

2024/CM14 Monday, 30 September 2024



THE COUNCIL MEETING

Welcome to this Meeting of the Frankston City Council

The Council appreciates residents, ratepayers and other visitors taking their places in the Public Gallery, as attendance demonstrates an interest in your Council and community affairs. Community spirit is encouraged.

This information sheet is designed to help you to understand the procedures of Council and help you to gain maximum value from your attendance.

The law regarding the conduct of Council meetings enables the public to observe the session. However, to ensure the manageability of Council meetings, opportunities for public participation are limited to Question Time and registered submissions in accordance with Council's guidelines, which are available from Council's Councillors Office (call 9768 1632) and on our website, www.frankston.vic.gov.au. It is not possible for any visitor to participate in any Council debate unless specifically requested by the Chairperson to do so.

If you would like to have contact with Councillors or Officers, arrangements can be made for you to do so separately to the meeting. Call the Councillors Office on 9768 1632 and ask for the person you would like to meet with, to arrange a time of mutual convenience.

When are they held?

Generally speaking, the Council meets formally every three (3) weeks on a Monday and meetings start at 7.00 pm, unless advertised otherwise. This Council Meeting will be held in the Council Chambers, Frankston Civic Centre, 30 Davey Street (entry via Young Street). Livestream footage can be viewed via our website, www.frankston.vic.gov.au.

Council meeting dates are posted at Young Street entrance to the Civic Centre (upper level) and also on our website, www.frankston.vic.gov.au.

<u>Frankston City Council Governance Rules (adopted 31 August 2020 and amended 5 September 2022)</u>

25. Chair's Duty

Any motion which is determined by the *Chair* to be:

- defamatory of or embarrassing to any Councillor, member of Council staff or other person;
- 25.2 abusive or objectionable in language or nature;
- 25.3 a direct negative of the question before the Chair;
- 25.4 vague or unclear in intention;
- 25.5 outside the powers of Council; or
- 25.6 irrelevant to the item of business on the agenda and has not been admitted as

79. Chair May Remove

- 79.1 The Chair may order and cause the removal of any person, including a Councillor, who disrupts any meeting or fails to comply with a direction given under sub-Rule 78.2, or cause the removal of any object or material that is deemed by the Chair as being objectionable or disrespectful.
- 79.2 Any person removed from the meeting under sub-Rule 79.1 must not return to the meeting without the approval of the Chair or Council.

It is intended that this power be exercisable by the Chair, without the need for any Council resolution. The Chair may choose to order the removal of a person whose actions immediately threaten the stability of the meeting or wrongly threatens his or her authority in chairing the meeting.

The Governance Local Law 2020 creates the following offences in relation to behaviour at Council meetings:

- Refusing to leave a meeting when requested to do so by the Chair (following improper or disorderly conduct)
- Failing to comply with a direction of the Chair

Each of these offences carries a penalty of 2 penalty units.

Live Streaming of Council Meetings

Frankston City Council is now Live Streaming its Council Meetings.

Council is encouraging residents to view the meetings via the live streaming.

Live Streaming allows you to watch and listen to the meeting in real time, giving you greater access to Council decision making and debate and improving openness and transparency.

Every care will be taken to maintain privacy and, as far as practically possible, it is not intended that there be either live or recorded footage of the public or Media personnel, however, there might be incidental capture; for example footage of a person exiting the building depending on which camera is being used at the time, or audio recording of a person who interjects the meeting. Council officers who address Council will be heard on the live audio stream, and audio of them speaking will be recorded.

As per Council's Governance Rules 77.2 – the proceedings will be live streamed and recordings of the proceedings will be retained and will be published on Council's website within 24 hours from the end of the meeting.

Council will make every reasonable effort to ensure that a live stream and recording is available. However technical difficulties may arise in relation to live streaming or access to Council's website.

Appropriate signage will be placed at the entrance to the meeting location notifying all attendees that the meeting will be streamed live and recorded. Please note that it is not intended that public speakers will be visible in a live stream of a meeting and care is taken to maintain a person's privacy as an attendee in the gallery, however they may be unintentionally captured in the recording. If public speakers do not wish to be audio recorded they will need to contact the Councillors Office on telephone (03) 9768 1632 or via email councillors.office@frankston.vic.gov.au to discuss alternative options prior to the meeting.

In the event Council encounters technical issues with the livestreaming, the meeting will be adjourned for up to 30 minutes until the matter is resolved. If the matter cannot be resolved, the meeting will be postponed to another evening.

The Formal Council Meeting Agenda

The Council meeting agenda is available for public inspection immediately after it is prepared, which is normally on the Thursday afternoon two (2) business days before the meeting. It is available from the Reception desk at the Civic Centre (upper level), on our website www.frankston.vic.gov.au or a copy is also available for you in the chamber before the meeting.

The following information is a summary of the agenda and what each section means:-

Items Brought Forward

These are items for discussion that have been requested to be brought forward by a person, or a group of people, who have a particular item on the Agenda and who are present in the Public Gallery.

• Presentation of Written Questions from the Gallery

Question Time forms are available from the Civic Centre and our website, www.frankston.vic.gov.au.

"Questions with Notice" are to be submitted before 12 noon on the Friday before the relevant Ordinary Meeting either in person at the Frankston Civic Centre, online using the Question Time web form or via email to questions@frankston.vic.gov.au.

"Questions without Notice" are to be submitted between 12 noon on the Friday before the relevant Ordinary Meeting up until 4pm on the day of the relevant Council Meeting either in person via the designated Question Time box located at the Frankston Civic Centre front reception or the after-hours mail box or via email to questions@frankston.vic.gov.au.

A maximum of 3 questions may be submitted by any one person at one meeting. There is no opportunity to enter into debate from the Gallery.

More detailed information about the procedures for Question Time is available from Council's Councillors Office (call 9768 1632) and on our website, www.frankston.vic.gov.au.

Presentation of Petitions and Joint Letters

These are formal requests to the Council, signed by a number of people and drawing attention to matters of concern to the petitioners and seeking remedial action from the Council. Petitions received by Councillors and presented to a Council meeting are usually noted at the meeting, then a report is prepared for consideration at the next available meeting.

Presentation of Reports

Matters requiring a Council decision are dealt with through officer reports brought before the Council for consideration. When dealing with each item, as with all formal meeting procedures, one Councillor will propose a motion and another Councillor will second the motion before a vote is taken. If the members of the public wish to clarify any of the items on the Agenda, please contact the relevant manager by phoning 1300 322 322.

• Presentation of Delegate Reports

A Councillor or member of Council staff who is a delegate may present to Council on the deliberations of the external body, association, group or working party in respect of which he or she is a delegate or an attendee at a Council approved conference / seminar.

Urgent Business

These are matters that Councillors believe require attention and action by Council. Before an item can be discussed, there must be a decision, supported by the majority of Councillors present, for the matter to be admitted as "Urgent Business".

Closed Meetings

Because of the sensitive nature of some matters, such as personnel issues, contractual matters or possible legal action, these matters are dealt with confidentially at the end of the meeting.

Opportunity to address Council

Any person who wishes to address Council must pre-register their intention to speak before 4.00pm on the day of the meeting, by telephoning Council's Councillors Office (call 9768 1632) or by submitting the online web form or by using the application form both available on the website, www.frankston.vic.gov.au.

The submissions process is conducted in accordance with guidelines which are available from Council's Councillors Office and on our website. All submissions will be limited to 3 minutes in duration, except for Section 223 submitters, who have a maximum of 5 minutes. No more than ten (10) members of the public are to be permitted to address the Council. Further speakers will be permitted to address the meeting at the discretion of the Chair. All speakers need to advise if they are speaking on behalf of an organisation and it is deemed that they have been appropriately authorised by that said organisation.

Public submissions and any subsequent discussion will be recorded as part of the meeting. The proceedings will be live streamed and recordings of Council meetings will be made available to members of the public within 24 hours of the meeting.

Members of the public who address the Council will be heard on the live stream and audio of them speaking will be recorded. It is not intended that submitters or members of the public in the gallery will be visible in the live streaming or recording of the meeting. If a submitter does not wish to be recorded they must advise the Chair at the commencement of their public submission or prior to the Council Meeting.

Disclosure of Conflict of Interest

If a Councillor considers that they have, or might reasonably be perceived to have, a direct or indirect interest in a matter before the Council or a special committee of Council, they will declare their interest and clearly state its nature before the matter is considered. This will be done on every occasion that the matter is considered by the Council or special committee.

If a Councillor has an interest in a matter they will comply with the requirements of the Local Government Act, which may require that they do not move or second the motion and that they leave the room in which the meeting is being held during any vote on the matter and not vote on the matter.

If a Councillor does not intend to be at the meeting, he or she will disclose the nature of the interest to the Chief Executive Officer, Mayor or Chairperson prior to the meeting commencing.

MAYOR



NOTICE PAPER

ALL COUNCILLORS

NOTICE is hereby given that a Council Meeting of the Council will be held at the Civic Centre, Davey Street, Frankston, on 30 September 2024 at 7:00 PM.

COUNCILLOR STATEMENT

All members of this Council pledge to the City of Frankston community to consider every item listed on this evening's agenda:

- Based on the individual merits of each item;
- Without bias or prejudice by maintaining an open mind; and
- Disregarding Councillors' personal interests so as to avoid any conflict with our public duty.

Any Councillor having a conflict of interest in an item will make proper, prior disclosure to the meeting and will not participate in the debate or vote on the issue.

OPENING WITH PRAYER

Almighty God, we ask for your blessing upon this Council. Direct and prosper its deliberations to the advancement of your glory and the true welfare of the people of Frankston City. Amen.

ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

I acknowledge the Traditional Custodians of the land on which we meet today, the Bunurong People of the Kulin Nation, and pay my respect to Elders past, present and future. I would like to extend that respect to Elders of other communities who may be here today.



BUSINESS

1.	APOL	LOGIES	
2.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING Council Meeting No. CM12 held on 9 September 2024 Council Meeting No. CM13 held on 16 September 2024.		
3.	DISC INTE	LOSURES OF INTEREST AND DECLARATIONS OF CONFLICT OF REST	
4 .	PUBL	LIC QUESTIONS	
5 .	HEAF	RING OF SUBMISSIONS	
6.	PRES	SENTATION OF PETITIONS AND JOINT LETTERS	
7 .	CONS	SIDERATION OF REPORTS OF OFFICERS	
	7.1	Consolidated Financial Report and Performance Statement ended 30 June 20242	
	7.2	Frankston City Council Annual Report 2023-202493	
8.	URG	ENT BUSINESS	
9.	CON	FIDENTIAL ITEMS	

Phil Cantillon

Nil

CHIEF EXECUTIVE OFFICER

23/09/2024

7.1 Consolidated Financial Report and Performance Statement ended 30 June 2024

Enquiries: (Caroline Reidy: Corporate and Commercial Services)

Council Plan

Level 1: 6. Progressive and Engaged City

Level 2: 6.1 Ensure sustainable financial management and the strategic

allocation of resources to deliver planned infrastructure and

services

Purpose

To approve, in principle, the Consolidated Financial Report and the Performance Statement for the financial year ended 30 June 2024, following which the documents will be submitted to the Victorian Auditor-General Office.

Recommendation (Director Corporate and Commercial Services)

That Council:

- 1. Approves in principle, the draft Consolidated Financial Report and draft Performance Statement for the year ended 30 June 2024;
- 2. Authorises the Mayor, Cr Nathan Conroy and Councillor Sue Baker (as Council nominated Audit and Risk Committee members) to certify the Consolidated Financial Report after agreement with Council's external auditors as to any changes that may need to be made and as considered appropriate;
- 3. Authorises the Mayor, Cr Nathan Conroy and Councillor Sue Baker (as Council nominated Audit and Risk Committee members) to certify the Performance Statement after agreement with Council's external auditors as to any changes that may need to be made and as considered appropriate; and
- 4. Approves the creation of the new Economic Development Grants reserve in compliance with the statutory and discretionary reserves policy to quarantine unexpended business and façade grants until they are fully claimed by the recipients.

Key Points / Issues

- The Victorian Auditor-General's Office is finalising its review of the Consolidated Financial Report and Performance Statement and all supporting information.
- The Audit and Risk Committee (ARC) met on Thursday, 12 September 2024 to consider and review the 2023-2024 Annual Consolidated Financial Report and Performance Statement. Agents of the Auditor-General were also in attendance at the meeting.
- The ARC has recommended that the draft Consolidated Financial Report and draft Performance Statement for the year 1 July 2023 to 30 June 2024 be adopted in principle, subject to the minor amendments discussed at the meeting.
- The ARC also recommends to Council that the Principal Accounting Officer be authorised to make non-material changes and material amendments as

determined by the Auditor-General. The ARC must be consulted prior to any material amendments and such amendments are to be communicated to Council as soon as practical.

- The Consolidated Financial Report and Performance Statement, once agreed to by Council and the Auditor-General, form part of the annual report to be presented to the Minister. The annual report, once finalised, will be advertised and will be brought back to Council for noting.
- Copies of the draft Consolidated Financial Report (Attachment A) and draft Performance Statement are attached (Attachment B). The Auditor-General has indicated that the consolidated financial report and performance statement will be signed unconditionally and without qualification.

Definitions:

Net Operating Result: The net operating result is the net financial position and includes the impact of non-operating or once off items such as capital grants. This net position is used to fund the capital works program.

Net Underlying Result: The net underlying result is directly attributable to operations and <u>excludes</u> items such as capital grants and contributions and non-monetary assets. The impact of the underlying operating result is of most concern as this is the **key indicator of financial performance.**

Summary of Results	Actual 2023-24	Budget 2023-24	Prior Year 2022-23
	\$'000	\$'000	\$'000
Net Operating Result Surplus	32,620	27,988	15,002
Exclude:			
Capital Grants	26,799	29,858	14,294
Monetary Contributions	4,155	1,754	1,824
Non-Monetary Contributions	24,851	800	7,103
Net Underlying Result (Deficit)	(23,185)	(4,424)	(8,219)

The draft unaudited Consolidated Financial Report highlights are:

- The **net operating result** surplus as presented in the Comprehensive Income Statement is \$32.620m, up \$17.618m from \$15.002m in 2022-2023 (Budget was \$27.988m).
- The **net underlying result** which is directly attributable to operations and excludes items such as capital grants and contributions and non-monetary assets is \$23.185m deficit compared to \$8.219m deficit in 2022-2023, (Budget was \$4.424m deficit).

- Some of the key variations in the **net underlying result** decline of \$14.966m on the prior year are:
 - User fees and charges increased by \$2.473m due mainly to increased utilisation at the Frankston Arts Centre (\$0.644m) and recreation and leisure facilities (\$1.607m) such as Peninsula Leisure and Centenary Park Golf course.
 - Operating Grants were \$12.970m lower than the prior year due to financial assistance grants for 2023-2024 of \$10.0m were received in the prior year.
 - Materials and services are \$0.561m lower than the prior year following tight cost control across the organisation and include a new provision for landfill remediation of \$2.030m for restoration works at the landfill site at McClelland Road, Frankston North.
 - Depreciation expenses have increased by \$0.827m due to the delivery of a large capital works projects and an increase to the asset base through asset revaluations.
 - Other expenses have increased by \$7.232m to \$15.878m, mostly related to the \$11.864m write off from the carrying amount of assets in infrastructure \$9.953m and Land and Buildings \$1.519m up from \$4.958m total write offs in 2022-2023.
- In addition to the above, the following movements affected the overall net operating result:
 - Capital grants of \$26.799m were received compared to \$14.294m in 2022-2023, that is an increase of \$12.505m largely due to \$15.451m received for Kananook Commuter car park.
 - Monetary contributions have increased from \$1.824m in 2022-2023 to \$4.155m in 2023-24 mainly due to the receipt of bank guarantee payments following the collapse of the Lloyd Group for Jubilee Park \$1.423m, Eric Bell Pavilion \$0.377m, Healthy Futures Hub \$0.216m and Lloyd Park Pavilion \$0.245m.
 - Non-monetary contributions have increased by \$17.748m mostly related to the Sandhurst Estate Formal Asset Transfer \$19.744m, LXRP shared users paths \$1.845m and a modular pavilion at Belvedere Reserve provided by the AFL \$1.0m.

Other Financial Information

- \$83.390m capital works program delivered against a budgeted \$78.422m and up from \$74.823m in 2022-2023.
- Council's working capital ratio is 1.49 to 1 depicts a satisfactory financial position, however it is lower than the 1.84 to 1 result in 2022-2023 reflecting the increase in borrowings to deliver on the capital program.
- The balance of rates receivable has increased by \$5.171m to \$24.751m in 2023-2024 from \$19.580m in 2022-2023 (\$18.010m in 2021-2022). This reflects the continued impact of the economic environment and cost of living pressures on the community.

- The Balance Sheet reflects a tightening net asset position as borrowing levels increase by \$8.973m and includes a new provision for landfill restoration over the next 10 years of \$2.030m.
- Council's 2023-2024 financial statements have been prepared in accordance with the Local Government Model Financial Report including a statement of capital works and the 2023-2024 performance statement was prepared in accordance with the Local Government Better Practice Guide 2023-2024, along with other information required by the Local Government (Planning and Reporting) Regulations 2020.

Reserves

A new Waste, Recycling and Resource Recovery reserve was established in 2023-2024 to better manage net surplus'/deficits from waste services. In reviewing the net waste position for the last 7 years, we have identified surplus funds of \$2.239m that were transferred to this reserve to help accommodate future unpredictable swings in the cost of waste. This surplus is mostly attributed to the receipt of unbudgeted non recurrent grants relating to waste diversion projects. These funds were transferred from the Accumulated Surplus and will only be used for waste and recycling related expenses.

Also, a new Economic Development grants reserve has been established to quarantine unexpended business and façade grants until they are fully claimed by the recipients. This can often take many months. \$95k has been transferred to this reserve as at 30 June 2024.

Draft unaudited 2023-2024 Performance Statement highlights:

- Workforce turnover has fallen almost 4% to 10.5% reflecting stabilisation of the organisation's workforce.
- Waste diversion from landfill at 52.26% has improved slightly compared to prior year levels (51.88% in 2022-2023).
- Utilisation of Aquatic Facilities continues to be strong at 7.32 marginally up from 7.26 in 2022-2023.
- Planning applications decided within required timeframes had an excellent result of 82.35%, up from 62.41% in 2022-2023.
- The **net underlying operating result** dropped to -10.36% in 2023-2024 from 3.58% in 2022-2023 mainly impacted by the adjustment in the timing of the financial assistance grants of \$10.0m which were 100% received in the prior year.

Council oversight of subsidiary:

During the 2023-2024 financial year Council has continued to oversee the governance of its subsidiary Peninsula Leisure Pty Ltd (PL). There have been facilitated discussions through the following forums:

- Briefings with the Mayor, Chief Executive Officer, Director Corporate and Commercial Services of Frankston City Council and Chair of the Board and Chief Executive Officer of PL.
- Quarterly financial and activity reports have been provided to Councillors.

 Council's Director Corporate and Commercial Services is a Non-executive Director of the Peninsula Leisure Board.

Financial Impact against budget

The **net operating result** surplus for the 2023-2024 financial year is \$32.620m. This is \$4.632m favourable to the budget of \$27.988m.

Excluding Capital income and non-monetary contributions, the **underlying operating deficit** of \$23.185m is \$18.761m unfavourable to the budget deficit of \$4.424m which is largely impacted by the following variances:

- Operating grants unfavourable to budget by \$7.732m mainly due to the adjustment in the timing of the financial assistance grants as they were 100% received in the prior year.
- Higher than budgeted interest income of \$0.896m received on investments.
- Unbudgeted container deposit scheme income of \$0.252m.
- Higher depreciation of \$2.929m due to increased revaluation of off-street carparks and other infrastructure assets and indexation of other asset classes in 2022-23 after the budget was set for 2023-24. In addition, unbudgeted depreciation on gifted and found assets totalled \$0.474m.
- Other expenses have increased by \$11.571m mostly due to the write off of assets mainly in Infrastructure \$9.953m and Land and Buildings \$1.519m.

In addition to the above, the following movements affected the overall **net operating result variance to budget:**

- Capital grants were unfavourable to budget by \$3.059m primarily due to the deferral of project expenditure to 2024-25 for projects including Kananook Commuter Car Park \$4.649m, Sandfield Reserve Improvements \$0.798m and LXRP Community Assets Improvements \$0.686m.
- Monetary contributions had a favourable budget variance of \$2.401m primarily due to the receipt of bank guarantee payments following the collapse of the Lloyd Group for Jubilee Park \$1.423m, Eric Bell Pavilion \$0.377m, Healthy Futures Hub \$0.216m and Lloyd Park Pavilion \$0.245m.
- Non-monetary contributions were favourable to budget by \$24.051m due to the Sandhurst Estate Formal Asset Transfer \$19.744m, LXRP shared users' paths \$1.845m and a modular pavilion at Belvedere Reserve provided by the AFL \$1.0m.

Consultation

- This report does not require community consultation. The audited Consolidated Financial Report and Performance Statement will be made available as a public document via the Annual Report for 2023-2024 following the Auditor-General's approval.
- These Statements are a report back to the community on Council's performance against Council's 2023-2024 Annual Budget and Council's performance against measures and targets for Key Strategic Objectives specified in the 2023-2024 Annual Budget, both of which were adopted after a community consultation period of 28 days.

Legal / Policy / Council Plan Impact

Legal

 The Local Government Act 2020 (the Act) requires that Council give approval in principle to the submission of the Financial Report and the Performance Statement to the external auditor.

Officer's Declaration of Interests

 Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

The Consolidated Financial Report and Performance Statement have been audited by Council's external auditors (Victorian Auditor-General's Office).

The Audit and Risk Committee met on 12 September 2024 with the VAGO agents Crowe to also review these statements. The Audit and Risk Committee reviewed the draft unaudited Consolidated Financial Report and Performance Statement for the year 1 July 2023 to 30 June 2024 and recommend to Council that they be adopted in principle, subject to any minor amendments discussed at the meeting.

Conclusion

The draft unaudited 2023-2024 Consolidated Financial Report and Performance Statement reflect challenging financial position with caution and tight cost control occurring in most areas of the organisation. Council will continue to closely monitor its position to ensure long-term sustainability.

ATTACHMENTS

Attachment A: Draft Consolidated Financial Report 2023-2024

Attachment B: Draft Performance Statement 2023-2024

Frankston City Council Consolidated Financial Report

For the year ended 30 June 2024

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Item 7.1 Attachment A:

Draft Consolidated Financial Report 2023-2024

Frankston City Council Certification of Financial Statements

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

Caroline Reidy CPA Principal Accounting Officer Dated: 30 September 2024

30 Davey Street, Frankston Victoria, Australia

In our opinion the accompanying Financial Statements present fairly the consolidated financial transactions of Frankston City Council for the year ended 30 June 2024 and the consolidated financial position of Council as of 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 Council on xx October 2024 and by the Local Government (Planning and Reporting) Regulations 2020 to certify the Financial Statements in their final form.

Cr Nathan Conroy MAYOR

Dated: 30 September 2024 30 Davey Street, Frankston Victoria, Australia Cr Sue Baker COUNCILLOR

Dated: 30 September 2024 30 Davey Street, Frankston Victoria, Australia

Phil Cantillon
CHIEF EXECUTIVE OFFICER

Dated: xx October 2024 30 Davey Street, Frankston Victoria, Australia

Reports of Officers	11	30 September 2024 CM14
Item 7.1 Attachment A:	Draft Consolidated Financial Report 2023-2024	

<INSERT VAGO REPORT - PAGE 1>

Reports of Officers	12	30 September 2024 CM14
Item 7.1 Attachment A:	Draft Consolidated Financial Report 2023-2024	·

<INSERT VAGO REPORT - PAGE 2>

Frankston City Council Consolidated Comprehensive Income Statement For the year ended 30 June 2024

		2024	2023
	Note	\$'000	\$'000
Income / Revenue			
Rates and charges	3.1	146,948	142,227
Statutory fees and fines	3.2	6,589	6,051
User fees	3.3	30,869	28,396
Grants - operating	3.4	11,897	24,867
Grants - capital	3.4	26,799	14,294
Contributions - monetary	3.5	4,155	1,824
Contributions - non monetary	3.5	24,851	7,103
Net gain on disposal of property, plant and equipment	3.6	533	377
Other income	3.7	7,061	6,163
Total income / revenue		259,702	231,302
Expenses			
Employee costs	4.1	94,318	90,825
Materials and services	4.2	76,339	76,900
Depreciation	4.3	37,665	36,838
Amortisation - intangible assets	4.4	1,207	1,075
Depreciation - right of use assets	4.5	191	372
Movement in allowance for impairment losses	4.6	(24)	209
Borrowings costs	4.7	1,485	1,415
Finance costs - leases	4.8	23	20
Other expenses	4.9	15,878	8,646
Total expenses	_	227,082	216,300
Surplus for the year		32,620	15,002
Other comprehensive income			
Net asset revaluation gain / (loss)	6.1	(113,398)	24,769
Total other comprehensive income		(113,398)	24,769
Total comprehensive result	_	(80,778)	39,771

 $The \ above \ Consolidated \ Comprehensive \ Income \ Statement \ should \ be \ read \ in \ conjunction \ with \ the \ accompanying \ notes.$

Frankston City Council Consolidated Balance Sheet

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	58,136	38,293
Other financial assets	5.1	8,547	32,049
Trade and other receivables	5.1	34,889	27,148
Contract assets	5.1	1,447	2,063
Inventories	5.2	265	191
Other assets	5.2	330	330
Prepayments	5.2	2,640	2,389
Total current assets	_	106,254	102,463
Non-current assets			
Trade and other receivables	5.1	414	471
Other financial assets	5.1	3,507	3,507
Property, infrastructure, plant and equipment	6.1	2,113,667	2,154,516
Right-of-use assets	5.8	690	212
Intangible assets	5.2	3,021	3,121
Total non-current assets	_	2,121,299	2,161,827
Total assets	_	2,227,553	2,264,290
Liabilities			
Current liabilities			
Trade and other payables	5.3	25,390	19,095
Trust funds and deposits	5.3	6,637	6,637
Contract and other liabilities	5.3	19,651	13,206
Provisions	5.5	18,035	16,201
Interest-bearing liabilities	5.4	1,260	427
Lease liabilities	5.8	131	103
Total current liabilities	_	71,104	55,669
Non-current liabilities			
Provisions	5.5	4,343	1,463
Interest-bearing liabilities	5.4	36,555	28,415
Lease liabilities	5.8	587	136
Total non-current liabilities	_	41,485	30,014
Total liabilities	=	112,589	85,683
Net assets		2,114,964	2,178,607
Equity			
Accumulated surplus		863,304	800,831
Reserves	9.1	1,251,660	1,377,776
Total equity	_	2,114,964	2,178,607

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity For the year ended 30 June 2024

2024		Total	Accumulated	Revaluation	Other
	Note	\$'000	Surplus \$'000	Reserve \$'000	Reserves \$'000
Balance at beginning of financial year		2,178,607	800,831	1,328,967	48,809
Surplus for the year		32,620	32,620	-	-
Prior year adjustment - found assets		17,135	17,135	-	-
Net asset revaluation gain	9.1(a)	(113,398)	-	(113,398)	-
Transfers to other reserves	9.1(b)	-	(6,692)	-	6,692
Transfers from other reserves	9.1(b)	-	19,410	-	(19,410)
Balance at end of the financial year	_	2,114,964	863,304	1,215,569	36,091
2023		Total	Accumulated	Asset	Other
			Surplus	Revaluation	Reserves
	Note	\$'000	\$'000	41000	4.5
		Ţ 000	Ş 000	\$'000	\$'000
Balance at beginning of financial year		2,136,958	765,364	\$'000 1,304,198	\$'000 67,396
Balance at beginning of financial year Surplus for the year		·	·	•	-
		2,136,958	765,364	•	-
Surplus for the year	9.1(a)	2,136,958 15,002	765,364 15,002	•	-
Surplus for the year Prior year adjustment - found asset	9.1(a) 9.1(b)	2,136,958 15,002 1,878	765,364 15,002	1,304,198 - -	-
Surplus for the year Prior year adjustment - found asset Net asset revaluation gain		2,136,958 15,002 1,878	765,364 15,002 1,878	1,304,198 - -	67,396 - - -

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Frankston City Council Consolidated Statement of Cash Flows For the year ended 30 June 2024

	Note	2024 Inflows/ (Outflows) \$'000	2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		141,960	140,748
Statutory fees and fines		5,801	5,404
User fees		33,347	28,953
Grants - operating		11,112	26,061
Grants - capital		30,732	12,132
Contributions - monetary		4,155	1,825
Interest received		2,877	1,510
Trust funds and deposits taken		17,391	16,836
Other receipts		4,675	4,051
Net GST receipt/(payment)		(924)	3,648
Employee costs		(91,636)	(90,164)
Materials and services		(66,202)	(88,113)
Short-term, low value and variable lease payments		(438)	(482)
Trust funds and deposits repaid		(17,391)	(16,095)
Other payments	_	(3,574)	(3,205)
Net cash provided by operating activities	9.2	71,885	43,109
Cash flows from investing activities			
Payments for property, infrastructure, intangibles, plant and equipment		(83,571)	(75,015)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	749	623
Net proceeds for investments		23,503	13,458
Net cash used in investing activities		(59,319)	(60,934)
Cash flows from financing activities			
Finance costs		(1,473)	(1,409)
Proceeds of borrowings		9,400	2,150
Repayment of borrowings		(427)	(392)
Interest paid - lease liabilities		(23)	(19)
Repayment of lease liabilities		(200)	(412)
Net cash provided/(used) in financing activities	_	7,277	(82)
Net (decrease)/increase in cash and cash equivalents	_	19,843	(17,907)
Cash and cash equivalents at the beginning of the financial year		38,293	56,200
Cash and cash equivalents at the end of the financial year	9.3	58,136	38,293
Financing arrangements	5.6		

 $\label{thm:constraint} \textit{The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.}$

Frankston City Council Consolidated Statement of Capital Works For the year ended 30 June 2024

	2024	2023
Note	\$'000	\$'000
Property		
Land	-	387
Total land	-	387
Buildings	28,941	35,940
Total buildings	28,941	35,940
Total property	28,941	36,327
Plant and equipment		
Plant, machinery and equipment	2,850	3,856
Fixtures, fittings and furniture	528	575
Computers and telecommunications	2,614	3,105
Library books	723	789
Total plant and equipment	6,715	8,325
Infrastructure		
Roads	7,964	6,400
Bridges	1,369	198
Footpaths and cycleways	3,914	2,790
Drainage	2,497	1,206
Recreational, leisure and community facilities	6,529	10,077
Waste management	142	260
Parks, open space and streetscapes	9,698	8,191
Off street car parks	15,565	1,049
Other infrastructure	56	-
Total infrastructure	47,734	30,171
Total capital works expenditure	83,390	74,823
Represented by:		
New asset expenditure	28,073	12,978
Asset renewal expenditure	28,981	23,761
Asset expansion expenditure	2,449	695
Asset upgrade expenditure	23,887	37,389
Total capital works expenditure	83,390	74,823

The above Consolidated Statement of Capital Works should be read in conjunction with the accompanying notes.

Reports of Officers 18 30 September 2024 CM14

Item 7.1 Attachment A: Draft Consolidated Financial Report 2023-2024

Frankston City Council

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1 OVERVIEW

Introduction

Frankston City Council was established by an Order of the Governor in Council on 15 December 1994 and is a body corporate. The Council's main office is located at 30 Davey Street, Frankston, Victoria.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Consolidated Comprehensive Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Consolidated Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

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

Accounting policy information

(a) Basis of accounting

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of employee provisions (refer to note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgments

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

The Frankston Cemetery Trust has been specifically excluded from this report by virtue of the Cemeteries Trust Act (1958).

Reports of Officers	19	30 September 2024 CM14
Item 7.1 Attachment A:	Draft Consolidated Financial Report 2023-2024	

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 1 OVERVIEW (continued)

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2 Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its Annual Budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2020 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1 million 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 22 May 2023. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 2020 and the Local Government (Planning and Reporting) Regulations 2020.

Note 2.1.1 Income / Revenue and Expenditure

	Budget 2024	Actual 2024	Variance	Variance	
	\$'000	\$'000	\$'000	%	Ref.
Income / Revenue					
Rates and charges	146,422	146,948	526	0.36%	
Statutory fees and fines	6,744	6,589	(155)	(2.30%)	
User fees	29,822	30,869	1,047	3.51%	1.
Grants - operating	19,629	11,897	(7,732)	(39.39%)	2.
Grants - capital	29,858	26,799	(3,059)	(10.25%)	3.
Contributions - monetary	1,754	4,155	2,401	136.89%	4.
Contributions - non-monetary	800	24,851	24,051	3006.38%	5.
Net gain on disposal of property, infrastructure,					
plant and equipment	512	533	21	4.10%	
Other income	5,548	7,061	1,513	27.27%	6.
Total income / revenue	241,089	259,702	18,613	7.72%	
Expenses					
Employee costs	94,468	94,318	150	0.16%	
Materials and services	77,288	76,339	949	1.23%	
Depreciation	34,736	37,665	(2,929)	(8.43%)	7.
Amortisation - Intangible assets	1,157	1,207	(50)	(4.32%)	
Depreciation - Right of use assets	281	191	90	32.03%	8.
Movement in allowance for impairment losses	232	(24)	256	110.34%	9.
Borrowing costs	1,622	1,485	137	8.45%	
Finance costs - leases	10	23	(13)	(130.00%)	10.
Other expenses	4,307	15,878	(11,571)	(268.66%)	11.
Efficiency factor	(1,000)	-	(1,000)	100.00%	12.
Total expenses	213,101	227,082	(13,981)	(6.56%)	
Surplus for the year	27,988	32,620	4,632	16.55%	

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Ref Explanation

User fees and charges

User fees had a favourable actual to budget variance of \$1.047 million primarily due to higher than expected patronage at Frankston Regional Recycling and Recovery Centre \$0.963 million and Centenary Park Golf Course \$0.313 million and higher fees received in Engineering Services for private subdivisions \$0.301 million and occupation of land \$0.216 million. These have been offset by lower fees received for charged car parking \$0.496 million and community hall hire \$0.176 million.

Grants - operating

Grants - operating had an unfavourable actual to budget variance of \$7.732 million primarily due to the non-receipt of budgeted Financial Assistance Grants of \$8.200 million from the Commonwealth Government. These were previously received 100% in advance in 2022-23 and 75% in advance in 2021-22. Unexpected grants of \$0.467 million were received in Waste Circularity.

Grants - capital

Grants- capital had an unfavourable actual to budget variance of \$3.059 million primarily due to the deferral of project expenditure to 2024-25 for projects including Kananook Commuter Car Park \$4.649 million, Sandfield Reserve Improvements \$0.798 million and LXRP Community Assets Improvements \$0.686 million. This has been partially offset by additional grants for Seaford Wetlands Rejuvenation \$0.734 million, Barrett's Road construction \$0.691 million and Hall Road construction \$1.698 million.

Contributions - monetary

Contributions - monetary had a favourable actual to budget variance of \$2.401 million primarily due to the receipt of bank guarantee payments following the collapse of the Lloyd Group for Jubilee Park \$1.423 million, Eric Bell Pavilion \$0.377 million, Healthy Futures Hub \$0.216 million and Lloyd Park Pavilion \$0.245 million.

Contributions - non-monetary

Contributions – non monetary assets had a favourable actual to budget variance of \$24.051 million due the Sandhurst Estate Formal Asset Transfer \$19.744 million, LXRP shared users paths \$1.845 million, a modular pavilion at Belvedere Reserve provided by the AFL \$1.0 million and gifted land, roads, footpaths and drainage received relating to subdivisions within the municipality \$2.461 million.

Other income

Other income had a favourable actual to budget variance of \$1.515 million due to higher interest received from investments \$0.596 million, higher PARC café sales \$0.186 million, unbudgeted container deposit scheme \$0.252 million, property leases \$0.241 million, insurance settlements \$0.109 million and various reimbursements \$0.131 million

Depreciation

Depreciation had an unfavourable actual to budget variance of \$2.929 million due to increased revaluation of off-street carparks and other infrastructure assets and indexation of other asset classes in 2022-23 after the budget was set for 2023-24. In addition, unbudgeted depreciation on gifted and found assets totalled \$0.474 million.

Depreciation - Right of use assets

Depreciation - Right of use assets had a favourable actual to budget variance of \$0.090 million due to the delayed rollout of new leased laptops for staff.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Ref Explanation

9. Movement in allowance for impairment losses

Allowance for impairment losses had a favourable actual to budget variance of \$0.256 million mainly due to the write-back of an overprovision of parking fines.

10. Finance costs – leases

Finance costs – leases had an unfavourable actual to budget variance due to new leases entered into for equipment at Peninsula Leisure.

11. Other expenses

Other expenditure had an unfavourable actual to budget variance of \$11.571 million due to write off of the carrying amount of assets mainly in Infrastructure \$9.953 million and Land and Buildings \$1.445 million. A review revealed \$0.455 million of operating expenditure in capital project handovers that could not be capitalised. These were offset by lower learning & development costs \$0.149 million and operating lease rentals \$0.114 million due to the postponement in undertaking these programs.

12. Efficiency factor

Efficiencies achieved have been reflected in other categories, but not material enough to have an impact on the budget bottom line.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2.1 Performance against budget (continued) 2.1.2 Capital Works

	Budget 2024	Actual 2024	Variance	Variance	
	\$'000	\$'000	\$'000	%	Ref.
Property					
Buildings	18,502	28,941	10,439	56.42%	1.
Total Buildings	18,502	28,941	10,439	56.42%	
Total Property	18,502	28,941	10,439	56.42%	
Plant and equipment					
Plant, machinery and equipment	2,576	2,850	274	10.64%	2.
Fixtures, fittings and furniture	375	528	153	40.80%	3.
Computers and telecommunications	2,795	2,614	(181)	(6.48%)	
Library books	750	723	(27)	(3.60%)	
Total plant and equipment	6,496	6,715	219	3.37%	
Infrastructure					
Roads	8,278	7,964	(314)	(3.79%)	
Bridges	150	1,369	1,219	812.67%	4.
Footpaths and cycleways	4,779	3,914	(865)	(18.10%)	5.
Drainage	3,064	2,497	(567)	(18.51%)	6.
Recreational, leisure and community facilities	5,548	6,529	981	17.68%	7.
Waste management	420	142	(278)	(66.19%)	8.
Parks, open space and streetscapes	10,385	9,698	(687)	(6.62%)	
Off street car parks	20,800	15,565	(5,235)	(25.17%)	9.
Other infrastructure		56	56	100.00%	10.
Total infrastructure	53,424	47,734	(5,690)	(10.65%)	
Total capital works expenditure	78,422	83,390	4,968	6.33%	
Represented by:					
New asset expenditure	36,018	28,073	(7,945)	(28.30%)	
Asset renewal expenditure	26,239	28,981	2,742	9.46%	
Asset expansion expenditure	1,673	2,449	776	31.69%	
Asset upgrade expenditure	14,492	23,887	9,395	39.33%	
Total capital works expenditure	78,422	83,390	4,968	6.33%	

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

Ref Explanation

1. Buildings

A significant portion of the Capital Works Program expenditure was delivered on buildings & facilities (\$28.941 million); a variance of \$10.439 million over the adopted budget. This is primarily due to carry forward expenditure of \$7.371 million in buildings from 2022-23 following unfavourable market conditions to deliver major projects. In addition, contractor insolvency experienced on a number of buildings major projects resulted in additional funding required to complete these projects in the 2023-24 financial year.

2. Plant, machinery and equipment

Over expenditure of \$0.274 million in plant, machinery and equipment is primarily due to the delivery of a backlog of heavy plant and light vehicles that were planned for replacement in 2022-23.

3. Fixtures, fittings and furniture

Over expenditure of \$0.153 million was primarily due to the delayed delivery of supply of CCTV camera units that were planned for delivery in 2022-23.

4 Bridges

Bridges were overspent by \$1.219 million, primarily due to the delivery of the Seaford Wetlands Rejuvenation – Canal Bridge Construction project that was delayed in 2022-23 due to planning approvals from external agencies.

5. Footpaths and cycleways

Footpaths and cycleways were under spent by \$0.865 million due to project delays and deferrals. Projects primarily affected included pathway improvements funded via the Level Crossing Removal Authority (\$0.165 million), Frankston Revitalisation Action Plan - Greenlink (\$0.437 million) and Robinsons Road to Peninsula Link Trail Shared User Path (\$0.174 million).

6. Drainage

Drainage was under spent by \$0.567 million. Project affected include Frankston South Drainage Strategy drainage upgrade projects at 15 Kars Street, Frankston (\$0.150 million) and Warringa Stage 2 - Cliff Road (\$0.600 million).

7. Recreational, leisure and community facilities

Recreational, leisure and community facilities were overspent by \$0.981 million, primarily due to the delivery of the Overport Park Mountain Bike Track (\$0.330 million) and Jubilee Park Master Plan Implementation (West Precinct) (\$0.385 million) that were carried forward from 2022-23.

8. Waste management

Waste management was under spent by \$0.278 million, primarily due to project savings associated with Council's landfill management.

9. Off street car parks

Off street carparks were under spent by \$5.235 million due to project planning delays with the Kananook Commuter Car Park (\$4.715 million) major project.

10. Other infrastructure

Other infrastructure was overspent by \$0.056 million due to the addition of the City Centre Parklet Refresh and Renewal project.

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Chief Executive Officer (CEO) and Council

The CEO has responsibility for the day to day management of Council's operations in accordance with the strategic direction of the Council Plan 2021-2025.

Infrastructure and Operations

Provide support to the CEO and Councillors on delivery, maintenance and management of Council's assets. Also focuses on delivering innovative and sustainable outcomes for the community.

The directorate includes Capital Works Delivery, Buildings and Facilities, Operations, Sustainable Assets and Engineering Services.

Communities

Communities provides leadership, direction and general management of all departments within the Communities Directorate as well as community policy and strategy development.

The directorate includes Community Strengthening, Development Services, Safer Communities, Family Health Support Services and City Futures.

Corporate and Commercial Services

Providing advice and support to the CEO and Councillors on governance and financial matters, in conjunction with forming strong partnerships with the community to deliver services to improve the community's lifestyle.

The directorate includes Governance and Information, Procurement, Property and Risk and Waste Circularity as well as Financial and Integrated Planning.

Customer Innovation and Arts

The Customer Innovation and Arts directorate oversees the organisation's service delivery to its community via traditional means as well as the integration of technology to enhance the user experience.

The directorate includes People and Culture, Customer Experience and Transformation, Business and Information Technology, Arts and Culture and Community Relations.

Other

The items in Other are not directly attributable to the Directorates and includes overheads and grants.

Peninsula Leisure

Peninsula Leisure Pty Ltd is a wholly-owned subsidiary of Frankston City Council. Peninsula Leisure Pty Ltd operates Peninsula Aquatic Recreation Centre (PARC), Pines Forest Aquatic Centre and the Frankston Skate Park.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 2.2 Analysis of Council results by program (continued)

2024	Income /	Expenses	Surplus/	Grants	Total assets
	Revenue		(Deficit)	included in	
				income /	
				revenue	
	\$'000	\$'000	\$'000	\$'000	\$'000
CEO and Council	-	856	(856)	-	-
Infrastructure and Operations	1,609	76,903	(75,294)	296	1,907,628
Communities	22,110	44,706	(22,596)	10,038	31,298
Corporate and commercial services	158,132	39,155	118,977	468	41,707
Customer innovation and arts	6,373	34,877	(28,504)	1,052	60,440
Other	56,579	16,361	40,218	26,150	181,975
Peninsula Leisure	14,899	14,224	675	692	4,505
Total	259,702	227,082	32,620	38,696	2,227,553
2023	Income /	Expenses	Surplus/	Grants	Total assets
	Revenue		(Deficit)	included in	
				income /	
				revenue	
	\$'000	\$'000	\$'000	\$'000	\$'000
		7 000			
CEO and Council	-	775	(775)	-	-
	- 2,917			- 424	- 1,943,634
Infrastructure and Operations	-	775	(775)	-	-
Infrastructure and Operations Communities	- 2,917	775 79,879	(775) (76,962)	- 424	1,943,634
Infrastructure and Operations Communities Corporate and commercial services	2,917 19,291	775 79,879 44,168	(775) (76,962) (24,877)	- 424 9,702	1,943,634 32,562
Infrastructure and Operations Communities Corporate and commercial services Customer innovation and arts	2,917 19,291 154,239	775 79,879 44,168 38,237	(775) (76,962) (24,877) 116,002	424 9,702 1,658	1,943,634 32,562 37,532
CEO and Council Infrastructure and Operations Communities Corporate and commercial services Customer innovation and arts Other Peninsula Leisure	2,917 19,291 154,239 5,623	775 79,879 44,168 38,237 34,768	(775) (76,962) (24,877) 116,002 (29,145)	424 9,702 1,658 1,018	1,943,634 32,562 37,532 63,988

Notes to the Financial Statements

For the year ended 30 June 2024

Note 3 Funding for the delivery of our services

2024	2023
\$'000	\$'000

Note 3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its site value inclusive of land, buildings and other improvements.

The valuation base used to calculate general rates for 2023-2024 was \$48,781million (2022-2023 \$50,147 million). The 2023-2024 general rate in the dollar was 0.00199259 (2022-2023 0.00187066). The municipal charge is levied at the rate of \$177.85 (2022-2023 \$171.86) per rateable property.

General rates	100,100	96,082
COVID-19 Rate waiver	-	(1)
Service rates and charges	33,692	33,823
Municipal charge	11,460	11,005
Supplementary rates and rate adjustments	580	484
Interest on rates and charges	1,116	834
Total rates and charges	146,948	142,227

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2023 and the valuation was applied to the rating period commencing 1 July 2023.

The annual revaluation is undertaken by Patel Dore Pty Ltd , under contract to the Valuer General Victoria. 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.

Note 3.2 Statutory fees and fines

Total statutory fees and fines	6,589	6,051
Court recoveries	130	75
Land information certificates	162	142
Building and town planning fees	1,607	1,827
Permits	2,052	1,939
Infringements and costs	2,638	2,068

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Notes to the Financial Statements

For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 3.3 User fees		
Recreation and leisure	14,153	12,546
Waste management	6,691	6,749
Arts and culture	4,629	3,985
Parking	1,421	1,470
Waiver - parking fees	-	(142)
Registrations and other permits	1,270	890
Aged and health services	1,114	1,159
Other fees and charges	879	814
Child care/children's programs	320	349
Building services	264	286
Library services	85	58
Legal cost recovery - rates	43	232
Total user fees	30,869	28,396
User fees by timing of revenue recognition		
User fees recognised over time	10,012	9,049
User fees recognised at a point in time	20,857	19,347
Total user fees	30,869	28,396

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

Note 3.4 Funding from other levels of government

Grants were received in respect of the following:

Grants were received in respect of the following.		
Summary of grants		
Commonwealth funded grants	25,677	24,452
State funded grants	13,019	14,709
Total grants received	38,696	39,161
(a) Operating grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	441	12,252
Aged and community care	3,438	3,286
Family, children and youth services	1,029	976
Maternal and child health	24	25
Recurrent Commonwealth grants	4,932	16,539
Recurrent - State Government		
Maternal and child health	2,427	2,214
Libraries	972	972
Family, children and youth services	661	422
School crossing supervisors	548	532
Aged and community care	424	823
Community development	371	300
Recreation	175	181
Community safety	40	89
Recurrent State grants	5,618	5,533
Total recurrent operating grants	10,550	22,072

Notes to the Financial Statements

For the year ended 30 June 2024

	2024	2023
	\$'000	\$'000
Note 3.4 Funding from other levels of government (continued) Non-recurrent - Commonwealth Government		
Family, children and youth services	1	-
Non-recurrent Commonwealth grants	1	-
Non-recurrent - State Government		
Environment	483	1,677
Maternal and child health	351	85
Community safety	218	23
Community development	93	575
Family, children and youth services	81	130
Libraries	58	28
Recreation	44	104
Aged and community care	18	173
Non-recurrent State grants	1,346	2,795
Total non-recurrent operating grants	1,347	2,795
Total operating grants	11,897	24,867
(b) Capital grants		
Recurrent - Commonwealth Government		
Roads to recovery	67	740
Recurrent Commonwealth grants	67	740
Non-recurrent - Commonwealth Government		
Off-street car parks	16,195	938
Roads	2,410	1,162
Buildings	1,950	5,073
Parks, open space and streetscapes	122	-
Non-recurrent Commonwealth grants	20,677	7,173
Non-recurrent - State Government		
Footpaths and cycleways	1,638	656
Buildings	1,492	1,728
Parks, open space and streetscapes	1,340	1,810
Bridges	1,255	195
Recreational, leisure and community facilities	214	1,871
Drainage	114	121
Computers and telecommunications	2	
Non-recurrent State grants	6,055	6,381
Total conital grants	26,732	13,554
Total capital grants	26,799	14,294

Notes to the Financial Statements

For the year ended 30 June 2024

2024	2023
\$'000	\$'000

Note 3.4 Funding from other levels of government (continued)

(c) Recognition of grant income / revenue

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

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered. Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, Council applies AASB 1058 Income for Not-for-Profit Entities.

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

Income recognised under AASB 1058 Income of Not-for-Profit Entities		
General purpose	441	12,252
Other specific purpose grants	6,565	7,530
Revenue recognised under AASB 15 Revenue from Contracts with Customers		
Specific purpose grants	31,690	19,379
Total Grants	38,696	39,161
(d) Unspent grants received on condition that they be spent in a specific manner Operating		
Balance at start of year	5,604	4,409
Received during the financial year and remained unspent at balance date	2,407	3,135
Received in prior years and spent during the financial year	(2,564)	(1,940)
Balance at year end	5,447	5,604
Capital		
Balance at start of year	4,312	6,474
Received during the financial year and remained unspent at balance date	10,658	1,649
Received in prior years and spent during the financial year	(4,111)	(3,811)
Balance at year end	10,859	4,312

Notes to the Financial Statements

For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 3.5 Contributions		
Monetary	4,155	1,824
Non-monetary	24,851	7,103
Total contributions	29,006	8,927
Contributions of non-monetary assets were received in relation to the following asset classes		
Roads	12,585	6,182
Land under roads	4,332	103
Bridges	2,264	-
Footpath and cycleways	2,152	98
Drainage	1,579	559
Buildings	999	-
Other infrastructure	726	37
Off-street car parks	155	-
Recreational, leisure and community	59	124
Total non-monetary contributions	24,851	7,103
Monetary and non monetary contributions are recognised as income at their fair value when contributed asset.	Council obtains contro	ol over the
Note 3.6 Net gain on disposal of property, plant and equipment		
Proceeds from sale	749	623
Written down value of assets disposed	(216)	(246)
Total net gain on disposal of property, plant and equipment	533	377
The profit or loss on sale of an asset is determined when control of the asset has passed to the	ne buyer.	
Note 3.7 Other income		
Interest	2,388	2,112
Sales	1,976	1,972
Other rent	1,268	1,158
Other	827	589
Reimbursements	474	208
Insurance settlements	128	124

Interest is recognised as it is earned.

Total 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.

6,163

7,061

Notes to the Financial Statements

For the year ended 30 June 2024

Note 4 The cost of delivering services

	2024	2023
	\$'000	\$'000
Note 4.1 Employee costs		
(a) Employee costs		
Salaries and wages	75,028	72,670
Casual and agency staff	7,093	7,218
Superannuation	8,878	8,226
WorkCover	3,018	2,352
Fringe benefits tax	211	158
Other	90	201
Total employee costs	94,318	90,825
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	174	119
	174	119
Employer contributions payable at reporting date	-	40
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	7,861	7,645
Employer contributions - other funds	843	462
Employer contributions other funds	8,704	8,107
- 1		-
Employer contributions payable at reporting date	-	40
Contributions made exclude amounts accrued at balance date. Refer to note 9.4 for furth superannuation obligations.	er information relating to (Council's
Note 4.2 Materials and services		
Waste collection and disposal services	24,244	23,672
Contract services	20,789	19,172
Materials	9,071	7,516
Utilities	4,219	4,134
Information technology	3,243	3,157
Plant and equipment	2,343	4,131
Works in progress (unable to be capitalised)	2,153	3,453
Building maintenance	2,051	3,382
Insurance and fire services levy	2,010	1,804
Consultants	1,731	2,251
Finance and legal	1,447	1,502
Office administration	1,427	1,159
Cost of goods sold	817	729
Marketing and promotion	794	838
Total materials and services	76,339	76,900

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

Notes to the Financial Statements

For the year ended 30 June 2024

	2024	2023
	\$'000	\$'000
Note 4.3 Depreciation		
Infrastructure	24,830	24,620
Property	8,508	8,137
Plant and equipment	4,327	4,081
Total depreciation	37,665	36,838
Please refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting	g policy.	
Note 4.4 Amortisation - Intangible assets		
Software	1,207	1,075
Total amortisation - Intangible assets	1,207	1,075
Please refer to note 5.2(c) for a more detailed breakdown of amortisation charges and accoun		,
	011-17	
Note 4.5 Depreciation - Right of use assets Plant and equipment	171	344
Motor vehicles	2	10
Property	18	18
Total depreciation - Right of use assets	191	372
Please refer to note 5.8 for a more detailed breakdown of depreciation charges and accounting		
	5 po	
Note 4.6 Movement in allowance for impairment losses		
Other debtors	432	35 174
Parking fine debtors Total allowance for impairment losses	(456) (24)	209
An allowance for impairment losses in respect of debtors is recognised based on an expected of		model
considers both historic and forward looking information in determining the level of impairmen	t.	
Note 4.7 Borrowing costs		
Interest - borrowings		
	1,485	1,415
Total borrowing costs	1,485 1,485	1,415 1,415
Borrowing costs are recognised as an expense in the period in which they are incurred.		
ŭ		
Borrowing costs are recognised as an expense in the period in which they are incurred.		
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases	1,485	1,415
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability	1,485	1,415
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases	1,485	1,415
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture	1,485 23 23	1,415 20 20
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Plant and equipment	1,485 23 23 9,953	1,415 20 20 3,808 757 367
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Plant and equipment Assets written-off / impaired - Intangibles	23 23 23 9,953 1,519 392	3,808 757 367 26
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Plant and equipment Assets written-off / impaired - Intangibles Grants and contributions	23 23 23 9,953 1,519 392 - 1,563	20 20 3,808 757 367 26 1,069
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Plant and equipment Assets written-off / impaired - Intangibles Grants and contributions Training and professional development	1,485 23 23 9,953 1,519 392 - 1,563 719	3,808 757 367 26 1,069 797
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses	23 23 23 9,953 1,519 392 - 1,563	20 20 3,808 757 367 26 1,069
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Plant and equipment Assets written-off / impaired - Intangibles Grants and contributions Training and professional development Operating lease rentals	1,485 23 23 9,953 1,519 392 1,563 719 438	3,808 757 367 26 1,069 797 482
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Intangibles Grants and contributions Training and professional development Operating lease rentals Councillors' allowances and expenses Court lodgement fees Auditor remuneration - Internal	1,485 23 23 9,953 1,519 392 1,563 719 438 430	3,808 757 367 26 1,069 797 482 432
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Plant and equipment Assets written-off / impaired - Intangibles Grants and contributions Training and professional development Operating lease rentals Councillors' allowances and expenses Court lodgement fees Auditor remuneration - Internal Director and committee member fees	1,485 23 23 9,953 1,519 392 - 1,563 719 438 430 429	3,808 757 367 26 1,069 797 482 432 386
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Intangibles Grants and contributions Training and professional development Operating lease rentals Councillors' allowances and expenses Court lodgement fees Auditor remuneration - Internal Director and committee member fees Auditors' remuneration - VAGO - audit of the financial statements,	1,485 23 23 9,953 1,519 392 - 1,563 719 438 430 429 151 124	20 20 3,808 757 367 26 1,069 797 482 432 386 238 121
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Plant and equipment Assets written-off / impaired - Intangibles Grants and contributions Training and professional development Operating lease rentals Councillors' allowances and expenses Court lodgement fees Auditor remuneration - Internal Director and committee member fees Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	1,485 23 23 9,953 1,519 392 - 1,563 719 438 430 429 151 124 103	3,808 757 367 26 1,069 797 482 432 386 238 121
Borrowing costs are recognised as an expense in the period in which they are incurred. Note 4.8 Finance costs - leases Interest - lease liability Total finance costs - leases Note 4.9 Other expenses Assets written-off / impaired - Infrastrasture Assets written-off / impaired - Property Assets written-off / impaired - Intangibles Grants and contributions Training and professional development Operating lease rentals Councillors' allowances and expenses Court lodgement fees Auditor remuneration - Internal Director and committee member fees Auditors' remuneration - VAGO - audit of the financial statements,	1,485 23 23 9,953 1,519 392 - 1,563 719 438 430 429 151 124	20 20 3,808 757 367 26 1,069 797 482 432 386 238 121

Notes to the Financial Statements

For the year ended 30 June 2024

Note 5 Investing in and financing our operations

	2024 \$'000	2023 \$'000
Note 5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	19	20
Cash at bank	3,611	4,868
Term deposits	54,506	33,405
Total cash and cash equivalents	58,136	38,293
(b) Other financial assets		
Current		
Term deposits	8,547	32,049
Total Current other financial assets	8,547	32,049
Non-current		
Term deposits	3,507	3,507
Total non-current other financial assets	3,507	3,507
Total other financial assets	12,054	35,556
Total cash and cash equivalents and other financial assets	70,190	73,849

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

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

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

(c) Trade and other receivables

24,751	19,580
7,370	6,580
(2,787)	(3,081)
2,889	1,972
213	217
2,526	1,952
(73)	(72)
34,889	27,148
414	471
414	471
	7,370 (2,787) 2,889 213 2,526 (73) 34,889

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the year ended 30 June 2024

	2024	2023
	\$'000	\$'000
Note 5.1 Financial assets (continued)		
(d) Ageing of receivables		
The ageing of Council's trade and other receivables (excluding statutor	ry receivables) that are not impaired was:	
Current (not yet due)	2,055	1,521
Past due between 31 and 180 days	222	209
Past due between 181 and 365 days	249	222
Total trade and other receivables	2,526	1,952
(e) Contract assets		
Contract assets	1,447	2,063
Total contract assets	1,447	2,063
Contract assets are recognised when Council has transferred goods or	services to the customer but where Council is	vet to

Contract assets are recognised when Council has transferred goods or services to the customer but where Council is yet to establish an unconditional right to consideration.

Note 5.2 Non-Financial assets

(a) Inventories

Current

Inventories held for distribution	176	129
Inventories held for sale	89	62
Total inventories	265	191

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	2,640	2,389
Other	330	330
Total other assets	2,970	2,719

Notes to the Financial Statements

For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 5.2 Non-Financial assets (continued) (c) Intangible assets	· · · · · · · · · · · · · · · · · · ·	,
Software		
At cost	10,644	10,334
Less accumulated amortisation	(7,623)	(7,213)
	3,021	3,121
Gross carrying amount		
Balance at 1 July	10,334	8,748
Write-off	(797)	(793)
Transfers from property, infrastructure, plant and equipment	1,107	2,379
Balance at 30 June	10,644	10,334
Accumulated amortisation and impairment		,
Balance at 1 July	7,213	6,899
Amortisation expense	1,207	1,075
Write-off	(797)	(761)
Balance at 30 June	7,623	7,213
Net book value 30 June	3,021	3,121

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life. Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Financial Statements

For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 5.3 Payables, trust funds and deposits and contract an (a) Trade and other payables Current	d other liabilities	
Non-statutory payables Trade payables Accrued expenses	21,514 3,876	14,445 4,650
Total current trade and other payables	25,390	19,095
(b) Trust funds and deposits Current		
Refundable deposits and bonds	3,981	3,805
Fire Services Levy	2,451	2,643
Trust deposits	117	105
Unclaimed moneys	88	84
Total current trust funds and deposits	6,637	6,637

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. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeiture.

Purpose and nature of items

Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including building works, tender deposits, contract deposits and the use of Council facilities.

Fire Services 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.

(c) Contract and other liabilities

Curren

Grants received in advance - operating	5,447	5,604
Grants received in advance - capital	10,859	4,312
User fees	3,345	3,290
Total contract and other liabilities	19,651	13,206

Contracts and other liabilities

Contract liabilities and reflect consideration received in advance from customers in respect of grant operating income, user fees and charges and rent income. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to note 3.3 and note 3.4.

Grants received in advance - operating - Operating grants received by Council where Council has not yet satisfied their performance obligations under the contract.

Grants received in advance - capital - Capital grants received by Council where Council has not yet satisfied their performance obligations under the contract.

User fees - User fees and charges received by Council where Council has not yet satisfied their performance obligations under the contract.

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 5.4 Interest-bearing liabilities	,	,
Current		
Treasury Corporation of Victoria borrowings - secured	805	-
Other borrowings - secured	455	427
Total current	1,260	427
Non-current		
Treasury Corporation of Victoria borrowings - secured	10,795	2,200
Other borrowings - secured	25,760	26,215
Total non-current	36,555	28,415
Total interest-bearing liabilities	37,815	28,842
Borrowings are secured over the general rates of Council.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	1,192	427
Later than one year and not later than five years	21,326	17,007
Later than five years	15,297	11,408
Total interest-bearing liabilities	37,815	28,842

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 Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

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

Notes to the Financial Statements

For the year ended 30 June 2024

		Landfill	I	
	Employee	restoration	Total	
	\$'000	\$'000	\$'000	
Note 5.5 Provisions				
2024				
Balance at beginning of financial year	17,664	-	17,664	
Additional provisions	9,239	2,030	11,269	
Amounts used	(6,858)	-	(6,858)	
Change in discounted amount arising because of the time and the effect				
of any change in the discount rate	303	-	303	
Balance at the end of the financial year	20,348	2,030	22,378	
Provisions current	17,835	200	18,035	
Provisions non-current	2,513	1,830	4,343	
2023				
Balance at beginning of financial year	17,007	-	17,007	
Additional provisions	7,675	-	7,675	
Amounts used	(6,977)	-	(6,977)	
Change in discounted amount arising because of the time and the effect				
of any change in the discount rate	(41)	<u> </u>	(41)	
-	17,664	<u> </u>	17,664	
Provisions current	16,201	-	16,201	
Provisions non-current	1,463	-	1,463	
		2024	2023	
		\$'000	\$'000	
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months		7.442	6 24 0	
Annual leave		7,143	6,318 1,429	
Long service leave		1,544 2	1,429	
Gratuity		8,689	7,749	
Current provisions expected to be wholly settled after 12 months		0,005	7,743	
Annual leave		376	333	
Long service leave		8,747	8,095	
Gratuity		23	24	
		9,146	8,452	
Total current employee provisions		17,835	16,201	
Non-current				
Long service leave		2,513	1,463	
Total non-current employee provisions		2,513	1,463	
Aggregate carrying amount of employee provisions:				
Current		17,835	16,201	
Non-current		2,513	1,463	
Total aggregate carrying amount of employee provisions		20,348	17,664	

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

Notes to the Financial Statements

For the year ended 30 June 2024

2024	2023
\$'000	\$'000

Note 5.5 Provisions (continued)

Annual leave

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

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

	2,030	-
Non-current	1,830	-
Current	200	-
(b) Landfill restoration		
- inflation rate	4.450%	4.350%
- discount rate	4.350%	4.060%
Key assumptions:		

Council is obligated to restore – Landfill site at McClelland Road, Frankston North site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

This was dislosed as a contingent liability in previous years' statements.

Key assumptions:		
- discount rate	4.250%	n/a
- inflation rate	2.500%	n/a
Note 5.6 Financing arrangements		
The Council has the following funding arrangements in place as at 30 June:		
Bank overdraft	2,500	2,500
Credit card facilities	100	70
Treasury Corporation of Victoria facilities	17,907	13,550
Interest-bearing loans and borrowings – secured	26,215	26,642
Total facilities	46,722	42,762
Used facilities	37,855	28,842
Unused facilities	8,867	13,920

 $\label{lem:council has a bank overdraft facility secured over rates with the Commonwealth Bank.$

Notes to the Financial Statements

For the year ended 30 June 2024

Note 5.7 Commitments

Plant and equipment

Total

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

(a) Commitments for expenditure					
2024	Not later	Later than 1	Later than 2	Later than 5	Total
	than	year and not	year and not	years	
	1 year	later than	later than		
		2 years	5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	, , , , ,	, , , ,	, , , , ,	¥	,
Recycling and waste collection	13,538	10,707	25,260	21,672	71,177
Council building maintenance	9,371	9,371	5,274	-	24,016
Other	7,230	2,681	1,400	-	11,311
Energy	731	188	376	-	1,295
nformation technology	3,570	1,384	388	-	5,342
Total	34,440	24,331	32,698	21,672	113,141
Capital					
Buildings	12,063	_	_	_	12,063
nfrastructure	4,475	361	_	_	4,836
Plant and equipment	1,941	-	-	-	1,941
Total	18,479	361	-	-	18,840
2023	Not later	Later than 1	Later than 2	Later than 5	Total
	than	year and not	year and not	years	
	1 year	later than	later than		
		2 years	5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating	•	,		,	,
Recycling and waste collection	14,628	14,613	24,104	35,609	88,954
Council building maintenance	9,159	9,192	10,378	-	28,729
Other	3,606	2,501	1,754	-	7,861
Energy	856	732	376	376	2,340
nformation technology	2,591	1,155	516	-	4,262
^r otal	30,840	28,193	37,128	35,985	132,146
Capital					
Buildings	21,027	4,199	-	-	25,226
3	•	,			•
Infrastructure	6,189	-	-	-	6,189

2,022

29,238

59

4,258

2,081

33,496

Reports of Officers 42 30 September 2024 CM14

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 5.8 Leases

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

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

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

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

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

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

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

Lease payments included in the measurement of the lease liability

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-ofuse asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Under AASB 16 Leases, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 5.8 Leases (continued)

Right-of-Use Assets	Property	Plant and equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	39	167	6	212
Additions	-	673	-	673
Disposals	-	-	(4)	(4)
Depreciation charge	(18)	(171)	(2)	(191)
Balance at 30 June 2024	21	669	-	690
Balance at 1 July 2022	57	370	16	443
Additions	-	141	-	141
Depreciation charge	(18)	(344)	(10)	(372)
Balance at 30 June 2023	39	167	6	212
Lease Liabilities			2024	2023
			\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows				
Less than one year			231	86
One to five years			486	138
Total undiscounted lease liabilities as at 30 June:			717	224
Lease liabilities included in the Balance Sheet at 30 June:				
Current			131	103
Non-current			587	136
Total lease liabilities			718	239

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2024	2023
	\$'000	\$'000
Expenses relating to:		
Short-term leases	403	416
Leases of low value assets	35	66
Total	438	482
Non-cancellable lease commitments - Short-term and low-value leases Commitments for minimum lease payments for short-term and low-value leases are pa	vable as follows:	
Payable:	,,	
Within one year	1	1
Later than one year but not later than five years	-	1
Total lease commitments	1	

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 6 Assets we manage

Note 6.1 Property, infrastructure, plant and equipment

	Carrying amount 30 June 2023	Additions	Contributions	Revaluation	Depreciation	Disposals	Write-offs	Found	Transfers (Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,327,892	3,892	5,331	(126,430)	(8,508)	-	(1,445)	129	45,665	1,246,526
Plant and equipment	12,214	2,703	-	-	(4,327)	(216)	(11)	-	2,782	13,145
Infrastructure	712,360	2,651	19,520	13,032	(24,830)	-	(9,954)	17,006	21,168	750,953
Work in progress	102,050	74,322	-	-	-	-	(2,607)	-	(70,722)	103,043
	2,154,516	83,568	24,851	(113,398)	(37,665)	(216)	(14,017)	17,135	(1,107)	2,113,667

Summary of Work in Progress (WIP)

	Opening WIP	Additions	Write-offs	Reclassification	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	56,621	24,982	(340)	(4,883)	(44,723)	31,657
Plant and equipment	6,333	4,191	(724)	(488)	(3,889)	5,423
Infrastructure	39,096	45,149	(1,543)	5,371	(22,110)	65,963
Total	102,050	74,322	(2,607)	-	(70,722)	103,043

Notes to the Financial Statements

For the year ended 30 June 2024

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

Revaluation (3,339) (40,642) (43,981) - (43,981) Accumulated depreciation of write-offs 623 1,394 2,017 - 2,017 (3,703) (47,255) (50,958) 1 (50,957) At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)		Land -	Land - non	Land under	Total land	Buildings -	Buildings-	Total	Work in	Total
Solution	a) Property	specialised	specialised	roads		specialised	non		progress	
At fair value 1 July 2023 Accumulated depreciation 2 July 2023 Accumulated depreciation 3 July 2024 Accumulated Accumulated depreciation 3 July 2024 Accumulated Ac							specialised			
Communicated depreciation 1 July 2023		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Movements in fair value Additions	At fair value 1 July 2023	1,060,527	27,236	4,457	1,092,220	46,788	333,311	380,099	56,621	1,528,940
Movements in fair value Additions - - - - - 3,892 3,892 24,982 28,874 Contributions - - 4,332 4,332 999 999 - 5,331 Found - - - - 19 117 136 - 136 Revaluation (127,746) (1,406) - (129,152) 3,894 42,809 46,703 - (82,449) Write-Offs (1,306) - - (1,306) (657) (1,499) 46,703 - (82,449) Work in progress reclassification - - - (1,306) (657) 1,419 1,419 - 1,419 Work in progress reclassification - - - - - - 4,883 1,883 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 1,483 <td< td=""><td>Accumulated depreciation 1 July 2023</td><td>_</td><td>-</td><td>-</td><td>-</td><td>(21,110)</td><td>(123,317)</td><td>(144,427)</td><td>-</td><td>(144,427)</td></td<>	Accumulated depreciation 1 July 2023	_	-	-	-	(21,110)	(123,317)	(144,427)	-	(144,427)
Additions		1,060,527	27,236	4,457	1,092,220	25,678	209,994	235,672	56,621	1,384,513
Contributions	Movements in fair value									
Found Grevaluation (127,746) (1,406) - 129,152) 3,894 42,809 46,703 - (82,449) (1,496) (1,496) - (129,152) 3,894 42,809 46,703 - (82,449) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,496) (1,4	Additions	-	-	-	-	-	3,892	3,892	24,982	28,874
Revaluation (127,746) (1,406) - (129,152) 3,894 42,809 46,703 - (82,449) Write-offs (1,306) - (1,306) - (1,306) (657) (1,499) (2,156) (340) (3,802) (1,306) (1,306) - (1,306) (1,306) (1,499) (2,156) (340) (3,802) (1,306) (1,499) (1,419) - (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419) (1,419)	Contributions	-	-	4,332	4,332		999	999	-	5,331
Write-offs (1,306) - - (1,306) (657) (1,499) (2,156) (340) (3,802) Transfers from Infrastructure - - - - - 1,419 1,419 - 1,419 Work in progress reclassification - - - - - - - - (4,883) (4,883) Transfers - - - - - - - - - - (4,883) (4,883) Transfers - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -<	-ound	-	-	-	-	19	117	136	-	136
Transfers from Infrastructure	Revaluation	(127,746)	(1,406)	-	(129,152)	3,894	42,809	46,703	-	(82,449)
Work in progress reclassification Fransfers	Write-offs	(1,306)	-	-	(1,306)	(657)	(1,499)	(2,156)	(340)	(3,802)
Transfers	Fransfers from Infrastructure	-	-	-	-	-	1,419	1,419	-	1,419
Movements in accumulated depreciation Comparison of the proof of t	Nork in progress reclassification	-	-	-	-	-	-	-	(4,883)	(4,883)
Movements in accumulated depreciation Depreciation Found Fou	Fransfers		-	-	-	2,475	42,249	44,724	(44,723)	1
Depreciation (987) (7,521) (8,508) - (8,508) Found (7) (7) - (7) - (7) Fransfers from Infrastructure (479) (479) 1 (478) Found (479) (479) 1 (478) Found (479) (479) 1 (478) Found		(129,052)	(1,406)	4,332	(126,126)	5,731	89,986	95,717	(24,964)	(55,373)
Found (7) (7) - (7) Transfers from Infrastructure (479) (479) 1 (478) Revaluation (3,339) (40,642) (43,981) - (43,981) Accumulated depreciation of write-offs (3,703) (47,255) (50,958) 1 (50,957) At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)	Movements in accumulated depreciation									
Transfers from Infrastructure (479) (479) 1 (478) Revaluation (3,339) (40,642) (43,981) - (43,981) Accumulated depreciation of write-offs 623 1,394 2,017 - 2,017 At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)	Depreciation	-	-	-	-	(987)	(7,521)	(8,508)	-	(8,508)
Revaluation (3,339) (40,642) (43,981) - (43,981) Accumulated depreciation of write-offs 623 1,394 2,017 - 2,017 At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)	Found	-	-	-	-	-	(7)	(7)	-	(7)
Accumulated depreciation of write-offs 623 1,394 2,017 - 2,017 (3,703) (47,255) (50,958) 1 (50,957) At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)	Transfers from Infrastructure	-	-	-	-	-	(479)	(479)	1	(478)
At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 - - - (24,813) (170,572) (195,385) - (195,385)	Revaluation	-	-	-	-	(3,339)	(40,642)	(43,981)	-	(43,981)
At fair value 30 June 2024 931,475 25,830 8,789 966,094 52,519 423,297 475,816 31,657 1,473,567 Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)	Accumulated depreciation of write-offs		-	-	-	623	1,394	2,017	-	2,017
Accumulated depreciation 30 June 2024 (24,813) (170,572) (195,385) - (195,385)		-	-	-	-	(3,703)	(47,255)	(50,958)	1	(50,957)
	At fair value 30 June 2024	931,475	25,830	8,789	966,094	52,519	423,297	475,816	31,657	1,473,567
Carrying amount 931,475 25,830 8,789 966,094 27,706 252,725 280,431 31,657 1,278,182	Accumulated depreciation 30 June 2024	-	-	-	-	(24,813)	(170,572)	(195,385)	-	(195,385)
	Carrying amount	931,475	25,830	8,789	966,094	27,706	252,725	280,431	31,657	1,278,182

Notes to the Financial Statements

For the year ended 30 June 2024

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

	Plant machinery and	Fixtures, fittings and	Computers and	Library books	Work in progress	Total plant and
(b) Plant and equipment	equipment	furniture	telecomms			equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	23,294	2,330	8,035	7,342	6,333	47,334
Accumulated depreciation 1 July 2023	(15,361)	(1,297)	(5,909)	(6,220)	-	(28,787)
	7,933	1,033	2,126	1,122	6,333	18,547
Movements in fair value						
Additions	2,291	42	29	341	4,191	6,894
Write-offs	(102)	-	(2,414)	-	(724)	(3,240)
Disposals	(1,591)	-	-	-	-	(1,591)
Transfers to intangible assets	-	-	-	-	(1,107)	(1,107)
Work in progress reclassification	-	-	-	-	(488)	(488)
Transfers	1,302	801	679	-	(2,782)	-
	1,900	843	(1,706)	341	(910)	468
Movements in accumulated depreciation						
Depreciation	(2,578)	(294)	(941)	(514)	-	(4,327)
Disposals	1,375	-	-	-	-	1,375
Accumulated depreciation of write-offs	98	-	2,407	-	-	2,505
	(1,105)	(294)	1,466	(514)	-	(447)
At fair value 30 June 2024	25,194	3,173	6,329	7,683	5,423	47,802
Accumulated depreciation 30 June 2024	(16,466)	(1,591)	(4,443)	(6,734)	-	(29,234)
Carrying amount	8,728	1,582	1,886	949	5,423	18,568

Notes to the Financial Statements

For the year ended 30 June 2024

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

Note 6.1 Property, infrastructure,			•							
	Roads	Bridges	Footpaths	Drainage	Recreational,	Waste	Off-street	Other	Work in	Total
(c) Infrastructure			and		leisure and	management	car parks	infrastructure	progress	Infrastructure
			cycleways		community					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	595,725	28,490	137,296	304,861	153,399	2,950	55,854	20,504	39,096	1,338,175
Accumulated depreciation 1 July 2023	(243,438)	(13,636)	(74,192)	(154,201)	(61,777)	(2,262)	(27,416)	(9,797)	-	(586,719)
	352,287	14,854	63,104	150,660	91,622	688	28,438	10,707	39,096	751,456
Movements in fair value										
Additions	5	-	178	-	1,968	-	458	42	45,149	47,800
Contributions	16,739	2,857	2,242	1,843	59	-	159	1,322	-	25,221
Found	22,818	-	1,116	727	255	-	-	-	-	24,916
Revaluation	(60,202)	1,140	(6,329)	11,147	1,258	-	2,626	842	-	(49,518)
Write-offs	(17,186)	(134)	(1,301)	(682)	(2,214)	-	(109)	(88)	(1,543)	(23,257)
Work in progress reclassification	-	-	-	-	-	-	-	-	5,371	5,371
Transfers to Buildings	-	-	-	-	(1,420)	-	-	-	-	(1,420)
Transfers	3,315	194	3,457	1,046	11,845	-	2,135	118	(22,110)	-
	(34,511)	4,057	(637)	14,081	11,751	-	5,269	2,236	26,867	29,113
Movements in accumulated depreciation										
Depreciation	(7,526)	(677)	(3,079)	(3,991)	(7,259)	(295)	(1,448)	(555)	-	(24,830)
Accumulated depreciation of write-offs	9,818	132	753	305	675	-	74	3	-	11,760
Revaluation	57,087	(468)	13,097	(5,778)	1,286	-	(2,315)	(359)	-	62,550
Transfers to Buildings	-	-	-	-	478	-	-	-	-	478
Contributions	(4,154)	(593)	(90)	(264)	-	-	(4)	(596)	-	(5,701)
Found	(7,581)	-	(173)	(156)	-	-	-	-	-	(7,910)
	47,644	(1,606)	10,508	(9,884)	(4,820)	(295)	(3,693)	(1,507)	-	36,347
At fair value 30 June 2024	561,214	32,547	136,659	318,942	165,150	2,950	61,123	22,740	65,963	1,367,288
Accumulated depreciation 30 June 2024	(195,794)	(15,242)	(63,684)	(164,085)	(66,597)	(2,557)	(31,109)	(11,304)	-	(550,372)
Carrying amount	365,420	17,305	72,975	154,857	98,553	393	30,014	11,436	65,963	816,916

Notes to the Financial Statements

For the year ended 30 June 2024

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

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. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

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

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

recognition thresholds and depreciation periods

Asset category	Depreciation period	Threshold limit \$
Property		-
Buildings	40-60 years	15,000
Infrastructure		
Roads		
Sealed road pavement foundation	No depreciation applied	15,000
Sealed road pavement base	100 years	
Unsealed roads	20 years	· ·
Kerb and channel	70 years	
Bridges	70-100 years	
Footpaths and cycleways		
Footpaths	70 years	15,000
Bicycle paths	20 years	· ·
Drainage	80 years	
Recreational, leisure and community	10 -20 year:	1
Waste management	5-10 years	
Off-street carparks	50 years	
Traffic management devices	50 years	15,000
Plant and equipment		
Plant, machinery and equipment	5-10 years	15,000
Fixtures, fittings and furniture	5-10 years	· · · · · · · · · · · · · · · · · · ·
Computers and telecoms	5 years	
Library books	5 years	

Land under roads

Land under roads acquired after 30 June 2008 are brought to account using the cost basis. Council does not recognise land under roads that were controlled prior to that period in its financial report.

Roads received from developers are valued based on the base block value for the area in which they are located. The base block value is determined by reference to the biennial valuations performed by Council. The rate determined is applied to the area of the land. The base block value is then discounted by 92.50 per cent to determine fair value.

Notes to the Financial Statements

For the year ended 30 June 2024

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

Depreciation

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken in March 2024 by a qualified independent valuer Lauren Ashley (AAPI 63183) of Patel Dore Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

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

The date and type of the current valuation is detailed in the following table. A full revaluation of these assets will be conducted in 2024-2025.

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Scheduled	Level 1	Level 2	Level 3	Date of	Valuation –
	Full	\$'000	\$'000	\$'000	Valuation	30 June 2024
	Revaluation					
Land – non-specialised	March 2025	-	25,830	-	June 2024	Full revaluation
Land – specialised	March 2025	-	-	931,475	June 2024	Full revaluation
Land under roads	-	-	-	8,789	-	-
Buildings – non-specialised	March 2025	-	252,725	-	June 2024	Full revaluation
Buildings – specialised	March 2025	-	-	27,706	June 2024	Full revaluation
Total	_	-	278,555	967,970		

Notes to the Financial Statements

For the year ended 30 June 2024

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

Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Council officers (Sarah Mahbub, Markus Vorster, Mitch Morris and Gayani Jayawardena) in accordance with AASB 116 and AASB 136. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year where shown. Indexed based valuation is based on information published by the Australian Bureau of Statistic's Producer Price Index, Australia, March, Class 3101, Table 17 – Victoria. A full re-valuation of these assets will be conducted according to the schedule in the table below. Please refer to note 8.4 for further information on revaluation frequency.

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Scheduled	Level 3	Date of	Valuation –
	Full		Valuation	30 June 2024
	Revaluation	\$'000		
Roads	2026-2027	365,420	June 2024	Full revaluation
Bridges	2024-2025	17,305	June 2024	Indexed valuation
Footpaths and cycleway	2027-2028	72,975	June 2024	Full revaluation
Drainage	2025-2026	154,857	June 2024	Indexed valuation
Recreational, leisure and community facilities	2024-2025	98,553	June 2024	Indexed valuation
Waste management*	-	393	-	-
Off-street carparks	2026-2027	30,014	June 2024	Full revaluation
Other infrastructure	2026-2027	11,436	June 2024	Full revaluation
Total	•	750,953		

^{*} It is Council policy to treat Waste management infrastructure assets at cost. The fair value of these assets is equal to cost.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5 per cent and 95 per cent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$55 and \$2,100 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$300 to \$93,985 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 88 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 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.

	2024 \$'000	2023 \$'000
Reconciliation of specialised land	, , ,	
Land	931,475	1,060,527
Land under roads	8,789	4,457
Total specialised land	940,264	1,064,984

Notes to the Financial Statements

For the year ended 30 June 2024

Note 6.2 Investments in subsidiaries

Subsidiary

Peninsula Leisure Pty Ltd (ACN: 160 239 770)

Background

Peninsula Leisure Pty Ltd is a wholly-owned subsidiary of Frankston City Council. Peninsula Leisure Pty Ltd operates Peninsula Aquatic Recreation Centre (PARC), an aquatic and recreation facility servicing the region. The centre was established in 2014 and is located near the heart of the Frankston CBD. Peninsula Leisure Pty Ltd also operates Pines Forest Aquatic Centre and the Frankston Skate Park.

Summarised financial information

Summarised statement of comprehensive income

Summarised statement of comprehensive income		
	2024	2023
	\$'000	\$'000
Total income	14,899	13,674
Total expenses	14,224	13,318
Profit for the year	675	356
Other comprehensive income	-	-
Total comprehensive result	675	356
Summarised balance sheet		
Current assets	3,598	2,662
Non-current assets	1,057	521
Total assets	4,655	3,183
Current liabilities	1,830	1,439
Non-current liabilities	562	156
Total liabilities	2,392	1,595
Net assets	2,263	1,588
Summarised statement of cash flows		
Net cash from operating activities	1,138	781
Net cash flows used in investing activities	(181)	(185)
Net cash used in financing activities	(175)	(184)
Net increase in cash and cash equivalents	782	412

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 6.2 Investments in subsidiaries (continued)

Economic Dependency

Peninsula Leisure Pty Ltd operates both Peninsula Aquatic Recreation Centre, Pines Forest Aquatic Centre and the Frankston Skate Park under a Management Services Agreement (MSA) with Frankston City Council. Under the MSA the Council provides (if required by the Company) a Management Services Fee in reference to the following points:

- a) Peninsula Leisure Pty Ltd costs to operate and manage PARC
 b) ensuring that the Peninsula Leisure Pty Ltd has the financial capacity to operate PARC in accordance with the annual plan and budget
- c) ensuring that Peninsula Leisure Pty Ltd is able to meet its debts as and when they fall due
- d) providing a sufficient allowance for PARC's working capital requirements.

Council has a nil cash contribution in 2023-2024 (2022-2023: \$500,000) in financial support to Peninsula Leisure Pty Ltd as a result of the facility closure related to COVID-19 government restrictions.

Council has not committed funding to Peninsula Leisure Pty Ltd under the MSA for 2024-2025.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2024, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Entities consolidated into Council include:

- Peninsula Leisure Pty Ltd (ACN: 160 239 770)

All entities controlled by Council that have material revenues, expenses, assets or liabilities have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 7 People and relationships

Note 7.1 Council and Key management remuneration

(a) Related Parties

Parent entity

Frankston City Council is the parent entity.

Subsidiaries and joint arrangements

Interests in subsidiaries are detailed in note 6.2.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

Councillor Nathan Conroy (16 November 2020 to 30 June 2024. Mayor from 18 November 2021 to 30 June Councillor Kris Bolam (22 October 2016 to 30 June 2024) Councillor Glenn Aitken (16 January 2024 to 30 June 2024) Councillor David Asker (16 November 2020 to 30 June 2024) Councillor Sue Baker (16 November 2020 to 30 June 2024) Councillor Claire Harvey (16 November 2020 to 30 June 2024) Councillor Brad Hill (16 November 2020 to 30 June 2024) Councillor Liam Hughes (16 November 2020 to 30 June 2024) (16 November 2020 to 12 December 2023) Councillor Steven Hughes

(16 November 2020 to 30 June 2024)

Councillor Suzette Tayler
Key Management Personnel

Chief Executive Officer: Phil Cantillon

Director - Communities Angela Hughes

Director - Corporate and Commercial Services Kim Jaensch

Director - Infrastructure and Operations Cam Arullanantham

Director - Customer Innovation and Arts Shweta Babbar

	2024	2023
	No.	No.
Total Number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	5	5
Total Number of Key Management Personnel	14	14

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 7.1 Council and Key management remuneration (continued)

(c) Remuneration of Key Management Personnel (continued)

	2024 \$'000	2023 \$'000
Total remuneration of Key Management Personnel was as follows:	7	7 000
Short-term employee benefits	2,048	1,860
Other long-term employee benefits	37	46
Post-employment employee benefits	224	200
Total	2,309	2,106

The numbers of Key Management Personnel whose total remuneration from Council and any related entities,

fall within the following bands:

	2024	2023
	No.	No.
\$ 20,000 - \$ 29,999	1	-
\$ 30,000 - \$ 39,999	6	6
\$ 40,000 - \$ 49,999	-	1
\$ 50,000 - \$ 59,999	1	1
\$100,000 - \$109,999	1	-
\$120,000 - \$129,999	-	1
\$290,000 - \$299,999	-	1
\$310,000 - \$319,999	-	2
\$320,000 - \$329,999	-	1
\$330,000 - \$339,999	1	-
\$340,000 - \$349,999	1	-
\$360,000 - \$369,999	1	-
\$370,000 - \$379,999	1	-
\$420,000 - \$429,999	-	1
\$470,000 - \$479,999	1	
	14	14

The calculation of KMP remuneration is on an accrual basis. Total remuneration comprises of salaries and wages, paid leave, councillor allowances, superannuation, contribution for the private use of a vehicle (where applicable), higher duties (where applicable), termination payments (where applicable) and net movement in leave provisions (annual leave and long service leave).

Notes to the Financial Statements

For the year ended 30 June 2024

Note 7.1 Council and Key management remuneration (continued)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of the KMP. *

	2024 \$'000	2023 \$'000
Total remuneration of Senior Officers was as follows:	Ţ 000	Ş 000
Short-term employee benefits	3,733	3,616
Other long-term employee benefits	104	114
Post-employment employee benefits	409	378
Termination benefits	-	31
Total	4,246	4,139
The number of Senior Officers are shown below in their relevant income bands:		
Income range	2024 No.	2023
\$190,000 - \$199,999	-	No.
\$200,000 - \$209,999	3	7
\$210,000 - \$219,999	7	4
\$220,000 - \$229,999	5	3
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	2	1
\$250,000 - \$259,999	1	-
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	-	1
	19	19

^{*} Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the Local Government Act 1989.

The calculation of Senior Officers remuneration is on an accrual basis. Total remuneration comprises of salaries and wages, paid leave, superannuation, contribution for the private use of a vehicle (where applicable), higher duties (where applicable), termination payments (where applicable) and net movement in leave provisions (annual leave and long service leave).

Notes to the Financial Statements

For the year ended 30 June 2024

Note 7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with its wholly owned subsidiary, Peninsula Leisure Pty Ltd:

buring the period council effected into the following transactions with its w	mony owned substatut y, i chinisata	Leisure i ty Lta.
	2024	2023
	Excl GST	Excl GST
	\$'000	\$'000
Received from Peninsula Leisure Pty Ltd		
Other reimbursements	117	105
Total received	117	105
Paid to Peninsula Leisure Pty Ltd		
Management Service Fee	-	500
Contract payment	692	510
Grant	30	11
Total paid	722	1,021
(b) Outstanding balances with related parties		
The following transactions were outstanding at 30 June:		
Payable to Peninsula Leisure Pty Ltd		
Contract payment	63	-
Total payable	63	-
. ,		

(c) Loans to/from related parties

NI:I

(d) Commitments to/from related parties

Council has made a nil (2022-2023: \$500,000) cash contribution in financial support to Peninsula Leisure Pty Ltd. Under the Management Service Agreement Council provides (if required by the Company) a management service fee (refer to note 6.2(b)).

Council has no committed funding to Peninsula Leisure Pty Ltd under the MSA for 2024-2025.

No other commitments have been made, guaranteed or secured by Council to Key Management Personnel or related parties during the reporting year (2022-2023, nil).

Notes to the Financial Statements

For the year ended 30 June 2024

Note 8 Managing uncertainties

Note 8.1 Contingent assets and liabilities

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

(a) Contingent assets

Council has entered into leases on its property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 38 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:

	2024	2023
	\$'000	\$'000
No later than one year	672	794
Later than one year and not later than five years	902	1,102
Later than five years	61_	419
Total	1,635	2,315

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. Please refer to note 9.4 for further Future superannuation contributions

In addition to the disclosed contributions, Frankston City Council has paid unfunded liability payments to Vision Super totalling \$0.174 million paid during the 2023-2024 year (2022-2023 \$0.119 million). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 are \$0.150 million.

Liability Mutual Insurance

Council was a participant of the MAV Liability Mutual Insurance (LMI) Scheme until 30 June 2014 and then subsequently re-joined the LMI Scheme on 1 July 2019. The LMI Scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- -do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

Council will assess any impact of the modifications to AASB 13 ahead of the 2024-25 reporting period.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024. Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

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Frankston City Council

Notes to the Financial Statements

For the year ended 30 June 2024

Note 8.3 Financial instruments

(a) Objectives and policies

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

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 exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 2020. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment
- 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 Council's year end result.

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council have a policy for establishing credit limits for the entities Council deals with
- Council may require collateral where appropriate
- 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 Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property. There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the Balance Sheet and notes to the Financial Statements. Council does not hold any collateral.

Reports of Officers 30 September 2024 CM14 60

Frankston City Council

Notes to the Financial Statements

For the year ended 30 June 2024

Note 8.3 Financial instruments (continued)

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required, or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset. To help reduce these risks Council:

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet 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 5.4.

 $\label{thm:continuous} \textbf{Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.}$

(e) Sensitivity disclosure analysis

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

- A parallel shift of +1.00 per cent and -1.00 per cent in market interest rates (AUD) from year-end rates of 4.50 per cent. 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.

Note 8.4 Fair value measurement

Fair value hierarchy

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

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is

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.

Item 7.1 Attachment A:

Frankston City Council Notes to the Financial Statements For the year ended 30 June 2024

Note 8.4 Fair value measurement (continued)

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, 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, Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from two to four years. The valuation is performed either by experienced Council officers or independent experts.

Asset class	Revaluation
	frequency
Land	Two years
Buildings	Two years
Roads	Four years
Bridges	Four years
Footpaths and cycleways	Four years
Drainage	Four years
Recreational, leisure and community facilities	Four years
Parks, open space and streetscapes	Four years
Other infrastructure	Four years

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 decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Please refer to note 6.1 and 9.1(a) for a breakdown of the revaluations by asset class.

Impairment of assets

At each reporting date, Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Note 8.5 Events occurring after balance date

On 1 August 2024, it was gazetted in the Victorian Government Gazette No. S419 that the Hall Road is now an arterial road. The ownership and maintenance of Hall Road from 1 August 2024 has been passed to the Department of Transport. The current valuation of these assets is \$8.886 million.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9 Other matters

Note 9.1 Reserves

(a) Asset revaluation reserves

(a) Asset revaluation reserves	Delevered	lu ana a and	Deleveret
	Balance at	Increase/	Balance at
	beginning of	(decrease)	end of
	reporting		reporting
	period \$'000	\$'000	period \$'000
	3 000	3 000	3 000
2024			
Property			
Land revaluation	958,853	(129,152)	829,701
Building revaluation	83,959	2,722	86,681
	1,042,812	(126,430)	916,382
Infrastructure			
Drainage revaluation	92,850	5,369	98,219
Infrastructure asset revaluation (excluding drainage)	192,691	7,663	200,354
	285,541	13,032	298,573
Plant and equipment			
Plant, machinery and equipment revaluation	614	-	614
	614	-	614
Total asset revaluation reserves	1,328,967	(113,398)	1,215,569
2023			
Property			
Land revaluation	958,853	-	958,853
Building revaluation	83,959	-	83,959
	1,042,812	-	1,042,812
Infrastructure			
Drainage revaluation	89,508	3,342	92,850
Infrastructure asset revaluation (excluding drainage)	171,264	21,427	192,691
, , ,	260,772	24,769	285,541
Plant and equipment			
Plant, machinery and equipment revaluation	614	_	614
, , and equipment conduction	614	-	614
Total asset revaluation reserves	1,304,198	24,769	1,328,967

Nature and purpose of reserves

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9.1 Reserves (continued)

(b) Other reserves

(b) Other reserves				
	Balance at	Transfer from	Transfer to	Balance at
	beginning of	accumulated	accumulated	end of reporting period \$'000
	reporting	surplus	surplus	
	period			
	\$'000	\$'000	\$'000	
2024				
Statutory				
Public resort and recreation	4,117	1,779	(3,442)	2,454
Subdivision roadworks	133	-	-	133
Infrastructure assets	74	-	-	74
Car parking	10		<u> </u>	10
Total statutory reserves	4,334	1,779	(3,442)	2,671
Discretionary				
MAV LGFV Fund	13,538	379	-	13,917
PARC asset management sinking fund	10,582	750	(1,540)	9,792
Capital projects reserve	5,350	562	(1,253)	4,659
Waste recycling and resource recovery reserve		2,239	-	2,239
Unexpended grant reserve	11,139	-	(10,414)	725
Strategic asset reserve	3,485	-	(2,761)	724
Economic Development grants reserve		95	-	95
Resource efficiency reserve	81	3	-	84
Peninsula Leisure strategic reserve	300	-	-	300
Peninsula Leisure asset management fund	_	885	_	885
Total discretionary reserves	44,475	4,913	(15,968)	33,420
Total other reserves	48,809	6,692	(19,410)	36,091
2023				
Statutory				
Public resort and recreation	7,230	1,783	(4,896)	4,117
Subdivision roadworks	133	· -	-	133
Infrastructure assets	74	-	-	74
Car parking	10	-	-	10
Total statutory reserves	7,447	1,783	(4,896)	4,334
Discretionary				
Strategic asset reserve	23,403	417	(20,335)	3,485
MAV LGFV Fund	12,708	830	(==,===)	13,538
PARC asset management sinking fund	11,048	750	(1,216)	10,582
Unexpended grant reserve	8,482	9,966	(7,309)	11,139
Capital projects reserve	3,931	2,070	(651)	5,350
Peninsula Leisure strategic reserve	300		(031)	300
Resource efficiency reserve	77	4	_	81
Total discretionary reserves	59,949	14,037	(29,511)	44,475

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9.1 Reserves (continued)

Nature and purpose of reserves

Capital projects reserve - has been established to quarantine specific purpose funding for the delivery of capital projects. MAV LGFV Fund - has been established to provide for the \$15.542 million principal repayment required on the maturity of the interest-only Local Government Funding Vehicle in 2025-2026.

PARC asset management sinking fund - has been established by Council and represents funding allocated to set aside funds to contribute to the replacement of the Aquatic Facility in approximately 35 years – this reserve is not to fund renewal or maintenance expenditure on this facility.

PARC asset management plan reserve - has been established by Peninsula Leisure and is designated to meet the Company's obligations for defined classes of capital as set out in the schedule with the PARC Asset Management Plan (AMP).

PARC strategic reserve - has been established by Peninsula Leisure and is designated for capital investment expended over more than one financial year that falls outside the requirements of the AMP.

Resource efficiency reserves - have been established by Council to reinvest savings from energy costs in further works to minimise energy consumption.

Statutory reserves - have been established to record revenues received from developers that are to be applied specifically to undertaking future capital works for car parking, public open space and recreation, subdivision roadworks and community infrastructure.

Strategic asset reserve - Strategic asset reserve – has been established to assist in the delivery of community infrastructure highlighted in the Council Plan.

Unexpended grant reserve - has been established by Council to quarantine unexpended grant funding.

Economic Development grants reserve - has been established to quarantine unexpended business and façade grants until they are fully claimed by the recipients.

Waste, Recycling and Resource Recovery reserve has been established in compliance with the statutory and discretionary reserves policy to ensure all revenue from the waste charge is fully expended on waste related activities only.

Note 9.2 Reconciliation of cash flows from operating activities to surplus

	2024	2023
	\$'000	\$'000
Surplus for the year	32,620	15,002
Non-cash adjustments:		
Depreciation/amortisation	39,063	38,285
Net gain on disposal of property, plant and equipment	(533)	(377)
Write-off of property, infrastructure, intangibles, plant and equipment	11,864	4,958
Works in progress unable to be capitalised (expensed)	2,153	3,453
Borrowing costs	1,485	1,415
Finance costs	23	20
Contributions - non-monetary assets	(24,851)	(7,103)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(7,684)	2,369
Increase in prepayments	(251)	(507)
Decrease/(increase) in contract assets	616	(1,384)
Increase in inventory	(74)	(22)
Increase/(decrease) in trade and other payables	6,295	(14,132)
Increase in provisions	4,714	657
Increasee/(decrease) in contract and other liabilities	6,445	(266)
Increase in trust funds and deposits	-	741
Net Cash provided by operating activities	71,885	43,109
Note 9.3 Reconciliation of cash and cash equivalents		
Cash on hand	19	20
Cash at bank	3,611	4,868
Term deposits	54,506	33,405
Cash and cash equivalents	58,136	38,293

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9.4 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in 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 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023: 10.5%)).

Defined benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI

Net investment returns: 5.7% pa Salary information: 3.5% pa Price inflation (CPI):

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022-23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

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 98% from 26

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.

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9.4 Superannuation (continued)

Employer contributions

(b) Funding calls

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

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

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

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2023	2022
	(Triennial)	(Interim)
	\$m	\$m
- A VBI Surplus	84.70	44.60
- A total service liability surplus	123.60	105.80
- A discounted accrued benefits surplus	141.90	111.90

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

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 as at 30 June 2023.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

Net investment returns 5.6% pa

Salary information 3.5% pa

Price inflation (CPI) 2.7% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

Frankston City Council

Notes to the Financial Statements

For the year ended 30 June 2024

Note 9.4 Superannuation (continued)

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2023. It is anticipated that this actuarial investigation will be completed by 31 December 2023. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2023 Triennial investigation
Net investment return	5.60% pa	5.70% pa
Salary inflation	2.50% pa	3.50% pa
	for the first two years	
	and 2.75%pa	
	thereafter	
Price inflation	2.00% pa	2.80% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

			2024	2023
Scheme	Type of Scheme	Rate	\$,000	\$,000
		11.0%	174	119
Vision super	Defined benefit	(2023:10.5%)		
		11.0%	7,861	7,645
Vision super	Accumulation fund	(2023:10.5%)		
		11.0%	843	462
Hostplus	Accumulation fund	(2023:10.5%)		

Council has paid no unfunded liability payments to Vision Super for the 2023-2024 year (2022-2023 nil), apart from the contributions above.

There were nil contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$0.147million.

Note 10. Change in accounting policy

There have been no changes to accounting policies in the 2023-2024 year.

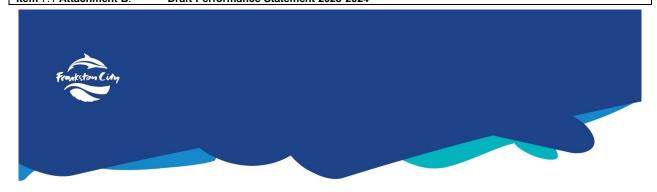
There are no pending accounting standards that are likely to have a material impact on council.



FRANKSTON CITY COUNCIL

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Performance Statement

For the year ended 30 June 2024

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Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020.
Principal Accounting Officer
Dated:
In our opinion, the accompanying performance statement of Frankston City Council for the year ended 30 June 2024 presents fairly the results of council's performance in accordance with the <i>Local Government Act 2020</i> and the Local Government (Planning and Reporting) Regulations 2020.
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 2020 to certify this performance statement in its final form.
Mayor
Dated:
Councillor
Dated:

Reports of Officers	71	30 September 2024 CM14
Item 7.1 Attachment B:	Draft Performance Statement 2023-2024	·
Chief Executive	e Officer	

Dated:

Reports of Officers	72	30 September 2024 CM14
Item 7.1 Attachment B	Draft Performance Statement 2023-2024	·

Independent Auditor's Report (VAGO)

Section 1. Description of municipality

Frankston City is located on the eastern shores of Port Phillip Bay, approximately 40km south of Melbourne and within metropolitan Melbourne.

Frankston City comprises the suburbs of Frankston, Frankston South, Frankston North, Seaford, Carrum Downs, Langwarrin, Langwarrin South, Sandhurst and Skye and is strategically placed as the regional centre for the Mornington Peninsula and the south-east growth corridor of Melbourne.

The city is currently home to an estimated 140,809 residents, which is expected to grow to 163,610 by 2041. Frankston City is recognised for its natural reserves, vibrant lifestyle, diverse community and growing business, arts, education and health sectors.

The municipality covers an area of about 131km2 from the Seaford Wetlands in the north, to Frankston South in the south and the Western Port Highway in the east. The western boundary of the city is made up of 11km of pristine coastline.

Section 2. Service Performance Indicators

For the year ended 30 June 2024

	Results					
Service / indicator / measure	2020-2021	2021-2022	2022-2023	2023-2024		Comment
	Actual	Actual	Actual	Target as per budget	Actual	There has been strong customer and member engagement with the facilities, with attendance continuing to grow from previous years.
Aquatic facilities						
Utilisation						
Utilisation of aquatic facilities	3.29	4.59	7.26	N/A	7.32	
[Number of visits to aquatic facilities / Municipal population]						
Animal management						100% (175 in total) of Animal Management prosecutions were successful.
Health and safety						
Animal management prosecutions	100%	100%	100%	N/A	100%	

[Number of successful animal management prosecutions / Total number of animal management prosecutions] x 100						
Food safety						Major and Critical non-compliances are a high priority. Environmental Health Officers ensured all major and critical issues raised at food
Health and safety						premises are followed up as a priority within the required timeframes to mitigate the risk to the community. The total number of critical and major non-compliance follow ups completed for the period was 155.
Critical and major non-compliance outcome notifications	100%	95.51%	97.09%	N/A	100%	major non-compliance follow ups completed for the period was 155.
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100						
Governance						Community satisfaction with community and stakeholder community engagement continues to be very strong with a result of 69.00.
Consultation and engagement						
Satisfaction with community consultation and engagement	63	69	70	70	69	
[Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]						
Libraries						The library can be a hub for the whole community to engage, connect, access the internet, attend an event or borrow from the library
Participation						collection. 33% of the community have made use of their library card in the last year, however there are a wide range of other opportunities for

Library membership	-	-	-	N/A	33.31%	the community to engage with the library, which are not reflected in this result.
[The number of registered library members/Population] x100						
Maternal and child health						Frankston City Council MCH Service has continued to have an increase in participation in the MCH Service. This result can be attributed to a high
Participation						quality, flexible and responsive service delivery model.
Participation in the MCH service	64.75%	67.94%	74.01%	N/A	77.38%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100						
Participation						Additional time-limited funding for 2023/24 has enabled an Aboriginal MCH Liaison Nurse to attend local yarning groups and Aboriginal
Participation in the MCH service by Aboriginal children	64.85%	63.71%	70.86%	N/A	85.27%	Community Controlled Health Organisations (ACCHO) to engage with Aboriginal and Torres Strait Islander families who have previously been disengaged from the MCH Service. The Frankston MCH team have also
[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						been working closely with First People's Health and Wellbeing (Frankston), delivering Key Ages and Stages (KAS) visits onsite for Aboriginal and Torres Strait Islander families that access their services. The Frankston MCH Service has also undertaken MCH Centre audits, with actions resulting in enhanced cultural safety of our centres.
Roads						The standard of the road network has decreased from last year however it is still within expectations. Through its Long Term Infrastructure Plan
Condition						(LTIP) and in accordance with its Asset Management Policy, Council continues to invest in the sealed local road network to ensure roads stay above renewal intervention levels.
Sealed local roads maintained to condition standards	99.27%	97.88%	98.57%	95%	97.16%	above renewal intervention levels.

[Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100						
Statutory Planning						The percentage of applications determined within statutory timeframes improved during the time period, exceeding the target.
Service standard						
Planning applications decided within required time frames	70.10%	58.15%	62.41%	70%	75.36%	
[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits/Number of planning application decisions made] x100						
Waste Collection						Councils landfill diversion rate has increased due to a reduction in waste tonnes, an increase in Food Organics / Garden Organics (FOGO) tonnes
Waste diversion						and a decrease in recycling tonnes due to the introduction of the Container Deposit Scheme (CDS) in November 2023.
Kerbside collection waste diverted from landfill	55.71%	51.64%	51.88%	52%	52.26%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100						

Section 3. Financial Performance Indicators

For the year ended 30 June 2024

			Results			Forecasts				
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	2023	2023-2024		2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Efficiency										
Expenditure level										
Expenses per property assessment										Expenses have risen across Council operations and
[Total expenses / Number of property assessments]	\$2,787.42	\$3,034.84	\$3,379.69	\$3330.61	\$3,493.57	\$3,494.02	\$3,543.32	\$3,583.11	\$3,623.87	services largely impacted by inflationary pressures across the business.
Revenue level										Council's general rate income has been increased
Average rate per property assessment										in compliance with the rate cap of 3.5% set by the State Government. In 2020-21
[Sum of all general rates and municipal	\$1,598.80	\$1,638.00	\$1,680.80	N/A	\$1,725.23	\$1,816.61	\$1,845.15	\$1,873.56	\$1,901.76	and 2021-22, the increase had been offset by the COVID-19 rate waiver offered. There was no

		Results					Fore			
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	202:	2023-2024		2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
charges/Number of property assessments]										COVID-19 rate waiver offered in 2022-23 or 2023-24. The increase is expected to remain stable over the forecast period due to rate capping.
[General rates and Municipal charges / Number of property assessments]										
Liquidity										The working capital result is lower than prior year and
Working capital										lower than target due to higher than expected capital grants received in advance
Current assets compared to current liabilities	223.69%	194.28%	184.06%	175.39%	149.43%	134.87%	144.01%	139.68%	140.15%	where the performance obligations under the contract have not yet being
[Current assets / Current liabilities] x100										met. Cash assets are expected to tighten over the next four years as Council

-										
			Results				Fore	casts		
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	202	3-2024	2024-2025	2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	68.95%	30.14%	0.60%	N/A	33.77%	36.63%	24.38%	28.40%	32.89%	Council continues to invest a portion of its cash reserves in term deposits greater than 90 days, which is considered to be restricted cash. The result has increased due to the lower amount invested in term deposits greater than 90 days at 30 June 2024 compared to the prior year. Cash reserves are expected to decrease over the next few years as Council continues to deliver on its strategic priorities and the large repayment of a loan in 2025-26.

			Results				Fore	casts		
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	2023	3-2024	2024-2025	2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Loans and borrowings Obligations Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	23.20%	19.98%	20.28%	N/A	25.73%	30.99%	28.34%	38.96%	35.60%	This indicator has increased in the last 12 months as Council borrowed \$9.4m in funds to assist in delivery of its capital works program and repaid \$427k of its borrowings. It is expected to increase in the next four years, reflecting Council's decision to borrow more funds to assist with the delivery of the capital works program.
Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and	1.38%	3.45%	1.27%	N/A	1.29%	2.60%	13.07%	4.26%	5.13%	This has returned to normal levels after a spike in 2021-22 and is forecast to increase in the future years, reflecting Council's decision to borrow more funds to assist with the delivery of the capital works program. The ratio is high in 2025-26 due to the repayment of the interest only loan borrowed

			Results				Fore	casts		
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	2023	3-2024	2024-2025	2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
borrowings / Rate revenue] x100										through the Local Government funding vehicle.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	18.95%	17.05%	16.38%	N/A	21.61%	15.67%	21.04%	28.27%	25.56%	Council long term liabilities have increased due to new borrowings, however the level of own source revenue continues to be restricted through rate capping and user fees and charges.
Asset renewal and upgrade										Council is focused on closing its asset renewal gap, and

	Results						Fore			
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	2025	3-2024	2024-2025	2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Asset renewal and upgrade compared to depreciation	88.87%	129.94%	166.00%	128.23%	140.36%	103.15%	140.24%	142.21%	107.16%	has planned a robust capital works program to achieve this outcome.
[Asset renewal and upgrade expense / Asset depreciation] x100										
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-0.58%	-1.98%	-3.58%	N/A	-10.36%	-2.12%	-2.43%	-2.67%	-2.88%	This underlying deficit indicates the true cost of service delivery and reflects the long-term impact of rate capping, the challenging economic environment and inflationary pressure on materials and services. Financial performance is expected to decline over the next four years as these pressures continue to impact.
Stability										

			Results				Fore	casts		
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	202	3-2024	2024-2025	2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
Rates concentration										Rate revenue continues to be Council's main source of
Rates compared to adjusted underlying revenue										income, and is expected to remain consistent over the next four years.
Rates compared to adjusted underlying revenue	73.71%	71.19%	68.11%	69.46%	71.42%	68.54%	68.84%	69.11%	69.48%	
[Rate revenue / Adjusted underlying revenue] x100										
Rates effort										Rates increased by 3.5% in compliance with the rate
Rates compared to property values	0.34%	0.34%	0.28%	N/A	0.30%	0.30%	0.30%	0.31%	0.31%	cap and Council's Capital Improved Property Values (CIV) decreased by 2.6% from 2022-23 to 2023-24. A
[Rate revenue / Capital improved value of rateable properties in the municipality] x100										conservative estimate of a 1% increase in valuations has been factored into the calculation for the following years as property value

	Results					Forecasts				
Dimension / indicator / measure	2020-2021	2021-2022	2022-2023	2023	3-2024	2024-2025	2025-2026	2026-2027	2027-2028	Material Variations and Comments
	Actual	Actual	Actual	Target as per budget	Actual	Forecast	Forecast	Forecast	Forecast	
										fluctuations are dependent on economic and market movement.

Section 4. Sustainable Capacity Indicators

For the year ended 30 June 2024

		Res	sults		
Indicator / Measure	2020-2021	2021-2022	2022-2023	2023-2024	Comment
Population					
Expenses per head of municipal population	\$1,244.58	\$1,379.39	\$1,534.02	\$1,589.92	Expenses have risen in Council operations due to inflationary pressure on materials and services.
[Total expenses / Municipal population]					
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$6,549.61	\$7,115.10	\$7,533.22	\$8,034.76	Frankston City continues to increase infrastructure delivery to meet community needs. During the year, Council also revalued its infrastructure assets which resulted in an increase of \$13.0m to its infrastructure asset base.
Population density per length of road	203.32	199.45	199.41	197.55	Population density per km of road has decreased compared to last year's result. This year, the municipal population has increased by 1,826 people, however, the local road network

		Res	ults					
Indicator / Measure	2020-2021	2021-2022	2022-2023	2023-2024	- Comment			
[Municipal population / Kilometres of local roads]					has increased by 16km due to the transfer of road assets in Sandhurst Estate and minor gifted assets from subdivisions.			
					Own source revenue has grown 4% in the last 12 months with strong utilisation in the recycling centre contributing to the increased result. Rates income has also increased in			
Own-source revenue Own-source revenue per head of municipal population	\$1,071.81	\$1,171.22	\$1,299.37	\$1,344.29	compliance with the 3.5 per cent rate cap in 2023-24. Co will continue to identify and pursue alternative revenue sources.			
[Own-source revenue / Municipal population]								
Recurrent grants Recurrent grants per head of municipal population	\$135.85	\$159.90	\$161.78	\$74.34	Recurrent grants have reduced compared to the previous year, due to the Financial Assistance Grant funding allocated for 2023-24 received in the previous financial year.			
[Recurrent grants / Municipal population]								
Disadvantage								

		Res	ults		
Indicator / Measure	2020-2021	2021-2022	2022-2023	2023-2024	Comment
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	6.00	6.00	6.00	6.00	Council ranks in the sixth decile in Victoria. The first decile indicates the most disadvantaged and the tenth decile indicates the least disadvantaged.
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.59%	18.19%	14.29%	10.45%	The 2023/24 Financial year has presented our lowest turnover percentage since the 2019/20 Financial Year. Following the pandemic and the challenges it presented, Council experienced a large increase in turnover as seen across the sector at that time. Council placed focus on negotiating a strong EBA, providing a successful approach to hybrid working, a focus on the induction process and a strong response to the results of the pulse engagement survey. The initiatives surrounding these elements of the organisation culture have continued to provide positive outcomes including the turnover result outlined.

Item 7.1 Attachment B:

Draft Performance Statement 2023-2024

5. Notes to the accounts

For the year ended 30 June 2024

5.1 Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting)* Regulations 2020.

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 2020 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 on 3 June 2024 in its 2024-2028 budget and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

	5.2 Definitions
Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: non-recurrent grants used to fund capital expenditure; and non-monetary asset contributions; and contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
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
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
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 <i>Food Act 1984</i> , 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
мсн	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

non-current liabilities	means all liabilities other than current liabilities
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
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, 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
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

Reports of Officers 92 30 September 2024 CM14

Item 7.1 Attachment B: Draft Performance Statement 2023-2024



7.2 Frankston City Council Annual Report 2023-2024

Officers' Assessment

7.2 Frankston City Council Annual Report 2023-2024

Enquiries: (Fiona McQueen: Customer Innovation and Arts)

Council Plan

Level 1: 6. Progressive and Engaged City

Level 2: 6.5 Support transparent and evidenced based decision making

through sharing council data and clear reporting on our measures

of success to the community

Purpose

For the Mayor to present the Annual Report for the 2023–2024 financial year, in accordance with the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2014*.

Recommendation (Director Customer Innovation and Arts)

That Council:

- 1. Notes the presentation of the Annual Report to the Council at this meeting in accordance with Section 100 of the *Local Government Act 2020*; and
- 2. Receives and endorses the Annual Report 2023–2024, for publication on the website by 25 October 2024 (one day prior to the local government elections).

Key Points / Issues

- Council has a statutory obligation under the *Local Government Act 2020* to prepare an Annual Report each year, which must contain a report of operations, audited financial statements and an audited performance statement.
- Council is required to prepare the annual report to be presented to a Council meeting (open to the public). During an election year this due date is by 25 October 2024 (one day prior to the local government elections).
- The *Local Government Act 2020* no longer requires Council to submit the budget or annual report to the Minister for Local Government.
- As required under the *Local Government Act 2020*, the Mayor is required to formerly present the Annual Report to Council using the wording provided under the heading "Mayoral Presentation of Annual Report to Council".

Presentation of Annual Report to Council

Council's Annual Report 2023–2024 highlights how we have supported the community throughout the year, the infrastructure investments and the ongoing delivery of the Council Plan 2021–2025.

Noteworthy highlights from the Annual Report are:

- The opening of the \$36.6 million Jubilee Park Stadium in October 2023 highlighted how all levels of government and the sporting community can come together to achieve something truly amazing.
- We also proudly completed the \$8.82 million Eric Bell pavilion providing a new home for the Pines Football Netball Club and the Pines Cricket Club, and the

7.2 Frankston City Council Annual Report 2023-2024

Officers' Assessment

\$5.33 million Kevin Collopy Pavilion at Jubilee Park for the YCW Football and Frankston Peninsula Cricket Club.

- Over approximately 113,000 visitors were welcomed to our major events, including Frankston's Christmas Festival of Lights (33,000), the Waterfront Festival (30,000), Big Picture Fest (2,000), Mayor's Party in the Park (3,500) and South Side Festival (33,000).
- Overport Park Bike Park was opened with bike riders, skaters and scooting enthusiasts of all ages enjoying the new facilities. It was also recognised by the Architecture and Design Community's International Architecture and Design Awards 2024. The park took out gold in the Sport, Recreation and Wellness Facilities Category and a platinum award in the Parks Gardens & Landscape Design Category.
- Frankston Library underwent a transformation at the end of 2023, with a new service desk and the addition of a glass enclosure for an innovative book sorter. This second phase built upon earlier improvements, including carpeting, enhanced shelving for the cherished library collection, and a refreshed layout.
- In early 2024, the Building Blocks Partnership between Council and the Victorian Government was announced. In total, the partnership is projected to offer up to 246 new funded kindergarten places by 2026, ensuring all children in Frankston City have access to two years of funded kindergarten education.
- Council also established the first Social Inclusion Action Group (SIAG). The 19 diverse members are dedicated to making Frankston City a welcoming community where everyone is included and valued. This flagship program positions Frankston as one of the first councils in Victoria to pilot such an initiative, with the community playing a key role in driving change and shaping the future.
- Community safety continued to be a focus with the ongoing work of our Rapid Response Team undertaking proactive patrols around the city, including joint patrols with Victoria Police.
- This is just a taste of what is outlined in Council's 2023–2024 Annual Report that I present for Council's consideration.
- Following endorsement, the report will be available to view in its entirety on Council's website and can also be supplied in hard copy on request.

Financial Impact

There are no financial implications associated with this report.

Consultation

The Annual Report has been compiled with information received from across the organisation, based on monthly and quarterly reporting, audited financial statements and approved communication and marketing materials. The appropriate sections of Council have approved the relevant personnel, governance and management sections of the report.

The CEO, Executive, Corporate Development, Manager Community Relations, Manager Human Resources, and members of the Finance, Corporate Planning and Communications teams have reviewed and provided feedback on draft versions of the report.

7.2 Frankston City Council Annual Report 2023-2024

Officers' Assessment

The Mayor and Audit and Risk Committee have reviewed the Consolidated Annual Financial Statements and the Performance Statement and these documents are currently with VAGO for certification. Certificates will be provided by VAGO and included prior to the Annual Report being presented to Council prior by 25 October 2024 (one day prior to the local government elections).

Analysis (Environmental / Economic / Social Implications)

The contents of the Annual Report emphasises and supports Council's commitment to providing open and transparent reporting to the community and meeting all statutory reporting requirements. It is also a valuable opportunity to reflect on the achievements, success, challenges and strategic direction taken by previous Council and the organisation during the 2023–2024 financial year.

Legal / Policy / Council Plan Impact

Charter of Human Rights and Responsibilities

The Charter of Human Rights and Responsibilities has been considered in the preparation of this report but is not relevant to the content of the report.

Legal

Council is required to prepare an annual report in respect of each financial year. The annual report must be presented to a council meeting (open to the public) by 25 October 2024 (one day prior to the local government elections).

Council has complied with all of its statutory obligations in relation to the Annual Report.

Policy Impacts

Not applicable.

Officer's Declaration of Interests

Council officers involved in the preparation of this report have no Conflict of Interest in this matter.

Risk Mitigation

Officers have ensured that they are aware of all legislative reporting requirements and timelines. This ensures that we are able to comply with the relevant statutory obligations.

Officers have also audited Council resolutions to ensure that where there has been a Council decision to incorporate information into the Annual Report we have ensured that it is included.

Conclusion

Council's Annual Report 2023-2024 has been compiled in accordance with all legislative requirements.

Endorsement of the Annual Report will complete the legislative process for 2023-2024.

ATTACHMENTS

Attachment A: Frankston City Council Annual Report 2023-2024 (Under

separate cover)

9. CONFIDENTIAL ITEMS

Section 3(1) of the *Local Government Act 2020* enables the Council to close the meeting to the public if the meeting is discussing any of the following:

- (a) Council business information that would prejudice the Council's position in commercial negotiations if prematurely released;
- (b) Security information that is likely to endanger the security of Council property or the safety of any person;
- (c) Land use planning information;
- (d) Law enforcement information;
- (e) Legal privileged information;
- (f) Personal information;
- (g) Private commercial information:
- (h) Internal arbitration information;
- (i) Councillor conduct panel information
- (j) Information prescribed by the regulations to be confidential information for the purposes of this definition;
- (k) Information that was confidential information for the purposes of section 77 of the Local Government Act 2020
- (I) A resolution to close the meeting to members of the public pursuant to section 66(2)(a).

Nil Reports	
Signed by the CEO	