



Performance Statement

For the year ended 30 June 2018



Performance Statement

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Description of municipality

Bayside City Council (the Council) is situated on the coastline of Port Phillip Bay and has an estimated residential population of 104,030, which has been steadily increasing for over a decade.

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

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

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

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

Sustainable Capacity Indicators

For the year ended 30 June 2018

Indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$950.82	\$942.46	\$954.76	\$1,020.97	Council is committed to providing high quality services to the Bayside community in the most efficient way possible. Ongoing savings have been found over the last four years to keep expenses per head of municipal population low. The increase in expenses per head in 2017/18 is due to increased depreciation expenditure which reflects the increased investment Council is making in the municipalities infrastructure as well as increased waste costs associated with the recycling crisis.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$4,166.50	\$4,234.35	\$4,703.42	\$4,821.96	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 four years to address this issue.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	270.13	273.84	277.31	280.40	The population density of Bayside is comparable to other metropolitan councils and reflects the relatively low density nature of these suburbs.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$996.12	\$1,041.52	\$1,052.61	\$1,093.47	An increase in Council's rates, growth from supplementary rates, additional parking infringement income and developer contributions all contributed to an increase in revenue for 2017/18.
Recurrent grants					
<i>Recurrent grants per head of population</i> [Recurrent grants / Municipal population]	\$114.09	\$93.53	\$118.85	\$101.82	Bayside receives relatively low levels of government grants due to its low levels of socio-economic disadvantage. This places pressure on Council rates and charges as the main source of funding for community services and works.

Indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	10	10	10	10	The score indicates that, overall, Bayside had a relative lack of disadvantage when compared to most other local government areas in Victoria, and to metropolitan Melbourne. However, Bayside does have scattered pockets or neighbourhoods experiencing very significant disadvantage, which are masked by the affluence across the municipality.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2018

Service/indicator/measure	Results				Commentary (as appropriate)
	2015	2016	2017	2018	
Population					
Aquatic Facilities Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0	0	0	0	Council owns two aquatic facilities within the Bayside area: Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths. Both these facilities are operated and managed under private commercial lease agreements. Council is not responsible for the operation or management of the Sandringham Family Leisure Aquatic Centre and Middle Brighton Sea Baths is not technically defined as an aquatic facility.
Animal Management Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	6*	9	22	10	Council educates the community about responsible pet ownership to minimise breaches of the Domestic Animals Act. Council has successfully prosecuted 10 animal matters this year, a reduction from the prior year reflecting an improved education program and consistent enforcement throughout the Bayside Council area.
Food Safety Health and safety					
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	100%	100.00%	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.

* This figure has been updated from the 2014/15 Performance Statement to reflect changes to the reporting methodology and allow accurate comparison of results. The 2015 result was originally reported as 7.

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

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

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

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2018

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

										reflecting Council's increasing investment in capital program as well as increased waste costs associated with the recycling crisis. Excluding depreciation expense, Council expenses per property assessment as 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.
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Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	158.24%	185.90%	174.26%	217.34%	158.46%	127.60%	143.68%	143.64%	The expected increase of investment in the capital program will result in the reduction of cash, therefore resulting in a declining trend.
Obligations Asset renewal									
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	84.25%	96.87%	107.46%	107.43%	143.86%	127.26%	94.41%	90.32%	To ensure assets are maintained and meet community expectations, Council is increasing expenditure on capital works to renew its ageing building infrastructure. From 2016/2017, expenditure exceeds depreciation leading to a significant increase in the standard of community assets over time.

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

Dimension/indicator/measure	Results				Forecasts				Commentary (as appropriate)
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	70.82%	71.51%	70.47%	71.01%	74.50%	74.79%	75.14%	75.25%	The shifting of costs from Federal and State Governments, by way of freezing operational grants and low or nil increase in statutory fees, means Council will continue to rely heavily on rate income to fund operational services and capital works.
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.17%	0.17%	0.15%	0.15%	0.15%	0.14%	0.13%	0.12%	Rate increases are in accordance with the new rate capping framework.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population "means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

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

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

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

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

Other Information

For the year ended 30 June 2018

Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on June 27 2018 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the performance statement

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

Bill Shanahan CPA

Principal Accounting Officer

Dated: 24 September 2018

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

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

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

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

Sonia Castelli

Councillor

Dated: 24 September 2018

Rob Grinter

Councillor

Dated: 24 September 2018

Mick Cummins

Chief Executive Officer

Dated: 24 September 2018
