy 7.1.1 Developing alternative income sources to take pressure off rate increases and improve long term financial viability; and strategy 7.1.3 Maximising community utilisation of Council assets to improve financial and/or social return.

The Long Term Financial Plan and Strategic Resource Plan identified the development of a Property Strategy as a key guide to drive better community value from Council's property assets.

The following policies are also associated with the delivery of the strategy:

- Leasing Policy
Options considered

Option 1

<table>
<thead>
<tr>
<th>Summary</th>
<th>Support the request for the increased total lease term from fifteen (15) years to twenty one (21 years) as the investment in the capital works on the site is fully funded from sources other than Council funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Improved facilities will extend the range and availability of programs out of daylight hours with benefits and a greater choices being available to the community</td>
</tr>
<tr>
<td>Issues</td>
<td>There are no adverse issues related to the proposed upgrade of the lighting at EPTC</td>
</tr>
</tbody>
</table>

Option 2

<table>
<thead>
<tr>
<th>Summary</th>
<th>Not supporting the proposal will adversely affect the viability of a well patronised enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>There are no obvious benefits to Council or the community in not supporting the proposed lighting upgrade</td>
</tr>
<tr>
<td>Issues</td>
<td>A decrease in the range of programs and choices available to the patrons of the EPTC is not in the interests of the well-being of the greater community</td>
</tr>
</tbody>
</table>
10.7 SUSTAINABLE INFRASTRUCTURE POLICY 2017

Environment, Recreation & Infrastructure - Environment
File No: PSF/17/63 – Doc No: DOC/17/164042

Executive summary

Purpose and background
The purpose of this report is to present the Sustainable Infrastructure Policy for adoption following a period of public exhibition and feedback from the community. The report explains:

- the intent of the Policy;
- the changes to the previous Sustainable Buildings Policy 2010 to ensure it remains effective in driving change to maximise the performance of Council owned and/or managed infrastructure; and
- the changes to the draft Policy involving the incorporation of community feedback.

Policy Intent
The intent of this Policy is to set out Council’s commitments and the approach to ecologically sustainable design (ESD) principles in the planning, design, construction, operation and maintenance, licence and lease renewals of Council owned and/or managed infrastructure. This will allow Council to adapt to the impacts of climate change, to reduce greenhouse gas emissions, and to use energy and water more efficiently.

The Policy sets the following objectives:
1. Minimum performance standards for ESD in the design and operation of Council owned and/or managed infrastructure have been established;
2. Provide a basis for assessment of operational and capital budgets where investments in ESD provide environmental, economic and social benefits;
3. Manage demand and supporting behavioural change programs within the Council and organisations operating Council infrastructure; and
4. Provide a basis for establishing new lease and licence arrangements with building occupants to implement ESD.

The Policy aims to enhance liveability through improved services and higher levels of efficiency. The Policy aligns with the targets identified in Council’s Environmental Sustainability Framework (ESF) for Sustainable Development and Sustainable Buildings. The financial sustainability requirements of Council’s infrastructure, which is determined through long term renewal forecasting as a requirement of Council’s Service-Driven Asset Management Policy, is not considered within the scope of this Policy.

ESD Achievements Since Adoption in 2010
The adoption of the Sustainable Buildings Policy 2010 was followed by a period of accelerated capital investment in new buildings in Bayside, driven in particular by the Sportsground Pavilion Plan and the Public Toilet Strategy. The buildings delivered during this period (or currently being constructed) include:

- Highett Youth Club Redevelopment;
- Shipston Reserve Pavilion Redevelopment;
- New Middle Brighton Baths Public Toilet;
- New Dendy Park Public Toilet;
- Hurlingham Park Pavilion Redevelopment;
- New Basterfield Park Public Toilet;
• Dendy Park Soccer/Cricket Pavilion Redevelopment;
• Banksia Reserve Beaumaris Pavilion Redevelopment;
• Jetty Road Foreshore Public Toilet Redevelopment;
• Whyte Street Brighton Public Toilet Redevelopment;
• Cheltenham Recreation Reserve Pavilion Redevelopment;
• Cheltenham Park Pavilion Redevelopment;
• Castlefield Reserve Pavilion Redevelopment; and
• Dendy Street Beach Pavilion Redevelopment.

The Policy has driven improvements in the environmental quality and performance of these new buildings with a range of ESD measures implemented that reduce greenhouse gas emissions, energy and water use that yields both environmental and financial benefits over the long term, including:

• Passive building design for solar warmth, natural ventilation and cooling;
• Solar electricity systems;
• Water tanks;
• Energy and water efficient appliances and insulation;
• Use of materials with recycled content; and
• Recycling of building products.

Key issues
The Updated Sustainable Infrastructure Policy

The updated Sustainable Infrastructure Policy 2017 (Attachment 1) has been streamlined and provides improved clarity on the Policy intent. The changes are proposed to enhance the drivers for further change in implementing ESD initiatives within the design, construction, maintenance and operations of Council’s infrastructure, to maximise environmental performance, comfort, and efficiency.

The key changes to the Policy are:

• Inclusion of a Background section to set the context for the policy intent and purpose and enable content to be trimmed/streamlined from other sections of the Policy;
• A more succinct Scope;
• A clearer Roles and Responsibilities statement;
• New information in the Implementation, Monitoring and Review section about how the Approach/Deployment/Review/Implement cycle will be used to ensure the Policy is effective in achieving its intent and to embed ongoing improvement in this regard;
• A more succinct and motivational Policy Statement that specifies a requirement for:
  o reductions in energy, water, and resource consumption;
  o reductions in wastewater/stormwater discharge and improvement in stormwater quality;
  o efficient use of resources;
  o reductions of construction and operational waste; and
  o use of materials with greater consideration of their ‘whole of lifecycle cost to the environment, in design, construction and maintenance activities for Council’s buildings and other infrastructure.
• Guidance within an associated Sustainable Infrastructure Procedure on appropriate sustainability rating tools to be used in the design of new and upgraded buildings and other infrastructure, and for scoping operations and maintenance activities; and
• Inclusion of a Managing Demand principle that aligns with Council’s Service Driven Asset Management Strategy, to ensure community assets are well-utilised, and planning for new infrastructure is undertaken on the basis of the utilisation of the existing infrastructure.
• An independent internal review process to ensure the design standards of new or renewed infrastructure will be introduced to ensure this Sustainable Infrastructure Policy is rigorously applied and all opportunities for ESD have been addressed.

Further Changes Incorporating Community Feedback
The approach taken to engage the community for feedback on the draft Policy is outlined below in the Customer Service and Community Engagement section.

At the request of Council, the following statement regarding the intent of the Policy was added prior to community exhibition:

“The financial sustainability requirements of Council’s infrastructure, which is determined through long term renewal forecasting, is not considered within the scope of this Policy. Infrastructure renewal is dealt with in the Service-Driven Asset Management Policy and the respective Asset Management Plan listed under Section 8 – Related Documents.”

Community engagement on the draft Sustainable Infrastructure Policy has shown general support for the implementation of the Policy. Based on analysis of community feedback, issues raised are addressed in the draft Policy exhibited. The Sustainable Infrastructure Procedure, which will be developed and guided by the Policy, will provide further detail on how the issues raised by the community will be addressed.

It is recommended that the Policy be adopted by Council with no further changes.

A summary of community feedback is provided in Attachment 2.

Recommendation
That Council:
1. Adopts the Sustainable Infrastructure Policy 2017 (Attachment 1); and
2. Thanks all stakeholders and community members for their valuable input and feedback which has informed the finalisation of this document.

Support Attachments
1. Attachment 1 - Sustainable Infrastructure Policy 2017

Considerations and implications of recommendation

Liveable community

Social
The Sustainable Infrastructure Policy 2017 will guide Council’s design process as it invests in and manages Council owned infrastructure. This will have a substantial impact on improving the liveability of the municipality and efficiency of Council operations and contribute to
enhancing the social fabric of Bayside. This Policy aims to maintain and improve the services that Council's infrastructure provides to the community in a time of climate change.

**Natural Environment**
The implementation of the Sustainable Infrastructure Policy 2017 will minimise the ecological footprint of the construction and operations of Council’s infrastructure.

**Built Environment**
The Sustainable Infrastructure Policy 2017 influences the design of new infrastructure constructed by Council to improve energy efficiency and reduce greenhouse gas emissions during the lifespan of the infrastructure.

**Customer Service and Community Engagement**
The Sustainable Infrastructure Policy 2017 is a result of a review of feedback from relevant internal stakeholders on the existing effectiveness of the existing Policy.

Council conducted a period of public exhibition of the draft Policy from 22 August to 4 September 2017. Community feedback was invited through:

- A ‘Have Your Say’ page;
- Direct email correspondence with users of sporting pavilions; and
- Direct invitation for feedback from key stakeholders, Bayside Climate Change Action group.

The themes raised within the feedback received from the community included:

- Systems for implementation of this Policy in community buildings;
- Solar panels installed on Council owned buildings; and
- Embedded or lifecycle costs of materials used in infrastructure.

Community engagement on the draft Sustainable Infrastructure Policy has shown general support for the implementation of the Policy. Based on analysis of community feedback, issues raised are addressed in the draft Policy as exhibited. The Sustainable Infrastructure Procedure, which will be developed and guided by the Policy, will provide further detail on how issues raised by the community will be addressed.

A summary of community feedback is provided in Attachment 2.

A review of the community consultation to develop Council's Environmental Sustainability Framework (ESF) in 2015/16 was also undertaken for relevant feedback on improvements to the environmental performance of Council’s buildings.

**Human Rights**
The implications of the updated Sustainable Infrastructure Policy have been assessed and are not considered likely to breach or infringe upon the human rights contained in the *Victorian Charter of Human Rights and Responsibilities Act 2006*.

**Legal**
There are no legal issues relevant to this matter.

**Finance**
Project budgets for building works are estimated inclusive of ESD elements required by the Sustainable Infrastructure Policy. The Long Term Financial Plan for infrastructure incorporates the required ESD measures, which will over time be offset by reductions in operating expenditures for energy and water as the ESD measures take effect. The grant eligibility for major infrastructure works would be enhanced by demonstrating incorporation of significant ESD measures.
Links to Council policy and strategy

An updated Sustainable Infrastructure Policy 2017 is a key document in delivering the Council Plan goals of ‘a liveable city’ and ‘a sustainable natural environment’ and it captures existing Council strategies, plans and programs that influence Council’s approach to ensuring the design of new and operational management of existing infrastructure owned by Council is environmentally sustainable.

The review and update of this Policy is a key action identified within the Environmental Sustainability Framework adopted by Council in May 2016.

Sustainability is guided by a complex combination of Federal, State and Local Government legislation, strategies, policies and guidelines. Key legislation and policies are listed within the Policy and have been considered in the development of relevant actions. The implementation of the Sustainable Infrastructure Policy 2017 will contribute significantly towards making Bayside a better place.

The Sustainable Infrastructure Policy 2017 is also aligned with the Service Driven Asset Management Policy, to guide the development, renewal or upgrade of new or existing Council assets.

Options considered

Not applicable to this report.
Council Policy

<table>
<thead>
<tr>
<th>Council policy title:</th>
<th>Sustainable Infrastructure Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council policy ref no:</td>
<td>C/POL/17/No/ [from policy register]</td>
</tr>
<tr>
<td>Council policy owner:</td>
<td>Director Environment, Recreation and Infrastructure</td>
</tr>
<tr>
<td>Adopted by:</td>
<td>Bayside City Council</td>
</tr>
<tr>
<td>Date adopted:</td>
<td>tba</td>
</tr>
<tr>
<td>Scheduled review:</td>
<td>September 2020</td>
</tr>
<tr>
<td>Document Reference:</td>
<td>DOC/17/192790</td>
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1. Policy intent
The intent of this Policy is to set out Council’s commitments and the approach to ecologically sustainable design (ESD) principles in the design, construction, operation and maintenance of Council owned and/or managed infrastructure that will allow Council to adapt to the impacts of climate change, to reduce greenhouse gas emissions and to use energy and water efficiently. This Policy aims to enhance liveability through improved services and higher levels of efficiency and aligns with the targets identified in Council’s Environmental Sustainability Framework (ESF) for implementing ESD.
The financial sustainability requirements of Council’s infrastructure, which is determined through long term renewal forecasting, is not considered within the scope of this Policy. Infrastructure renewal is dealt with in the Service-Driven Asset Management Policy and the respective Asset Management Plan listed under Section 8 – Related Documents.

2. Purpose/Objective
The purpose of Council’s Sustainable Infrastructure Policy is to ensure high levels of environmental performance by setting ESD expectations for operations and maintenance, planning, design and construction for new, renewed and expanded infrastructure projects and licence and lease renewals for Council's buildings with the following objectives:
1. Minimum performance standards for ESD in the design and operation of Council owned and/or managed infrastructure have been established;
2. Provide a basis for assessment of operational and capital budgets where investments in ESD provide environmental, economic and social benefits;
3. Manage demand and supporting behavioural change programs within the Council and organisations operating Council infrastructure; and
4. Provide a basis for establishing new lease and licence arrangements with building occupants to implement ESD.

3. Background
Sustainable infrastructure refers to assets that incorporate design, construction and operational practices to optimise environmental, social and economic outcomes in the long term. This approach is an opportunity to use resources efficiently while creating a healthier built environment for people to live and work in and can significantly reduce construction and operating costs.
The construction and ongoing operations of Council’s infrastructure causes significant environmental impacts through greenhouse gas emissions, consumption of potable water, the use of materials, vegetation removal, impacts on transport patterns and the production of waste.

The integration of ESD principles into the management of all municipal infrastructure will allow Council to demonstrate environmental leadership, particularly as infrastructure development and use are responsible for almost all of Council’s operational greenhouse gas emissions. It also contributes to Council’s potable water consumption and impact on water quality entering Port Phillip Bay. The incorporation of ESD principles provides the greatest opportunity for reducing resource consumption and minimising environmental impacts. Whilst Council has a large diversity of asset types, it has some generic assets that may provide the basis for the development of a consistent approach and standards for improving the environmental performance of Council’s infrastructure.

In terms of the targets identified in Council’s Environmental Sustainability Framework (ESF) for implementing ESD, the following themes apply:

<table>
<thead>
<tr>
<th>Sustainable Development</th>
<th>Targets</th>
</tr>
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<tbody>
<tr>
<td>By 2020 90% of Council capital works projects completed consider Environmental Sustainability in planning, design, construction and operation, including:</td>
<td></td>
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<tr>
<td>• Indoor Air Quality</td>
<td></td>
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<tr>
<td>• Transport</td>
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<tr>
<td>• Energy</td>
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<td>• Water</td>
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<td>• Waste</td>
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<tr>
<td>• Materials</td>
<td></td>
</tr>
<tr>
<td>• Biodiversity, land use and ecology</td>
<td></td>
</tr>
<tr>
<td>• Greenhouse Gas Emissions</td>
<td></td>
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</tbody>
</table>

| Sustainable Buildings | All Council buildings to be developed and delivered in accordance with the reviewed Sustainable Building Policy in 2016/17, and Increase utilisation of existing Council owned buildings |

4. **Scope**

This policy applies to all Council owned and/or managed infrastructure assets that are either under the direct operational control of the Council or under the control of lessees and licensees. It requires the integration of ESD within the planning, design and construction of new, upgraded and renewed assets and the maintenance and operations of existing assets.

5. **Roles & Responsibilities**

The Director, Environment, Recreation and Infrastructure is responsible for ensuring the intent of this Policy is achieved.

The Manager Sustainability and Transport is responsible for Policy development, evaluation/review and periodic updates;

The Manager City Assets and Projects is responsible for deployment of the Policy in the delivery of capital works, operations and maintenance of Council’s infrastructure;

The Manager Commercial Services is responsible for capturing the objectives of the Policy within new building lease agreements where applicable; and

Relevant Service Area Managers that deliver services with assets are required to consider demand management approaches to service delivery and where new or upgraded assets are deemed necessary, support the integration of ESD in capital budget submissions.
6. Implementation, Monitoring, Evaluation & Review

This Policy will be implemented through the integration of ESD principles described in the project management of new, renewed and expanded infrastructure, and in the delivery of infrastructure operations and maintenance activities. A Sustainable Infrastructure Procedure will detail Bayside’s ESD approaches regarding project management documentation, procurement templates, lease and license agreements and operations and maintenance standard operating procedures.

The effectiveness of the implementation of this Policy will also be addressed in the Sustainable Infrastructure Procedure and will be assessed by performance against the Policy objectives described above and the following Policy Statement. Monitoring and evaluation of performance outcomes will be assessed against the targets in Council’s ESF, as shown in section 3.

The Policy will be reviewed on a four year cycle to determine the impact of the Policy in achieving sustainable infrastructure outcomes.

7. Policy Statement

- Council will assess the risks and potential impacts of climate change in the location and construction of infrastructure, e.g. projected sea level rise, and increased frequency of extreme weather events.

- Council will reduce the consumption of energy and increase energy efficiency in the design and operation of infrastructure.

- Council will reduce the consumption of potable water, increase water efficiency, and improve the quality of discharged wastewater and stormwater in the design and operation of infrastructure.

- Council will reduce waste to landfill from construction, demolition and ongoing infrastructure operations, and design infrastructure to avoid waste generation.

- Council will utilise more environmentally sustainable materials to minimise the environmental impact of in design, construction and maintenance activities, consistent with Council’s Procurement Policy.

- Council will consider the ‘whole of lifecycle’ cost of materials in the design, construction and operation of infrastructure, including material production, transport, use and disposal.

- Council will utilise a variety of sustainability ratings tools and standards applicable to guiding asset design and specifying construction and operational activities to maximise the performance and minimise the ecological footprint of Council’s infrastructure.

Descriptions of how Council will achieve each Policy Statement are provided in Attachment 1.

The Sustainable Infrastructure Procedure will provide details on the applicable sustainability rating tools and standards and specifications for their use. These include tools such as: GreenStar, Built Environment Sustainability Scorecard (BESS), Nationwide House Energy Rating Scheme, (NatHERS), National Australian Built Environment Rating System (NABERS), and the Infrastructure Sustainability Rating Scheme (ISCA) rating tool. Due to the speciality of some Council assets, and the ongoing development of rating tools, this list is not prescriptive and other standards, including Council’s own, may need to be developed in some cases. These tools may change as the various tools evolve and new tools are developed.

7.1 Resourcing of ESD Implementation

Council will implement this Policy with all Council owned and/or managed infrastructure as opportunities arise during the construction of new, renewed or expanded infrastructure. Council will also implement this Policy during operations and maintenance by integrating ESD at the earliest
possible stage of the project/activity to reduce capital costs of retro-fitting ESD initiatives and optimise ongoing operational savings.

Specifically, this will occur by:

- Implementing all improvements that incur no additional cost during maintenance and renewal using normal budget allocations for the service or project (e.g. replacing incandescent light bulbs with energy efficient bulbs);
- Implementing improvements that have a payback in operational savings of 10 years or less by funded sustainable building elements in capital and non-capital budgets;
- Implementing improvements specifically aimed at sustainable infrastructure enhancement by allocating funding in the annual budget (e.g. installation of photovoltaic cells);
- Allocating adequate maintenance budgets so traditional elements can be replaced by more efficient elements and so that the ESD elements of projects can be maintained into the future, and
- Providing adequate resources for monitoring the performance of the implementation of the Policy and the associated Procedure.

7.2 Managing Demand and Behaviour Change

The utilisation of existing infrastructure must be maximised through the promotion and planning for shared use of Council’s assets. This will be an effective means of reducing demand for additional new infrastructure to meet service needs.

The need for new assets identified by Service Area Managers must consider the following criteria as part of their service planning:

- Alternative non-asset means of delivering the services has been evaluated;
- Available capacity and options for re-configuration within existing infrastructure have been reviewed, and
- The impacts (environmental, financial and social) of new or expanded assets.

Council will provide Council staff and tenants or operators of Council owned and/or managed infrastructure with information and advice in environmentally sustainable procurement, ‘green office’ practices and behavioural change programs to assist in implementing ESD measures where appropriate, which will be detailed in the Procedure.

7.3 Lease and license provisions for ESD

Licences and leases will be re-negotiated when renewed to ensure that Council’s assets are managed and operated in an environmentally sustainable way, to both achieve Council’s performance standards for ESD and meet Council’s measureable targets for environmental performance. In addition, Council will negotiate with lessees for environmentally sustainable outcomes that benefit both parties, in implementing improvements in premises under existing, long-term leases.

Such improvements to lease/license conditions will be informed by the sustainability ratings tools discussed in Section 7 and detailed in the Sustainable Infrastructure Procedure, and Council’s measureable targets for environmental performance.
8. Related documents

| Policies | Service Driven Asset Management Policy  
|          | Leasing Policy  
|          | Procurement Policy  

| Strategies | Service Driven Infrastructure Asset Management Plan – Buildings  
|            | Service Driven Infrastructure Asset Management Plan – Drainage  
|            | Service Driven Infrastructure Asset Management Plan – Roads  
|            | Service Driven Infrastructure Asset Management Plan – Open Space  
|            | Climate Change Strategy 2012  
|            | Carbon Neutral Action Plan (under development)  
|            | Integrated Water Management Strategy (under development)  
|            | Recycling and Waste Management Action Plan (under development)  

| Procedures | Sustainable Infrastructure Procedure (under development)  
| Guidelines | Budget Preparation Guidelines  

9. Definitions & Abbreviations

<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>BESS (Built Environment Sustainability Scorecard)</td>
<td>Building design assessment tool used in Victoria to show how a proposed development demonstrates sustainable design at the planning stage.</td>
</tr>
<tr>
<td>ESD (Ecologically sustainable design)</td>
<td>Australia’s National Strategy for Ecologically Sustainable Development (1992) defines ecologically sustainable development as: “using, conserving and enhancing the community’s resources so that ecological processes on which life depends, are maintained and the total quality of life, now and in the future can be realised”.</td>
</tr>
<tr>
<td>Green Star rating tool for infrastructure design</td>
<td>Green Star is a comprehensive, national voluntary rating system that evaluates the environmental design and construction of infrastructure. It is a weighted numerical rating system that includes an accreditation program. Green Star was developed by the Green Building Council of Australia, a not for profit organisation dedicated to developing a sustainable property industry.</td>
</tr>
</tbody>
</table>
| ISCA | Infrastructure Sustainability Rating Scheme  
| NABERS | National Australian Built Environment Rating System - Measurement tool that compares the operation performance of buildings  
| NathERS | Nationwide House Energy Rating Scheme  

Please note: This policy is current as at the date of approval. Refer to Council’s website (www.bayside.vic.gov.au) or staff intranet to ensure this is the latest version.
Descriptions of each policy statement

Council will assess the risks and potential impacts of climate change in the location and construction of infrastructure, e.g. projected sea level rise, and increased frequency of extreme weather events, through the following actions:

Buildings:
- Identifying areas of inundation from predicted probable sea level rise by 2100 and designing building works within this constraint.
- Considering impacts of thermal stress on building occupants during extreme heat wave conditions.

Drainage:
- To consider higher receiving water levels from probable predicted sea level rise by 2100 for flood mitigation performance in the design of all new and renewed drainage pits and pipes.
- To use all drainage projects as opportunities to demonstrate Integrated Water Management (IWM) principles.

Roads:
- Identifying areas of static (new established sea level) and periodic (from storm surge and flooding from extreme rainfall events) inundation from predicted probable sea level rise by 2100 for the design of new and reconstructed roads.
- Use of recycled quarry products and low carbon emission products in road works.

Open Space:
- Parkland and oval surfaces to be irrigated with stormwater harvesting water sources where possible,
- Maximising infiltration of stormwater within the landscape to improve passive irrigation of vegetation using IWM principles,
- Revegetation projects to select indigenous vegetation species tolerant of drought and heat wave conditions.

Council will reduce the consumption of energy and increase energy efficiency in the design and operation of infrastructure, through the following actions:

Buildings:
- Passive design to maximise the use of solar heating, natural ventilation and cooling and natural light;
- Roof and wall insulation to be incorporated to support passive design and minimise the capacity of active thermal control systems
- Installation of renewable energy sources, such as solar hot water and PV systems with battery storage where required;
- Spaces requiring thermal control to be designed using thermal performance modelling and air conditioning/HRAC systems will be high energy star rated (min 4.0 star); and
- Spaces requiring lighting to use energy efficient luminaires such as LEDs and smart controls activated by motion and light sensors.

Roads:
- Illumination of streets and lanes by energy efficient luminaires such as LEDs and smart controls activated by motion and light sensors.
Open Space:
- Illumination of passive areas of parks, reserves and sportgrounds by energy efficient luminaires such as LEDs and smart controls activated by motion and light sensors. Opportunities to use energy efficient lighting of active areas to be explored during all projects.

**Council will reduce the consumption of potable water, increase water efficiency, and improve the quality of discharged wastewater and stormwater in the design and operation of infrastructure**, through the following actions:

**Buildings:**
- Plumbed rainwater harvesting tanks for non-drinking water supply;
- Selecting water efficient (min. 4 star) appliances, such as shower heads, taps and toilets;
- Incorporating Water Sensitive Urban Design features into drainage systems, such as rain gardens and stormwater harvesting devices (where appropriate demand is identified);
- Building works involving landscaping features to select hardy native plant stock and irrigation systems to be automated for rain shut-down.

**Drainage:**
- Maximising Infiltration of stormwater within the landscape to reduce volume of low flows entering Port Phillip Bay from the underground drainage network using WSM principles,
- Increasing treatment opportunities and technologies to improve the quality of stormwater entering Port Phillip Bay from the underground drainage network,

**Roads:**
- Employing best practice erosion and sediment management on road reconstruction sites,
- Using alternative sources to potable (drinking-quality) waste in construction and maintenance activities, where possible,
- Incorporating Water Sensitive Road Design (WSRD) into streetscape designs so that runoff treatment occurs at the source and is prevented from entering the underground drainage network and Port Phillip Bay.

Open Space:
- Parkland and oval surfaces to be irrigated with stormwater harvesting water sources where possible,
- Maximising Infiltration of stormwater within the landscape to improve passive irrigation of vegetation.

**Council will reduce waste to landfill from construction, demolition and ongoing infrastructure operations, and design infrastructure to avoid waste generation** through the following actions:

**Buildings:**
- Buildings where garbage, paper, recyclables and green organic wastes are generated to be serviced with source separated collection facilities that are designed to complement the spatial layout and usage of the building.

**All Asset Types:**
- Construction documentation to include waste minimisation plans that require a separation of building waste for reuse or recycling.
Council will utilise more environmentally sustainable materials to minimise the environmental impact of in design, construction and maintenance activities, consistent with Council’s Procurement Policy, through the following actions:

All Asset Types:
- The relevant sections of Council’s Procurement Policy will be applied to ensure more environmentally sustainable materials are utilised in all asset types.
- Assessment of more environmentally sustainable materials will be applied in the choice of materials.

Council will consider the ‘whole of lifecycle’ cost of materials in the design, construction and operation of infrastructure, including material production, transport, use and disposal through the following actions:

All Asset Types:
- Application of the relevant sections of Council’s Procurement Policy will be applied to ensure consideration of ‘whole of lifecycle’ costs in all asset types.

Council will utilise a variety of sustainability ratings tools and standards applicable to guiding asset design and specifying construction and operational activities to maximise the performance and minimise the ecological footprint of Council’s infrastructure.

As stated in the Policy, the Sustainable Infrastructure Procedure shall provide details on the applicable sustainability rating tools and standards and specifications for their use.

These include tools such as: GreenStar, Built Environment Sustainability Scorecard (BESS), Nationwide House Energy Rating Scheme, (NHERS), National Australian Built Environment Rating System (NABERS), and the Infrastructure Sustainability Rating Scheme (ISCA) rating tool.

Due to the speciality of some Council assets, and the ongoing development of rating tools, this list is not prescriptive and other standards, including Council’s own, may need to be developed in some cases. These tools may change as the various tools evolve and new tools are developed.
Community Engagement Report
Sustainable Infrastructure Policy
August - September 2017

Background

An updated Sustainable Infrastructure Policy 2017 is a key document in delivering the Council Plan goals of ‘a liveable city’ and ‘a sustainable natural environment’ and it captures existing Council strategies, plans and programs that influences Council’s approach to ensuring the design of new and operational management of existing infrastructure owned by Council is environmentally sustainable. The Policy was updated from the Sustainable Buildings Policy 2010.

The review and update of this Policy is a key action identified within the Environmental Sustainability Framework adopted by Council in 2016. The updated Sustainable Infrastructure Policy 2017 has been streamlined and provides improved clarity on the Policy intent. The changes are proposed to enhance the drivers for further change in implementing ESD initiatives within the design, construction, maintenance and operations of Council’s infrastructure, to maximise environmental performance, comfort, and efficiency.

Communication and Engagement

The draft Sustainable Infrastructure Policy was released for consultation on 8 August 2017. The draft Policy resulted from a review of feedback from relevant internal stakeholders on the existing effectiveness of the existing Policy.

A Communications and Engagement Plan outlined the community engagement phase of the project. Council conducted a period of public exhibition of the draft Policy from 22 August to 4 September 2017. Community feedback was invited through:

- A ‘Have Your Say’ page
- Direct email correspondence with users of sporting pavilions
- Direct invitation for feedback from key stakeholders, Bayside Climate Change Action group.

Objective

The primary objective of the Community Engagement was to:

- Seek feedback on the draft Sustainable Infrastructure Policy
- Identify any issues not addressed by the updated Sustainable Infrastructure Policy
- Educate the community about Council’s commitment to improving infrastructure.

Analysis of Community Engagement

The responses received were small in number but all were generally supportive of the direction of the Sustainable Infrastructure Policy, particularly the quick poll. Engagement was targeted at the existing ‘Have Your Say’ page audience and selected users of community buildings which may be affected by implementation of this Policy in the future.
High engagement was not anticipated given that this Policy has more general application than typical consultations, e.g. for a project on a specific site.

The responses may be grouped under the following themes.

1) Systems for implementation of this Policy in Community Buildings

Two responses related to the introduction of systems to support users of community buildings to operate more sustainably, e.g. by inclusion in Council's recycling collection. While Council is not committing to new systems to support users of buildings in all cases in the revised Policy, education for users to assist in managing buildings sustainable is addressed under Section 7.2 of the Policy, which states:

“Council will provide Council staff and tenants or operators of Council owned and/or managed infrastructure with information and advice in environmentally sustainable procurement, ‘green office’ practices and behavioural change programs to assist in implementing ESD measures where appropriate, which will be detailed in the Procedure.”

2) Solar on Council owned Buildings

One response called for the installation of solar panels on sporting pavilions. A program of installation of solar panels on council-owned buildings has commenced in 2016-17 and will include several sporting pavilions. This is addressed in Section 7.1 of the Policy regarding the implementation of works, which states:

“Council will implement this Policy with all Council owned and/or managed infrastructure as opportunities arise during the construction of new, renewed or expanded infrastructure. Council will also implement this Policy during operations and maintenance by integrating ESD at the earliest possible stage of the project/activity to reduce capital costs of retro-fitting ESD initiatives and optimise ongoing operational savings.”

“Specifically, this will occur by:

- Implementing improvements that have a payback in operational savings of 10 years or less by funded sustainable building elements in capital and non-capital budgets; and
- Implementing improvements specifically aimed at sustainable infrastructure enhancement by allocating funding in the annual budget (e.g. installation of photovoltaic cells)

3) Embedded or Lifecycle costs of Materials used in Infrastructure

One response directed Council to consider the higher costs in the use of materials with "embedded energy". This is addressed in the Policy Statement that:

“Council will consider the ‘whole of lifecycle’ cost of materials in the design, construction and operation of infrastructure, including material production, transport, use and disposal.”

Summary

Community engagement on the draft Sustainable Infrastructure Policy has shown general support for the implementation of the Policy. Based on analysis of community feedback, issues raised are addressed in the draft Policy exhibited. The only changes to be made to the draft Policy have been made at the request of Council prior to the period of public exhibition. The Sustainable infrastructure Procedure, which will be developed and guided by the Policy, will provide further detail on how issues raised by the community will be addressed.

It is recommended that the Policy be adopted by Council with no further changes.

Community Engagement Report – Sustainable Infrastructure Policy
Feedback Received

'Have Your Say' page results
The ‘Have Your Say’ page was titled: ‘Improving the environmental performance of Council’s infrastructure’, with the following introductory text.

The updated Sustainable Infrastructure Policy (2017) sets out Council’s commitments and approach to integrating sustainable design (ESD) principles into the design, construction, operation and maintenance of Council owned and/or managed infrastructure.

Increasing the environmental performance of Council owned and/or managed infrastructure will help to reduce greenhouse gas emissions and aid in the efficient use of water and energy.

Both Council and community have a role in improving the environmental performance of community infrastructure. Council would like your feedback on the draft Sustainable Infrastructure Policy (2017) as well your ideas for improving environmental performance.

Two questions were asked of the community to promote feedback and discussion.

1) Will this Policy improve the environmental performance of Council infrastructure?
   Do you believe implementation of this Policy will enhance Council’s environmental performance with regards to operations, maintenance, planning, design and construction for new, renewed and expanded infrastructure projects? Why? Why not?

Only one response was received to this question:

“Why only a 90% target? Better to aim high & fail, than aim low & falsify victory. Construction excludes recycled (soft) plastics and also recycled tyres which can be used for many things, such as road base. We’ve seen it used at Hurtingham Park, and there was a good segment on both of these (plastics and rubber) being used for recycling in the recent ABC War on Waste series, yet Bayside has omitted these from its policy. Disappointing. Waste collection excludes soft plastics recycling. Although beyond the scope of this project, there should be soft plastics recycling added to the kerb-side collection service, and a service for apartments should be introduced.”

A second question was posed for discussion.

2) How can Council support users and hirers of its buildings to be more sustainable?

   Council will provide users of Council owned and/or managed buildings with information and advice on how to reduce environmental impacts associated with the use and management of these buildings. What would help you understand your role and support you with this change?

Only one response was received from the same participant.

“Waste collection excludes soft plastics recycling. Although beyond the direct scope of this project, there should be soft plastics recycling added to the kerb-side collection service. You already offer it at the corporate centre, it should be expanded to all council properties as a first step towards adding it to the kerb-side service (including a version for apartments and commercial/industrial properties) as the market for the products increases. Council should also encourage, and prioritise, the purchase of products made from these recycled materials rather than newly mined resources.”

Community Engagement Report – Sustainable Infrastructure Policy
Quick Polls
Two quick polls were provided to participants of the ‘Have Your Say’ page.

Quick Poll 1
Do you support Council’s target to ensure 90% of Council capital works projects completed consider Environmental Sustainability in planning, design, construction and operation by 2020?

YES – 11 responses
Unsure – 0 responses
NO – 0 responses

All responses were positive towards the target set in Council’s Environmental Sustainability Framework and achieved through implementation of the revised Sustainable Infrastructure Policy.

Quick Poll 2
What is your top environmental priority?
- Energy efficiency (cost/use)
- Renewable energy
- Recycling and waste systems
- Alternative water use (rainwater tanks)

No responses were recorded on this poll.

Summary of ‘Have Your Say’ page Feedback Received
As a result of the communications activities by 4 September 2017, the ‘Have Your Say’ page recorded 12 responses from community stakeholders with the following breakdown of engagement levels.

- Total visitors: 12
- Engaged visitors: 11
- Informed visitors: 1
Direct Correspondence from Stakeholders

The following correspondence on the draft Policy was received directly by Council officers.

**Email Re: Your feedback is important: draft Sustainable Infrastructure Policy**

Coming into our pre-season (and with an employer who would want me to do some work), I unfortunately don't have the time to make a formal submission. I will however hope you will allow me to make some comments here which I'm hopeful you can acknowledge.

I would love to see the roofs of council sports pavilion covered in solar panels. This power could be used for the buildings themselves, ground lighting and perhaps even pushed back into the grid. Obviously there is a cost, but hopefully this can be incorporated into the design submissions of new buildings, at the very least. And I'm sure there will be savings in the long term.

Finally, I believe Council should make an effort to collect recycling from sports clubs. As an example, the majority of our cricket club's rubbish is cans and bottles, and cardboard. We would love to recycle this - but have been told that we need to do this at our own cost - which as a not-for-profit, we just can afford. We are happy to put it out for normal collection - we just need to be able to have it collected for recycling.

**Email Improving the environmental performance of Council's infrastructure**

The draft updated Sustainable Infrastructure Policy (2017) is encouraging and seems achievable.

I wonder whether attention will be paid to the 'embedded energy' aspects of sustainable infrastructure?

I am unsure whether there are standards already in place to take account of the energy costs and environmental risks of producing infrastructure that might otherwise appear ecologically attractive. But I do hope that this important 'hidden factor' forms part of Council's sustainable infrastructure policy and its implementation.
Sample Letter to Stakeholders.

DOC/17/XXXXXX

21 August 2017

Salutation FirstName Surname
Title
Organisation
Address
Suburb VIC Postcode

Via email: president@email.org.au

Dear Salutation FirstName Surname,

Your feedback is important: draft Sustainable Infrastructure Policy

Council has developed a draft Sustainable Infrastructure Policy. This will ensure the design of new buildings and the operation of existing infrastructure owned by Council is environmentally sustainable.

To assist in the development of the Policy, Council is undertaking community engagement with key stakeholders, interest groups and users of Councils buildings.

Have Your Say - until Sunday 10th September

- Online – please visit www.yoursay.bayside.vic.gov.au to review the Policy,
- Make a submission – send your written feedback on the Policy and address it to the Environmental Sustainability Team.

Feedback received from the consultation will be incorporated into the Sustainable Infrastructure Policy and presented to Council at its September Ordinary Meeting. Details of this meeting will be available on Council’s website should you wish to speak or attend.

If you have any questions related to this project or would like a copy of the Policy sent to you please contact me on 9599 4749.

Yours sincerely,

Julian Donlen
Coordinator, Environmental Sustainability

Community Engagement Report – Sustainable Infrastructure Policy
Executive summary

Purpose and background

The purpose of this report is to consider a proposal to undertake statutory processes in accordance with the Local Government Act 1989 sections 189 and 223 in relation to the potential sale of the land at 31 Abbott Street and 16 Station Street Sandringham.

The site is made up of two parcels described as 31 Abbott Street, Lots 1&2 Certificate of Title volume 4088 folio 597 and 16 Station Street, Lot 1 on Certificate of Title volume 8267 folio 875 (the Land). An opportunity has arisen to consider the sale of the Land due to the site becoming vacant in 2018. This is due to the relocation of Maternal and Child Health Services to another facility in Black Rock to create a more accessible service across Bayside.

As no additional service needs have been identified it is proposed this Land should be sold with the proceeds directed to the upgrade of the Sandringham Library to better meet service needs.

Key issues

With the relocation of the MCH service in 2018 to Black Rock the building will become vacant. A review of future needs has identified the Land is no longer required and the highest and best use would be to sell the land and reinvest funds into other assets in need of upgrade.

The Land has multiple access points, with road/lane on three sides, is adjacent to the Police Station, opposite other multi-storey residential development in Abbott Street and in close proximity to the railway station. The Land is approximately 1,000 M2 and zoned GRZ2.

Council does not have a policy directly relevant to property sales, however the Local Government Best Practice Guideline for the Sale/Exchange of Land (June 2009) (Best Practice Guidelines) as prepared by the State Government has been considered, in particular General Principle 2 which provides as follows:

“Sales should be conducted through a public process (i.e. public auction, public tender or by registration of expression of interest) unless circumstances exist that justify an alternative method of sale, for example the sale or exchange of land by private treaty.”

These Best Practice Guidelines further acknowledge that sales should be in the best interests of the community and provide the best result (both financial and non-financial) for the Council and the community. It provides guidance to address the various methods available to Council for the sale of Council land, including sale by public auction, public tender, EOI and by private treaty. It is considered that the most appropriate method of sale for the property is by way of public auction. This would require a current market valuation, not more than 6 months old, to set a reserve price.

The site will not be vacated until February 2018 when relocation of the MCH service occurs. Rather than wait until the building becomes vacant, it is proposed to undertake the relevant statutory procedures and if the proposal is accepted to engage an agent to allow a sale soon after the site is vacated.
Sale of the Land would be subject to requirements relating to the sale of Council land in accordance with S189 and S223 of the Local Government Act 1989 which requires Council to publicly advertise its intentions to sell land and invite and consider public submissions before any final decision is made in relation to the Land.

**Recommendation**

That Council resolves:

1. In accordance with s189 and 223 of the Local Government Act 1989 to publicly advertise the proposal to sell the Land described as 31 Abbott Street Sandringham, Lots 1&2 Certificate of Title volume 4088 folio 597 and 16 Station Street Sandringham, Lot 1 on Certificate of Title volume 8267 folio 875 and invite public submissions on the proposed sale;

2. To establish a Special Committee of Council in accordance with Section 223 of the Local Government Act 1989 consisting of all Councillors with a quorum of (4) Councillors to consider any submissions received pursuant to Section 223 of the Local Government Act 1989 at a meeting to be held on Wednesday 15 November 7:00pm in the Council Chambers, Boxshall Street, Brighton in relation to the proposed sale of the Land;

3. in the event that no submissions are received under Section 223 of the Local Government Act 1989 to the proposed sale of the Land, delegates authority to the Director Corporate Services to sell the Land by public auction with a reserve price at the sworn valuation not more than six months old at the time of sale;

4. in the event that the reserve price is not achieved, authorises the Director Corporate Services to negotiate the sale privately with the highest bidder in the first instance, at a price no less than 5% below the reserve price;

5. in the event of negotiations being unsuccessful, authorises the Director Corporate Services to negotiate privately at a price no less than 5% below the reserve price; and

6. authorises the Director Corporate Services to sign and seal all documentation associated with the proposed sale and transfer of the land on behalf of Council for the price in accordance with points 3, 4 or 5 above.

**Support Attachments**

1. Title Plan Station Street Sandringham
2. Title Plan Abbott Street Sandringham
Considerations and implications of proposition

Liveable community
The provision of Council assets for community use, must be matched to strategic community needs, fit for purpose and well utilised is critical to supporting liveability. The proceeds of any proposed sale will go to upgrading Sandringham Library.

Social
The proceeds of the potential sale will go towards upgrading Sandringham Library which provides significant social benefits. The existing service offered will continue at another site providing greater equity of access to users.

Natural Environment
There are no impacts on the natural environment in relation to this report.

Built Environment
Council manages a significant property portfolio. This includes a large number of aging facilities that were purpose built, are single use, poorly utilised, are not energy efficient and require ongoing maintenance and renewal. This proposal supports improvement to Sandringham Library.

Customer Service and Community Engagement
The sale of land requires a statutory consultation process. Clients of the MCH have been advised of the service relocation. No other engagement on the issue has been undertaken.

Human Rights
There are no Human Rights issues assessed in relation to this report.

Legal
Council is required under Section s189 and 223 of the Local Government Act 1989 to undertake statutory processes including consultation in relation to the sale of the Land.

Finance
The nett funds from the sale of land and relocation of MCH will be re-directed towards the funding of the upgrade to the Sandringham Library.

An agent will be appointed to undertake a public marketing and auction process should the sale be agreed.

A valuation not more than 6 months old at the time of sale is required and would be used to set the reserve.

Links to Council policy and strategy
The Council Plan contains three strategies that link to the property related matters as follows: Goal 3 - A liveable City, strategy 3.2.1 Ensuring community assets and infrastructure meet current and expected needs;
Goal 7 - Financial Responsibility and Good Governance, strategy 7.1.1 Developing alternative income sources to take pressure off rate increases and improve long term financial viability; and strategy 7.1.3 Maximising community utilisation of Council assets to improve financial and/or social return.

The Long Term Financial Plan and Strategic Resource Plan identified the development of a Property Strategy as a key guide to drive better community value from Council’s property assets.

**Options considered**

**Option 1**

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<thead>
<tr>
<th><strong>Summary</strong></th>
<th>Retain the site and find alternative uses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benefits</strong></td>
<td>Maintains a property asset in Sandringham for potential future uses</td>
</tr>
<tr>
<td></td>
<td>Does not require any consultation or decision to be made</td>
</tr>
<tr>
<td><strong>Issues</strong></td>
<td>Continue to maintain an asset that is not effectively utilised</td>
</tr>
<tr>
<td></td>
<td>Council must continue to fund maintenance and renewal</td>
</tr>
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<td></td>
<td>Need to find other methods to fund local infrastructure and property projects</td>
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Item 10.8 – Reports by the Organisation
### TITLE PLAN

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<td>Section:</td>
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Last Plan Reference LP 4412  
Derived From: VOL 8357 FOL 875  
Depth Limitation: NIL

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<td>Notations</td>
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ANY REFERENCE TO MAP IN THE TEXT MEANS THE DIAGRAM SHOWN ON THIS TITLE PLAN

### Description of Land / Easement Information

ALL THAT piece of land delineated and coloured red on the map in the margin - being part of Lot 66 on Plan of Subdivision No. 4412 Parish of Moorabbin -  
Together with a right of carriage way over the road coloured brown on the said map.

### TABLE OF PARCEL IDENTIFIERS

| WARNING: Where multiple parcels are referred to or shown on this Title Plan this does not imply separate disposits parcels under Section 58 of the Sale of Land Act 1962 |

| PARCEL 1 = LOT 66 (PT) ON LP 4412 |

### COLOUR CODE

BR = BROWN  R = RED

### LENGTHS ARE IN FEET & INCHES

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Sheet 1 of 1 sheets

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**Item 10.8 – Reports by the Organisation**

Page 104 of 225
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Executive summary

Purpose and background
To seek clarification from Council in relation to the scope to inform the preparation of the Mid-Century Modern Heritage Study following Council resolution of 25 July 2017, point 2:

That Council:

2. Commences the preparation of a Mid-Century Modern Heritage Study with a particular focus on the Beaumaris area.

The Bayside Heritage Action Plan 2017 (‘the Plan’) identifies the need for a heritage assessment of mid-century modern architecture within Bayside be undertaken, with a particular focus on the Beaumaris area (Initiative H2). The Plan justifies the need for a Mid-Century Modern Heritage Study on the following basis:

- Community sentiment indicates a strong concern regarding the loss of buildings from this era;
- A Council Output of the Bayside Community Plan 2025 is to “Ensure that areas and places of heritage, environmental and vegetation significance are protected”;
- The heritage overlay contains a lower proportion of places from the mid-century modern era compared with earlier eras such as the Victorian and Edwardian eras;
- Suburbs in the south of the municipality are underrepresented in the Heritage Overlay and this period of architecture is intrinsic to its historical development; and
- Pursuant to section 4(1)(d) of the Planning and Environment Act 1987, one of the objectives of planning in Victoria is “to conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value.”

Key issues
There are three options in relation to the scope to inform the preparation of the Mid-Century Modern Heritage Study.

Option 1: Municipal wide Mid-Century Modern Heritage Study, implementation to focus on Beaumaris suburb only

Option 1 would involve the preparation of a municipal Mid-Century Modern Heritage Study, with the implementation of this Study to be undertaken in stages. Stage 1 will only seek the implementation of recommendations into the Bayside Planning Scheme for properties within Beaumaris.

Option 1 would allow for the preparation of a study that addresses the role of the Mid-Century Modern era in Bayside’s history and development. Efficiencies would be gained by undertaking a heritage study which focuses on the entire era of development, rather than by limiting its scope to particular areas or suburbs.
Option 1 allows for the implementation of the study in the Bayside Planning Scheme to focus on Beaumaris, while still providing Council with the information of the era’s significance to Bayside.

This option is consistent with the intent of the Heritage Action Plan to close knowledge gaps relating to the municipality’s history and development.

Option 2: Beaumaris suburb (only) Mid-Century Modern Heritage Study

Option 2 would involve the preparation of a Mid-Century Modern Heritage Study, which just addresses Beaumaris.

While Option 2 would address the role of the Mid-Century Modern era in Beaumaris’ history and development, it would not address the role of the era in Bayside’s history and development. Pursuing Option 2 would result in Council having incomplete knowledge relating to the Mid-Century Modern era, including potentially significant properties of this era that are located outside of Beaumaris until a broader study is prepared. Option 2 could also result in inefficiencies associated with potentially undertaking additional heritage studies to identify gaps.

In turn, Option 2 may undermine the Plan’s intent to close gaps relating to Council’s knowledge of heritage places and Council’s ability to meet its heritage obligations under the Planning and Environment Act 1987.

Option 3: Municipal wide Mid-Century Modern Heritage Study, implement whole study across the municipality

Similar to Option 1, Option 3 would involve the preparation of a municipal Mid-Century Modern Heritage Study. However, all recommendations from the study would be implemented into the Bayside Planning Scheme, regardless of the location. The implementation would have a particular focus on Beaumaris as the majority of development from this era is represented in Beaumaris.

Option 3 would also allow for efficiencies relating to the preparation of a study that focuses on the entire era of development and providing Council’s with the information and knowledge of the era’s significance to Bayside.

**Recommendation**

That Council commences the preparation of a Bayside wide Mid-Century Modern Heritage Study consistent with Option 1 set out in the report, with the implementation of the recommendations relating to the Beaumaris suburb only.

**Support Attachments**

Nil
Considerations and implications of recommendation

**Liveable community**

**Social**

Option 1 would enable Council to protect the buildings from the Mid-Century Modern era that contribute to Bayside’s liveability, character and community cohesion. This is consistent with the Bayside community’s desire to see neighbourhoods and amenity protected, with development sympathetic or responsive to the natural and built environment. A Mid-Century Modern Heritage Study would protect and celebrate the social values the community attribute to places of this era, for current and future generations.

**Natural Environment**

The preparation of a Mid-Century Modern Heritage Study would complement Council’s existing policies related to the environment by identifying potentially significant landscapes.

**Built Environment**

Option 1 emphasises the need to identify, document and protect heritage buildings within the municipality and focus on implementation in the Beaumaris area. Option 1 is consistent with the need for Council to implement the objective at section 4(1)(d)) of the Planning and Environment Act 1987 to “conserve and enhance buildings, areas and other places which are of scientific, aesthetic, architectural or historic interest, or otherwise of special cultural value.”

**Customer Service and Community Engagement**

The community and interested stakeholders will have the opportunity to make a submission during the preparation of the Mid-Century Modern Heritage Study and during the public exhibition of a future planning scheme amendment to implement the Study into the Bayside Planning Scheme.

**Human Rights**

The implications of this report have been assessed and are not considered likely to breach or infringe upon, the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

**Legal**

Council has a responsibility for heritage preservation, consistent with the objective located at Section 4(1)(d) of the Planning and Environment Act 1987 to “conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value”.

Option 1 would enable Council to meet its heritage obligations, namely to:

- Identify places of heritage significance;
- Protect and conserve such places by including them in the Heritage Overlay of the Bayside Planning Scheme; and
- Assess planning permit applications to conserve and enhance the elements that contribute to the significance of heritage places and ensure that development does not adversely affect the significance of heritage places.
Finance
Funding to commence a Mid-Century Modern Heritage Study will be resourced within the 2017/18 Budget.

Links to Council policy and strategy
The preparation of a Mid-Century Modern Heritage Study is an initiative of the Heritage Action Plan (Initiative H2). The Study will assist in closing gaps in Council’s knowledge of this era.

Community Plan 2025
The Mid-Century Modern Heritage Study delivers the ‘Council Output’ in the Bayside Community Plan 2025 to “Ensure that areas and places of heritage, environmental and vegetation significance are protected.”

The Mid Century Modern Heritage Study implements this ‘Council Output’ by identifying the role of the Mid-Century Modern era to Bayside’s history and development and by identifying buildings significant to this era.
Options considered

Option 1

<table>
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<tr>
<th>Summary</th>
<th>Prepare a municipal wide Mid-Century Modern Heritage Study, with implementation of Study to focus on Beaumaris suburb only.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>This option enables the preparation of a study that addresses the role of the Mid-Century Modern era in Bayside’s history and allow for a staged implementation. Option 1 is consistent with the intent of the Heritage Action Plan to close knowledge gaps relating to the municipality’s history and development.</td>
</tr>
<tr>
<td>Issues</td>
<td>A staged implementation could result in inefficiencies associated with multiple planning scheme amendments to facilitate the study's implementation. Buildings and places identified as significant that are not within Beaumaris will not be protected by the Heritage Overlay.</td>
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</table>

Option 2

<table>
<thead>
<tr>
<th>Summary</th>
<th>Prepare a Mid-Century Modern Heritage Study that only addresses Beaumaris suburb only.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>The protection of Mid-Century Modern architecture in Beaumaris will address the era’s role in the history and development of Bayside.</td>
</tr>
<tr>
<td>Issues</td>
<td>Council would have incomplete information relating to the role of the Mid-Century Modern era in Bayside’s history and development. This option may undermine the Heritage Action Plan's intent to close gaps relating to knowledge of heritage places and Council’s ability to meet its heritage obligations under the Planning and Environment Act 1987. A broader implementation may contrast with Council's resolved position to prepare a Mid-Century Modern Heritage Study with a Beaumaris focus.</td>
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Option 3

<table>
<thead>
<tr>
<th>Summary</th>
<th>Prepare a municipal wide Mid-Century Modern Heritage Study and implement whole study.</th>
</tr>
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<tbody>
<tr>
<td>Benefits</td>
<td>The implementation will have a particular focus on Beaumaris as the majority of development from the Mid-Century Modern era is represented in Beaumaris.</td>
</tr>
<tr>
<td>Issues</td>
<td>A broader implementation may contrast with Council's resolved position to prepare a Mid-Century Modern heritage Study with a Beaumaris focus.</td>
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Executive summary

Purpose and background
The purpose of this report is to present the key recommendations and supporting context, arising from the Service Review of Council’s Building Services activities.

The Building Services Service Review is the culmination of a rolling program of Service Reviews that Council has conducted since 2015. The purpose of the Service Review program is to deliver public value through effective and efficient service delivery.

The mandatory and voluntary activities considered in the Service Review included:

- Building Permit services;
- Considering requests to vary standard planning and building regulations via a ‘Report and Consent Application’ system;
- Undertaking enforcement relating to dangerous and illegal buildings;
- Undertaking Essential Safety Measures and pool and spa compliance investigations;
- Providing an emergency response service, to provide advice on relevant regulatory and structural safety matters;
- Ensuring that places of public entertainment and public events are safe for the public;
- Providing a ‘record keeping service’ for building permits; and
- Providing statutory building and property information to the community.

Key issues
An overview of the Service Review recommendations and associated context is attached and therefore to minimise duplication, this paper provides a brief snapshot of the parallel Development Services review as well as the four focus areas within the actual Service Review.

Development Services Review
A parallel review of Development Services (Building Services is located within the Development Services Department) was completed during this Service Review, to address concerns regarding planning application timeframes. It recommended targeting higher performance levels, primarily through increased labour (FTEs) resources, utilising revenue from higher development fees. The approach was expected to benefit Report and Consent application processing, within Building Services. The proposal was presented to council in November 2016 and an updated provided in March 2017.

Focus area 1 - Customer Service
The Service Review considered the outcomes of the parallel review of Development Services and identified a number of additional initiatives that would further improve customer service performance. The initiatives and benefits are further detailed in the attachment.
The Service Review proposes that Council:

- Council enhances customer service interactions within Building Services by supplementing recent initiatives with the implementation of digital channels for building and property certificate requests and submissions, as well as undertaking customer satisfaction surveys post interactions coupled with customer journey mapping, to identify further improvement opportunities.

**Focus area 2 – Pools and spa safety, Essential Safety Measures**

Pool and spa safety and Essential Safety Measures (ESM) (for example fire hose reels) are clearly important public safety areas. The Service Review examined the current mandatory service whereby Council investigates complaints (reactive inspections). The Service Review also considered the broader frameworks to address these areas and potential voluntary activities that council could undertake.

The Service Review proposes that Council:

- supplements the mandatory program for reactive pool and spa inspections, with a partnership approach to a pool and spa safety awareness communications campaign;
- advocates to the Government for the proactive strengthening of legislative reforms to increase the onus on property owners. Further, that Council supports the implementation of the reforms, such as proactively commencing pool and spa registrations at an appropriate date in the reform process, if it is determined that Council is to be the vehicle for such activities;
- does not undertake proactive pool and spa investigations; and
- maintains the mandated program for ESM inspections, monitors Municipal Building Surveyor networks to identify emerging building safety issues related to ESM performance and if appropriate, develops the business case for a targeted, proactive inspection program.

**Focus area 3 – Building permits, staff certification / training**

The Service Review examined the low volumes of building permits currently being processed by Council, compared with Private Building Surveyors (less than 1%), the value of promoting this mandatory service and the potential linkages to staff professional development and building practitioner professional development requirements.

The Service Review proposes that Council:

- continues to provide mandated building permit services for class 1 and 10 and classes 2 to 9, primarily to maintain skills and knowledge of building services staff. The Services would be provided at a cost reflective charge and would not be proactively marketed; and
- further explores targeted, in-house building permit processes to maintain the skills and knowledge of building staff and support the council infrastructure program, coupled with service level agreements to ensure infrastructure timeframes are not negatively impacted.
Focus area 4 – Emergency response

Council provides a non-mandatory service whereby the Municipal Building Surveyor may attend emergencies at the request of emergency services, to provide post emergency advice and enforcement regarding regulatory and structural safety matters. The Service Review identified some challenges with staff being called out during emergencies, as staff are constrained in what advice can be provided during emergencies and they are potentially exposed to safety risks.

The Service Review proposes that Council:

- Engages the Municipal Emergency Management Committee to clarify Council’s role, responsibilities and service expectations for building services response in supporting emergency events; and
- Engages the Victorian Municipal Surveyor’s Group to ensure an effective and appropriate approach is adopted across the sector.

Proposition

That Council notes the key recommendations arising from the Service Review of Council’s Building Services activities.

Support Attachments

1. Building Services Review ↓
Considerations and implications of proposition

Liveable community

Social
Building Services activities are critical to the protection of public safety and protection of liveability by ensuring appropriate building controls. The recommendations within the Service Review largely maintain the current service levels, but are expected to have some positive impacts on community safety – for example on enhanced pool safety.

Natural Environment
There are limited direct implications for the natural environment through the activities covered within this Service Review.

Built Environment
Building Services activities are critical to the Built Environment by ensuring appropriate building controls.

Customer Service and Community Engagement
The Service Review proposes a number of initiatives to improve customer service levels in Building Services, such as digital engagement channels.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon, the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
Legislation plays a key role in the operation of Building Services, particularly through the Building Act.

Finance
There are no direct financial implications as a result of this report. Any financial implications as a result of the Service Review will be managed within existing and future budget considerations.

Links to Council policy and strategy
Service reviews are a key enabler of the Better Place Approach. They identify improvement opportunities, targets and measurable outcomes in relation to people, efficiency and service delivery that contribute to making Bayside a better place.

The ongoing program of service review responds to Goal 8 of the Bayside Council Plan 2017-21 to identify and implement improvements in Council’s services, efficiency and outcomes for the Bayside community.
Statutory Building Service Review – Report overview
August 2017

1. Purpose and background

A Service Review has been conducted of Council’s Building Service to measure how it delivers value to the community and to identify recommendations to enhance its value.

Council’s Building Service delivers public value by:

- Ensuring that built structures and public events comply with regulations, are safe for all users and contribute to public amenity; and
- Providing information and facilitating efficient building activity in Bayside for public and private customers.

The mandatory and voluntary activities considered in the Service Review included:

- Offering a Building Permit service for houses (defined as Class 1); garages, carports, sheds and fences (Class 10A); and for multi-residential, commercial, industrial and public buildings (Classes 2 to 9), as well as inspections of building works when these permits are issued by council;
- Considering requests to vary standard building regulations via a ‘Report and Consent Application’ system;
- Undertaking enforcement relating to dangerous and illegal buildings;
- Undertaking Essential Safety Measures and pool and spa compliance investigations;
- Providing an emergency response service, to provide advice on relevant regulatory and structural safety matters;
- Issuing permits to ensure that places of public entertainment and public events are safe for the public;
- Providing a ‘record keeping service’ for all building permits within the bayside area; and
- Providing statutory building and property information to residents and allied professionals.

During the Service Review period, an organisational restructure resulted in the Assets Protection team being incorporated into the Building Services team. The activities of the Assets Protection team was not considered within the Service Review.

The Building Services team comprises eight ‘effective full time’ technical staff (EFT). The team includes a qualified and registered Municipal Building Surveyor, which is a requirement under the Building Act 1993. A shared resource pool of thirteen staff in the broader department supports the administration and customer service for the technical officers.

The Service Review process occurred over an extended timeframe (2016 – 2017) and involved benchmarking services against comparable councils, a key client survey, financial analysis and process mapping. This summary report highlights the key focus areas identified in the review and proposes specific recommendations for each focus area.
2. Linkages to Development services review

During the review, a parallel investigation into Development Services application processing timeframes was completed. The review recommended targeting higher performance levels, primarily through increased labour (FTEs) resources and utilising revenue from higher development fees. The proposal was presented to Council in November 2016 and an update provided in March 2017.

While the Development Services review considered the broader activities of the Department, it was expected to have significant benefits for a key issue identified in this Service Review – a high level of customer dissatisfaction with the application processing times for ‘Report and Consent’ requests. Figure 1 describes the broader customer satisfaction levels in Development Services.

![Satisfaction with aspects of customer service](image)

Figure 1: Customer satisfaction survey results for Building Services (2016)

A Report and Consent application to council is required where there is a variation to ‘standard’ building regulations (such as building setbacks). The process includes assessment by Council of the appropriateness of dispensation when building work may affect assets, infrastructure or local amenity. Council’s Planning Scheme incorporates significant siting provisions into the Building Regulations and it is relatively prescriptive, resulting in a high volume of Report and Consents compared to other municipalities. The applications are often relatively complex as they relate to expensive, bespoke developments.

Approximately 800 Report and Consent were submitted to Council in 2016. While the current KPI target is that 60% of all Report and Consent’s are completed within 15 days, at the time of the broader
Development Services review (December 2016 quarter), actual performance was approximately 20%. The prolonged timeframes not only impact on customer satisfaction, but also create multiple customer follow up contacts and complaints, impacting staff moral and further impacting processing time frames.

The activities completed as part of the Development Services review to address Report and Consent processing timeframes have been:

- Encouraging owners to engage directly with their neighbours to obtain comments prior to lodging Report and Consent requests. This expedites the process and results in greater understanding and satisfaction from the parties involved;
- Recruitment of staff to three vacant positions (2 being new / restructured positions) involving a Building Surveyor and two Technical Officers. As at mid-August, two positions were being filled through temporary appointments and permanent appointments are anticipated in September; and
- A customer service initiative went live at the end of July, to triage incoming building services customer contacts within the newly established Support and Efficiency Development Services administration team, rather than through the central customer service call centre and general staff. This will enable improved first contact resolution and assist identification of appropriate initiatives to increase resolution speed and minimise contact volumes.

These improvements are yet to impact significantly on the timeframes for Report and Consent processing, however, with the team now appropriately resourced and additional customer service initiatives to come through this review, it is anticipated that the ultimate target of 60% of R&Cs to be processed within 15 days by June 2018 will be achieved.

3. Service review focus areas

Service review focus area 1 – Customer Service

As noted above, a key driver of customer dissatisfaction with Building Services has been Report & Consent application processing timeframes and a number of initiatives have been implemented to improve these timeframes and customer service performance. These include:

- Introducing an online system to replace the manual, inefficient processing of over 4,000 building and property certificate requests each year. This will reduce timeframes for customers to receive the certificate from up to 10 days to 1 - 2 days. Utilising temporary staff at a cost of approximately $30,000 will address the current backlog of over 1,000 private building permits, enabling processing to be up to date so the system can operate effectively and go live;

- Migrating private building surveyors from manual (paper) submissions for building permit and associated document lodgements and payments to online submission, through establishment of an online portal and associated fees and policies. This will provide efficiency benefits and reduce backlogs impacting on the viability of the online certificate request system;

- Increasing online resources available to support applicants and ‘commenters’ to interact with building services and encourage self-service. As a specific example, Council has recently
purchased ‘Trapese’ an electronic program which will permit electronic lodgement, assessment and approval of submissions; and

- Undertaking regular customer service refresher training, implementing detailed customer satisfaction surveys immediately post interactions, coupled with implementation of customer journey mapping techniques to identify further initiatives that provide a strong customer experience as well as operating efficiencies (for example, this could involve providing up to date information on application processing timeframes and status, to minimise telephone contacts querying applications status).

It is proposed that:

- Council enhances customer service interactions within Building Services by supplementing recent initiatives with the implementation of digital channels for building and property certificate requests and submissions, as well as undertaking customer satisfaction surveys post interactions coupled with customer journey mapping, to identify further improvement opportunities.

Service review focus area 2 – Pools and Spa safety, Essential Safety Measures

Pool and spa safety is clearly an area of public safety significance. The Building Act 1993 and the Building Regulations 2006 require the owner of every swimming pool or spa that contains a depth of water of greater than 300 mm to provide a safety fence and/or barrier that restricts access.

Council has a mandated obligation to undertake reactive pool and spa investigations (ie responding to public requests and complaints) and Council always investigates reported spa or pool concerns and issues enforcement orders where appropriate. While Council historically undertook a small number of proactive inspections (which are voluntary rather than mandatory), this has not occurred in the past few years. Therefore, the service review explored whether additional activities, such as proactive investigations, would add value to the community.

A key consideration in the review was that pool and spa safety is dependent on property owner awareness of their responsibility, maintaining the integrity of pool and spa safety barriers and maintaining oversight of children who are inside the barriers. The integrity of the barriers extends beyond ensuring a compliant barrier is in place, as it needs to ensure the barrier is not compromised such as through the temporary location of furniture.

There are existing pool and spa safety awareness programs that are run through organisations such as Life Saving Victoria and Kids Safe Victoria, who have campaign resources, including an online home pool safety assessment app. Council has opportunities to partner with such organisations, to implement a municipal wide communication campaign. It is estimated that a campaign would cost Council approximately $15k to $40k per annum and could include direct mail outs, print and social media campaigns.

The Government is proposing a range of legislative reforms that will increase the onus on property owners to demonstrate pool safety compliance, including potentially registering pools and spas and requiring certificates of compliance to be renewed at regular intervals (such as
every three years and at the point of land sale). The Government is currently proposing an indicative implementation timeframe of 2020.

As noted above, a role for Council in undertaking a proactive pool and spa safety inspections was considered in the Service Review, however, the conclusion was that a communication campaign would provide more value. Given the proactive inspections would be relatively infrequent for individual properties, the approach could potentially create owner confusion regarding their obligations and reduce the emphasis on the importance on ongoing barrier maintenance and children oversight. There would be a significant additional cost involved and current resources would be better leveraged through the reactive program, supporting proposed legislative reforms and ongoing safety awareness communications. In the benchmarking of approaches in other councils, it was reported that only one of the seven councils currently undertake a significant proactive inspection program.

It is proposed that Council:

- supplements the mandatory program for reactive pool and spa inspections, with a partnership approach to a pool and spa safety awareness communications campaign;
- advocates to the Government for the proactive strengthening of legislative reforms to increase the onus on property owners. Further, that Council supports the implementation of the reforms, such as proactively commencing pool and spa registrations at an appropriate date in the reform process, if it is determined that Council is to be the vehicle for such activities; and
- does not undertake proactive pool and spa investigations.

**Essential Safety Measure (ESM)** investigations refer to where a Municipal Building Surveyor, (or building inspector or Deputy Municipal Building Surveyor) undertake inspections with regard to building safety features such as exit signs and doors, fire hose reels and hydrants. ESM investigations are a mandatory reactive service for a Council if a complaint or request has been made, or if a particular safety concern exists as professionally assessed by a Municipal Building Surveyor. A Council is not required to undertake a proactive ESM investigations program (ie it is a non-mandatory service).

Prior to 2014, Bayside Council undertook a small number of ad-hoc proactive ESM investigations, however, more recently staff resources have been utilised in addressing increased Report and Consent applications and an increase in building activity requiring mandatory enforcement. Benchmarking concluded that comparably resourced councils do not provide proactive ESM investigations and the small number of councils that provide proactive investigations have specifically resourced that non-mandatory service.

The Service Review concluded that undertaking proactive ESM inspections did not provide sufficient community value from increasing resources to deliver the program or diverting existing resources from higher value areas. The Municipal Building Surveyor has well established networks to identify emerging issues or trends with building safety, for example through the Victorian Building Authority and Australian Institute of Building Surveyors. These networks can
be utilised to identify any increased concerns regarding ESM performance in the future and if appropriate, a business case for a targeted proactive inspection program developed.

It is proposed that Council:

- maintains the mandated program for ESM inspections, monitors Municipal Building Surveyor networks to identify emerging building safety issues related to EMS performance and if appropriate, develops the business case for a targeted, proactive inspection program.

**Service review focus area 3 – Building permits, staff certification / training**

Council provides building permit service for houses (defined as Class 1); garages, carports, sheds and fences (Class 10A); and for multi-residential, commercial, industrial and public buildings (Classes 2 to 9), as well as inspections of building works when these permits are issued by Council. While these are mandated services under the Building Act, Councils can apply to the Minister to not provide building permits for Classes 2-9. It should be noted that Private Building Surveyors are able to provide building permits and in the Bayside area issue the majority of permits across all these classes (greater than 99%). There are a small number of permits that are processed by Council each year, potentially because Council charges are lower than Private Building Surveyor’s and some Bayside resident demographics appear to prefer engaging with Council.

Given the well-established and dominant Private Building Surveyor sector for building permits, Council’s approach to the provision of building permits has limited customer service implications. However, retaining an element of building permit services is relevant to maintaining the skills and knowledge of building services staff, through their exposure to building permit assessments and enabling them to stay abreast with developments. The importance of this consideration increased during the process of the Services Review, as changes to legislation in mid-2016 meant that all building practitioner registrations (including that of the Municipal Building Surveyor) will last up to five years (as opposed to indefinitely) and with further mooted changes likely to require that practitioners have to demonstrate compliance with Continuing Professional Development (CPD) requirements in order to have their registration renewed.

The Services Review therefore recommended that Council maintain the above building permit services, although aiming for only a small number of permits each year to support building staff professional development. This will be achieved through not proactively marketing the service and increasing charges so they are cost reflective and comparable with the Private Building Surveyor sector.

An additional opportunity to maintain staff skills in this area is with a selected program of in-house permitting in relation to the significant Council investment in pavilions, playgrounds, public toilets and other community facilities. However, mechanisms, such as service agreements, would need to be in place to ensure that suitably skilled, in-house resources are available at the required milestones, so that infrastructure timeframes are not negatively impacted.
As property owner, council is able to appoint the building surveyor. Since Council contracts independent builders to deliver the infrastructure and the building surveyor inspects the builder’s work, there is no risk of a conflict of interest leading to poor building practices. However, there will need to be further engagement with builders, as it appears builders typically have well established relationships with individual private building surveyors.

It is proposed that Council:

- continues to provide mandated building permit services for class 1 and 10 and classes 2 to 9, primarily to maintain skills and knowledge of building services staff. The Services would be provided at a cost reflective charge and would not be proactively marketed;

- further explores targeted, in-house building permit processes to maintain the skills and knowledge of building staff and support the council infrastructure program, coupled with service level agreements to ensure infrastructure timeframes are not negatively impacted.

**Service review focus area 4: Emergency response**

Council provides a non-mandatory service whereby the Municipal Building Surveyor may attend emergencies at the request of emergency services authorities, to provide advice about regulatory and structural safety matters. The purpose of the callouts is to provide enforcement after the emergency, to ensure public safety measures are put in place, and buildings/works reinstated appropriately as necessary.

In 2016, the Municipal Building Surveyor responded to seven after hour’s emergency requests for assistance, and a further seven during business hours.

There are various challenges with this non-mandatory service. Council’s responsibilities do not extend to advice on what should be done at the time of the emergency event and doing such, may in fact, expose Council to risk. As a result, Council’s building staff are constrained in what they can practically achieve when attending an emergency. There is also a potential risk to personal safety, particularly when Emergency Services personnel are still actively responding to the emergency.

There are opportunities to clarify Emergency Services expectations through engaging the existing Municipal Emergency Management Committee, which is attended by organisations including the Police, Fire Services and SES. This engagement could also leverage the outcomes of a current Victorian Municipal Surveyor’s Group review of the after-hours service within councils. An additional opportunity is to also undertake stronger case by case assessments with emergency services prior to attending individual events, to minimise risks to council staff and ensure attendance will provide value.

It is proposed that Council:
• Engages the Municipal Emergency Management Committee to clarify Council’s role, responsibilities and service expectations for building services response in supporting emergency events; and

• Engages the Victorian Municipal Surveyor’s Group to ensure an effective and appropriate approach is adopted across the sector.
10.11 INFORMATION SERVICES SERVICE REVIEW

Corporate Services - Information Services
File No: PSF/15/8757 – Doc No: DOC/17/194884

The confidential attachment to this report is presented in camera in accordance with the Local Government Act 1989 Section 89(2)(g) – matters affecting the security of Council property.

Should Councillors wish to discuss the content of the attachment it would be appropriate that Council resolves to consider the matter in-camera.

Executive summary

Purpose and background

As part of Council’s approach to systematically reviewing the services it provides, a formal Service Review of the Information Services Department has been undertaken. The purpose of this report is to consider the report and recommendations produced as a result of the review.

The Information Services Department covers the following areas:

- Records management
- Business System support
- Geographic Information systems
- Business Transformation Projects
- Online services.

The Information Services Service delivers public value by:

- Enabling other departments to plan and deliver services that meet community needs
- Providing the Bayside Community with easy access to information and services
- Giving the community confidence that decisions are well informed and customers’ personal information is secure.

Key issues

- The review found that the service is currently performing well but has some key challenges on the horizon which it is not currently set up to meet.

- The current level of internal customer satisfaction with the services provided is around 80% which is a very strong result. The service has delivered a 53% increase in the number of IT related projects and a 65% increase in the number of devices supported over the last four years with no additional resources provided to meet this demand. The comparable costs of IT services is less in dollar terms in 2017/18 than it was four years ago.
• The key issues identified in the report and the related recommendations are as follows:

1. Better alignment between IS resource allocation and organisational priorities is required

   **Recommendations:**
   1.1 Establish a governance structure that:
   • defines accountability, roles and decision making authority
   • directs priorities for investment in technology and resources to where it is most needed to achieve business goals
   • ensures systems are integrated and conform to required technology, security and accessibility standards
   • coordinates the work of service areas, IT and digital teams to deliver an excellent, seamless customer experience.

   1.2 Develop a roadmap of online services that aligns with organisational priorities and coordinates the efforts of Information Services and Customer Experience (Digital) teams.

2. The number and complexity of IT improvement projects has increased substantially but project management resources have not grown at all.

   **Recommendation:**
   2.1 Review the level of project management resources required to deliver the expected level of IT projects over the next 4 years and identify a funding approach to ensure that the projects can be delivered effectively.

3. Responsibility for maintaining data has been decentralised across the organisation resulting in inconsistent approaches and inaccurate data. There is a significant opportunity to improve how data is generated, shared and managed to ensure information is reliable and available to inform decision-making.

   **Recommendations:**
   3.1 Use the 2 year fixed term data management position approved in the 2017/18 Budget to map and clean up existing customer datasets.

   3.2 Develop an approach to maintaining data on an ongoing basis by including central oversight of data quality and setting and enforcing standards to ensure the ongoing accuracy and consistency of data.

   3.3 Identify a priority list of datasets to be developed overtime that aligns with organisational priorities to be endorsed by the Executive Team.

   3.4 Improve cross organisational capability for using and analysing data for policy development and targeted service delivery (Refer to leadership capability and training needs analysis projects under development).

4. Security is an emerging threat posing a high risk to reputation if data or systems are compromised. A new regulatory framework has been introduced to protect against the increased risk of attack which increases the burden of compliance. A recent VAGO audit has identified a number of areas in which Council’s approach is needs attention.
Recommendations:

4.1 Develop and implement a security management action plan that identifies actions to better manage security risks to Council’s people, information and assets.

4.2 Implement a managed security service in key areas that will reduce Council’s risks of security breaches and incidents. This is estimated to cost $80,000 - $120,000 per annum.

5. The current level of staff satisfaction with the services provided by the Information Services team is high. Opportunities to continue to improve need to be identified and addressed.

Recommendation:

5.1 Continue benchmarking and assessing the suitability and value for money of outsourcing services where specialist skills and new services are required. For example, utilising managed security services and using cloud based solutions for software and hardware.

5.2 Proactively seek and assess opportunities for leveraging shared services. For example, group procurement opportunities and partnering with other Councils/organisations to share the costs and resources in the delivery of certain services.

5.3 Identify, map and improve high value processes including IT business case development and on boarding of new staff.

6. Further analysis of the suitability of some of Council’s core IT systems should be undertaken.

Recommendations:

6.1 Review the suitability of the enterprise systems, such as Authority and TRIM for supporting future business needs and explore options for investment or replacement (Refer to the review of the ICT Strategic Plan 2013-2016).

6.2 Include integration with enterprise systems, the website and corporate intranet as core criteria in all future procurement processes.

7. The looming challenges to this service area will require a different mix of skills and capabilities.

Recommendations:

7.1 Undertake a skills gap analysis using an industry framework (Skills Framework for the Information Age) to ensure optimal capability.

7.2 Define roles and responsibilities required to meet the needs of the organisation, and review position descriptions and department structure to clearly define relationships and responsibilities for service outcomes, skills required and expectations.

7.3 Establish a business partner support model for the purposes of engaging other business areas, understanding business needs, connecting business units with Information Services, assisting to identify opportunities for technology to support improvements in service and efficiency, and identifying data needs to inform decision making.

7.4 Develop a structured training program in using corporate systems that is targeted to meet the different needs and learning preferences of users including different modes of training.
7.5 Increase the focus on employee experience in the selection and design of corporate systems to drive digital uptake and support self-discovery and learning.

7.6 Develop capability across the organisation to identify opportunities for technology to support service and efficiency improvements. (Refer to leadership capability and training needs analysis projects under development).

The attached report sets out the key findings and recommendations identified during the review.

**Recommendation**

That Council notes the recommendations as outlined in the attached report in relation to the Information Services review.

**Support Attachments**

1. Information Services Service Review - Report and Recommendations (separately enclosed)

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**Considerations and implications of recommendation**

**Liveable community**

**Social**

The services delivered by the Information Services Department and the Library IT services support the delivery of all of Council’s services and have a significant indirect impact on community outcomes.

The recommendations contained in the Review report seek to strengthen the ability of the organisation to deliver improved services through the use of technology.

**Natural Environment**

There are no relevant matters in this report.

**Built Environment**

There are no relevant matters in this report.

**Customer Service and Community Engagement**

The increased use of technology will be critical to improving Council’s ability to meet customer service expectations and this is a key focus area of the review.

**Human Rights**

There are no Human Rights considerations associated with this report.
Legal
There are no legal considerations associated with this report.

Finance
There are a number of financial pressures identified in the review report that will need to be considered in future budgets. The report also identifies areas where the use of technology can help drive efficiencies and service improvements.

Links to Council policy and strategy
This report directly links to and is consistent with Council’s Customer Focus Strategy.
Executive summary

Purpose and background
The purpose of this report is to recommend the appointment of a contractor to undertake the Tjilatjirrin (Spring Street) Reserve, East Oval Reconstruction under the Contract CON/17/62.

Attachment 1 shows the oval layout at this reserve off Spring Street.

The east oval is one of three ovals in this reserve and is utilised for soccer, baseball and softball. There are currently a number of issues associated with this oval which make it extremely difficult to produce and maintain a satisfactory playing surface. These include poor topsoil, inadequate subsoil drainage and poor surface shape.

This contract involves the reconstruction of the oval surface area of approximately 14,000 square metres including drainage, irrigation and turf.

This Request for Tender was undertaken in accordance with the Bayside City Council’s Quotation and Tendering Procedure and section 186 of the Local Government Act 1989. The result of the analysis can be found in Confidential Attachment 2 - Evaluation Matrix.

Key issues
A public tender was advertised and closed on Wednesday 9 August 2017 with the following submissions:

- Evergreen Turf Group Pty Ltd
- Hendriksen Contractors Pty Ltd
- Hume Turf and Machinery Pty Ltd
- Joslyn Group Pty Ltd
- McMahons Pty Ltd
- SJM Group Pty Ltd
- Turfcare & Hire Pty Ltd

From the initial evaluation, Evergreen Turf Group Pty Ltd (Evergreen Turf) were shortlisted and invited for interview. A number of clarifications on items were requested prior to the interviews.

At interview, Evergreen Turf demonstrated a high degree of experience in this area and a detailed understanding of the project. They are committed to complete the work within the specified timeframe.

As shown in Confidential Attachment 2 – Evaluation Matrix, the tender evaluation panel concluded that Evergreen Turf offer the best value for money and recommends that the contract be awarded to Evergreen Turf.
Recommendation
That Council:

1. Awards contract CON/17/62 Tjilatjirrin (Spring Street) Reserve, East Oval Reconstruction to Evergreen Turf Group Pty Ltd for the lump sum price of $784,796.34 (excl. GST) and $863,275.97 (incl GST);

2. Authorises the Chief Executive Officer to sign all necessary documentation related to CON/17/62 Tjilatjirrin (Spring Street) Reserve, East Oval Reconstruction; and

3. Advises the unsuccessful tenderers accordingly.

Support Attachments
1. Attachment 1 - CON/17/62 Tjilatjirrin Reserve Site layout plan
2. Confidential Attachment 2 - CON/17/62 Tjilatjirrin Reserve Tender Evaluation Matrix (separately enclosed)

Considerations and implications of recommendation

Liveable community

Social
These works are aimed at improving playability of the sportgrounds for all users. Key users of Tjilatjirrin (Spring Street) Reserve East Oval in the winter period for when usage is at its highest are Sandringham Soccer Club, who have over 63 teams allocated to use this area.

In the summer months, Spring Street Reserve sportground is utilised by the Sandringham Baseball Club for junior training and competition use. This caters to approximately 300 playing members of the club.

Natural Environment
The works under this contract include the protection of existing vegetation. The works also include the use of drought tolerant turf to minimise future water use.

Built Environment
The work under this contract will enhance and improve the overall sportground surfaces by improving useability in all weather conditions.

Customer Service and Community Engagement
Together with the contractor, Council will provide further advice prior to commencement of the work and will maintain contact with key stakeholders during the construction period.

The works have been planned in consultation with the relevant sporting clubs.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.
Legal
This Request for Tender was undertaken in accordance with the Bayside City Council’s Quotation and Tendering Procedure and section 186 of the Local Government Act 1989.

Finance
The Capital Works Budget for 2017/18 has an allocation of $1,034,155 (ex GST) for this project. The following table summarises the project budget. Note prices are excluding GST.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract cost</td>
<td>$784,796.34</td>
</tr>
<tr>
<td>Consultant and project management costs (Estimated)</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>Contingencies</td>
<td>$100,000.00</td>
</tr>
<tr>
<td><strong>Project Cost (ex GST)</strong></td>
<td><strong>$924,796.34</strong></td>
</tr>
</tbody>
</table>

The allocated budget of $1,034,155 (ex GST) for these works is sufficient to complete the project. Any savings in budget will be used to offset any projects within the capital program that are over budget.

Links to Council policy and strategy
This project is consistent with the 2017/2021 Council Plan as identified under Goal 4: Open Space – Strategy: Protect and ensure the quality of our open space including beaches and foreshore.

Options considered
Not applicable to this report.
Executive summary

Purpose and background

The purpose of this report is for Council to consider and adopt the draft Annual Report on Operations for the financial year 2016/17, and the Performance Statement for the year ending 30 June 2017, including the Governance and Management Checklist.

Section 131 of the Local Government Act 1989 requires each local government to prepare an annual report. The front section of the annual report, known as the Annual Report on Operations complements the financial statements, the standard statements, and the performance statement and provides the community with an overview of activities undertaken during the year with particular emphasis on performance against the Council Plan 2013-2017. It also provides information to the community about corporate governance activities, ensuring compliance with statutory reporting requirements. Again this year a critical review of the Annual Report was undertaken to provide a fresh look and also considered the Best Practice Guide for Reports on Operations developed by Local Government Victoria, whilst using the criteria used by the Australasian Reporting Awards in reviewing Annual Reports for their effectiveness in providing high levels of public accountability in reporting.

The Performance Statement for the Year ending 30 June 2017 reports Council's performance against 6 Sustainable Capacity Indicators, 12 Service Performance Indicators and 12 Financial Performance Indicators. The report compares the performance against the 2015 and 2016 results, and will be published on the Know your Council Website in November 2017.

Key issues

This is the final year reporting against Council Plan 2013-2017 and the draft Annual Report reflects performance against the seven goals and provides highlights for the past year. The report is divided into four sections: Overview of Bayside, Performance against Council Plan 2013-2017, Statutory Reporting and Corporate Information, and Performance Statement and Annual Financial Statements. The report signifies an important part of Council’s commitment to open and accountable local government. The report is intended to inform all Council stakeholders, and meets statutory requirements in accordance with the Local Government Act 1989.

It is proposed that Council receives the draft Annual Report on Operations for 2016/2017 (as provided in attachment 1), and that it be submitted together with the Performance Statement and Financial Statements to the Minister for Local Government by 30 September 2017 in accordance with Section 131 of the Local Government Act 1989.
Recommendation
That Council:

1. receives the draft Annual Report on Operations for 2016/2017, as provided in attachment 1 to the report;

2. authorises the Chief Executive Officer to make immaterial editorial changes to the document as needed;

3. submits the Annual Report on Operations 2016/2017 to the Minister for Local Government by 30 September 2017 as required by the Local Government Act 1989;

4. gives public notice that it has received an Annual Report for 2016/2017, and that the report may be viewed by the public at Council’s Corporate Centre, at each of Council’s four branch libraries and on Council’s website;

5. within one month of submitting the Annual Report to the Minister, gives notice and holds a meeting on 17 October 2017 at 6.30pm to consider the Annual Report as required by Section 22 of the Local Government (Planning and Reporting) Regulations 2014;

6. authorises Cr Grinter and Cr Castelli as Audit Committee members to sign the Performance Statement in conjunction with the Chief Executive Officer and Manager Finance; and

7. authorises the Mayor and Chief Executive Officer to sign the Governance and Management Checklist.

Support Attachments
2. Performance Statement 2017 ⇧
3. Governance and Management Checklist 2017 ⇧
Considerations and implications of recommendation

Liveable community

Social
The Annual Report on Operations summarises progress on a range of programs which contribute to the social environment of the Bayside community, through the delivery of activities in line with the goals of the Council Plan 2013-17 and the Wellbeing for All Ages and Abilities Strategy 2013-2017.

Natural Environment
The Annual Report on Operations summarises progress on a range of programs which contribute to the natural environment of the Bayside community, through the delivery of activities in line with Goal 4 ‘a sustainable natural environment’ of the Council Plan 2013-17 and the Environmental Sustainability Framework 2016-2025.

Built Environment
The report summarises progress on a range of programs which contribute to the natural environment of the Bayside community, through the delivery of activities in line with Goal 3 ‘a liveable city’ of the Council Plan 2013-17.

Customer Service and Community Engagement
Public notice will be provided in accordance with Section 134 of the Local Government Act 1989 once Council has received the Annual Report on Operations. The public notice will advise the community that the Annual Report on Operations can be inspected at Council’s Corporate Centre and at each of the Council’s four branch libraries and also on Council’s website.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
In accordance with Section 131 of the Local Government Act 1989, Council is required to receive an Annual Report for each financial year, and submit the Annual Report to the Minister for Local Government by 30 September of each year. The report is also available for inspection by any member of the community and is also available on Council’s website.

Finance
The Annual Report on Operations complements Council’s audited financial statements, standard statements and performance statements. The financial statements are part of a separate Council report and will be submitted to the Minister and made available to the community.
Bayside City Council
Performance Statement
For the year ended 30 June 2017
Performance Statement
For the year ended 30 June 2017

Description of municipality
Bayside City Council (the Council) is situated on the coastline of Port Phillip Bay and has an estimated residential population of 102,882, which has been steadily increasing for over a decade. The City of Bayside covers an area of 37 square kilometres, with its northern boundary eight kilometres from Melbourne’s central business district. The coastline of Port Phillip forms the western boundary of Bayside, while the Nepean Highway and the Melbourne to Frankston railway line form most of the eastern boundary.

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

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

Bayside’s coastline stretches for 17 kilometres from Head Street, Brighton, in the north to Charman Road, Beaumaris, in the south. It features many attractions such as Ricketts Point Marine Sanctuary, the Artists’ Walking Trail, Red Bluff Cliffs, the bathing boxes at Dendy Street beach and Middle Brighton Sea Baths.
### Sustainable Capacity Indicators
For the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Indicator/measure</th>
<th>Results</th>
<th>Commentary (as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>$950.82</td>
<td>$942.46</td>
</tr>
<tr>
<td>Expenses per head of municipal population</td>
<td>[Total expenses / Municipal population]</td>
<td></td>
</tr>
<tr>
<td>Infrastructure per head of municipal population</td>
<td>$4,166.50</td>
<td>$4,234.35</td>
</tr>
<tr>
<td>[Value of infrastructure / Municipal population]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population density per length of road</td>
<td>270.13</td>
<td>273.84</td>
</tr>
<tr>
<td>[Municipal population / Kilometres of local roads]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Own-source revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own-source revenue per head of municipal population</td>
<td>$996.12</td>
<td>$1,041.52</td>
</tr>
<tr>
<td>[Own-source revenue / Municipal population]</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Recurrent grants</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurrent grants per head of population</td>
<td>$114.09</td>
<td>$93.53</td>
</tr>
<tr>
<td>[Recurrent grants / Municipal population]</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Council is committed to providing high quality services to the Bayside community in the most efficient way possible. Ongoing savings have been found over the last five years which has reduced the expenses per head of population each year and Bayside is now over 20% below the cost per head of similar Councils.

Bayside has a lower figure on this measure compared to similar Councils. Bayside has outsourced all of the maintenance works and therefore holds very low levels of plant and equipment. The value of Council’s building stock is relatively low as much of it is old and in need of an upgrade. Council has doubled the level of capital spend over the last three years to address this issue.

The population density of Bayside is comparable to other metropolitan councils and reflects the relatively low density nature of these suburbs.

Bayside is relatively low on this indicator as its operating costs are over 20% less than similar Councils. This means it requires less revenue and other comparable councils receive more revenue from car parking fees and fines than Bayside.

Bayside receives relatively low levels of government grants due to its low levels of socio-economic disadvantage. This places pressure on Council rates and charges as the main source of funding for community services and works. The Commonwealth paid 50% of the 2017/18 Financial Assistance Grants funding allocation during 2016/17.
<table>
<thead>
<tr>
<th>Indicator/measure</th>
<th>Results</th>
<th>Commentary (as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disadvantage</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Relative socio-economic disadvantage</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Index of Relative Socio-economic Disadvantage by decile]</td>
<td>10 10 10</td>
<td>The score indicates that, overall, Bayside had a relative lack of disadvantage when compared to most other local government areas in Victoria, and to metropolitan Melbourne. However, Bayside does have scattered pockets or neighbourhoods experiencing very significant disadvantage, which are masked by the affluence across the municipality.</td>
</tr>
</tbody>
</table>

**Definitions**

- "adjusted underlying revenue" means total income other than:
  (a) non-recurring 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
- "flood management" means a raised or unsealed road for which the council is the responsible road authority under the Flood Management Act 2000
- "population" means the resident population estimated by council
- "non-recurring 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 55.0.5.001) of the ABS
- "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 2017

<table>
<thead>
<tr>
<th>Service/indicator/measure</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Commentary (as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aquatic Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilisation of aquatic facilities</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>Council owns two aquatic facilities within the Bayside area: Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths. Both these facilities are operated and managed under private commercial lease agreements. Council is not responsible for the operation or management of the Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths. It is not technically defined as an aquatic facility.</td>
</tr>
<tr>
<td><strong>Animal Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Health and safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Animal management prosecutions</td>
<td>6*</td>
<td>9</td>
<td>22</td>
<td>Council educates the community about responsible pet ownership to minimise breaches of the Domestic Animals Act. Council has successfully prosecuted 22 animal matters this year, the increase from previous years being driven by significantly increased complaints.</td>
</tr>
<tr>
<td><strong>Food Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Health and safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Critical and major non-compliance notifications</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>Council places a high importance on food safety and all critical and major non-compliance outcome notifications are followed up. This measure is now reported on a calendar year and performance is consistent with previous reporting periods.</td>
</tr>
</tbody>
</table>

* This figure has been updated from the 2014/15 Performance Statement to reflect changes to the reporting methodology and allow accurate comparison of results. The 2015 result was originally reported as 7.
**Item 10.13 – Reports by the Organisation**

<table>
<thead>
<tr>
<th>Service/indicator/measure</th>
<th>2015</th>
<th>Results 2016</th>
<th>2017</th>
<th>Commentary (as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction with council decisions</td>
<td>56</td>
<td>56</td>
<td>54</td>
<td>The Victorian Government Community Satisfaction Survey results indicate a reduction compared to the 2016 rating, which is consistent with the State-wide average.</td>
</tr>
<tr>
<td><strong>Home and Community Care (HACC)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Participation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation in HACC service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation in HACC service</td>
<td>44.50%</td>
<td>43.56%</td>
<td>N/A</td>
<td>Reporting on HACC indicators ceased on 1 July 2016 due to the introduction of the Commonwealth Government’s National Disability Insurance Scheme and the Commonwealth Home Support Program.</td>
</tr>
<tr>
<td>Participation in HACC service by CALD people</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation in HACC service by CALD people</td>
<td>37.89%</td>
<td>38.01%</td>
<td>N/A</td>
<td>Reporting on HACC indicators ceased on 1 July 2016 due to the introduction of the Commonwealth Government’s National Disability Insurance Scheme and the Commonwealth Home Support Program.</td>
</tr>
<tr>
<td><strong>Libraries</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active library members</td>
<td>22.10%</td>
<td>23.56%</td>
<td>21.92%</td>
<td>Bayside has high engagement levels with the library service. Active library membership is marginally lower than 2015/16 and is reflective of the slightly lower loans statistics. This does not capture the usage of the service by people studying, using computers, WiFi or attending events.</td>
</tr>
<tr>
<td>Service/indicator/measure</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>Commentary (as appropriate)</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Maternal and Child Health (MCH)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation in the MCH service</td>
<td>81.50%</td>
<td>82.26%</td>
<td>81.31%</td>
<td>The participation rate is consistent with the 2015/16 financial year figure of 82%. Maternal and Child Health nurses are proactive in contacting families who have missed key ages and stages visits.</td>
</tr>
<tr>
<td>Participation in the MCH service by Aboriginal children</td>
<td>89.19%</td>
<td>80.00%</td>
<td>65.52%</td>
<td>The participation rate of 66% is lower than the 2015/16 figure of 80%. There is a small number of known aboriginal families who reside in the Bayside area. Five children did not engage in the service in 2016/17. It is believed two families returned to Queensland. These files have since been closed. Proactive outreach was offered to families who chose to not participate.</td>
</tr>
<tr>
<td>Roads</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction with sealed local roads</td>
<td>67</td>
<td>70</td>
<td>69</td>
<td>Council has seen a slight decrease in community satisfaction which is consistent with the metro and State-wide averages. The result is three points above the average score for metropolitan councils and 16 points above the state-wide average.</td>
</tr>
<tr>
<td>Statutory Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision making</td>
<td>40.91%</td>
<td>44.05%</td>
<td>45.51%</td>
<td>The decision making result area has seen an improvement on the previous year. While the percentage of cases set aside has improved by 2%, in 2016/17, only 57 appeals to VCAT were determined at a Hearing, compared to 84 cases in the previous year. Twenty appeals were withdrawn by the applicant or mediated before a hearing, saving costs and time for the community.</td>
</tr>
<tr>
<td>Service/indicator/measure</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
<td>Commentary (as appropriate)</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Waste collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kerbside collection waste diverted from landfill</td>
<td>50.92%</td>
<td>49.45%</td>
<td>51.01%</td>
<td>A higher overall percentage of kerbside waste being diverted from landfill has resulted from a reduction in total garbage tonnages, while recycling tonnages have remained steady over the same period. Council's 'Don't Feed The Bin' food waste community awareness campaign over the last six months of the financial year has targeted a reduction in the volume of food waste in domestic garbage.</td>
</tr>
</tbody>
</table>

**Definitions**

- An 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 141, 142 and 153 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 1994, that have been declared as class 1 food premises under section 13 of that Act.
- Class 2 food premises means food premises, within the meaning of the Food Act 1994, that have been declared as class 2 food premises under section 13C 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 notifications means a notification received by council under section 19NA3 or (4) of the Food Act 1994, or advice given to council by an authorised 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 1994.
### Financial Performance Indicators

For the year ended 30 June 2017

<table>
<thead>
<tr>
<th>Dimension/indicator/measure</th>
<th>Results</th>
<th>Forecasts</th>
<th>Commentary (as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Efficiency</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average residential rate per property assessment</td>
<td>$1,829.22</td>
<td>$1,928.35</td>
<td>$1,976.61 $2,017.10 $2,064.38 $2,111.88</td>
</tr>
<tr>
<td>[Residential rate revenue / Number of residential property assessments]</td>
<td></td>
<td></td>
<td>To maintain a sound financial position, Council will increase investment in the capital program to ensure asset renewal targets are met, continue to increase repayment of debt, whilst maintaining service levels expected by the community. To achieve this, general rates and the municipal charge for 2016/17 increased by 2.5%, in accordance with the new rate capping framework for 2016/17. The waste charge has decreased by 0.9% for 2016/17 which reflects a 6% increase in waste services offset by a one off carbon tax rebate.</td>
</tr>
<tr>
<td><strong>Expenditure level</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses per property assessment</td>
<td>$2,190.69</td>
<td>$2,204.74</td>
<td>$2,340.94 $2,406.66 $2,463.41 $2,532.91</td>
</tr>
<tr>
<td>[Total expenses / Number of property assessments]</td>
<td></td>
<td></td>
<td>Council has achieved savings in the operating budget which has resulted in a reduction in expenditure per property assessment in 2017. Council is expected to continue to increase investment in the capital program which will increase depreciation expense. Excluding depreciation expense, Council expenses per property assessment are expected to increase modestly in future years. Impacted by the Consumer Price Index on materials and services and the Enterprise Bargaining Agreement on employee costs.</td>
</tr>
<tr>
<td>Dimension/indicator/measure</td>
<td>Results</td>
<td>Forecasts</td>
<td>Commentary (as appropriate)</td>
</tr>
<tr>
<td>----------------------------------------------------------------</td>
<td>-------------------</td>
<td>------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Workforce turnover</strong></td>
<td></td>
<td></td>
<td>The workforce turnover figure has seen a marginal decrease over the past year. As part of Council's responsibilities in relation to providing best value, a number of strategic service reviews are conducted each year to help align Council services to the needs and expectations of the community. The implementation of recommendations from the strategic service reviews resulted in some staff redundancies during both the 2014/15 and 2015/16 periods.</td>
</tr>
<tr>
<td>Resignations and terminations compared to average staff</td>
<td>12.05%</td>
<td>12.72%</td>
<td>11.01% 11.05% 11.05% 11.05% 11.05%</td>
</tr>
<tr>
<td>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liquidity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Working capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets compared to current liabilities</td>
<td>259.03%</td>
<td>298.41%</td>
<td>356.71% 315.18% 298.44% 286.16% 289.83%</td>
</tr>
<tr>
<td>[Current assets / Current liabilities] x100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Unrestricted cash</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted cash compared to current liabilities</td>
<td>158.24%</td>
<td>185.90%</td>
<td>174.26% 132.90% 123.55% 117.08% 121.85%</td>
</tr>
<tr>
<td>[Unrestricted cash / Current liabilities] x100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Obligations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset renewal</td>
<td>84.25%</td>
<td>96.87%</td>
<td>107.46% 144.56% 110.85% 100.50% 81.47%</td>
</tr>
<tr>
<td>Asset renewal compared to depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Asset renewal expenses / Asset depreciation] x100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Item 10.13 – Reports by the Organisation

<table>
<thead>
<tr>
<th>Dimension/Indicator/Measure</th>
<th>Results</th>
<th></th>
<th></th>
<th>Forecasts</th>
<th></th>
<th></th>
<th>Commentary (as appropriate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and borrowings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and borrowings compared to rates</td>
<td>14.58%</td>
<td>8.85%</td>
<td>2.49%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>The accelerated debt reduction strategy will result in Council being debt free in 2018.</td>
</tr>
<tr>
<td>(Interest bearing loans and borrowings / Rate revenue) x 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and borrowings repayments compared to rates</td>
<td>3.92%</td>
<td>5.95%</td>
<td>6.58%</td>
<td>2.58%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>The accelerated debt reduction strategy to be applied over the next two years will see Council being debt free in 2018.</td>
</tr>
<tr>
<td>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indebtedness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current liabilities compared to own source revenue</td>
<td>8.28%</td>
<td>2.95%</td>
<td>0.90%</td>
<td>1.27%</td>
<td>1.44%</td>
<td>1.59%</td>
<td>This declining trend is due to the Council’s accelerated debt reduction strategy which will see $2.1M of debt paid off in 2018.</td>
</tr>
<tr>
<td>(Non-current liabilities / Own source revenue) x 100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating position</td>
<td>Adjusted underlying result</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted underlying surplus (or deficit)</td>
<td>14.69%</td>
<td>17.42%</td>
<td>18.05%</td>
<td>12.32%</td>
<td>11.75%</td>
<td>11.41%</td>
<td>The strong adjusted underlying surplus is required to fund the increase in Council’s capital program over the coming years, as well as the debt reduction strategy which will see debt of $2.1M paid off in 2018.</td>
</tr>
<tr>
<td>(Adjusted underlying surplus (deficit) / Adjusted underlying revenue) x 100</td>
<td></td>
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</tbody>
</table>
### Results vs Forecasts

<table>
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</thead>
<tbody>
<tr>
<td><strong>Stability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates concentration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates compared to adjusted underlying revenue</td>
<td>70.82%</td>
<td>71.51%</td>
<td>70.47%</td>
<td>73.84%</td>
<td>73.90%</td>
<td>74.22%</td>
<td>74.45%</td>
</tr>
<tr>
<td>[Rate revenue / Adjusted underlying revenue] x100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates effort</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates compared to property values</td>
<td>0.17%</td>
<td>0.17%</td>
<td>0.15%</td>
<td>0.15%</td>
<td>0.16%</td>
<td>0.17%</td>
<td>0.17%</td>
</tr>
<tr>
<td>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Commentary (as appropriate):**

- The shifting of costs from Federal and State Governments, by way of freezing operational grants and low or nil increase in statutory fees, means Council will continue to rely heavily on rate income to fund operational services and capital works.
- Council has achieved operational savings to keep rate increases at a modest level.

---

**Definitions:**

- "adjusted underlying revenue" means total income other than:
  - (a) non-recurrent grants used to fund capital expenditure; and
  - (b) non-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 2017

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council’s strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

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

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

Bill Shanahan CPA  
Principal Accounting Officer  
Dated: 19 September 2017

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

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

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

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

Sonia Castelli  
Councillor  
Dated: 19 September 2017

Rob Greiner  
Councillor  
Dated: 19 September 2017

Adrian Robb  
Chief Executive Officer  
Dated: 19 September 2017
Governance and Management Checklist
Year ended 30 June 2017

In accordance with the Local Government Performance Reporting Framework, Bayside undertook a governance and management audit during 2016/17 on the key fundamental documents, plans and policies that assist in delivering good, sound and transparent governance practices within the organisation.

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

<table>
<thead>
<tr>
<th>Governance and Management Items</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Community engagement policy (policy outlining council’s commitment to engaging with the community on matters of public interest)</td>
<td>Policy</td>
</tr>
<tr>
<td>Date of operation of current policy: 20 May 2014</td>
<td>✓</td>
</tr>
<tr>
<td>2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)</td>
<td>Internal guidelines</td>
</tr>
<tr>
<td>Date of operation: 15 May 2015</td>
<td>✓</td>
</tr>
<tr>
<td>3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)</td>
<td>Adopted in accordance with section 126 of the Act</td>
</tr>
<tr>
<td>Date of adoption: 27 June 2017</td>
<td>✓</td>
</tr>
<tr>
<td>Comment: The 2016/17 Strategic Resource Plan was adopted on 27 June 2017</td>
<td></td>
</tr>
<tr>
<td>4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)</td>
<td>Adopted in accordance with section 130 of the Act</td>
</tr>
<tr>
<td>Date of adoption: 27 June 2017</td>
<td>✓</td>
</tr>
<tr>
<td>5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)</td>
<td>Plans</td>
</tr>
<tr>
<td>Date of operation of current plans:</td>
<td>✓</td>
</tr>
<tr>
<td>Drainage Asset Management Plan – 25 August 2015</td>
<td></td>
</tr>
<tr>
<td>Road Asset Management Plan – 21 June 2016</td>
<td></td>
</tr>
<tr>
<td>Recreation and Open Space Asset Management Plan – 21 June 2016</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| 6    | Rating strategy (strategy setting out the rating structure of Council to levy rates and charges) | Strategy  
Date of operation of current strategy: 21 June 2016 |
| 7    | Risk policy (policy outlining Council’s commitment and approach to minimising the risks to Council's operations) | Policy  
Date of operation of current policy: 21 June 2016 |
| 8    | Fraud policy (policy outlining council’s commitment and approach to minimising the risk of fraud) | Policy  
Date of operation of current policy: 24 June 2014 |
| 9    | Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery) | Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986  
Date of preparation: 27 November 2014 |
| 10   | Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works) | Prepared and approved in accordance with section 186A of the Local Government Act 1989  
Date of approval: 27 June 2017 |
| 11   | Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster) | Plan  
Date of operation of current plan: 18 July 2016 |
| 12   | Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster) | Plan  
Date of operation of current plan: 18 July 2016 |
| 13   | Risk management framework (framework outlining council’s approach to managing risks to the Council’s operations) | Framework  
Date of operation of current framework: 28 January 2012 |
| 14   | Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council’s financial reporting, processes to manage risks to the council’s operations and for compliance with applicable legal, ethical, and regulatory requirements) | Established in accordance with section 139 of the Act  
Date of establishment: 13 September 2011 |
<table>
<thead>
<tr>
<th>Item</th>
<th>Governance and Management Items</th>
<th>Assessment</th>
</tr>
</thead>
</table>
| 15   | Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council’s governance, risk and management controls) | Engaged  
Date of Report: 24 June 2014 |
| 16   | Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act) | Framework  
Date of operation of current framework: 10 February 2014 |
| 17   | Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year) | Report  
Date of report: 28 February 2017 |
| 18   | Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure) | Statements presented to council in accordance with section 138(1) of the Act  
Date statements presented: 13 September 2016, 29 November 2016, 27 February 2017, and 23 May 2017 |
| 19   | Risk reporting (six-monthly reports of strategic risks to council’s operations, their likelihood and consequences of occurring and risk minimisation strategies) | Reports  
Date of reports: 28 March 2017, 27 June 2017 |
| 20   | Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act) | Reports  
Date of reports: 13 September 2016 and 28 February 2017  
Comments: The reports were the Annual Report on Operations 2015/16 and the Quarter 2 Performance Report 2016/17 |
| 21   | Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements) | Considered at a meeting of council in accordance with section 134 of the Act  
Date statements presented: 18 October 2016 |
<table>
<thead>
<tr>
<th>Item</th>
<th>Governance and Management Items</th>
<th>Assessment</th>
</tr>
</thead>
</table>
| 22   | Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors) | Reviewed in accordance with section 76C of the Act  
Date reviewed: 14 February 2017 |
| 23   | Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff) | Reviewed in accordance with section 98(6) of the Act  
Date of review: 29 March 2014 |
| 24   | Meeting procedures (a local law governing the conduct of meetings of council and special committees) | Meeting procedures local law made in accordance with section 91(1) of the Act  
Date local law made: 28 November 2013 |

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

Adrian Robb  
Chief Executive Officer  
Dated: 19 September 2017

Cr Alex del Porto  
Mayor  
Dated: 19 September 2017
Executive summary

Purpose and background
The audited financial statements are submitted to Council in order to comply with the provisions of Section 131 of the Local Government Act (1989) for the submission of the Annual Report to the Minister for Local Government by 30 September 2017.

The Financial Report for the financial year ended 30 June 2017 has been audited by the Victorian Auditor General's Office (VAGO). The Audit Committee at its meeting on Wednesday 6th September 2017 endorsed the statements which are now recommended to Council for formal approval. A copy of the statements accompanies this report.

Background
The Local Government Act 1989 (Section 131) governs the preparation of a Council’s annual report and its presentation to the Minister for Local Government and the community.

The Local Government (Finance and Reporting) Regulations 2014 stipulates that the Financial Statements be certified in the prescribed manner by the Chief Executive Officer, the Principal Accounting Officer and two Councillors.

Under the regulation, the Financial Report must be prepared in accordance with the Local Government Model Financial Report.

Council cannot submit the Financial Report to VAGO or the Minister for Local Government unless Council has passed a resolution giving “in principle” approval to the Financial Report and authorising two Councillors, on behalf of the Council, to certify the Financial Report once amendments or changes requested by VAGO have been affected.

Analysis of results
The Financial Report includes the following key highlights:

**Income and Expenditure** – Council achieved an operating surplus of $30.9M for the year which was $4.2M greater than the previous year’s surplus and $8.6M favourable to the 2016/17 budget. This surplus is used to partly fund the Capital Works Program and repay long term debt in line with the Long Term Financial Plan.

Revenue exceeded budget by $5.7M predominantly due to one off unbudgeted revenue items.

- $1.5M Resort and recreation levy income was favorable to budget reflecting an increase in building development. These funds are quarantined in a statutory reserve to be made available for future open space enhancement.
- $1.3M operating grants received in advance from the Victorian Grants Commission representing 50% of the 2017/18 funding.
- $791k Interest revenue from term deposits due to favorable operating and capital cash position. Cash & Investments as at 30 June 2017 includes $14.76M of unspent capital funding for budgeted projects carried forward to 2017/18 as well as $5.9M for grant funding received in 2016/17 for services and projects to be delivered in 2017/18.
• $732k Statutory planning fees reflecting an increase in the number of applications lodged and increases in the value of State fees from 13 October 2016.
• $663k parking fines favourable to budget reflecting an increase in patrol area hotspots.

Expenditure $2.9M favourable to budget as a result of a number of saving initiatives achieved during the year including:

• Savings in open space contracts with lower contract CPI increases than predicted, road traffic management maintenance being lower than anticipated, contracts subject to a favourable fall in fuel prices, and reduced tipping fees due to a change in landfill site from April 2017.
• Continued savings resulted from more efficient public lighting installed in 2015/16 and reduced water costs from higher rainfall in open spaces.
• Reduction in insurance premiums due to favourable tender results.
• Savings in Fleet due to a reduction in the number of vehicles.
• Reduced expenditure in administrative categories including training, printing and consultancy.
• Depreciation and amortisation was $1.5M favourable to budget due the delay in completion for a number of key projects carried forward to 2017/18.
• Net loss on disposal of property plant and equipment $1.4M due to the write-off of the written down value of roads, drainage, and pavilions replaced during the year through the capital program.

Balance Sheet – Cash and Investments increased by $44.1M compared to budget due to:

• $17.9M greater opening cash balance than budgeted. Includes proceeds from the sale of the Sandringham child care centre and favourable to budget 2015/16 operating and capital results transferred to reserves.
• $8.6M favourable operating results predominantly driven by the increase in the resort and recreation levy income, other one off unbudgeted revenue items and the implementation of expenditure savings initiatives.
• $15.3M savings against the capital budget predominantly due to the carry forward to 2017/18 of a number of significant projects (including Banksia Reserve pavilion, Dendy St Beach pavilion and the Elsternwick Park No 1 Oval Precinct).

Of the increase of $44.1M, $33.8M relates to an increase in restricted, committed and allocated funds. These cash reserves will be drawn down in future years to fund capital projects identified in the 4 year capital program and long term financial plan.

Revaluation of Property, Plant and Equipment, Infrastructure

In accordance with Australian Accounting Standards AASB116 Property Plant & Equipment and AASB13 Fair Value Measurement, Council undertook an assessment of the fair value of Property and Infrastructure assets as at 30 June 2017.

The assessment confirmed that the indices used to measure the movement in each of the asset classes subject to valuation was greater than 10% and as a result a full revaluation was conducted.
Infrastructure

Council's City Assets and Projects department conducted a full revaluation of Infrastructure assets in May 2017 which included Roads, Footpaths, Drains, Bridges, Traffic Management and Signage. The 2017 revaluation resulted in an increase of $38.1M for Infrastructure assets.

Road assets

The revaluation resulted in a $2.9M, 2.3% reduction in the value of the Roads Infrastructure.

- The unit rates applied to the roads, footpaths, kerb and channel and lanes network were determined almost exclusively from Rawlinson’s Australian Construction Handbook Edition 35 (2017) for the 2017 revaluation. This was a departure from the methodology used in the 2014 revaluation which used a combination of Rawlinson’s and Bayside contract rates applicable to the renewal program. Rawlinson’s Australian Construction Handbook is an industry standard guide which includes pricing information on civil infrastructure assets and is updated annually. Determining unit rates using this resource and methodology as opposed to contract rates applied to the annual renewal of a small proportion of the network provides a highly repeatable, accurate, and consistent approach to the revaluation methodology for the whole network. The change in methodology resulted in a $5.9M reduction in the value of Roads.

- The revaluation of Road Management assets in 2017 resulted in a $1.06M reduction in their value. The design costs (10%) previously included in the 2014 valuation were excluded from the 2017 valuation. Off the shelf traffic management solutions require little design work and the design cost associated with the replacement of the road network is included in the valuation of the roads infrastructure above.

- The written down value of Traffic Management assets increased by $4.1M due to the inclusion for the first time of 22 traffic signals as part of the valuation process in 2017. Council owns and is responsible for 22 traffic signals, which are maintained on its behalf by VicRoads. The impact of including these assets in the asset register for the first time was an increase of $4.1M to Traffic Management assets. These assets were brought to account through retained earnings during 2016/17.

Drainage assets

Significant movements were found during the 2017 revaluation exercise with a $38.8M, 82% increase in the written down value of drainage assets.

The significant increase is due to a refined methodology in the revaluation of drainage assets. The updated methodology recognises that there is a wide variety of drainage asset configurations within Bayside, and assigns each a value that is consistent with its age, and physical and environmental characteristics. Also for each asset type four different unit rates were provided which reflected the non-linear increase in excavation costs at greater depths. In the previous revaluation exercise in 2014, all drainage assets regardless of material, size, and depth, were assigned the unit rate of a reinforced-concrete pipe or concrete pit which could provide a similar capacity with a uniform rate applied to excavation.

Due to the refined methodology and significant increase in input data (unit rates), far less approximation of assets was required, which greatly affected the replacement cost and written down value of the drainage network since 2014.
Land & Buildings

Matheson Stephen Valuations Australia Pty Ltd (MSV) conducted an indices based assessment of Land & Buildings in April 2017 to determine if a valuation was required for the year ended 30 June 2017.

Buildings

MSV was engaged by Council to conduct a revaluation of Buildings in accordance to Council policy to perform a revaluation when the indices assessment indicates asset values have increased between 5% and 10%. The indices assessment and valuation of Buildings since the last valuation in June 2014 confirmed a cumulative movement of 6.8% in the average replacement cost. This is generally in accord with the 2017 Rawlinson Building Construction Cost Guide together with the actual construction cost provided by Council. The revaluation resulted in a valuation increase of $5.3M in asset values for the Building class.

Land

Matheson Stephen Valuations (MSV) were engaged to conduct an indices assessment of movement in land value across the municipality since the last valuation in June 2016. MSV advised the indicative average increase for each suburb with the average across the municipality being 17% in the last 12 months.

As the indicative assessment indicated an increase greater than 10%, MSV was engaged to conduct a full revaluation of Land. The valuation was conducted by MSV on the 30th April 2017 and resulted in a revaluation increment of $328.4 million, 17%.

Land under roads

The methodology for valuing land under roads is based on Council’s Municipal Site Value which was completed for rate revaluation purposes in March 2016. The average rate per square meter has been discounted by 95% to account for its undeveloped state, limits to rights of access and infrastructure easements. The discounted rate has been indexed by 17% which has resulted in a revaluation increment of $98.8 million.

Material changes to Australian Accounting Standards and Accounting policies

There are no material changes to Australian Accounting Standards and Accounting policies coming into effect for Council in the 2016/17 financial year.
AASB 124 Related Party disclosures
Local Government Victoria issued guidance material during 2016/17 for the consistent application of AASB 124 by Local Government organisations from 1 July 2016. While Local Government entities have been required to make related party disclosures in the past, the application of the standard to the sector for the first time provides an opportunity to ensure consistent reporting across the sector.

The application of AASB 124 requires the organisation to disclose related party relationships, transactions, and outstanding balances in the financial report. Related parties include the Key Management Personal (Mayor, Councillors, CEO and the Executive Team), their close family members and any entities they control or jointly control. In order to satisfy the new reporting requirements, each of the KMP were required to complete a declaration identifying their related parties and any transactions with Council during the 2016/17 year.

Recommendation
That Council:

1. receives and notes the Financial Report for the financial year ended 30 June 2017;

2. authorises the Manager Finance to make immaterial adjustments to the Financial Statements if requested by the Victorian Auditor General’s Office. If material adjustments are requested, the Manager Finance is authorised to make such adjustments and advise Council and the Audit Committee of the effect of these adjustments; and

3. resolves to give “in principle” approval of the Financial Report for the financial year ended 30 June 2017, and authorises Councillors Rob Grinter and Sonia Castelli, who are members of the Audit Committee, to certify the statements on behalf of Council and submit these to the Minister for Local Government.

Support Attachments
1. 2016-17 Annual Financial Statements ↓
Considerations and implications of recommendation

Liveable community

Social
There are no social impacts associated with this report.

Natural Environment
There are no natural environmental impacts associated with this report.

Built Environment
There are no built environmental impacts associated with this report.

Customer Service and Community Engagement
There are no impacts to customer service. No community engagement has been undertaken in preparing this report.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon, the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2006.

Legal
The audited financial statements are submitted to Council in order to comply with the provisions of Section 131 of the Local Government Act (1989) for the submission of the Annual Report to the Minister for Local Government by 30 September 2017.

Finance
The year-end operating result is a surplus of $30.9M which is $8.6M favourable to budget.

The capital expenditure result is $15.3M favourable to budget.

Links to Council policy and strategy
The presentation of the annual financial statements align with Goal 8 Governance in the Council Plan 2017-2020. We want an organisation that is financially stable and with decision making that is open, transparent, and informed by the community.
BAYSIDE CITY COUNCIL
ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2017
Bayside City Council
Financial Report
Table of Contents

<table>
<thead>
<tr>
<th>FINANCIAL REPORT</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Statements</td>
<td></td>
</tr>
<tr>
<td>Comprehensive Income Statement</td>
<td>3</td>
</tr>
<tr>
<td>Balance Sheet</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Changes in Equity</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>6</td>
</tr>
<tr>
<td>Statement of Capital Works</td>
<td>7</td>
</tr>
</tbody>
</table>

| Notes to Financial Statements |      |
| Introduction | 8    |
| Note 1 Significant accounting policies | 8    |
| Note 2 Budget comparision | 16   |
| Note 3 Rates and charges | 20   |
| Note 4 Statutory fees and fines | 20   |
| Note 5 User fees | 20   |
| Note 6 Grants | 21   |
| Note 7 Contributions | 22   |
| Note 8 Net gain / (loss) on disposal of property, infrastructure, plant and equipment | 22   |
| Note 9 Rental income | 22   |
| Note 10 Interest income | 23   |
| Note 11 Other income | 23   |
| Note 12 Employee costs | 23   |
| Note 13 Materials and services | 24   |
| Note 14 Bad and doubtful debts | 24   |
| Note 15 Depreciation and amortisation | 24   |
| Note 16 Other expenses | 24   |
| Note 17 Cash and cash equivalents | 25   |
| Note 18 Other financial assets | 25   |
| Note 19 Trade and other receivables | 25   |
| Note 20 Inventories | 26   |
| Note 21 Other assets | 26   |
| Note 22 Property, infrastructure, plant and equipment | 27   |
| Note 23 Intangible assets | 33   |
| Note 24 Trade and other payables | 33   |
| Note 25 Trust funds and deposits | 33   |
| Note 26 Provisions | 34   |
| Note 27 Interest bearing loans and borrowings | 35   |
| Note 28 Reserves | 36   |
| Note 29 Reconciliation of cash flows from operating activities to surplus | 39   |
| Note 30 Financing Arrangements | 39   |
| Note 31 Restrictions on Cash Assets | 39   |
| Note 32 Commitments | 40   |
| Note 33 Operating leases | 41   |
| Note 34 Superannuation | 41   |
| Note 35 Contingent liabilities and contingent assets | 44   |
| Note 36 Financial instruments | 45   |
| Note 37 Related party disclosures | 47   |
| Note 38 Senior Officers Remuneration | 48   |
| Note 39 Events occurring after balance date | 48   |

Certification of the Financial Report | 49
## Comprehensive Income Statement
For the Year Ended 30 June 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates and charges</td>
<td>3</td>
<td>85,518</td>
</tr>
<tr>
<td>Statutory fees and fines</td>
<td>4</td>
<td>6,361</td>
</tr>
<tr>
<td>Use fees</td>
<td>5</td>
<td>8,353</td>
</tr>
<tr>
<td>Grants – operating</td>
<td>6</td>
<td>12,126</td>
</tr>
<tr>
<td>Grants – capital</td>
<td>6</td>
<td>4,003</td>
</tr>
<tr>
<td>Contributions - monetary</td>
<td>7</td>
<td>3,018</td>
</tr>
<tr>
<td>Net gain on disposal of property, infrastructure, plant and equipment</td>
<td>8</td>
<td>–</td>
</tr>
<tr>
<td>Rental income</td>
<td>9</td>
<td>4,667</td>
</tr>
<tr>
<td>Interest Income</td>
<td>10</td>
<td>2,707</td>
</tr>
<tr>
<td>Other income</td>
<td>11</td>
<td>1,299</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td><strong>129,142</strong></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>12</td>
<td>(30,593)</td>
</tr>
<tr>
<td>Materials and services</td>
<td>13</td>
<td>(41,817)</td>
</tr>
<tr>
<td>Bad and doubtful debts</td>
<td>14</td>
<td>310</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>15</td>
<td>(14,534)</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(415)</td>
<td>(760)</td>
</tr>
<tr>
<td>Net Loss on disposal of property, infrastructure, plant and equipment</td>
<td>8</td>
<td>(1,377)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>16</td>
<td>(302)</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td>(86,228)</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td></td>
<td>35,914</td>
</tr>
</tbody>
</table>

Other comprehensive income

Items that will not be reclassified to surplus or deficit in future periods

| 2(b)(a) | 499,443 | 329,593 |
| Total comprehensive result | 497,347 | 347,342 |

The above income statement should be read in conjunction with the accompanying notes.
### Balance Sheet
**As at 30 June 2017**

<table>
<thead>
<tr>
<th>Note</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>17</td>
<td>9,385</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>19</td>
<td>9,908</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>18</td>
<td>80,026</td>
</tr>
<tr>
<td>Inventories</td>
<td>20</td>
<td>108</td>
</tr>
<tr>
<td>Other assets</td>
<td>21</td>
<td>1,354</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>96,042</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>19</td>
<td>167</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>18</td>
<td>230</td>
</tr>
<tr>
<td>Property, infrastructure, plant and equipment</td>
<td>22</td>
<td>3,369,794</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>23</td>
<td>2,881</td>
</tr>
<tr>
<td>Other assets</td>
<td>21</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>3,372,827</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>3,468,769</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>24</td>
<td>12,688</td>
</tr>
<tr>
<td>Trust funds and deposits</td>
<td>25</td>
<td>4,474</td>
</tr>
<tr>
<td>Provisions</td>
<td>26</td>
<td>6,272</td>
</tr>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>27</td>
<td>2,176</td>
</tr>
<tr>
<td>Income in advance</td>
<td>28</td>
<td>410</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>27,999</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>26</td>
<td>980</td>
</tr>
<tr>
<td>Interest-bearing loans and borrowings</td>
<td>27</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>980</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>28,979</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>3,443,790</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated surplus</td>
<td>28</td>
<td>844,778</td>
</tr>
<tr>
<td>Reserves</td>
<td>29</td>
<td>2,580,031</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>3,443,799</td>
</tr>
</tbody>
</table>

The above balance sheet should be read in conjunction with the accompanying notes.
### Bayside City Council

#### 2016/2017 Financial Report

#### Statement of Changes in Equity

For the Year Ended 30 June 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 Total $'000</th>
<th>Accumulated Surplus $'000</th>
<th>Revaluation Reserve $'000</th>
<th>Other Reserve $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the financial year</td>
<td>2,942,346</td>
<td>828,466</td>
<td>2,079,078</td>
<td>35,802</td>
</tr>
<tr>
<td>Recognition of found assets</td>
<td>22</td>
<td>4,096</td>
<td>4,096</td>
<td>-</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>50,014</td>
<td>30,514</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net asset revaluation increment</td>
<td>28(a)</td>
<td>466,443</td>
<td>-</td>
<td>466,443</td>
</tr>
<tr>
<td>Transfers to other reserves</td>
<td>28(b)</td>
<td>-</td>
<td>(27,419)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from other reserves</td>
<td>28(b)</td>
<td>-</td>
<td>8,721</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the financial year</td>
<td>3,443,799</td>
<td>844,776</td>
<td>2,544,521</td>
<td>54,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note</th>
<th>2016 Total $'000</th>
<th>Accumulated Surplus $'000</th>
<th>Revaluation Reserve $'000</th>
<th>Other Reserve $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the financial year</td>
<td>2,585,604</td>
<td>814,356</td>
<td>1,757,488</td>
<td>23,160</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>26,749</td>
<td>26,749</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net asset revaluation increment</td>
<td>28(a)</td>
<td>329,563</td>
<td>-</td>
<td>329,563</td>
</tr>
<tr>
<td>Transfers to other reserves</td>
<td>28(b)</td>
<td>-</td>
<td>(17,976)</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from other reserves</td>
<td>28(b)</td>
<td>-</td>
<td>5,334</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of the financial year</td>
<td>2,942,346</td>
<td>828,466</td>
<td>2,079,078</td>
<td>35,802</td>
</tr>
</tbody>
</table>

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 2017

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2017 Inflows/Outflows ($'000)</th>
<th>2016 Inflows/Outflows ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates and charges</td>
<td>85,358</td>
<td>82,802</td>
</tr>
<tr>
<td>Statutory fees and fines</td>
<td>6,399</td>
<td>6,243</td>
</tr>
<tr>
<td>User fees</td>
<td>7,074</td>
<td>7,561</td>
</tr>
<tr>
<td>Rental income</td>
<td>4,097</td>
<td>4,010</td>
</tr>
<tr>
<td>Grants - operating</td>
<td>12,192</td>
<td>9,370</td>
</tr>
<tr>
<td>Grants - capital</td>
<td>4,903</td>
<td>2,118</td>
</tr>
<tr>
<td>Contributions - monetary</td>
<td>3,818</td>
<td>5,302</td>
</tr>
<tr>
<td>Interest received</td>
<td>2,354</td>
<td>2,177</td>
</tr>
<tr>
<td>Trust funds and deposits taken</td>
<td>2,938</td>
<td>1,733</td>
</tr>
<tr>
<td>Other receipts</td>
<td>1,221</td>
<td>2,702</td>
</tr>
<tr>
<td>Net (GST refund)</td>
<td>5,756</td>
<td>4,851</td>
</tr>
<tr>
<td>Employee costs</td>
<td>(38,910)</td>
<td>(36,350)</td>
</tr>
<tr>
<td>Materials and services</td>
<td>(49,691)</td>
<td>(45,820)</td>
</tr>
<tr>
<td>Trust funds and deposits repaid</td>
<td>(2,350)</td>
<td>(229)</td>
</tr>
<tr>
<td>Other payments</td>
<td>(382)</td>
<td>(408)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td><strong>47,372</strong></td>
<td><strong>43,276</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>2017 Inflows/Outflows ($'000)</th>
<th>2016 Inflows/Outflows ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for property, infrastructure, plant and equipment</td>
<td>(27,516)</td>
<td>(23,343)</td>
</tr>
<tr>
<td>Proceeds from sale of property, infrastructure, plant and equipment</td>
<td>-</td>
<td>3,425</td>
</tr>
<tr>
<td>Payments for investments</td>
<td>(19,028)</td>
<td>(17,000)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td><strong>(46,542)</strong></td>
<td><strong>(36,913)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>2017 Inflows/Outflows ($'000)</th>
<th>2016 Inflows/Outflows ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance costs</td>
<td>(142)</td>
<td>(736)</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(5,193)</td>
<td>(4,548)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td><strong>(5,335)</strong></td>
<td><strong>(4,919)</strong></td>
</tr>
</tbody>
</table>

| Net increase (decrease) in cash and cash equivalents | 4,200 | 1,439 |
| Cash and cash equivalents at the beginning of the financial year | 5,186 | 3,746 |
| **Cash and cash equivalents at the end of the financial year** | **9,385** | **5,186** |

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 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>7,766</td>
<td>5,115</td>
</tr>
<tr>
<td>Heritage buildings</td>
<td>60</td>
<td>105</td>
</tr>
<tr>
<td>Building improvements</td>
<td>1,329</td>
<td>1,519</td>
</tr>
<tr>
<td>Total buildings</td>
<td>9,162</td>
<td>6,799</td>
</tr>
<tr>
<td>Total property</td>
<td>9,162</td>
<td>6,799</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and Culture Collection</td>
<td>90</td>
<td>10</td>
</tr>
<tr>
<td>Plant, machinery and equipment</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Fixtures, fittings and furniture</td>
<td>484</td>
<td>269</td>
</tr>
<tr>
<td>Computers and telecommunications</td>
<td>1,419</td>
<td>965</td>
</tr>
<tr>
<td>Library books</td>
<td>437</td>
<td>313</td>
</tr>
<tr>
<td>Total plant and equipment</td>
<td>2,425</td>
<td>1,517</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>2,023</td>
<td>3,423</td>
</tr>
<tr>
<td>Footpaths and cycleways</td>
<td>3,005</td>
<td>1,090</td>
</tr>
<tr>
<td>Drainage</td>
<td>1,783</td>
<td>928</td>
</tr>
<tr>
<td>Parks, open space and streetscapes</td>
<td>7,008</td>
<td>6,121</td>
</tr>
<tr>
<td>Foreshore and Conservation</td>
<td>538</td>
<td>1,065</td>
</tr>
<tr>
<td>Off street car parks</td>
<td>306</td>
<td>442</td>
</tr>
<tr>
<td>Road management, traffic signals and street furniture</td>
<td>542</td>
<td>1,049</td>
</tr>
<tr>
<td>Total infrastructure</td>
<td>14,706</td>
<td>15,018</td>
</tr>
<tr>
<td>Total capital works expenditure</td>
<td>23,294</td>
<td>23,332</td>
</tr>
</tbody>
</table>

Represented by:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>New asset expenditure</td>
<td>3,088</td>
<td>3,086</td>
</tr>
<tr>
<td>Asset renewal expenditure</td>
<td>15,567</td>
<td>13,952</td>
</tr>
<tr>
<td>Asset expansion expenditure</td>
<td>2,467</td>
<td>468</td>
</tr>
<tr>
<td>Asset upgrade expenditure</td>
<td>7,172</td>
<td>4,936</td>
</tr>
<tr>
<td>Total capital works expenditure</td>
<td>23,294</td>
<td>23,332</td>
</tr>
</tbody>
</table>

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 2017

Introduction
The Bayside City Council was established by an Order of the Governor in Council on 15 December 1984 and is a body corporate.
The Council’s main office is located at 76 Royal Avenue Sandringham 3191.

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

Note 1 Significant accounting policies
(a) Basis of accounting
The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid. Judgments, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgments and assumptions made by management in the application of AASB’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 1 (e) )
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (f) )
- the determination of employee provisions (refer to note 1 (g) )

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

(b) Changes in accounting policies
There have been no changes in accounting policies from the previous period.
Notes to the Financial Report
For the Year Ended 30 June 2017

(c) Revenue recognition

Income is recognised when Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Council and the amount of the contribution can be measured reliably.

Rates and Charges
Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.
A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the recoverable property that will be recovered when the property is sold.

Statutory fees and fines
Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.
A provision for doubtful debts is recognised when collection in full is no longer probable.

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

Grants
Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon receipt of the grant money, or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.
Where grants recognised as revenue during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were not satisfied as at balance date, the unspent grant is disclosed in note 6. The note also discloses the amount of unspent grant from prior years that was expended on Council’s operations during the current year.

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

Sale of property, infrastructure, plant and equipment
The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Rental
Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Interest
Interest is recognised as it is earned.

Other income
Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.
Notes to the Financial Report
For the Year Ended 30 June 2017

(d) Fair value measurement
Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards.

AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; 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.

(e) Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less.

(f) Trade and other receivables
Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method which would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

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

(h) Inventories
Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where Inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.
Note 1  Significant accounting policies (cont.)

(i) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

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 detailed in Note 1(g) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation:
Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, furniture and fittings, library books and intangible assets are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

At balance date, 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 on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, “Property, plant and equipment, and infrastructure.”

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed by independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land and/or roads
Council recognises land under roads it controls at fair value.

(j) Depreciation and amortization of property, infrastructure, plant and equipment and intangibles

Buildings, plant and equipment, infrastructure, and other assets having limited useful lives (excluding heritage buildings, arts & culture assets and works in progress) are systematically depreciated over their useful lives to Council in a manner which reflects the consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates are reviewed annually. Land, road earthworks and heritage and cultural assets are not depreciated as they are considered not to have limited useful lives. Works in progress are depreciated from the date the asset is first put into use or held ready for use.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component. Straight-line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 1 Significant accounting policies (cont.)

(i) Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont.)

<table>
<thead>
<tr>
<th>Asset recognition thresholds and depreciation periods</th>
<th>Depreciation Period</th>
<th>Threshold Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td>Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>building improvements</td>
<td>25-100 years</td>
<td>10</td>
</tr>
<tr>
<td>heritage building</td>
<td>50-200 years</td>
<td>Nil</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>plant, machinery and equipment</td>
<td>7-10 years</td>
<td>2</td>
</tr>
<tr>
<td>arts and culture collection</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>fixtures, fittings and furniture</td>
<td>3-9 years</td>
<td>2</td>
</tr>
<tr>
<td>computers and telecommunications</td>
<td>3-5 years</td>
<td>2</td>
</tr>
<tr>
<td>library books</td>
<td>6 years</td>
<td>Nil</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>roads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pavement</td>
<td>125-255 years</td>
<td>25</td>
</tr>
<tr>
<td>surfacing</td>
<td>25-80 years</td>
<td>25</td>
</tr>
<tr>
<td>footpaths and cycleways</td>
<td>25-55 years</td>
<td>25</td>
</tr>
<tr>
<td>drainage</td>
<td>75-100 years</td>
<td>10</td>
</tr>
<tr>
<td>parks, open space and streetscapes</td>
<td>15-40 years</td>
<td>10</td>
</tr>
<tr>
<td>foreshore and conservation</td>
<td>15-30 years</td>
<td>10</td>
</tr>
<tr>
<td>bridges</td>
<td>100 years</td>
<td>20</td>
</tr>
<tr>
<td>off street car parks</td>
<td>10-50 years</td>
<td>10</td>
</tr>
<tr>
<td>road management, traffic signals and street furniture</td>
<td>10-35 years</td>
<td>2</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>intangible assets</td>
<td>3-5 years</td>
<td>5</td>
</tr>
</tbody>
</table>

(k) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(l) 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 to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed in the comprehensive income statement, unless the asset is carried at the revalued amount in which case the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.
Note 1 Significant accounting policies (cont.)

(m) Trust funds and deposits
Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 29).

(o) Borrowings

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

Borrowing costs
Borrowing costs are recognised as an expense in the period in which they are incurred and include interest on borrowings.

(o) Employee costs and benefits
The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

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

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

Long service leave
Liability for long service leave (LSL) is recognised in the provision for employee benefits.
Current Liability - unconditional LSL representing 2 years is disclosed as a current liability even when the Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.
The components of this current liability are measured at:
- present value - component that is not expected to be wholly settled within 12 months,
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs
Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.
This non-current LSL liability is measured at present value.
Note 1 Significant accounting policies (cont.)

(o) Employee costs and benefits (cont.)

Retirement Gratuity
The staff gratuity scheme entitlement of $26,447 (2015/16 - $25,893) is recognised at 31 January 1996 values (frozen in accordance with the Bayside Enterprise Bargaining Agreement) and is adjusted by Consumer Price Index less any leave taken.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Council recognises termination benefits when it is demonstrated committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Superannuation
The amount charged to the comprehensive income statement in respect of superannuation represents contributions made or due by Bayside City Council to the relevant superannuation plans in respect to the services of Bayside City Council’s staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Bayside City Council is required to comply with. In addition Council may, periodically be required to contribute to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in note 34.

(p) Leases

Operating leases
Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Finance leases
Council does not have any finance leases.

(q) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed in Note 36 Contingent Liabilities and Contingent Assets.

(s) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.
Note 1  Significant accounting policies (cont.)

(i) Pending accounting standards

The following new AASB’s have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts which will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2018/19)

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

Leases (AASB 16) (applies 2019/20)

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

Council has a significant number of operating leases that will be impacted as a result of this change. Council is assessing the assets and liabilities that will be recognised in 2019/20 as a result of applying this standard.

(u) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.
Note 2 Budget comparison

The budget comparison notes compare Council’s financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 5 percent or $1m, where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 31 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council’s planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 1999 and the Local Government (Planning and Reporting) Regulations 2014.

<table>
<thead>
<tr>
<th>a) Income and Expenditure</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Var</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>%</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates and charges</td>
<td>85,285</td>
<td>86,518</td>
<td>233</td>
<td>0%</td>
</tr>
<tr>
<td>Statutory fees and taxes</td>
<td>6,188</td>
<td>6,361</td>
<td>1,773</td>
<td>4%</td>
</tr>
<tr>
<td>User fees</td>
<td>7,996</td>
<td>8,303</td>
<td>307</td>
<td>4%</td>
</tr>
<tr>
<td>Grants – operating</td>
<td>10,269</td>
<td>12,126</td>
<td>1,917</td>
<td>19%</td>
</tr>
<tr>
<td>Grants – capital</td>
<td>3,069</td>
<td>4,090</td>
<td>1,021</td>
<td>34%</td>
</tr>
<tr>
<td>Contributions – monetary</td>
<td>4,564</td>
<td>5,018</td>
<td>(454)</td>
<td>(9%)</td>
</tr>
<tr>
<td>Rental income</td>
<td>4,654</td>
<td>4,062</td>
<td>592</td>
<td>14%</td>
</tr>
<tr>
<td>Interest income</td>
<td>1,775</td>
<td>2,797</td>
<td>1,022</td>
<td>59%</td>
</tr>
<tr>
<td>Other income</td>
<td>1,568</td>
<td>1,239</td>
<td>(329)</td>
<td>(19%)</td>
</tr>
<tr>
<td>Total Income</td>
<td>123,428</td>
<td>129,142</td>
<td>5,714</td>
<td>5%</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee costs</td>
<td>(80,192)</td>
<td>(80,590)</td>
<td>400</td>
<td>1%</td>
</tr>
<tr>
<td>Materials and services</td>
<td>(43,435)</td>
<td>(41,917)</td>
<td>1,518</td>
<td>4%</td>
</tr>
<tr>
<td>Bad and doubtful debts</td>
<td>(172)</td>
<td>(310)</td>
<td>138</td>
<td>26%</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(16,471)</td>
<td>(14,034)</td>
<td>2,437</td>
<td>16%</td>
</tr>
<tr>
<td>Borrowing costs</td>
<td>(440)</td>
<td>(435)</td>
<td>5</td>
<td>1%</td>
</tr>
<tr>
<td>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</td>
<td>-</td>
<td>(1,377)</td>
<td>(1,377)</td>
<td>N/A</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(426)</td>
<td>(383)</td>
<td>44</td>
<td>16%</td>
</tr>
<tr>
<td>Total expenses</td>
<td>101,136</td>
<td>98,228</td>
<td>2,908</td>
<td>3%</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>22,292</td>
<td>30,914</td>
<td>8,622</td>
<td>35%</td>
</tr>
</tbody>
</table>
### Notes to the Financial Report

#### For the Year Ended 30 June 2017

**Explanations of material variations**

<table>
<thead>
<tr>
<th>Ref</th>
<th>Item</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Statutory fees and fines</td>
<td>An increase in statutory planning and building application fees reflects an increase in both the number of statutory planning applications lodged and the increase in the value of State fees from 1 October 2016. An increase in parking fees reflects increased revenue from residents of illegal parking near railway stations, schools and shopping precincts which has also resulted in additional court recoveries for parking infringements. Fines for failure to vote at Council Elections in November 2016 also resulted in an increase in fine revenue.</td>
</tr>
<tr>
<td>2</td>
<td>User fees</td>
<td>An increase in non-statutory planning application fees and permits as well as slip road applications and free amenity improvements reflects an increase in building development activity which is currently growing at double the long-term average. Parking fees also increased reflecting increased beach patenage over summer. Merchant service fees charged to recover a 0.47% credit card merchant fees for credit card payments were introduced from 1 July 2016.</td>
</tr>
<tr>
<td>3</td>
<td>Operating Grants</td>
<td>56% of the 2017/18 funding allocation for financial assistance grants was paid in advance during 2016/17. The 2017/18 full year funding for school crossing supervisors from VicRoads was also received in advance.</td>
</tr>
<tr>
<td>4</td>
<td>Capital Grants</td>
<td>Capital grants were favourable to budget due to funding received in advance for the Elderwood Park No 1 Oval upgrade $78k and the Bingil Park Library, Please Library, upgrade $315k. Unbudgeted funding for the Forrester Risk Management Emergency Remediation was received during 2016/17. Expected funding in 2016/17 for the Bayside Reserve Pavilion and Dendy Park Soccer/Cricket Pavilion development has been delayed and now aligns with their expected project completion in 2017/18.</td>
</tr>
<tr>
<td>5</td>
<td>Contributions</td>
<td>Resort &amp; Recreation Levy income was $1.3M favourable to budget for 2016/17 offset by a delay in the receipt of club funding of $1.5M for the Bayside Reserve Pavilion redevelopment, $600k for Elderwood Park No 1 Oval and $500k for the Dendy Street Beach project. These projects are expected to be completed in 2017/18.</td>
</tr>
<tr>
<td>6</td>
<td>Interest income</td>
<td>The favourable operating and capital results compared to budget during the year as well as the timing of cashflows in relation to the delivery of capital projects has resulted in greater cash reserves than expected. Interest on late rate payment of rates was also greater than budgeted.</td>
</tr>
<tr>
<td>7</td>
<td>Other income</td>
<td>One building lot was sold during the year compared to the two budgeted. Employee contributions for the private use of fleet vehicles has also reduced reflecting a rationalisation of the number of vehicles in the fleet and an overall reduction in fleet costs.</td>
</tr>
<tr>
<td>8</td>
<td>Materials and Services</td>
<td>Savings in administrative expenditure including a reduction in insurance premiums and savings in Fleet due to a reduction in the number of leased vehicles. Departments have also reduced expenditure in other administrative categories including training, printing and consultancy. Savings against budgeted services contracts were also achieved during the year particularly in Open Space with lower construction costs. The service contract was extended by one year, contracts subject to a favouragile Call for Tenders also contributed to lower legal fees and reduced market fees due to a change in contractor site from April 2017. Cost savings resulted from more efficient public lighting installed in 2015/16 and reduced water costs from higher rainfall in open spaces.</td>
</tr>
<tr>
<td>9</td>
<td>Bad and Doubtful Debts</td>
<td>The amount of the provision against one center for $40k in 2015/16 was reversed during 2016/17 following the recovery of an outstanding debt. There was an increase in the provision for doubtful debts for parking infringements for 2016/17 reflecting an increase in the fines issued and debt outstanding.</td>
</tr>
<tr>
<td>10</td>
<td>Depreciation and amortisation</td>
<td>The favourable result is due to the timing of the completion of a number of key projects which are now expected to be completed during 2017/18 and 2018/19.</td>
</tr>
<tr>
<td>11</td>
<td>Net (gain/loss) on disposal of property, infrastructure, plant and equipment</td>
<td>Non cash accounting entry for the write-off of the written down value of infrastructure assets which have been replaced during the year as part of the capital renewal program including the Dendy Park Lower East Pavilion, Jetty Rd and Batherfield Park toilets.</td>
</tr>
</tbody>
</table>
### Notes to the Financial Report
#### For the Year Ended 30 June 2017

**b) Capital Works**

<table>
<thead>
<tr>
<th></th>
<th>Budget 2017</th>
<th>Actual 2017</th>
<th>Variance</th>
<th>Var</th>
<th>% Ref</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>16,921</td>
<td>7,709</td>
<td>(9,125)</td>
<td>(54%)</td>
<td>1</td>
</tr>
<tr>
<td>Heritage buildings</td>
<td>28</td>
<td>65</td>
<td>37</td>
<td>(122%)</td>
<td>2</td>
</tr>
<tr>
<td>Building improvements</td>
<td>1,814</td>
<td>1,320</td>
<td>(494)</td>
<td>(16%)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total Buildings</strong></td>
<td>18,563</td>
<td>9,183</td>
<td>(9,380)</td>
<td>(51%)</td>
<td></td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td>18,563</td>
<td>9,183</td>
<td>(9,380)</td>
<td>(51%)</td>
<td></td>
</tr>
<tr>
<td><strong>Plant and Equipment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and Culture Collection</td>
<td>90</td>
<td>90</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Plant, machinery and equipment</td>
<td>-</td>
<td>5</td>
<td>5</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Fixtures, fittings and furniture</td>
<td>83</td>
<td>464</td>
<td>381</td>
<td>(433%)</td>
<td>4</td>
</tr>
<tr>
<td>Computers and telecommunications</td>
<td>1,152</td>
<td>1,149</td>
<td>3</td>
<td>(23%)</td>
<td>5</td>
</tr>
<tr>
<td>Library books</td>
<td>429</td>
<td>427</td>
<td>2</td>
<td>(2%)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Plant and Equipment</strong></td>
<td>1,745</td>
<td>2,425</td>
<td>680</td>
<td>(39%)</td>
<td></td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>3,025</td>
<td>2,903</td>
<td>(122)</td>
<td>(4%)</td>
<td>6</td>
</tr>
<tr>
<td>Footpaths and cycleways</td>
<td>2,543</td>
<td>3,605</td>
<td>1,062</td>
<td>42%</td>
<td>7</td>
</tr>
<tr>
<td>Drainage</td>
<td>3,114</td>
<td>1,783</td>
<td>(1,331)</td>
<td>(43%)</td>
<td>8</td>
</tr>
<tr>
<td>Parks, open space and streetscapes</td>
<td>11,903</td>
<td>7,008</td>
<td>(4,995)</td>
<td>(41%)</td>
<td>9</td>
</tr>
<tr>
<td>Foreshore and Conservation</td>
<td>585</td>
<td>539</td>
<td>(46)</td>
<td>(8%)</td>
<td>10</td>
</tr>
<tr>
<td>Off street car parks</td>
<td>421</td>
<td>306</td>
<td>(115)</td>
<td>(29%)</td>
<td>11</td>
</tr>
<tr>
<td>Road management, traffic signals and street furniture</td>
<td>849</td>
<td>543</td>
<td>(306)</td>
<td>(36%)</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total Infrastructure</strong></td>
<td>23,258</td>
<td>16,706</td>
<td>(6,552)</td>
<td>(28%)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Works Expenditure</strong></td>
<td>43,566</td>
<td>28,284</td>
<td>(15,282)</td>
<td>(35%)</td>
<td></td>
</tr>
</tbody>
</table>

**Represented by:**

- New asset expenditure: 3,408, 3,088, (320) (9%)
- Asset renewal expenditure: 23,043, 15,567, (7,476) (34%)
- Asset expansion expenditure: 4,141, 2,467, (1,674) (41%)
- Asset upgrade expenditure: 11,374, 7,172, (4,202) (42%)

**Total Capital Works Expenditure:** 43,566, 28,284, (15,282) (35%)
<table>
<thead>
<tr>
<th>Ref</th>
<th>Item</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Buildings</td>
<td>The $0.3M favourable variance to budget relates to delays to a number of large projects including Bankside Reserve pavilion, Chelsea Reservoir Reserve Pavilion, Dendy St Beach pavilion and Dendy Park soccer/netball pavilion. A total budget of $9.3M will be carried forward to 2017/18 for the completion of these projects.</td>
</tr>
<tr>
<td>2</td>
<td>Heritage buildings</td>
<td>Unfavourable variance due to the completion of the Brighton Town Hall climate control system which was carried forward from 2015/16.</td>
</tr>
<tr>
<td>3</td>
<td>Building Improvements</td>
<td>Favourable variance due to savings on the installation of solar panels and implementation of an alternative cost saving solution for climate control at the Corporate Centre.</td>
</tr>
<tr>
<td>4</td>
<td>Fixtures, fittings and furniture</td>
<td>Unfavourable due to the change in scope of the Brighton Library interior upgrade which was originally budgeted under buildings.</td>
</tr>
<tr>
<td>5</td>
<td>Computers and telecommunication</td>
<td>Unfavourable due to a number of IT projects which were carried forward from 2015/16 and completed in 2016/17 including HR/Payroll system $283k, Website development $72k, Electronic Rostering for Care Workers $118k.</td>
</tr>
<tr>
<td>6</td>
<td>Roads</td>
<td>Favourable variance due to delays with planning and approvals for the shared path stability works at 357 Beach Rd Black Rock. This project will be carried forward to 2017/18 $381k. Cost savings were also achieved by installation of static signage instead of LED signs at Highett Rd shopping centre.</td>
</tr>
<tr>
<td>7</td>
<td>Footpaths and cycleways</td>
<td>Unfavourable variance due to increased in scope in the footpath reconstruction program and the completion of the Elder Creek trail works in 2016/17 which was carried forward from 2015/16 $278k.</td>
</tr>
<tr>
<td>8</td>
<td>Drainage</td>
<td>Favourable variance to budget relates to delays in completion of the Durrant St drain and North Rd drain projects which are being carried forward into 2017/18 for completion $414M.</td>
</tr>
<tr>
<td>9</td>
<td>Parks, open space and streetscapes</td>
<td>Favourable variance due to delays in the completion of the Elsternwick Park Oval No.1 Precinct $3.3M and to the Sandringham Village Activity Centre streetscapes works $1.8M. These projects are expected to be completed in 2017/18.</td>
</tr>
<tr>
<td>10</td>
<td>Foreshore and Conservation</td>
<td>Favourable variance due to savings in unscheduled budgets for emergency works on the foreshore.</td>
</tr>
<tr>
<td>11</td>
<td>Road management, traffic signals and street furniture</td>
<td>Budget includes allowances for emergency unscheduled works which were not required during the year.</td>
</tr>
</tbody>
</table>
## Note 3: Rates and charges

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Rates</td>
<td>69,183</td>
<td>69,856</td>
</tr>
<tr>
<td>Municipal charge</td>
<td>6,342</td>
<td>6,130</td>
</tr>
<tr>
<td>Waste management charge</td>
<td>8,666</td>
<td>9,000</td>
</tr>
<tr>
<td>Supplementary rates and rate adjustments</td>
<td>790</td>
<td>491</td>
</tr>
<tr>
<td>Cultural and recreational</td>
<td>386</td>
<td>311</td>
</tr>
<tr>
<td><strong>Total rates and charges</strong></td>
<td><strong>82,530</strong></td>
<td><strong>82,998</strong></td>
</tr>
</tbody>
</table>

The valuation base used to calculate general rates for 2016/17 was $56,729 million (2015/16 $47,796 million).

## Note 4: Statutory fees and fines

### Intergovernment and costs
- Parking: 2,013 2,011
- Amenity Management: 36 56
- Compulsory Voting Enforcement: 237 -
- Other: 74 4

### Other
- Court recoveries: 843 792
- Town planning fees: 1,489 833
- Land information certificates: 119 104
- Building Permits: 546 532
- Other: 82 100

**Total statutory fees and fines**: 6,341 5,292

## Note 5: User fees

### User fees
- Aged and health services: 1,262 1,286
- Open Space and Recreation: 676 691
- Planning and Infrastructure: 1,171 1,016
- Childcare Services: 34 179
- Permits: 1,418 1,490
- Animal Registration Permits: 1,130 1,117
- Safety Protection: 1,277 1,135
- Waste management services: 685 1,010
- Other fees and charges: 600 471

**Total user fees**: 6,320 6,180
## Note 6: Grants

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$860</td>
<td>$860</td>
</tr>
<tr>
<td>Grants were received in respect of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commonwealth funded grants</strong></td>
<td>9,623</td>
<td>2,669</td>
</tr>
<tr>
<td>State funded grants</td>
<td>7,950</td>
<td>8,056</td>
</tr>
<tr>
<td>Other</td>
<td>18</td>
<td>153</td>
</tr>
<tr>
<td><strong>Total grants</strong></td>
<td>17,690</td>
<td>11,880</td>
</tr>
</tbody>
</table>

### Operating Grants

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assistance Grants</td>
<td>3,662</td>
<td>1,775</td>
</tr>
<tr>
<td>General home care</td>
<td>2,000</td>
<td>-</td>
</tr>
<tr>
<td>Aged care</td>
<td>1,854</td>
<td>355</td>
</tr>
<tr>
<td>Assessment &amp; Review</td>
<td>641</td>
<td>707</td>
</tr>
<tr>
<td>Other</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total recurrent operating grants</strong></td>
<td>11,384</td>
<td>8,284</td>
</tr>
</tbody>
</table>

### Non Recurrent - Commonwealth Government

<table>
<thead>
<tr>
<th>Source</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Projects</td>
<td>371</td>
<td>-</td>
</tr>
<tr>
<td>Environmental planning</td>
<td>-</td>
<td>36</td>
</tr>
<tr>
<td>Recycling &amp; Waste Care</td>
<td>-</td>
<td>17</td>
</tr>
<tr>
<td>Aged and Disability Supplies</td>
<td>50</td>
<td>91</td>
</tr>
<tr>
<td>Regional Projects</td>
<td>251</td>
<td>694</td>
</tr>
<tr>
<td>Library</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Youth &amp; Recreation</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>Other</td>
<td>35</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total non-recurrent operating grants</strong></td>
<td>332</td>
<td>976</td>
</tr>
</tbody>
</table>

### Capital Grants

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads to Recovery</td>
<td>814</td>
<td>725</td>
</tr>
<tr>
<td><strong>Total recurrent capital grants</strong></td>
<td>834</td>
<td>722</td>
</tr>
<tr>
<td><strong>Non Recurrent - Commonwealth Government</strong></td>
<td>212</td>
<td>212</td>
</tr>
<tr>
<td>Nation Building Blanket Program</td>
<td>19</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total non-recurrent capital grants</strong></td>
<td>2,165</td>
<td>1,396</td>
</tr>
<tr>
<td><strong>Total capital grants</strong></td>
<td>4,057</td>
<td>4,170</td>
</tr>
</tbody>
</table>

### Total operating and capital grants

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total operating and capital grants</strong></td>
<td>17,690</td>
<td>11,880</td>
</tr>
</tbody>
</table>
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 6 Grants (cont.)

2017 $000
Unspent grants received on condition that they be spent in a specific manner 534
Balance at start of year 534
Received during the financial year and remained unspent at balance date 534
Balance at end of year 534

Note 7 Contributions - Monetary

Contributions - Monetary - Operating
Utilities - Pest Management 77
Other 66
Total Contributions - Monetary - Operating 143

Contributions - Monetary - Capital
Open Space Contributions 3,576
Drainage 11
Parks 189
Total Contributions - Monetary - Capital 3,860
Total contributions - Monetary 3,903

Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Asset held for sale
Proceeds of sale 3,425
Written down value of assets disposed (2,200)
Net gain from disposal of asset held for sale 1,225

Written down value of asset disposed
Roads (1,117)
Drains (26)
Buildings (360)
Total loss on disposal of assets (1,513)

Total net gain/(loss) on disposal of property, infrastructure, plant and equipment (1,513)

Note 9 Rental income

Golf Courses 1,145
Other recreation facilities 1,332
Mobile phone facilities 743
Football premises 694
Other rentals 243
Total rental income 4,097

Item 10.14 – Reports by the Organisation
Notes to the Financial Report
For the Year Ended 30 June 2017

<table>
<thead>
<tr>
<th>Note 10</th>
<th>Interest income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Interest - Cash and cash equivalents</td>
<td>2,148</td>
<td>2,148</td>
</tr>
<tr>
<td></td>
<td>Interest - Rate late payment</td>
<td>315</td>
<td>277</td>
</tr>
<tr>
<td></td>
<td>Total Interest Income</td>
<td>2,463</td>
<td>2,425</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note 11</th>
<th>Other income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost recovery</td>
<td>670</td>
<td>883</td>
</tr>
<tr>
<td></td>
<td>Sale of assets and licences</td>
<td>-</td>
<td>377</td>
</tr>
<tr>
<td></td>
<td>Sale of building deposits</td>
<td>326</td>
<td>585</td>
</tr>
<tr>
<td></td>
<td>Employee contributions</td>
<td>262</td>
<td>383</td>
</tr>
<tr>
<td></td>
<td>Carbon Tax Rebate</td>
<td>0</td>
<td>386</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>41</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Total other income</td>
<td>1,288</td>
<td>2,426</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note 12</th>
<th>Employee costs</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wages and salaries</td>
<td>32,468</td>
<td>32,472</td>
</tr>
<tr>
<td></td>
<td>WorkCover</td>
<td>420</td>
<td>350</td>
</tr>
<tr>
<td></td>
<td>Casual shift</td>
<td>406</td>
<td>405</td>
</tr>
<tr>
<td></td>
<td>Superannuation</td>
<td>2,494</td>
<td>2,480</td>
</tr>
<tr>
<td></td>
<td>fringe benefits tax</td>
<td>382</td>
<td>402</td>
</tr>
<tr>
<td></td>
<td>Agency Staff</td>
<td>2,644</td>
<td>2,613</td>
</tr>
<tr>
<td></td>
<td>Total employee costs</td>
<td>39,583</td>
<td>39,273</td>
</tr>
</tbody>
</table>

Note 12 (b) Superannuation

Contributions by Bayside City Council (excluding any unmatched liability payments) to superannuation plans for the financial year ended 30 June 2017 are detailed below:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Type of scheme</th>
<th>Rate</th>
<th>2017 $'000</th>
<th>2016 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision Super</td>
<td>Defined Benefits</td>
<td>0.56%</td>
<td>$2,264.00</td>
<td>$1,997.00</td>
</tr>
<tr>
<td>Vision Super</td>
<td>Accumulation</td>
<td>0.56%</td>
<td>$1,997.00</td>
<td>$1,881.00</td>
</tr>
<tr>
<td>Other Funds</td>
<td>Accumulation</td>
<td>0.56%</td>
<td>$1,997.00</td>
<td>$1,881.00</td>
</tr>
</tbody>
</table>

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2018 is $272,000.

Refer to note 34 for further information relating to Council's superannuation obligations.
### Notes to the Financial Report
#### For the Year Ended 30 June 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note 13</td>
<td><strong>Materials and services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Environmental sustainability &amp; open space services</td>
<td>11,764</td>
<td>9,001</td>
</tr>
<tr>
<td></td>
<td>- City Works services</td>
<td>2,463</td>
<td>2,610</td>
</tr>
<tr>
<td></td>
<td>- Other services</td>
<td>2,889</td>
<td>1,740</td>
</tr>
<tr>
<td></td>
<td>- General Maintenance</td>
<td>3,442</td>
<td>3,096</td>
</tr>
<tr>
<td></td>
<td>- Building maintenance</td>
<td>1,564</td>
<td>1,768</td>
</tr>
<tr>
<td></td>
<td>Services and purchases</td>
<td>7,316</td>
<td>7,195</td>
</tr>
<tr>
<td></td>
<td>Motor vehicle costs</td>
<td>816</td>
<td>1,078</td>
</tr>
<tr>
<td></td>
<td>Plant &amp; general equipment</td>
<td>640</td>
<td>656</td>
</tr>
<tr>
<td></td>
<td>Office administration</td>
<td>650</td>
<td>780</td>
</tr>
<tr>
<td></td>
<td>Insurance</td>
<td>600</td>
<td>1,600</td>
</tr>
<tr>
<td></td>
<td>Community grants and sponsorship</td>
<td>717</td>
<td>742</td>
</tr>
<tr>
<td></td>
<td>Utilities &amp; taxes</td>
<td>7,584</td>
<td>2,749</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>1,356</td>
<td>885</td>
</tr>
<tr>
<td></td>
<td>Total materials and services</td>
<td>41,017</td>
<td>40,220</td>
</tr>
<tr>
<td>Note 14</td>
<td><strong>Bad and doubtful debts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Parking fine debts</td>
<td>287</td>
<td>298</td>
</tr>
<tr>
<td></td>
<td>Other debts</td>
<td>(511)</td>
<td>369</td>
</tr>
<tr>
<td></td>
<td>Total bad and doubtful debts</td>
<td>(224)</td>
<td>663</td>
</tr>
<tr>
<td>Note 15</td>
<td><strong>Depreciation and amortisation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Buildings</td>
<td>3,878</td>
<td>3,517</td>
</tr>
<tr>
<td></td>
<td>Plant and equipment</td>
<td>509</td>
<td>534</td>
</tr>
<tr>
<td></td>
<td>Infrastructure</td>
<td>9,639</td>
<td>9,557</td>
</tr>
<tr>
<td></td>
<td>Total depreciation</td>
<td>16,002</td>
<td>14,603</td>
</tr>
<tr>
<td></td>
<td>Intangible assets</td>
<td>442</td>
<td>354</td>
</tr>
<tr>
<td></td>
<td>Total depreciation and amortisation</td>
<td>16,444</td>
<td>14,957</td>
</tr>
<tr>
<td></td>
<td>(Refer to note 22 and 23 for a more detailed breakdown of deprecations and amortisations charged)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 16</td>
<td><strong>Other expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Auditors’ remuneration - VASS - audit of the financial statements</td>
<td>63</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>and grantycopilation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Auditors’ remuneration - Internal audit</td>
<td>19</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td>Councillors’ allowances</td>
<td>230</td>
<td>232</td>
</tr>
<tr>
<td></td>
<td>Total other expenses</td>
<td>322</td>
<td>406</td>
</tr>
</tbody>
</table>
### Notes to the Financial Report

**For the Year Ended 30 June 2017**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Note 17 Cash and cash equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and on hand</td>
<td>6,385</td>
<td>5,185</td>
</tr>
<tr>
<td>Term deposits (90 days or less)</td>
<td>3,800</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Cash and cash equivalents</strong></td>
<td>10,185</td>
<td>5,185</td>
</tr>
</tbody>
</table>

Refer to note 31 for disclosure of restrictions on Cash Assets.

<table>
<thead>
<tr>
<th>Note 15 Other financial assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Term deposits (greater than 90 days)</td>
<td>69,830</td>
<td>76,000</td>
</tr>
<tr>
<td><strong>Non-Current</strong></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Unallocated shares at cost - Regional Kitchen Group</td>
<td>230</td>
<td>238</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>69,250</td>
<td>76,238</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note 19 Trade and other receivables</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates debtors</td>
<td>1,965</td>
<td>1,888</td>
</tr>
<tr>
<td>Parking infringement debentures</td>
<td>2,216</td>
<td>2,095</td>
</tr>
<tr>
<td>Provision for doubtful debts - parking infringement</td>
<td>(1,140)</td>
<td>(1,173)</td>
</tr>
<tr>
<td>Net statutory receivables</td>
<td>155</td>
<td>134</td>
</tr>
<tr>
<td>Aged &amp; Disability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-payable debts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net GST receivables</td>
<td>1,356</td>
<td>924</td>
</tr>
<tr>
<td>Other debtors</td>
<td>3,983</td>
<td>1,952</td>
</tr>
<tr>
<td>Provision for doubtful debts - other debtors</td>
<td>(95)</td>
<td>(51)</td>
</tr>
<tr>
<td><strong>Total current trade and other receivables</strong></td>
<td>4,965</td>
<td>6,293</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates debtors</td>
<td>167</td>
<td>154</td>
</tr>
<tr>
<td><strong>Total non-current trade and other receivables</strong></td>
<td>167</td>
<td>154</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td>9,132</td>
<td>6,244</td>
</tr>
</tbody>
</table>

a) **Aging of Receivables**

<table>
<thead>
<tr>
<th>Past due by</th>
<th>4,963</th>
<th>1,781</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 days</td>
<td>130</td>
<td>277</td>
</tr>
<tr>
<td>60 days</td>
<td>144</td>
<td>104</td>
</tr>
<tr>
<td>90 days</td>
<td>308</td>
<td>795</td>
</tr>
<tr>
<td>Total trade &amp; other receivables</td>
<td>4,836</td>
<td>2,923</td>
</tr>
</tbody>
</table>

b) **Movement in provisions for doubtful debts**

| Balance at the beginning of the year | 1,969 | 1,305 |
| Amounts provided for and written off as uncollectible | (110) | 649 |
| Amounts recoverable during the period | (65)  | (45)  |
| Balance at end of the year           | 1,550 | 1,809 |
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 19 Trade and other receivables (cont.)
  c) Ageing of individually impaired Receivables
At balance date, there were no debts individually impaired (2016: $205,800). No
provisions have been raised against any individual debts (2015: $436,512).

<table>
<thead>
<tr>
<th>Note 20 Inventories</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories held for sale</td>
<td>$110</td>
<td>$1</td>
</tr>
<tr>
<td>Total inventories</td>
<td>$110</td>
<td>$1</td>
</tr>
</tbody>
</table>

Note 21 Other assets
Current
Prepayments | $67 | $84 |
Accrued income | $7 | $254 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total current</td>
<td>$1,354</td>
<td>$164</td>
</tr>
</tbody>
</table>
Non-current
Deposits held by Suppliers - invoiceable | $5 | $5 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total other assets</td>
<td>$1,409</td>
<td>$129</td>
</tr>
</tbody>
</table>
Bayside City Council

2016/2017 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment

Summary of Property, Infrastructure, Plant and Equipment

<table>
<thead>
<tr>
<th></th>
<th>A/F Val June 2016</th>
<th>Acquisitions</th>
<th>Found</th>
<th>Revaluation</th>
<th>Depreciation</th>
<th>Disposal</th>
<th>Transfers</th>
<th>A/F Val 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>2,461,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,461,400</td>
</tr>
<tr>
<td>Buildings</td>
<td>144,016</td>
<td>2,106</td>
<td>-</td>
<td>5,275</td>
<td>-</td>
<td>293</td>
<td>3,056</td>
<td>150,441</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>8,198</td>
<td>1,016</td>
<td>-</td>
<td>-</td>
<td>969</td>
<td>-</td>
<td>286</td>
<td>0,531</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>264,331</td>
<td>14,543</td>
<td>4,066</td>
<td>33,990</td>
<td>-</td>
<td>9,639</td>
<td>1,138</td>
<td>311,025</td>
</tr>
<tr>
<td>Work in progress</td>
<td>10,543</td>
<td>9,293</td>
<td>-</td>
<td>-</td>
<td>870</td>
<td>-</td>
<td>8,143</td>
<td>11,210</td>
</tr>
<tr>
<td></td>
<td>2,881,978</td>
<td>26,875</td>
<td>4,096</td>
<td>466,443</td>
<td>14,488</td>
<td>1,853</td>
<td>61</td>
<td>3,360,764</td>
</tr>
</tbody>
</table>

Summary of Work in Progress

<table>
<thead>
<tr>
<th></th>
<th>Opening WIP</th>
<th>Additions</th>
<th>Transfers</th>
<th>Write Offs</th>
<th>Closing WIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>4,050</td>
<td>7,140</td>
<td>(196)</td>
<td>7,978</td>
<td>8,114</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>11</td>
<td>-</td>
<td>(11)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>6,484</td>
<td>2,153</td>
<td>(5,016)</td>
<td>320</td>
<td>3,241</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,545</strong></td>
<td><strong>9,293</strong></td>
<td><strong>(8,143)</strong></td>
<td><strong>(675)</strong></td>
<td><strong>11,210</strong></td>
</tr>
</tbody>
</table>
### Note 22  Property, infrastructure plant and equipment

#### Land and Buildings

<table>
<thead>
<tr>
<th>Note</th>
<th>Land - specialised</th>
<th>Land - non specialised</th>
<th>Land under roads</th>
<th>Total Land</th>
<th>Buildings - specialised</th>
<th>Building - non specialised</th>
<th>Heritage Building</th>
<th>Total Buildings</th>
<th>Work in Progress</th>
<th>Total Property</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At fair value 1 July 2016</td>
<td>1,618,247</td>
<td>264,004</td>
<td>581,149</td>
<td>2,463,400</td>
<td>223,457</td>
<td>1,487</td>
<td>28,203</td>
<td>251,547</td>
<td>4,000</td>
<td>2,716,597</td>
</tr>
<tr>
<td>Accumulated depreciation at 1 July 2016</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(100,067)</td>
<td>6,936</td>
<td>(106,933)</td>
<td>-</td>
<td>-</td>
<td>(106,933)</td>
</tr>
<tr>
<td>Fair Value as at 1 July 2016</td>
<td>1,618,247</td>
<td>264,004</td>
<td>581,149</td>
<td>2,463,400</td>
<td>223,457</td>
<td>1,487</td>
<td>20,167</td>
<td>244,204</td>
<td>4,000</td>
<td>2,609,654</td>
</tr>
</tbody>
</table>

#### Movements in fair value

<table>
<thead>
<tr>
<th>Description</th>
<th>Land - specialised</th>
<th>Land - non specialised</th>
<th>Land under roads</th>
<th>Total Land</th>
<th>Buildings - specialised</th>
<th>Building - non specialised</th>
<th>Heritage Building</th>
<th>Total Buildings</th>
<th>Work in Progress</th>
<th>Total Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of assets at fair value</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,995</td>
<td>3</td>
<td>65</td>
<td>2,023</td>
<td>7,140</td>
<td>9,163</td>
<td></td>
</tr>
<tr>
<td>Cost of assets disposed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Revaluation increments/decrements</td>
<td>279,162</td>
<td>58,221</td>
<td>98,795</td>
<td>427,178</td>
<td>11,418</td>
<td>182</td>
<td>1,119</td>
<td>12,719</td>
<td>-</td>
<td>439,897</td>
</tr>
<tr>
<td>Fair value of assets disposed</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,203)</td>
<td>-</td>
<td>(1,203)</td>
<td>(160)</td>
<td>(1,363)</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,066</td>
<td>3,066</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,066</td>
<td>3,066</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>279,162</td>
<td>58,221</td>
<td>98,795</td>
<td>427,178</td>
<td>15,919</td>
<td>185</td>
<td>1,184</td>
<td>16,758</td>
<td>3,066</td>
<td>447,814</td>
</tr>
</tbody>
</table>

#### Movements in accumulated depreciation

<table>
<thead>
<tr>
<th>Description</th>
<th>Land - specialised</th>
<th>Land - non specialised</th>
<th>Land under roads</th>
<th>Total Land</th>
<th>Buildings - specialised</th>
<th>Building - non specialised</th>
<th>Heritage Building</th>
<th>Total Buildings</th>
<th>Work in Progress</th>
<th>Total Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation and amortisation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,363)</td>
<td>(2)</td>
<td>(13)</td>
<td>(3,878)</td>
<td>-</td>
<td>(3,878)</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation of found assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation of disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>791</td>
<td>-</td>
<td>-</td>
<td>791</td>
<td>-</td>
<td>791</td>
<td></td>
</tr>
<tr>
<td>Accumulated depreciation of revaluation reversal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,444)</td>
<td>-</td>
<td>-</td>
<td>(1,444)</td>
<td>-</td>
<td>(1,444)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10,516)</td>
<td>(2)</td>
<td>(13)</td>
<td>(10,531)</td>
<td>-</td>
<td>(10,531)</td>
<td></td>
</tr>
<tr>
<td>At fair value 30 June 2017</td>
<td>1,688,409</td>
<td>322,225</td>
<td>679,944</td>
<td>2,688,578</td>
<td>238,457</td>
<td>1,672</td>
<td>22,987</td>
<td>267,915</td>
<td>7,978</td>
<td>3,164,471</td>
</tr>
<tr>
<td>Accumulated depreciation at 30 June 2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(111,423)</td>
<td>(2)</td>
<td>(6,949)</td>
<td>(117,474)</td>
<td>-</td>
<td>(117,474)</td>
<td></td>
</tr>
<tr>
<td>Fair Value as at 30 June 2017</td>
<td>1,688,409</td>
<td>322,225</td>
<td>679,944</td>
<td>2,688,578</td>
<td>177,433</td>
<td>1,672</td>
<td>71,338</td>
<td>150,441</td>
<td>7,978</td>
<td>3,046,997</td>
</tr>
</tbody>
</table>
### Notes to the Financial Report
#### For the Year Ended 30 June 2017

**Note 22 Property, infrastructure plant and equipment (cont.)**

<table>
<thead>
<tr>
<th>Plant and Equipment</th>
<th>Note</th>
<th>Plant machinery and equipment</th>
<th>Fines and fittings</th>
<th>Library assets</th>
<th>Art and Culture Assets</th>
<th>Work in Progress</th>
<th>Total plant and equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>At fair value 1 July 2016</td>
<td></td>
<td>1,986</td>
<td>2,943</td>
<td>4,984</td>
<td>11,474</td>
<td></td>
<td>11,474</td>
</tr>
<tr>
<td>Accumulated depreciation at 1 July 2016</td>
<td></td>
<td>(1,057)</td>
<td>(1,776)</td>
<td>(3,708)</td>
<td>-</td>
<td>(5,335)</td>
<td></td>
</tr>
<tr>
<td><strong>Fair Value as at 1 July 2016</strong></td>
<td></td>
<td>930</td>
<td>1,146</td>
<td>1,266</td>
<td>4,632</td>
<td>11</td>
<td>3,209</td>
</tr>
</tbody>
</table>

#### Movements in fair value

- Acquisition of assets at fair value: 16, 484, 426, 90, - = 1,016
- Cost of found assets: - - - - - -
- Revaluation increments/decrements: - - - - - -
- Fair value of assets disposed: - - - - - -
- Transfers: 28, 36, 6, 216 (11) = 275

Value: 44, 529, 432, 306 (11) = 1,291

#### Movements in accumulated depreciation

- Depreciation and amortisation: (214) (263) (410) - - (969)
- Accumulated depreciation of found assets: - - - - - -
- Accumulated depreciation of disposals: - - - - - -
- Accumulated depreciation revaluation reversal: - - - - - -

Value: (214) (263) (410) - - (969)

### At fair value 30 June 2017

- 2,040, 3,438, 5,416, 5,131 - 16,035
- Accumulated depreciation at 30 June 2017: (1,271) (2,033) (4,200) - - (7,504)
- **Fair Value as at 30 June 2017**: 768, 1,405, 1,226, 5,131 - 8,531

---

29
<table>
<thead>
<tr>
<th>Item</th>
<th>10.14 – Reports by the Organisation</th>
</tr>
</thead>
</table>

Notes to the Financial Report
For the Year Ended 30 June 2017

Note 22: Property, infrastructure plant and equipment (cont.)

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Note</th>
<th>Roads</th>
<th>Bridges</th>
<th>Foreshore and coastal areas</th>
<th>Drainage</th>
<th>Ports, piers, quays and wharves</th>
<th>Ferrovics and Conservation</th>
<th>Offshoot water points</th>
<th>Road signs, traffic signals &amp; Steel Fabricones</th>
<th>Used in Progress</th>
<th>Total Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>At fair value 1 July 2016</td>
<td></td>
<td>186,256</td>
<td>5,837</td>
<td>142,961</td>
<td>153,717</td>
<td>48,890</td>
<td>11,134</td>
<td>5,039</td>
<td>12,840</td>
<td>8,484</td>
<td>580,757</td>
</tr>
<tr>
<td>Accumulated depreciation at 1 July 2016</td>
<td>(78,193)</td>
<td>(3,096)</td>
<td>(89,819)</td>
<td>(108,140)</td>
<td>(19,580)</td>
<td>(19,359)</td>
<td>(1,174)</td>
<td>(6,571)</td>
<td>-</td>
<td>(309,942)</td>
<td>3,002,456</td>
</tr>
<tr>
<td>Fair value as at 1 July 2016</td>
<td>107,063</td>
<td>2,741</td>
<td>54,122</td>
<td>27,557</td>
<td>27,306</td>
<td>0,775</td>
<td>3,864</td>
<td>5,059</td>
<td>6,414</td>
<td>8,484</td>
<td>270,815</td>
</tr>
</tbody>
</table>

 Movements in fair value

- Acquisition of assets at fair value
- Cost of found assets
- Revaluation in increments/decumulations
- Fair value of assets disposed
- Transfers
- (30) | 314 | 2,836 | 126,366 | 9,800 | 918 | 1,077 | 3,081 | (3,241) | 135,147 |

 Movements in accumulated depreciation

- Depreciation and amortisation
- Accumulated depreciation of found assets
- Accumulated depreciation of disposals
- Accumulated depreciation revaluation reverse
- (1,000) | (172) | 1,103 | (86,223) | - | - | - | - | - | (86,912) | (93,996) |

At fair value 30 June 2017

- 153,014 | 6,151 | 145,787 | 200,063 | 54,716 | 11,062 | 8,115 | 16,171 | 3,241 | 719,894 | 3,099,410 |

Accumulated depreciation at 30 June 2017

- (93,640) | (3,326) | (89,345) | (194,553) | (22,129) | (5,027) | (1,596) | (6,900) | - | (404,638) | (829,616) |

Fair value as at 30 June 2017

- 111,374 | 2,825 | 55,442 | 85,530 | 34,581 | 6,615 | 4,589 | 9,233 | 3,241 | 314,266 | 3,369,764 |

Note: During the 2016/17 valuation of infrastructure assets 22 traffic signals were included in Council's asset register for the first time. Council owns and is responsible for the traffic signals which are maintained. Adjustments have been made by reporting the found assets in the balance sheet under Property, infrastructure, plant and equipment and increasing retained earnings by $4,009. See Statement of Ch
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings
Valuation of land and buildings were undertaken by a qualified independent valuer Michael Stephen Valuers Registration number 20718 dated 30 June 2017. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

Details of the Council’s land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

<table>
<thead>
<tr>
<th>Land specialised</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>1,068,069</td>
</tr>
<tr>
<td>Land not specialised</td>
<td>-</td>
<td>322,225</td>
<td>-</td>
</tr>
<tr>
<td>Land under roads</td>
<td>-</td>
<td>-</td>
<td>679,544</td>
</tr>
<tr>
<td>Heritage buildings</td>
<td>-</td>
<td>5,403</td>
<td>12,929</td>
</tr>
<tr>
<td>Building specialised</td>
<td>-</td>
<td>-</td>
<td>127,433</td>
</tr>
<tr>
<td>Building not specialised</td>
<td>-</td>
<td>5,470</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>332,704</td>
<td>2,376,715</td>
</tr>
</tbody>
</table>

Valuation of infrastructure
Valuation of infrastructure assets has been determined in accordance with a valuation undertaken by Mr. B Robertson BSc. (Civil), MInstitution of Engineers.

The date of the current valuation was 30 June 2017 and was a full revaluation.

The valuation is at fair value based on replacement cost less accumulated depreciation as of the date of valuation.

Details of the Council’s infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

<table>
<thead>
<tr>
<th>Roads</th>
<th>Level 1</th>
<th>Level 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>11,184</td>
</tr>
<tr>
<td>Bridges</td>
<td>-</td>
<td>2,825</td>
</tr>
<tr>
<td>Footpaths and cycleways</td>
<td>-</td>
<td>56,460</td>
</tr>
<tr>
<td>Drainage</td>
<td>-</td>
<td>85,530</td>
</tr>
<tr>
<td>Parks, open space and streetscapes</td>
<td>-</td>
<td>34,581</td>
</tr>
<tr>
<td>Furniture and conservation</td>
<td>-</td>
<td>6,915</td>
</tr>
<tr>
<td>Off street car parks</td>
<td>-</td>
<td>4,090</td>
</tr>
<tr>
<td>Road Management, Traffic signals, Street furniture</td>
<td>-</td>
<td>9,123</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>231,325</td>
</tr>
</tbody>
</table>
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 22 Property, infrastructure, plant and equipment (cont.)

Description of significant undervaluable inputs into level 3 valuations:

Specialised land and land under roads is valued using a market based direct comparison technique. Significant undervaluable 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 are use values and results in a reduction in surrounding land values between 13% and 85%. The market value of land varies significantly depending on the location of the land and the current market conditions. Current land values range between $160 and $3,350 per square metre. The methodology for valuing land under roads is based on Council’s Municipal Site Value which was updated for rate revaluation purposes in March 2015. The average rate per square metre has been discounted by 95% to account for its undeveloped state, limits to rights of access and infrastructure requirements which resulted in a value of $117 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant undervaluable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on the basis of the current condition of buildings and vary from 3 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant undervaluable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 years to 199 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconciliation of specialised land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land under roads</td>
<td>$79,944</td>
<td>$58,149</td>
</tr>
<tr>
<td>Parks and reserves</td>
<td>1,866,499</td>
<td>1,510,247</td>
</tr>
<tr>
<td>Total specialised land</td>
<td>2,346,343</td>
<td>2,197,396</td>
</tr>
</tbody>
</table>

Item 10.14 – Reports by the Organisation
Notes to the Financial Report
For the Year Ended 30 June 2017

<table>
<thead>
<tr>
<th>Note 23</th>
<th>Intangible assets</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Software</td>
<td></td>
<td>2,681</td>
<td>1,761</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td></td>
<td>2,681</td>
<td>1,761</td>
</tr>
</tbody>
</table>

Gross carrying amount
Balance at 1 July 2016 | 4,115 |
Additions            | 1,154 |
Transfers            | (41)  |
Work in progress     | 160   |
Balance at 1 July 2017 | 5,493 |

Accumulated amortisation and impairment
Balance at 1 July 2016 | (2,384) |
Amortisation expense   | (448)  |
Balance at 1 July 2017 | (2,832) |

Net book value at 30 June 2016 | 1,754 |
Net book value at 30 June 2017 | 2,681 |

Note 24 Trade and other payables
Trade payables | 6,928 | 4,744 |
Accrued expenses
- Capital | 2,967 | 2,360 |
- Materials and service | 1,714 | 1,263 |
- Employee cost | 1,438 | 1,267 |
- Loan interest | 13    | 15    |
Total trade and other payables | 12,588 | 9,899 |

Note 26 Trust funds and deposits
Building and infrastructure refundable deposits | 3,002 | 2,964 |
Fire services levy | 598 | 562 |
Retention amounts | 94 | 60 |
Other refundable deposits | 810 | 747 |
Total trust funds and deposits | 4,474 | 4,329 |

Purpose and nature of items
Building and infrastructure refundable deposits - Deposits are taken by council as a form of surety in relation to building and infrastructure works. Amount will be refunded if council’s assets are maintained in their original condition.
Fire Service Levy - Council is the collection agent for the fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.
Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the expiring 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.
### Notes to the Financial Report
**For the Year Ended 30 June 2017**

#### Note 26 Provisions

<table>
<thead>
<tr>
<th></th>
<th>Annual leave</th>
<th>Long service leave</th>
<th>Staff gratuity scheme</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance at beginning of the financial year</td>
<td>2,794</td>
<td>6,640</td>
<td>26</td>
<td>8,760</td>
</tr>
<tr>
<td>Additional provisions</td>
<td>2,518</td>
<td>1,199</td>
<td>-</td>
<td>3,717</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(2,412)</td>
<td>(840)</td>
<td>-</td>
<td>(3,252)</td>
</tr>
<tr>
<td>Increase/Decrease in the discounted amount arising because of time and the effect of any change in the discount rate</td>
<td>-</td>
<td>(181)</td>
<td>-</td>
<td>(181)</td>
</tr>
<tr>
<td><strong>Balance at the end of the financial year</strong></td>
<td><strong>2,900</strong></td>
<td><strong>6,329</strong></td>
<td><strong>26</strong></td>
<td><strong>9,252</strong></td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the financial year</td>
<td>2,831</td>
<td>6,814</td>
<td>26</td>
<td>8,671</td>
</tr>
<tr>
<td>Additional provisions</td>
<td>2,304</td>
<td>855</td>
<td>-</td>
<td>3,249</td>
</tr>
<tr>
<td>Amounts used</td>
<td>(2,421)</td>
<td>(724)</td>
<td>-</td>
<td>(3,145)</td>
</tr>
<tr>
<td>Decrease in the discounted amount arising because of time and the effect of any change in the discount rate</td>
<td>-</td>
<td>(7)</td>
<td>-</td>
<td>(7)</td>
</tr>
<tr>
<td><strong>Balance at the end of the financial year</strong></td>
<td><strong>2,794</strong></td>
<td><strong>6,944</strong></td>
<td><strong>26</strong></td>
<td><strong>8,760</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2016</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>$'000</strong></td>
<td>$'000</td>
<td>$'000</td>
<td></td>
<td>$'000</td>
</tr>
</tbody>
</table>

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

<table>
<thead>
<tr>
<th></th>
<th>Annual leave</th>
<th>Long service leave</th>
<th>Staff gratuity scheme</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave</td>
<td>1,904</td>
<td>1,863</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long service leave</td>
<td>667</td>
<td>618</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff gratuity scheme</td>
<td>26</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,637</strong></td>
<td><strong>2,487</strong></td>
<td><strong>26</strong></td>
<td><strong>2,550</strong></td>
</tr>
</tbody>
</table>

Current provisions expected to be wholly settled after 12 months

<table>
<thead>
<tr>
<th></th>
<th>Annual leave</th>
<th>Long service leave</th>
<th>Total current provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual leave</td>
<td>976</td>
<td>944</td>
<td><strong>9,272</strong></td>
</tr>
<tr>
<td>Long service leave</td>
<td>4,659</td>
<td>4,347</td>
<td><strong>5,035</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,635</strong></td>
<td><strong>5,280</strong></td>
<td><strong>9,272</strong></td>
</tr>
</tbody>
</table>

Non-current

<table>
<thead>
<tr>
<th></th>
<th>Long service leave</th>
<th>Total non-current provisions</th>
<th>Aggregate carrying amount of employee provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long service leave</td>
<td>983</td>
<td>983</td>
<td><strong>9,252</strong></td>
</tr>
</tbody>
</table>

Aggregate carrying amount of employee provisions:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Non-current</th>
<th>Total aggregate carrying amount of employee provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>8,272</td>
<td>7,785</td>
<td><strong>9,252</strong></td>
</tr>
<tr>
<td>Non-current</td>
<td>983</td>
<td>983</td>
<td><strong>9,252</strong></td>
</tr>
</tbody>
</table>
### Notes to the Financial Report
**For the Year Ended 30 June 2017**

<table>
<thead>
<tr>
<th>Note 27</th>
<th>Interest-bearing loans and borrowings</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loans - secured*</td>
<td>2,126</td>
<td>5,183</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,126</td>
<td>5,183</td>
</tr>
<tr>
<td></td>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loans - secured*</td>
<td>-</td>
<td>2,126</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>2,126</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2,126</td>
<td>7,319</td>
</tr>
<tr>
<td></td>
<td>* All loans are secured against council’s rates and charges</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a) The maturity profile for Council’s borrowings is:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>2,126</td>
<td>5,183</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>-</td>
<td>2,126</td>
</tr>
<tr>
<td></td>
<td>2,126</td>
<td>7,319</td>
</tr>
</tbody>
</table>

b) Aggregate carrying amount of interest-bearing loans and borrowings:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>2,126</td>
<td>5,183</td>
</tr>
<tr>
<td>Non-current</td>
<td>-</td>
<td>2,126</td>
</tr>
<tr>
<td></td>
<td>2,126</td>
<td>7,319</td>
</tr>
</tbody>
</table>
## Notes to the Financial Report

For the Year Ended 30 June 2017

### Note 28 Reserves

#### (a) Asset revaluation reserves

<table>
<thead>
<tr>
<th></th>
<th>Balance at beginning of reporting period</th>
<th>Increment (Decrement)</th>
<th>Balance at end of reporting period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,685,014</td>
<td>328,303</td>
<td>2,013,317</td>
</tr>
<tr>
<td>Land under roads</td>
<td>141,735</td>
<td>98,795</td>
<td>240,530</td>
</tr>
<tr>
<td>Buildings</td>
<td>88,502</td>
<td>5,275</td>
<td>93,777</td>
</tr>
<tr>
<td></td>
<td><strong>1,815,251</strong></td>
<td><strong>432,433</strong></td>
<td><strong>2,247,684</strong></td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>134,850</td>
<td>(7,007)</td>
<td>127,843</td>
</tr>
<tr>
<td>Bridges</td>
<td>-</td>
<td>-</td>
<td>142</td>
</tr>
<tr>
<td>Footpaths and cycleways</td>
<td>-</td>
<td>2,007</td>
<td>2,007</td>
</tr>
<tr>
<td>Drainage</td>
<td>29,518</td>
<td>38,830</td>
<td>68,348</td>
</tr>
<tr>
<td></td>
<td><strong>160,448</strong></td>
<td><strong>68,830</strong></td>
<td><strong>239,278</strong></td>
</tr>
<tr>
<td><strong>Plant and equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and culture</td>
<td>2,369</td>
<td>-</td>
<td>2,369</td>
</tr>
<tr>
<td></td>
<td><strong>2,369</strong></td>
<td><strong>-</strong></td>
<td><strong>2,369</strong></td>
</tr>
<tr>
<td><strong>Total asset revaluation reserves</strong></td>
<td><strong>2,078,078</strong></td>
<td><strong>446,443</strong></td>
<td><strong>2,524,521</strong></td>
</tr>
<tr>
<td><strong>2014</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Property</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,445,000</td>
<td>229,714</td>
<td>1,674,714</td>
</tr>
<tr>
<td>Land under roads</td>
<td>56,912</td>
<td>75,823</td>
<td>131,735</td>
</tr>
<tr>
<td>Buildings</td>
<td>83,516</td>
<td>5,935</td>
<td>89,452</td>
</tr>
<tr>
<td></td>
<td><strong>1,594,438</strong></td>
<td><strong>229,714</strong></td>
<td><strong>1,824,152</strong></td>
</tr>
<tr>
<td><strong>Infrastructure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads</td>
<td>134,850</td>
<td>-</td>
<td>134,850</td>
</tr>
<tr>
<td>Drainage</td>
<td>29,518</td>
<td>-</td>
<td>29,518</td>
</tr>
<tr>
<td></td>
<td><strong>160,448</strong></td>
<td><strong>-</strong></td>
<td><strong>160,448</strong></td>
</tr>
<tr>
<td><strong>Plant and equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and culture</td>
<td>2,369</td>
<td>-</td>
<td>2,369</td>
</tr>
<tr>
<td></td>
<td><strong>2,369</strong></td>
<td><strong>-</strong></td>
<td><strong>2,369</strong></td>
</tr>
<tr>
<td><strong>Total asset revaluation reserves</strong></td>
<td><strong>1,757,686</strong></td>
<td><strong>229,714</strong></td>
<td><strong>1,987,400</strong></td>
</tr>
</tbody>
</table>

The asset revaluation reserve is used to record the increased (net) value of Council’s assets over time.
## Note 28 Reserves (cont.)

<table>
<thead>
<tr>
<th></th>
<th>Balance at beginning of reporting period</th>
<th>Transfer from accumulated surplus</th>
<th>Transfer to accumulated surplus</th>
<th>Balance at end of reporting period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(b) Other reserves</strong></td>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Statutory reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car parking reserve</td>
<td>388</td>
<td>10</td>
<td>-</td>
<td>398</td>
</tr>
<tr>
<td>Recreational land reserve</td>
<td>13,299</td>
<td>3,658</td>
<td>(2,144)</td>
<td>15,009</td>
</tr>
<tr>
<td><strong>Total statutory reserves</strong></td>
<td>13,687</td>
<td>3,668</td>
<td>(2,144)</td>
<td>15,467</td>
</tr>
<tr>
<td><strong>Discretionary reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure reserve</td>
<td>6,824</td>
<td>3,292</td>
<td>(1,594)</td>
<td>8,220</td>
</tr>
<tr>
<td>Denby Street Beach improvement reserve</td>
<td>1,244</td>
<td>317</td>
<td>-</td>
<td>1,561</td>
</tr>
<tr>
<td>Community facilities enhancement reserve</td>
<td>924</td>
<td>23</td>
<td>-</td>
<td>947</td>
</tr>
<tr>
<td>Defined superannuation shortfall</td>
<td>1,500</td>
<td>500</td>
<td>-</td>
<td>2,000</td>
</tr>
<tr>
<td>Unspent conditional grants reserve</td>
<td>534</td>
<td>5,992</td>
<td>(534)</td>
<td>5,950</td>
</tr>
<tr>
<td>Capital works carried forward reserve</td>
<td>5,099</td>
<td>13,200</td>
<td>(5,555)</td>
<td>14,748</td>
</tr>
<tr>
<td>Early Childhood Facilities Reserve</td>
<td>5,590</td>
<td>140</td>
<td>(208)</td>
<td>5,522</td>
</tr>
<tr>
<td>Street and Park Tree Management Carried Forward Reserve</td>
<td>-</td>
<td>87</td>
<td>-</td>
<td>87</td>
</tr>
<tr>
<td><strong>Total discretionary reserves</strong></td>
<td>22,115</td>
<td>23,951</td>
<td>(6,575)</td>
<td>30,902</td>
</tr>
<tr>
<td><strong>Total Other reserves</strong></td>
<td>20,892</td>
<td>27,419</td>
<td>(6,721)</td>
<td>36,600</td>
</tr>
<tr>
<td><strong>Total Reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td>2,990,021</td>
</tr>
</tbody>
</table>

**2014**

|                                |                                         |                                  |                                |                                   |
| **Statutory reserves**        |                                         |                                  |                                |                                   |
| Car parking reserve           | 381                                     | 7                                | -                              | 388                               |
| Recreational land reserve     | 8,575                                   | 5,168                            | (780)                          | 13,299                            |
| **Total statutory reserves**  | 9,247                                   | 5,168                            | (780)                          | 15,467                            |
| **Discretionary reserves**    |                                         |                                  |                                |                                   |
| Infrastructure reserve        | 4,190                                   | 3,330                            | (1,566)                        | 6,824                             |
| Denby Street Beach improvement reserve | 704                                     | 440                               | -                              | 1,244                             |
| Community facilities enhancement reserve | 500                                     | 16                                | -                              | 516                               |
| Defined superannuation shortfall | 1,000                                   | 500                               | -                              | 1,500                             |
| Unspent conditional grants reserve | 534                                     | 5,992                            | (534)                          | 5,950                             |
| Capital works carried forward reserve | 5,386                                   | 4,013                            | (6,220)                        | 5,099                             |
| Early Childhood Facilities Reserve | 2,560                                   | 3,450                            | (423)                          | 5,519                             |
| **Total discretionary reserves** | 12,693                                  | 12,693                           | (6,664)                        | 22,115                            |
| **Total other reserves**      | 20,892                                  | 27,419                           | (6,721)                        | 36,600                            |
| **Total Reserves**            |                                         |                                  |                                | 2,113,880                         |

The car parking reserve is a statutory reserve designed to hold funds for allocation to car park projects works.

The recreational land reserve is a statutory reserve that contains contributions received as public open space levies and is used to fund future recreational land facilities.

The infrastructure reserve is to quarantine identified savings from the operating budget to fund replacement infrastructure or held as a contingency to finance projects deemed as "non-discretionary" or to be allocated against a repayment of interest only loans that are to be refinanced.

The Denby Street beach improvement reserve receives the net proceeds from the sale of bathing boxes and is used to fund future works in the Denby Street beach precinct.

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Item 10.14 – Reports by the Organisation

Page 199 of 225
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 28 Reserves (cont.)

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 benefits to the Bayside community.

The defined superannuation shortfall reserve is to quarantine $0.50 million annually to enable Council to set aside sufficient cash to cover for future defined benefit superannuation shortfall calls, which are one-off and material in nature.

The unspent conditional grants reserve is to quarantine grants received during the financial year which are not fully spent at 30 June 17. Council is obligated to expend 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 17 and will require the funds in order to complete the projects.

Early Childhood Facilities Reserve holds the proceeds from the sale of former childcare centres to fund the redevelopment of early childhood facilities.

Street and Park Tree Management Carried Forward Reserve holds the cumulative surplus from income received from applications to remove trees less the amount spent to re-plant trees elsewhere to fund the continued re-planting of trees within the district.
Notes to the Financial Report
For the Year Ended 30 June 2017

2017 2016
$‘000 $‘000

Note 29 Reconciliation of cash flows from operating activities to surplus/(deficit)
Surplus/(deficit) for the year 30,914 26,749
Depreciation/amortisation 14,934 14,757
Finance costs 435 730
(Profit)/Loss on disposal of property, infrastructure, plant and equipment 1,377 (909)
Work in progress transferred to Comprehensive Income 477 103
Change in assets and liabilities:
(Increase) in trade and other receivables (2,912) (218)
(Increase) in prepayments (61) 67
Increase/(decrease) in accrued income (403) 364
Increase in trade and other payables 2,212 142
(Decrease)/Increase in income in advance (84) 76
(Increase) in inventories (32) 48
Increase in provisions 484 97
Increase/(decrease) in trusts and deposits 150 804
Net Cash provided by operating activities 47,372 43,276

Note 30 Financing arrangements
Credit card facilities 105 95
Total facilities 105 95
Used facilities 8 8
Unused facilities 97 97

Note 31 Restrictions on Cash Assets
Other restricted assets
Total Cash and cash equivalents (note 17) 3,385 5,185
Term deposits (greater than 90 days) (note 19) 60,026 70,000
Total Cash and Cash Equivalents and Term Deposits 63,411 75,185
Councillors cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:
Total statutory reserves (note 26) 15,497 13,687
Trust funds and deposits (note 25) 4,474 4,321
Total restricted funds 19,971 18,008
Unrestricted financial assets 68,504 57,177

Intended allocations
Although not externally restricted the following amounts have been allocated for specific future purposes by Council
- Total discretionary reserves (note 38) 39,093 22,115
Total funds subject to intended allocations 58,063 22,115
Total Unallocated Unrestricted financial assets 35,437 35,062
### Notes to the Financial Report
For the Year Ended 30 June 2017

#### Note 32 Commitments

The Council has entered into the following commitments:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th></th>
<th>Later than 1 year</th>
<th>Later than 2 years</th>
<th>Later than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste collection and disposal</td>
<td>5,170</td>
<td>4,730</td>
<td>-</td>
<td>-</td>
<td>9,900</td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td>875</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>875</td>
<td></td>
</tr>
<tr>
<td>Parks and Gardens</td>
<td>7,222</td>
<td>7,402</td>
<td>-</td>
<td>-</td>
<td>14,624</td>
<td></td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>1,073</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,073</td>
<td></td>
</tr>
<tr>
<td>City Works</td>
<td>3,307</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,307</td>
<td></td>
</tr>
<tr>
<td>HRT/Payroll</td>
<td>452</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>452</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>520</td>
<td>85</td>
<td>-</td>
<td>-</td>
<td>605</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>18,819</td>
<td>12,217</td>
<td>-</td>
<td>-</td>
<td>30,866</td>
<td></td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>5,450</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,450</td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td>3,284</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,284</td>
<td></td>
</tr>
<tr>
<td>Parks, open space and streetscapes</td>
<td>220</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,954</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,954</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th></th>
<th>Later than 1 year</th>
<th>Later than 2 years</th>
<th>Later than 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste collection and disposal</td>
<td>6,245</td>
<td>4,815</td>
<td>4,730</td>
<td>-</td>
<td>15,588</td>
<td></td>
</tr>
<tr>
<td>Cleaning</td>
<td>860</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>860</td>
<td></td>
</tr>
<tr>
<td>Parks and Gardens</td>
<td>7,045</td>
<td>7,222</td>
<td>7,402</td>
<td>-</td>
<td>21,659</td>
<td></td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>1,047</td>
<td>1,073</td>
<td>-</td>
<td>-</td>
<td>2,120</td>
<td></td>
</tr>
<tr>
<td>City Works</td>
<td>3,408</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,408</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,452</td>
<td>505</td>
<td>4</td>
<td>-</td>
<td>1,901</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,055</td>
<td>13,415</td>
<td>12,136</td>
<td>-</td>
<td>45,606</td>
<td></td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>554</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>554</td>
<td></td>
</tr>
<tr>
<td>Road management, traffic signals and street farm</td>
<td>154</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>154</td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td>363</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>363</td>
<td></td>
</tr>
<tr>
<td>Footpaths and cycleways</td>
<td>96</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>96</td>
<td></td>
</tr>
<tr>
<td>Foreshore and Conservation</td>
<td>349</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>349</td>
<td></td>
</tr>
<tr>
<td>Open space and streetscapes</td>
<td>391</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>391</td>
<td></td>
</tr>
<tr>
<td>Parks, open space and streetscapes</td>
<td>1,443</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,443</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,260</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,260</td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Financial Report
For the Year Ended 30 June 2017

2017 $’000 2016 $’000

Note 33 Operating Leases
(a) Operating lease commitments
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council’s activities (these obligations are not recognised as liabilities):

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>668</td>
<td>689</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>497</td>
<td>446</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,165</strong></td>
<td><strong>1,135</strong></td>
</tr>
</tbody>
</table>

(b) Operating lease receivables
The Council has entered into commercial property leases on its property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 20 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>3,256</td>
<td>3,206</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>9,925</td>
<td>11,859</td>
</tr>
<tr>
<td>Later than five years</td>
<td>8,814</td>
<td>8,325</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19,995</strong></td>
<td><strong>23,490</strong></td>
</tr>
</tbody>
</table>

Note 34 Superannuation
Bayside City Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The 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 Comprehensive Operating Statement when they are made or due.

Accumulation
The Fund’s accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation).

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Bayside City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.
Notes to the Financial Report
For the Year Ended 30 June 2017

Note 34: Superannuation (cont’d)
Funding arrangement

Bayside City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Trustee’s Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund had 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 103.0%. To determine the VBI, the Fund actuaries used the following long-term assumptions:

- Net investment returns 7.0% pa
- Salary inflation 4.20% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI as at 30 June 2017 was 103.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and no change was necessary to the Defined Benefit category’s funding arrangements from prior years.

Employer contributions
Regular contribution

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund’s Defined Benefit category at rates determined by the Fund’s Trustee. For the year ended 30 June 2017, the rate was 0.3% of members’ salaries (0.3% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category’s VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. 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.
Note 34  Superannuation (cont’d)

Superannuation

2016 interim actuarial investigation surplus amounts

The Fund’s interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of $40.3 million; and
- A total service liability surplus of $156 million.

The VBI surplus means that the market value of the fund’s assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all retired on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund’s Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

2017 full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund’s position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

In addition to the disclosed contributions, Council has paid unfunded liability payments to Vision Super totalling $0 (2015/16 $0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2017. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are $272,000.
Note 35 Contingent liabilities and contingent assets

Contingent liabilities

(a) Guarantees for loans to other entities

<table>
<thead>
<tr>
<th>Entity</th>
<th>Bank</th>
<th>Guarantee ($)</th>
<th>Project</th>
<th>2017 ($)</th>
<th>2016 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beaumaris Yacht Club</td>
<td>Bendigo Bank</td>
<td>$40,000</td>
<td>Repairs to the club’s building.</td>
<td>$6,742</td>
<td>$12,998</td>
</tr>
<tr>
<td>Sandringham Football Club</td>
<td>Bendigo Bank</td>
<td>$100,000</td>
<td>Refurbishment of the club’s social club building.</td>
<td>$30,208</td>
<td>$46,449</td>
</tr>
<tr>
<td>Highett Youth Club Inc.</td>
<td>Bendigo Bank</td>
<td>$150,000</td>
<td>To assist with its commitment to the Highett Recreation Centre Community Hub.</td>
<td>$72,060</td>
<td>$99,313</td>
</tr>
<tr>
<td>Bamberfield Park Tennis Club Inc.</td>
<td>Bendigo Bank</td>
<td>$40,000</td>
<td>Court renewal program.</td>
<td>$30,980</td>
<td>$40,102</td>
</tr>
<tr>
<td>Hurtingham Park Tennis Club Inc.</td>
<td>Bank of Queensland</td>
<td>$40,000</td>
<td>Court renewal program.</td>
<td>$30,027</td>
<td>$38,232</td>
</tr>
</tbody>
</table>

TOTAL $176,925 $237,054

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.

(b) Contingent liability – Contaminated sites

The Bayside Planning scheme review (2011) identified a number of Council sites that based on their prior use may be at risk of contamination. At balance date Council is unable to accurately assess the financial implications of this risk.
Note 36  Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by 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. Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

(c) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:
- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

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

(d) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:
- Council has 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 financial assets which have been individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

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

Notes to the Financial Report
For the Year Ended 30 June 2017

Bayside City Council
2016/2017 Financial Report
Financial Instruments (cont.)

(a) 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 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 36, and is deemed insignificant based on prior periods’ data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

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

(f) Fair value

Fair value hierarchy

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

(g) Sensitivity disclosure analysis

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

- A parallel shift of +0.75% and -0.5% in market interest rates (AUD) from year end rates of 2.87%.

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.
Notes to the Financial Report
For the Year Ended 30 June 2017

1. Related party transactions

(i) Related Parties

Parent entity
Bayside City Council is the parent entity.
Subsidiaries and Associates
No interests in subsidiaries or associates.

(ii) Key Management Personnel

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

Councillors
Alvino Del Porto - (Mayor from 19 November 2016 to 30 June 2017, Councillor from 1 July 2016)
James Long - (Mayor from 1 July 2016 to 22 October 2016, Councillor from 22 October 2016)
Sonia Castellini - (Councillor from 10 November 2016)
Lawrence Evans - (Councillor)
Felicity Fredericks - (Councillor to 22 October 2016)
Poh Guenter - (Councillor from 19 November 2016)
Michael Hoffmann - (Councillor)
Bruce Lewis - (Councillor to 22 October 2016)
Cristine Martin - (Councillor from 10 November 2016)
Heather Stewart - (Councillor to 22 October 2016)

Other Key Management Personnel

Adrian Robb (CEO)
Michael Cummins (Director)
Shane Wilks (Director)
Shiran Wickramasinghe (Director from 1 June 2017)
Matthew Kelleher (Director from 2 June 2017)
Lucas-Ann McDermott (Executive Manager)
Pauline Yarr (Executive Manager)

Total Number of Councillors: 10
Total Key Management Personnel: 17

(iii) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

- Short-term benefits: 1,564,790
- Post-employment benefits: 181,003
- Long-term benefits: 29,412

Total: 1,777,205
Note 37 Related party transactions

(ii) Remuneration of Key Management Personnel (cont.)

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

<table>
<thead>
<tr>
<th>Band</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1 - $9,999</td>
<td>3</td>
</tr>
<tr>
<td>$10,000 - $19,999</td>
<td>4</td>
</tr>
<tr>
<td>$20,000 - $29,999</td>
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<tr>
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</tr>
<tr>
<td>$50,000 - $69,999</td>
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</tr>
<tr>
<td>$70,000 - $79,999</td>
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<tr>
<td>$160,000 - $169,999</td>
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</tr>
<tr>
<td>$170,000 - $179,999</td>
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</tr>
<tr>
<td>$180,000 - $189,999</td>
<td>1</td>
</tr>
<tr>
<td>$190,000 - $199,999</td>
<td>1</td>
</tr>
</tbody>
</table>

Total Remuneration for the reporting year for key management personnel included above amounted to: $1,730,060

(iv) Transactions with related parties

No transactions between Council and related parties have taken place during 2016/2017 which require disclosure.

(v) Outstanding balances with related parties

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

(vi) Loans to/from related parties

No loans have been made, guaranteed or secured by the Council to related parties during the reporting year. (2015/16 nil)

(vii) Commitments to/from related parties

There were no commitments in existence at balance date that had been made, guaranteed or secured by the Council to related parties.

Note 38 Senior Officers Remuneration

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

a) has management responsibilities and reports directly to the Chief Executive, or
b) whose total annual remuneration exceeds $142,800.

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

<table>
<thead>
<tr>
<th>Income Range</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>$142,800 - $159,999</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>$160,000 - $169,999</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>$170,000 - $179,999</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>$180,000 - $189,999</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>$190,000 - $199,999</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19</strong></td>
<td><strong>13</strong></td>
</tr>
</tbody>
</table>

Total Remuneration for the reporting year for Senior Officers included above, amounted to: $1,873,164

Note 39 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.
Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.

Björn Svanberg CPA
Principal Accounting Officer

Date: 19 September 2017
Sandringham

In our opinion the accompanying financial statements present fairly the financial transactions of Bayside City Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

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

Sonia Caste\l
Councillor

Date: 19 September 2017
Sandringham

Rob Green
Councillor

Date: 19 September 2017
Sandringham

Adrian Robb
Chief Executive Officer

Date: 19 September 2017
Sandringham
Executive summary

Purpose and background
To advise Council of the State Council Meeting of the Municipal Association of Victoria (MAV) and to propose motions to be put forward to the State Council Meeting.

The MAV will be convening its State Council Meeting on Friday 20 October 2017. The State Council is the body consisting of all the representatives of Councils which are financial members of the MAV, and the role of the State Council is to set high-level strategic directions for the MAV.

The State Council enables member Councils to put forward motions for consideration.

Only Council’s appointed representative is able to vote on its behalf at the State Council. Council’s MAV representative is the Mayor, Cr Alex del Porto.

Key issues
It is proposed that the following motion be put forward to the State Council Meeting:

Motion 1

Community Housing Funding

*That the MAV State Council writes to the Premier of Victoria and Minister for Housing encouraging a significant increase to the $185 m allocated to the public housing renewal program, addressing the limited additional social housing that will be delivered by the current program while allowing private developers to profit from the sale of social housing land.*

Rationale

Housing affordability (including social housing) is an important issue for the community and the Council Plan 2017-2021 includes an action for advocacy in relation to improving housing affordability and social housing. The Government’s *Homes for Victorians* strategy includes a range of short and long term initiatives to address housing affordability and focuses on aspects such as increasing housing supply, increasing social housing stock, as well as addressing affordability for renters. However, a proposed investment of $185m for the Public Housing Renewal program will only achieve a small increase (10%) in the social housing at the relevant sites, while selling the social housing land for private development. A stronger investment is needed from the Government, to deliver 100% social housing at the relevant sites and to thereby make a real difference to the state’s social housing crisis.
Motion 2

Housing Renewal Program – Planning Controls

That the MAV State Council advocates to the State Government for the retention of local government planning controls on developments associated with the public housing renewal program.

Rationale

The Government’s public housing renewal program proposes to sell social housing land at selected sites to private developers, which will provide only a small increase in social housing (10%) while dramatically and inappropriately increasing the overall scale of development in these areas. Existing local government planning processes will be critical to ensure successful community outcomes are achieved in any developments at these sites, through ensuring strong urban design supports optimal integration of social housing with the surrounding private properties. In areas such as the New St, Brighton site, it is also important that the integration considers the local infrastructure, such as retaining family accommodation due to the proximity of a kindergarten and primary school. Existing local government planning processes will be important for ensuring that local communities continue to support social housing and the broader initiatives proposed in the Government Homes for Victorian’s strategy.

Recommendation

That Council submits the following two motions to the MAV State Council meeting to be held on 20 October 2017:

1. Community Housing

   That the MAV State Council writes to the Premier of Victoria and Minister for Housing encouraging a significant increase to the $185 m allocated to the public housing renewal program, addressing the limited additional social housing that will be delivered by the current program while allowing private developers to profit from the sale of social housing land.

2. Housing Renewal Program – Planning Controls

   That the MAV State Council advocates to the State Government for the retention of local government planning controls on developments associated with the public housing renewal program.

Support Attachments

Nil
Considerations and implications of recommendation

Liveable community

Social
Both the proposed motions support public housing which increases community wellbeing.

Natural Environment
There are no natural environment implications associated with this report.

Built Environment
There are no built environment implications associated with this report.

Customer Service and Community Engagement
It is intended that the proposed motions will be circulated amongst member Councils prior to the State Council Meeting, and Bayside will seek support from neighbouring Councils to support the proposed motion.

Councillors will be advised of the adopted motions following the MAV meeting.

Human Rights
The implications of this report have been assessed and are not considered likely to breach or infringe upon, the human rights contained in the Victorian Charter of Human Rights and Responsibilities Act 2016.

Legal
There are no legal implications associated with this report.

Finance
There are no financial implications associated with this report.

Links to Council policy and strategy
The proposed motions concerning
10.16 COUNCIL ACTION AWAITING REPORT

Executive summary

Purpose and background
This report presents to Council a schedule of actions pending for the period to 22 August 2017.

Key issues
This report contains resolutions of Council that require a further report to Council.

Recommendation
That Council notes the Council Action Awaiting Report.

Support Attachments
<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>COUNCIL RESOLUTION</th>
<th>DIVISION</th>
<th>COMMENTS/STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>19.08.14</td>
<td>Planning Scheme Amendment C116: Mandatory height controls in Hampton Street Activity Centre &amp; Willis Street Urban Design Framework</td>
<td>DCPCS</td>
<td>Officers are currently in the process of seeking authorisation for Amendment C130. It is Council’s confirmed intention to run amendment C116 and C130 for Hampton in parallel. Amendment C116 has been put on hold pending outcome of Amendments C113-C115.</td>
</tr>
<tr>
<td>25.11.14</td>
<td>Home and Community Care (HACC) Service Review</td>
<td>DCPCS</td>
<td>Report to proceed to the June 2018 Council Meeting.</td>
</tr>
<tr>
<td>25.08.15</td>
<td>Hampton Willis Street Precinct – Traffic Management and Scout Hall Site</td>
<td>DCorp</td>
<td>A report was presented outlining the options for 6A Willis Street. Consideration was deferred to a future time pending the outcome of traffic management in the precinct. A report will be provided to the new Council on the future of the site including use as carpark, open space or sale.</td>
</tr>
<tr>
<td>22.09.15</td>
<td>Strategic Service Review – Family &amp; Childrens Services</td>
<td>DCPCS</td>
<td>Interim Report was presented to 23 August 2016 Council meeting. Resolution stated that ten year improvement plan is to be presented to April 2017 Council meeting. To be undertaken when Early Years Action Plan is developed as part of the Wellbeing for all Ages Abilities Plan in 2017.</td>
</tr>
<tr>
<td>27.10.15</td>
<td>Request to purchase land 3 Hansen Street</td>
<td>DCorp</td>
<td>Owner has been advised survey plans need to be finalised to allow Council to provide a sworn valuation. Further work is pending upon the acceptance.</td>
</tr>
<tr>
<td>DATE OF MEETING</td>
<td>COUNCIL RESOLUTION</td>
<td>DIVISION</td>
<td>COMMENTS/STATUS</td>
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<tr>
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<tr>
<td>24/05/16 10.16</td>
<td>Reports by the Organisation</td>
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<tr>
<td></td>
<td>That Council indicates its intention to sell a portion of the land adjacent to number 3 Hansen Street to the owner of the abutting land and refers the matter to the Director of Corporate Services to negotiate a suitable sale price and conditions and Council to further consider the matter at a future meeting.</td>
<td></td>
<td>of these costs as per the Discontinuance and Sale of Land procedures. The owner has yet to accept the costs so surveying and valuation is yet to occur.</td>
</tr>
</tbody>
</table>

| 24/05/16 10.2   | Sandringham Village Streetscape Masterplan | DCPCS    | In the event that the bus route changes in Bay Road, Beach Road, Melrose Street and Station Street and does not proceed and the Village Square feature not be achievable, a revised Master Plan without the Village Square concept will be presented at a future Council meeting for adoption. |
|                 | 3. in the event that the bus route change to Bay Rd, Beach Road, Melrose Street and Station Street does not proceed and the Village Square feature not be achievable, a revised Master Plan without the Village Square concept will be presented to a future Council meeting for adoption. |          |                 |

| 24/05/16 10.7   | Childrens' Sensory Garden Investigation | DERI     | A further report will be provided to a future Council meeting. |
|                 | That Council: |          |                 |
|                 | 1. notes the typical elements of a suburban sensory garden; |          |                 |
|                 | 2. proposes the CSIRO site is the preferred location for the establishment of a sensory garden in Bayside; |          |                 |
|                 | 3. seeks community feedback regarding the concept of establishing a sensory garden in Bayside to inform future decisions on this matter; and |          |                 |
|                 | 4. receives a further report detailing the financial implications associated with the establishment of a sensory garden. |          |                 |

<p>| 21/06/16 10.3   | Bayside Public Transport Advocacy Statement | DERI     | Further updates on the Bayside Public Transport Advocacy Statement will be provided to Council for adoption for any new advocacy issues when they arise. |
|                 | That Council: |          |                 |
|                 | 2. receives further updates of the Bayside Public Transport Advocacy Statement as part of the annual Integrated Transport Strategy (ITS) update report required as part of Council’s resolution for adopting the ITS to seek the endorsement of any new advocacy issues and positions that are evolved. |          |                 |</p>
<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>COUNCIL RESOLUTION</th>
<th>DIVISION</th>
<th>COMMENTS/STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>13/09/16</td>
<td><strong>Acquisitive Art Prize</strong>&lt;br&gt;That Council resolves to review the Acquisitive Art Prize governance, process and criteria for 2018 and beyond in November 2017.</td>
<td>DCPCS</td>
<td>A report will be presented to Council in November 2017.</td>
</tr>
<tr>
<td>20/12/16</td>
<td><strong>Future Provision of Netball and Athletics Facilities in Bayside</strong>&lt;br&gt;That Council:&lt;br&gt;5. Presents a report to the August 2017 Ordinary meeting of Council outlining the findings of the netball site assessment and facility planning activities;&lt;br&gt;7. Presents a report to the September 2017 Ordinary meeting of Council outlining the findings of the Athletics Needs Assessment and recommend next steps for Council to support athletics in Bayside.</td>
<td>DERI</td>
<td><strong>Completed:</strong> Report included in the August 2017 meeting agenda.&lt;br&gt;<strong>Completed:</strong> Report included in the September 2017 meeting agenda.</td>
</tr>
<tr>
<td>28/02/17</td>
<td><strong>Potential Land Purchase</strong>&lt;br&gt;1. authorises the Chief Executive Officer to seek to negotiate the purchase of approximately 0.35 hectare of land at the CSIRO site in Highett for the potential future development of a library and community facilities; and&lt;br&gt;2. receives a further report on the outcomes of these negotiations</td>
<td>DCorp</td>
<td>A further report will be submitted to Council following the negotiations.</td>
</tr>
<tr>
<td>28/02/17</td>
<td><strong>Bay Trail Shared Path Public Safety Risks and Outstanding Audit Actions</strong></td>
<td>DERI</td>
<td>A report will be submitted to Council following the community consultation.</td>
</tr>
<tr>
<td>DATE OF MEETING</td>
<td>COUNCIL RESOLUTION</td>
<td>DIVISION</td>
<td>COMMENTS/STATUS</td>
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</tr>
<tr>
<td>27/04/17</td>
<td>That Council receives a further report following the completion of the community consultation and the phased approach for the implementation of the program.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 27/04/17       | **10 Year Kindergarten Improvement Plan – Expanded Scope**  
That Council received a ten year Early Year’s Infrastructure Plan at the 21 November Council Meeting.                                                                                                                                                                                                                           | DCPCS    | Report to be presented to the November Council Meeting.                           |
| 27/04/17       | **Statutory Planning Service Update – April 2017**  
That Council receives a further report at the November 2017 Council Meeting providing:  
a) a review of the Final Bayside 2017 LGPRF result with comparable Inner Metro Melbourne Councils;  
b) details of the service improvements between April 2017 and September 2017 towards the Year 1 target; and  
c) a summary of continuous improvement activities that are planned for the remainder of the 2017/18 financial year.                                                                                                                                                       | DCPCS    | Report to be presented to the November Council Meeting.                           |
| 27/04/17       | **Additional Planning and Amenity Committee Meetings**  
That Council receives a report at the November 2017 meeting cycle to consider options for clarifying and improving the Council Delegations which govern which statutory planning applications must be heard by the Planning and Amenity Committee.                                                                                                                                         | DCS      | Report to be presented to the November Council Meeting.                           |
<table>
<thead>
<tr>
<th>DATE OF MEETING</th>
<th>COUNCIL RESOLUTION</th>
<th>DIVISION</th>
<th>COMMENTS/STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>23/5/17</td>
<td>That Council: 2. Defer consideration of the submissions to Amendment C126 until its 19 September 2017 Ordinary Meeting.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25/7/17</td>
<td>Sandringham Golf Course Increased Investment and Upgrade Proposal</td>
<td>DCS</td>
<td>Report to be submitted Council following the consultation.</td>
</tr>
<tr>
<td>25/7/17</td>
<td>That Council receives a report on the outcomes of the consultation to determine if the proposal should proceed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25/7/17</td>
<td>Response to petition - Reclaim the historic name 'Pennydale' for the neighbourhood bounded by Bay Road, Frankston railway line, Park Road and the residential zone on both sides of Jack Road.</td>
<td>DCS</td>
<td>A further report will be submitted Council following completion of the community consultation process.</td>
</tr>
<tr>
<td>25/7/17</td>
<td>That Council considers a further report on the matter following the completion of the community consultation process, and to further address the strong link with the locality and sense of place.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25/7/17</td>
<td>Bayside Environmental Sustainability Framework 2016-2025 Annual Progress Report</td>
<td>DERI</td>
<td>A report will be submitted to the August 2018 Council meeting.</td>
</tr>
<tr>
<td>22/8/17</td>
<td>Future Provision of Netball Facilities - Site Assessment Outcomes</td>
<td>DERI</td>
<td></td>
</tr>
<tr>
<td>DATE OF MEETING</td>
<td>COUNCIL RESOLUTION</td>
<td>DIVISION</td>
<td>COMMENTS/STATUS</td>
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</tr>
<tr>
<td>22/8/17</td>
<td><strong>Brighton Secondary College Synthetic Hockey facility - Management Committee Financials Update</strong></td>
<td>DERI</td>
<td>A report will be submitted to the July 2018 Council meeting.</td>
</tr>
<tr>
<td>22/8/17</td>
<td><strong>Integrated Transport Strategy 2013 - Implementation Progress During 2016/17</strong></td>
<td>DERI</td>
<td>A report will be presented to the March 2018 Council meeting.</td>
</tr>
<tr>
<td>22/8/17</td>
<td><strong>Melbourne Metropolitan Partnerships</strong></td>
<td>CEO</td>
<td></td>
</tr>
</tbody>
</table>

That Council:

4. Receive a report before or at the April 2018 Council meeting on the establishment of a netball centre on the site of the Sandringham Golf Driving Range;

A report will be submitted before or at the April 2018 Council meeting.

That Council receives a further report no later than July 2018 from the Management Committee summarising activities, including the financial position of the Brighton Secondary College Hockey Facility Management Committee.

That Council notes the report on the establishment of the Inner South-East Metropolitan Partnership and receives a further report on the outcomes of the 30 August 2017 Annual Assembly.
11. Reports by Delegates

1. Association of Bayside Municipalities – Cr Evans
2. MAV Environment Committee – Director Environment, Recreation & Infrastructure
3. Metropolitan Transport Forum – Cr Martin
4. Municipal Association of Victoria – The Mayor Cr del Porto
5. Inner South Metropolitan Mayors’ Forum – The Mayor Cr del Porto
6. Metropolitan Local Government Waste Forum – Cr Heffernen

12. Urgent Business

13. Notices of Motion

Nil