



**COUNCIL MEETING**

**24 OCTOBER 2022**

**ADDENDUM**

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**BUSINESS**

**12. REPORTS NOT YET SUBMITTED**

|  |   |
|--|---|
| 12.6 Frankston City Council Annual Report 2021-2022..... | 2 |
|--|---|

Phil Cantillon

**CHIEF EXECUTIVE OFFICER**

24/10/2022





**Executive Summary****12.6 Frankston City Council Annual Report 2021-2022**

*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 2021–2022 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 Mayor's presentation of the Annual Report to the Council at this meeting in accordance with S100 of the *Local Government Act 2020*;
2. Receives and endorses the Annual Report 2021–2022, for publication on the website prior to 31 October 2022.

**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) by 31 October 2022.
- This is the first year the Annual Report is not presented to the Minister post the Council meeting.
- 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".

**Mayoral Presentation of Annual Report to Council**

Council's Annual Report 2021–2022 highlights how we have continued to support the community through the impacts of the COVID-19 pandemic, alongside delivering the first-year goals of the Council Plan 2021–2025.

Noteworthy highlights from the Annual Report are:

- Council secured \$39.5 million in election funding commitments from candidates representing the major parties in the seat of Dunkley. These funds support Council's flagship election advocacy priority projects, and are strongly supported by the community.
- Business and reactivation grants totalling \$662,309 (including Victorian Government funding).

**12.6 Frankston City Council Annual Report 2021-2022****Executive Summary**

- Launch of the Frankston Business Collective, fostering a thriving local economy and elevation Frankston's city as a business friendly city.
- A total of 44,429 meals were delivered to those in need and 35,520 library items delivered to residents who were unable to access our libraries.
- 16,800 volunteers who contributed more than 46,000 hours equalling approximately \$1.3 million worth of donated time.
- Over 80,000 visitors were welcomed to our major events, including Frankston's Magical Christmas (6,739), Waterfront Festival (45,000), Big Picture Fest (1,500), Party in the Park (8,000) and South Side Festival (20,000).
- Awarded bronze in the 2022 Victorian Top Tourism Town Awards and the best Street Art Walking Tour in the national 2021 Australian Street Art Awards.
- Pines Forest Aquatic Centre welcomed almost 11,000 visitors in January 2022 – the highest ever January attendance under Peninsula Leisure management.
- This is just a taste of what is outlined in Council's 2021–2022 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.

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 to 31 October 2022.

**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 2021–2022 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.

**12.6 Frankston City Council Annual Report 2021-2022****Executive Summary**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 31 October 2022.

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 2021-2022 has been compiled in accordance with all legislative requirements.

Endorsement of the Annual Report will complete the legislative process for 2021-2022.

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**ATTACHMENTS**

Attachment A: [↓](#) Annual Report 2021-2022



Frankston  
City Council

# Annual Report

2021-  
2022



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# Wominjeka

## Welcome to Frankston City

### Acknowledgement

Frankston City Council acknowledges the Bunurong people of the Kulin Nation as the Traditional Custodians of the lands and waters in and around Frankston City, and values and recognises local Aboriginal and Torres Strait Islander cultures, heritage and connection to land as a proud part of a shared identity for Frankston City.

Council pays respect to Elders past and present and recognises their importance in maintaining knowledge, traditions and culture in our community.

Council also respectfully acknowledges the Bunurong Land Council as the Registered Aboriginal Party responsible for managing the Aboriginal cultural heritage of the land and waters where Frankston City Council is situated.

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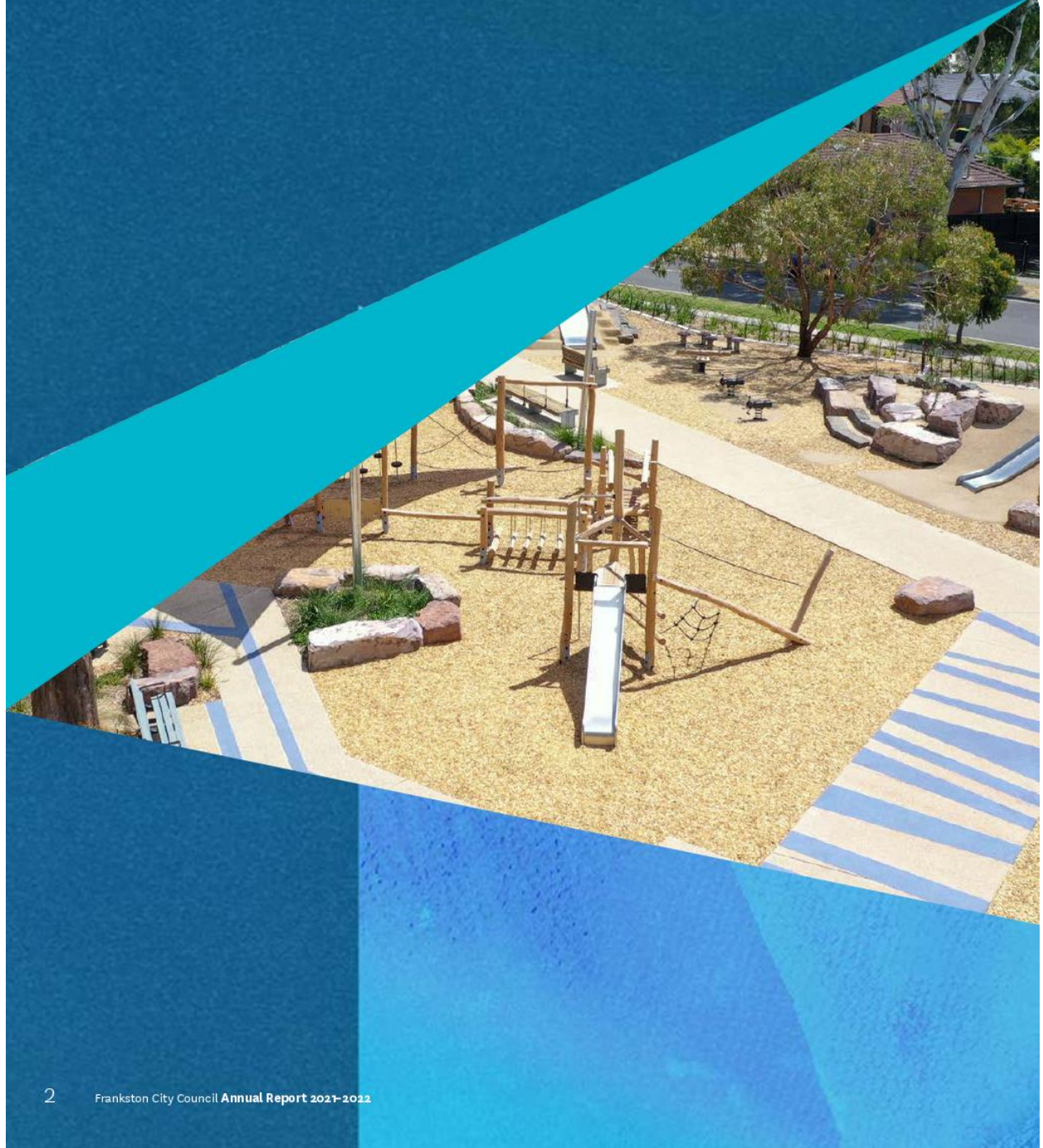
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# Introduction



# Welcome to the report of operations 2021–2022

Frankston City Council is committed to transparent reporting and accountability to the community. The Report of Operations 2021–2022 is the primary means of advising the Frankston City community about Council's operations, achievements, challenges, strategic direction and performance during the financial year.

## Council snapshot

### Vision

Lifestyle Capital  
of Victoria

### Mission

We're driven by the privilege of serving our community and providing leadership and visionary thinking to ensure Frankston City is recognised as the Lifestyle Capital of Victoria

### Our engagement promise

Frankston City Council is committed to engaging and collaborating with our diverse local community, to understand and include people's different views, experiences and expertise.

Council is committed to genuinely listening and learning from the local community to ensure community feedback influences Council's decisions and project outcomes.

### Values

**Kinder:** we listen and show understanding, treating each other with respect and empathy.



**Smarter:** we focus on efficiency and innovation, working together and sharing ideas.



**Fairer:** we treat everyone equitably with consistency, transparency and consideration.





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## Council snapshot

### Fast facts

**14,204**

Maternal and Child Health (MCH) visits

**7,054**

Immunisations (infant and secondary school students)

**1,869**

Home visits to new parents

**1,488**

Council kindergarten enrolments in the 2022 calendar year (3 and 4 year old)

**37,408**

Young people engaged in Youth Services activities

**171,656**

Customer service interactions (calls and live chat)

**35,520**

Items delivered to residents who were unable to access our libraries

**44,429**

Meals on Wheels provided

**972**

Planning applications processed

**6,960**

LED street lights

**23,260**

Current pet registrations

**\$1.7M**

Heavy plant, equipment and fleet vehicle replacements.

**706 KM**

Local roads maintained

**56,095**

Frankston Arts Centre attendances (in-person and online)

**71,000**

Visitors to Council major events

**501,656**

Library items borrowed (physical and online)

**646,479**

Visits to Council aquatic and recreation centres (PARC and Pines Forest)

**\$537,390**

Community grants

**\$662,309**

Business and reactivation grants (includes Victorian Government funding)

**450**

Average amount of waste sent to landfill each week (tonnes)

# Highlights of the year

In these recent challenging years, Council has continued to deliver essential services for our community while also bringing to fruition many initiatives enabling Frankston City to grow and develop in front of our eyes.

## Delivering essential support

With the pandemic still impacting mobility and access to services, our family health and support services teams delivered almost **45,000 Meals On Wheels**, and made almost **2000 home visits** to new parents. Our Libraries team delivered more than **30,000 Items** to those unable to visit our libraries

## Our Council Plan and budget

Council adopted the **2021-2025 Council Plan and Budget** which referenced the Community Vision 2040, an aspirational plan for the long-term future of our City. The Plan was recognised finalist in the LGPro Corporate Planners Network Awards.

Under the plan, Council is investing more than \$74 million in local infrastructure projects and upgrades.

## Advocating for our City

Frankston City Council secured \$39.5 million in election funding commitments from candidates representing the major parties in the seat of Dunkley. Supporting Council's flagship election advocacy priority projects, these initiatives are strongly supported by the community and Council.

## A new pavilion for Pat Rollo Reserve

We're building facilities throughout Frankston City to meet the needs of the community. This year we officially opened the **\$2.8 million Pat Rollo Reserve Pavilion** in Frankston North - with \$844,000 funding from Frankston City Council and \$2 million from the Victorian Government.

The new pavilion includes two new female-friendly change rooms, umpires rooms, accessible toilets, a kitchen and kiosk, a meeting room and a social room.

This is a fit for purpose, multipurpose and sustainable facility - additional works include a new oval fence, ball protection fence, walking paths, fitness equipment and landscaping.



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### A festival of events

Over **80,000 visitors were welcomed to our major events**, including Frankston's Magical Christmas (6,793), Waterfront Festival (45,000), Big Picture Fest (1,500), Party in the Park (8,000) and South Side Festival (20,000).

The **Inaugural South Side Festival** ran over nine days and delivered more than 30 events and creative outcomes, engaging with 150 artists and creatives, spanning local artists through to globally recognised companies.

The festival partnered with a number of local venues, community groups, venues and artists from across the state and nationally. The innovative, edgy and vibrant Festival transformed and reimagined multiple venues and spaces across Frankston City.

### A new force for Frankston businesses

Council launched a new local business chamber, the **Frankston Business Collective**, fostering a thriving local economy and elevating Frankston City's identity as an innovation hub and business-friendly city.

The Frankston Business Collective will provide an important new voice for business and industry in Frankston by representing the needs of a diverse and dynamic economy, with a particular focus on advocacy, connection and education.

### A healthy community

Health, fitness, and community connectivity, continue to be a focus for our two aquatic centres: **Pines Forest Aquatic Centre** welcomed **almost 11,000 visitors in January 2022 alone**, the highest ever January attendance under Peninsula Leisure management.

**Peninsula Aquatic Recreation Centre (PARC)** held more than 550 swim classes involving over 2100 students. This was made possible through the PARC Swim Star Program, which streamlined the process for onboarding new teachers to replace those who exited the sector during the pandemic. As a result, PARC was able to significantly reduce its waiting list for getting new Frankston City swim students into the water.





## Volunteers making a difference

There are many groups and programs in the Frankston City community who rely on the time and skills of volunteers to achieve their goals. This year we celebrated **16,800 volunteers** in Frankston City, who contributed **more than 46,000 hours**, equalling approximately **\$1.3 million** worth of donated time.

From providing Meals on Wheels to helping out with a local sporting club, and even in keeping our local beaches free from rubbish, there are so many initiatives in Frankston City that rely on the work of our volunteers to keep the city running.

## A vibrant and growing public arts program

Frankston's **Street Art Walking Tours** were named the best street art tour in the nation at the **2021 Australian Street Art Awards**.

The 90-minute guided tours were developed by Council in 2018 to create a tangible experience around the City's street art and to encourage both residents and visitors to explore and discover Frankston City's unexpected delights.



A number of vibrant public art sculptures are also being progressively installed across Frankston City, including Council commissions and partnerships with **Sculptures By The Sea** and **McClelland Sculpture Park and Gallery**.

Frankston City's investment in the arts encourages community connection, wellbeing and pride of place, and our murals, sculptures and arts events have become a celebrated part of Frankston's identity.

## Supporting the homeless

**Frankston Zero**, a major initiative combating homelessness and helping rough sleepers in Frankston City was successfully launched this year. Established by the Frankston City Strategic Housing and Homelessness Alliance, a strategic collaboration of 14 agencies, this is the culmination of two years of intensive planning to address the rising rates of rough sleeping homelessness in the municipality.

One of the many benefits of Frankston Zero is the provision of holistic support including mental health, family violence and trauma support, while working with those affected to find secure housing.

## Protecting our biodiversity

Council adopted the **Biodiversity Action Plan 2021-2026** reinforcing a commitment to maintaining a healthy and sustainable environment, and in recognition of the importance of resilient ecosystems.

With Frankston City's biodiversity found on public and private land, Council is working to link patches of habitat by creating wildlife linkages through the landscape.

Our biodiversity is subject to a wide number of threats including weeds, pest animals, vegetation removal and climate change. Protection and management of our native plants and animals is essential for the long-term health of our natural environment.

## Expanding our urban forest

Frankston City's **Urban Forest Action Plan** is working to transform the City's urban forest into a highly-valued, well-resourced and thriving asset. In Carrum Downs, Sandhurst, Skye and Seaford we guided the planting of **20,386 trees** in streets, parks and reserves to increase our canopy cover.

Our goal is to grow our tree canopy cover from **17 per cent to 20 per cent by 2040** as part of our commitment to enhance and protect Frankston City's precious environment and liveability.

The urban forest creates shade and cooling around our homes and shapes public spaces where we gather as a community. The trees clean the air we breathe, improve social cohesion, and improve the health and wellbeing of Frankston residents.

## Trialling new forms of transport

We started our **e-bike 12-month trial** with 150 pedal-assisted e-bikes located around the suburbs of Frankston City including Seaford, Frankston North, Karingal, Frankston foreshore and Frankston South, including locations like



Peninsula Health, Monash University Peninsula Campus, and the Frankston Visitor Information Centre.

The pedal-assisted e-bike trial demonstrates Frankston City Council's commitment to pioneering the latest smart technology as part of our Smart Cities program, which sits under Council's Future Ready Frankston corporate strategy.

As a zero emissions transport initiative, certified by the Carbon Reduction Institute, the e-bikes also align with Frankston City Council's Zero Emissions strategy.



## Building a regional sporting hub in our City

**Jubilee Park** is being transformed into a hub for **netball, regional cricket and AFL**. The new stadium will feature six multipurpose indoor courts, including a 1000-seat show court, elite training facilities, female-friendly change rooms and a creche for players and spectators.

It will also feature a cafe, community meeting and function rooms and four indoor cricket training nets as well as facilities to service the adjoining sports oval.

The stadium upgrade will enable Frankston City to **host major regional netball** and basketball events and welcome more players. In particular, it will enable a major increase in female participation in sport. The project is expected to be completed in early 2023.

## Extending our outdoor dining experiences

The extended **Outdoor Dining and Activation Program** is a critical initiative

designed to support local hospitality businesses recover from economic impacts of the COVID-19 pandemic.

Hospitality is vital to our local economy with 655 businesses employing more than 2860 people and contributing an annual turnover of more than \$345 million. The response to the Outdoor Dining and Activation Program has been positive from businesses.

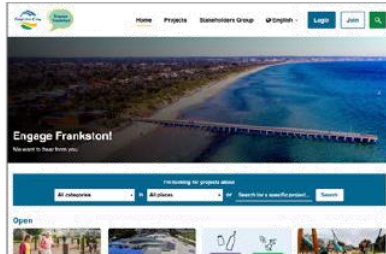
## Recognition for our tourism experiences

Frankston was awarded bronze in the **2022 Victorian Top Tourism Town Awards**, a testament to the city's unique and enviable bayside urban setting and tourism experiences. Bendigo and Echuca won gold and silver respectively.

Winning Bronze is a fantastic achievement and speaks volumes not just about our City, but our strategy for the arts, events and attractions, and our progressive approach to reinvigorating Frankston with new and vibrant businesses and experiences.







## A new Customer Service Charter

Council endorsed a new Customer Service Charter that promises accessible, respectful, clear and accountable customer service. The Promise holds Council officers to four commitments and sets out ways to achieve them. These commitments are:

### Enhancing our ability to engage

Council launched **Engage Frankston**, our new engagement platform enabling greater community participation on Council plans, projects and activities. We also formed the Mini Frankston Panel representing the wider community in online engagement activities, discussions, focus groups and deliberative panels, to help influence and guide our decision-making, policies and planning.

to be **accessible** when providing information and support.

**respectful** in communicating and delivering services.

**clear** in communicating and sharing expectations.

**accountable**, so that actions (if required) follow words.



# Challenges and future outlook

## Impacts of coronavirus (COVID-19)

Over 2021–2022, coronavirus (COVID-19) continued to impact many of our residents and our organisation, including services and employees. We rejuvenated our COVID-19 Recovery Package from disaster relief to providing skills and support to residents, community groups and businesses needing to rebuild in the short- and long-term.

Critical assistance over the year included:

- community and business grants
- job creation strategies
- urgent community care for community organisations to support our most vulnerable
- mental health support

- fee relief for residents, community groups and businesses
- campaign funding enticing local tourism to Frankston
- creation of the Frankston Business Collective supporting and nurturing Frankston City's business and industry.

Our Community Recovery Call Centre continued helping residents navigate through the Council and external supports on offer. We helped with referral pathways for external services and also regularly checked in on our most vulnerable and isolated residents. We conducted welfare checks on over 600 members of the community, making sure they were supported through the lockdowns.

Our Job Advocates also offered practical support to job seekers, people seeking a career change,





or advice on training pathways. Over the year, the program helped address some of the barriers to training and employment that may have prevented residents from finding work.

Access to vaccines was a big focus with some of our most vulnerable community members finding it hard to get to a vaccination centre or to see a doctor, especially during lockdown. We continued to follow Victorian Government guidelines and worked closely with Peninsula Health and community groups mapping out how to best support our community and initiatives for improved access to vaccinations across Frankston City.

For our organisation, we remained flexible with a hybrid way of working and supported employee wellbeing and connection across all teams. We also continued to implement safety measures for employees required to work on-site.

See 'Our people' section from page 33 for more information.



## A growing municipality

Frankston City is in Melbourne's south-east, one of the fastest growing regions in Australia's fastest growing city. Ongoing advocacy to Victorian and Australian governments to secure essential funding will drive change and deliver on priorities benefiting residents and the wider community.

We launched our Future Ready Frankston advocacy campaign in July 2021 with the following themes:

**Investing in our prosperity:** Facilitating new and improved job, education, tourism and recreational opportunities connected by diverse travel options.

### Enhancing our environment and liveability:

Delivering a range of policies, strategies and works to preserve and enhance our natural environment.

### Strengthening our community:

Collaborating with government, clients and key stakeholders to deliver improved social inclusion, health, wellbeing and resilience of our community.

In November 2021 we adopted flagship election advocacy priority projects.

- Bigger and better Pines Forest Aquatic Centre at Frankston North (indicative project cost \$31 million).
- District Basketball and Gymnastics Stadium creating state-of-the-art district basketball and gymnastics facilities at Frankston Basketball Stadium (indicative project cost \$45 million).
- Expanding our access to recycled water to deliver more sustainable water sources for the irrigation of local parklands, reserves and sports grounds by expanding the recycled water infrastructure network (indicative projects cost \$6 million).
- District Playground in Carrum Downs to establish a new district playground at Sandfield Reserve, delivering a playground upgrade, barbecue and picnic area, fitness equipment, public events space, youth space and extended skate park, public toilets, drainage and ecology projects (indicative project cost \$4 million).
- Frankston Regional Arts Trail featuring a 7.4km immersive arts and cultural trail from Frankston Foreshore to McClelland Sculpture Park+Gallery, connecting to existing regional cycling and nature trails (indicative project cost \$6 million).

For funding achievements in 2021-2022 see the **Major achievements** section.



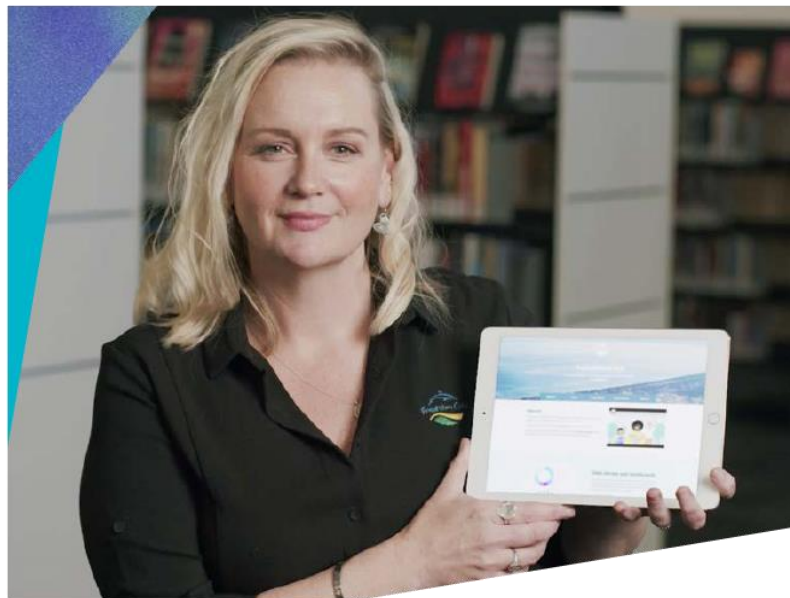
## Adapting to climate change

More than ever, we're seeing an increase of climate change impacts on Frankston City's natural and built environment. The impacts for the greater Melbourne region include rising sea levels, increased maximum and minimum temperatures, more hot days and heatwaves, more intense rainfall events, less rainfall in winter and spring and harsher and longer fire seasons (Greater Melbourne Climate Change Predictions, 2019).

Following our declaration of a climate emergency in 2019, we commenced the development of a Climate Change Strategy and Action Plan. Once finalised, the plan will provide a clear roadmap of how we, as a city and a community, can continue to prioritise initiatives, infrastructure and projects that positively impact our planet.

## Changing customer expectations

Our population is growing, our services are widening and our customers are increasingly more educated, digitally mobile and dependent on technology as their enabler. Our customers have been clear that being connecting efficiently to the support they need, and giving them proactive updates to keep them in the loop is their foundation of expected service. We acknowledge this priority but respect their need for more. Raising the bar to consistently provide timely and seamless interactions through increasing channel options and skilled human connections is our priority. We must do more than just connect them to services they need and provide easy access to information. Our Council teams must evolve and be enabled to deliver what our community needs and expects of us now and for the future. This requires a new way of working.



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# Year in review



# Message from the Mayor and CEO

It's with great pleasure we present our Annual Report 2021-2022 which provides an overview of our operational performance and audited performance and financial reports.



**Cr Nathan Conroy**  
Frankston City Mayor 2021-2022

There have been many highlights, achievements and opportunities over the past year along with some challenges and uncertainties. Even though it was another year we couldn't have predicted, we maintained a strong focus on delivering over 150 valued services to residents and the wider community.

## Coronavirus (COVID-19) and our continued response

COVID-19 continued to have a significant impact on Frankston City. We bolstered our Recovery Package by providing the necessary support to residents, community groups and businesses to rebuild in the short- and long-term. Grants, community care, mental health support, job advocates, a tourism campaign and a new business chamber are some of the critical measures we put in place.

Through our Council Budget 2022-2023 we've committed to supporting the community in a post-COVID-19 environment by investing in the reactivation of the city and supporting our most



**Phil Cantillon**  
Chief Executive Officer, Frankston City Council

vulnerable community members.

## Community support and connection

In the past year we adopted more than 15 new plans, strategies and policies that enhance and support healthy, safe, inclusive and sustainable communities. These included our Health and Wellbeing Plan 2021-2025, Municipal Early Years Plan 2021-2025, Positive Ageing Action Plan 2021-2025 and Disability Action Plan 2021-2025. These strategies set down the vision and strategy for local facilities and fostering of community wellbeing now and into the future.

We progressed the development of our updated Reconciliation Action Plan which is pending endorsement with Reconciliation Australia. We're committed to working with our Aboriginal and Torres Strait Islander peoples and Traditional Custodians on our Reconciliation journey to build friendships, respect and opportunities.



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The adoption of our first online engagement platform Engage Frankston in July 2021 was instrumental in enabling communities to engage in a record 77 projects throughout the year. We also expanded our community panel to become Mini Frankston City, a community of 500+ residents who give us regular feedback on key projects and issues. They helped shape our Asset Plan 2023–2032 and provide valuable feedback on our participation on an advanced waste processing project.

### Securing our future

We continued to advocate to both Victorian and Australian governments to support much-needed infrastructure and development to support residents of all ages and abilities.

The year saw a 60 percent increase in funding from external sources, with Council securing more than \$43 million in support from the State and Federal Governments.

Projects funded or partially funded by these funds include Kananook Commuter Car Park, the Household Recycling Reform Project, and upgrades at Sandfield, Peninsula, Seaford North and Monterey Reserves, to name just a few.

### Our performance and financial management

Our capital works program for 2021–2022 was \$65.197 million, an increase of \$49.342 from 2020–2021. This helped ensure all parts of Frankston City had access to a range of services, upgrades and initiatives.

The program included a range of projects across Frankston City as priorities in our budget, including

### A focus on our people

Despite the challenges of lockdowns and increase in COVID-19 cases in 2021–2022, our employees remained dedicated to delivering services and supporting our community.

As an organisation, continuing to support employee wellbeing and connection was just as important.

Employee celebrations continued virtually and in-person (where permitted). This included our Future Ready Frankston Excellence Awards which recognised many employees modelling our values and achievements throughout the year.

Our staff engagement rate improved from last year, moving us into a 'Culture of Ambition' and it is pleasing to see our teams work together to achieve great outcomes for our community.

### Thank you

We would like to take this opportunity to thank all our employees and Councillors for all their hard work and dedication this year. And to our whole community, we have had a few challenging years where we have worked together to ensure we didn't lose our connections. Thank you for ensuring we continued to consider our neighbours, our local businesses and those who were doing a little tougher than others.

We're extremely proud of all the programs, services and support we've been able to deliver to residents, the community and our organisation in these challenging times.

It's a privilege to serve the Frankston City community. We commend this Annual Report 2021–2022 as a record of our achievements and opportunities during this period, as well as a positive outlook for the year ahead.

**Cr Nathan Conroy**

Frankston City Mayor 2021–2022

**Phil Cantillon**

Chief Executive Officer,  
Frankston City Council

# Financial summary

We've outlined a summary of our performance below and detailed information is included in our Financial Statements and Performance Statement.

## Operating position

Despite the financial impacts from the coronavirus (COVID-19) pandemic, we were still able to achieve a surplus of \$13.568 million in 2021-2022. This surplus compares favourably to the surplus of \$8.713 million in 2020-2021. The closure of facilities such as the Frankston Arts Centre and Peninsula Aquatic Recreation Centre impacted our revenue.

Our adjusted underlying deficit, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital

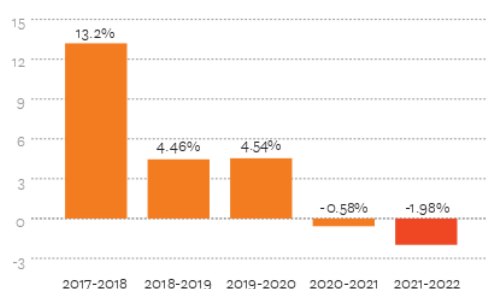
contributions, is a deficit of \$3.775 million or -1.98% when compared to adjusted underlying revenue.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$2.100 billion of community assets under our control.

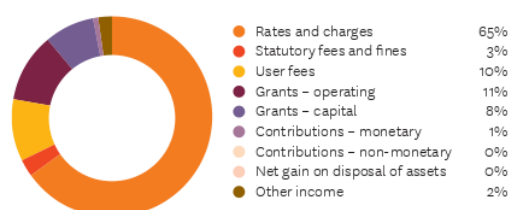
## Operating income 2021-2022

The total operating income for the year was \$207.798 million, derived from a number of sources as shown in Figure 2.

**Figure 1.**  
**Adjusted underlying result ratio since 2017-2018**



**Figure 2.**  
**Sources of operating income**



## Operating expenditure 2021-2022

The total operating expenditure for the year was \$194.230 million comprised of the main categories as shown in Figure 3.

## Liquidity

Cash has decreased by \$22.949 million from 2021-2022 mainly due to an increase in capital works expenditure. The working capital ratio – which assesses our ability to meet current commitments – is calculated by measuring our current assets as a percentage of current liabilities. The result of 194% is an indicator of a satisfactory financial position and above-the-target range of 100-200% as shown in Figure 4.

## Obligations

We aim to maintain our infrastructure assets while also continuing to deliver services needed by the community. We invested \$23.107 million in asset renewal works during 2021-2022 funded from operational budgets.

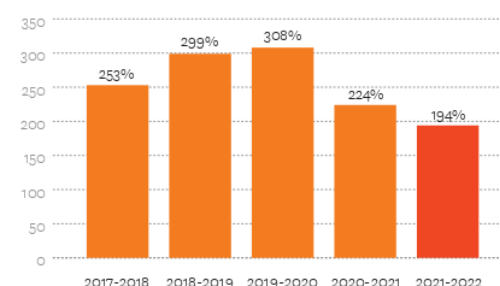
At the end of our 2021-2022 debt ratio – which is measured by comparing interest bearing loans and borrowings to rate revenue – was 19.98%, which was within the target range of 20-60%. This is a slight decrease on 2021-2022 as shown in Figure 5.

Our asset renewal and upgrade ratio – measured by comparing asset renewal and upgrade expenditure to depreciation – was 130% which sits just above of the target range of 90-110%. Please see Figure 6.

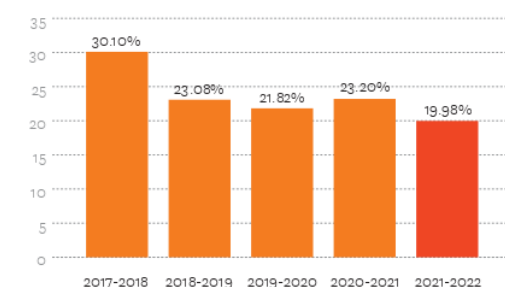
**Figure 3.**  
Categories of operating expenditure



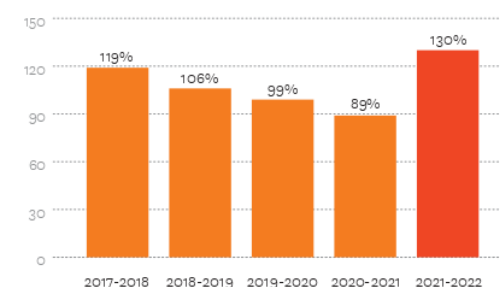
**Figure 4.**  
Working capital ratio



**Figure 5.**  
Debt ratio



**Figure 6.**  
Asset renewal and upgrade ratio



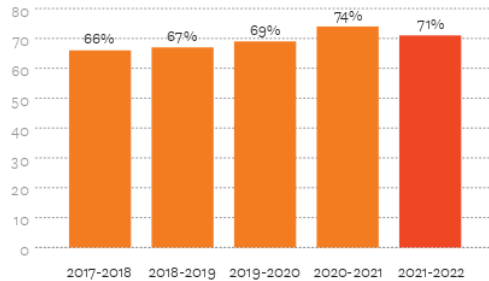
### Stability and efficiency

We receive revenue from a wide-range of sources including rates, user fees, fines, grants and contributions. Despite this, our rates concentration – which compares rate revenue to adjusted underlying revenue – was 71% for 2021-2022. This is toward the higher end of the target range of 40-80%.

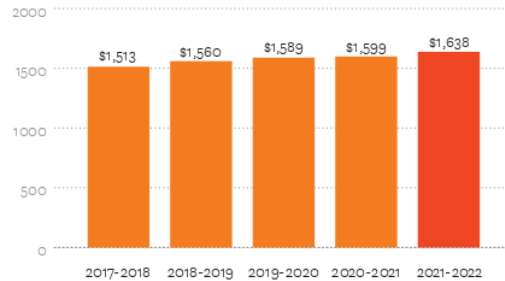
The decrease from 2020-2021 was 3% (see Figure 7). The decrease is due to an increase in user fees as a result of a number of facilities reopening, such as the Frankston Arts Centre and Peninsula Aquatic Recreation Centre which were partially closed in 2020-2021 due to government-imposed restrictions relating to coronavirus (COVID-19).

We've continued to focus on broadening our revenue base and for 2021-2022 raised our rate revenue by the rate cap of 1.50%. This resulted in an average rate per property assessment of \$1,638 which compares favourably to similar councils in the outer metropolitan area. Figure 8 shows the average rate per assessment over the last four years.

**Figure 7.**  
**Rates concentration ratio**



**Figure 8.**  
**Average rate per assessment**





# Description of operations

Providing almost 100 valued services to our customers and community is core to everything we do.

They include:

|                                  |  |
|----------------------------------|--|
| Arts and culture                 | Economic development                     |
| Asset management                 | Financial management                     |
| Biodiversity and open space      | Governance                               |
| City planning                    | Integrated water                         |
| Climate change action            | Parking                                  |
| Community development            | People, culture and workforce management |
| Community health                 | Sport and recreation                     |
| Community safety                 | Transport connectivity                   |
| Council strategy and performance | Technology and Information               |
| Customer service and experience  | Waste and recycling                      |

The Council Plan 2021–2025 and the Budget 2021–2022 further describe our vision, strategic objectives and strategies to further improve services and facilities for the period of this Annual Report.

A set of performance indicators and measures assess the delivery of services, facilities, support and advocacy to achieve 6 strategic objectives. We also have a wide range of reporting responsibilities under Victorian and Australian legislation.

## Economic factors

### COVID-19 pandemic

COVID-19 continued to have financial impacts on the organisation. Our 2021-2022 operating result is a surplus of 13.568 million. We have identified significant savings to reduce any future COVID-19 financial impact on our underlying operational result. These include savings from labour vacancies, delayed recruitment, reduction in discretionary spend, delayed program spend and strongly advocating for additional government funding.

For more information see our  
**Financial Statements.**



## Major capital works

During 2021-2022 we progressed and delivered the following major capital works.

### Belvedere Bowls Club extension, Seaford

|                    |  |
|--------------------|--|
| <b>Description</b> | Upgraded building and extension includes a larger function room, bar and cool room, furniture and storerooms, office and match committee rooms, refurbished kitchen amenities, car park alterations and men's, women's and accessible toilets. |
| <b>Status</b>      | Complete   |
| <b>Start</b>       | October 2020   |
| <b>End</b>         | August 2021  |
| <b>Cost</b>        | \$1.75 million funded by Council (\$1.5 million) and Australian Government (\$250,000)   |

### Ballam Park Regional Playspace, Frankston

|                    |   |
|--------------------|---|
| <b>Description</b> | Construction of a new regional playground and landscaping at the southern entry.  |
| <b>Status</b>      | In progress   |
| <b>Start</b>       | Playground and landscaping (June 2022)  |
| <b>End</b>         | Playground and landscaping (November 2022)  |
| <b>Cost</b>        | Playground and landscaping – \$3.45 million funded by Victorian Government through the Community Infrastructure Loans Scheme and Council (\$450,000). |

### Evelyn Park, Frankston

|                    |  |
|--------------------|--|
| <b>Description</b> | New park that includes an amphitheatre and elevated performance space, a rainforest garden incorporating water sensitive urban design principles, planted arbours, footpath connections to Nepean Highway and Fletcher Road, seating and solar lighting, as well as an informal play area and grassed recreation areas. It also includes barbecues, a drinking fountain, bike hoops and a sculpture. |
| <b>Status</b>      | In progress  |
| <b>Start</b>       | January 2022   |
| <b>End</b>         | July 2022  |
| <b>Cost</b>        | \$1.4 million funded by Victorian Government (\$1.3 million) and Council (\$130,000)   |

### Jubilee Park Indoor Stadium, Frankston

|                    |   |
|--------------------|---|
| <b>Description</b> | New indoor stadium featuring 6 multipurpose indoor courts, including a 1,000-seat show court, elite training facilities, female-friendly change rooms and a crèche for players and spectators. The facility will also include a cafe, community meeting and function rooms and four indoor cricket training nets and facilities to service the adjoining sports oval. |
| <b>Status</b>      | In progress   |
| <b>Start</b>       | November 2021   |
| <b>End</b>         | March 2023  |
| <b>Cost</b>        | \$35 million funded by Council (\$20.56 million), Victorian Government (\$10 million), Australian Government (\$4.56 million) and Cricket Victoria (\$200,000).   |



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statement](#)[Financials](#)**Lloyd Park Soccer Pavilion, Langwarrin**

|                    |   |
|--------------------|---|
| <b>Description</b> | New pavilion will have a second storey with sweeping views of the main oval and across to two other ovals. Accessibility will be a priority with an internal lift, new car parking and extended pavement areas. A kiosk, four change rooms with female-friendly amenities, two umpires' rooms, public toilets and two first aid rooms will connect teams and supporters with the fields on the ground floor. The first floor will include a social room and meeting room, with a kitchen and toilets to support events. |
| <b>Status</b>      | In progress   |
| <b>Start</b>       | March 2022  |
| <b>End</b>         | February 2023   |
| <b>Cost</b>        | \$6.48 million funded by Council (\$3.48 million) and Australia Government (\$3 million)  |

**Monterey Reserve Soccer Pavilion, Frankston North**

|                    |  |
|--------------------|--|
| <b>Description</b> | New soccer pavilion includes four change rooms and attached amenities, multi-purpose community function room, kitchen/kiosk, umpires rooms, first aid room, and meeting room. It also allows the inclusion of new public toilets incorporated within the pavilion. |
| <b>Status</b>      | Complete   |
| <b>Start</b>       | May 2021   |
| <b>End</b>         | June 2022  |
| <b>Cost</b>        | \$4 million funded by Council (\$3.4 million) and Victorian Government (\$600,000)   |



#### Nat's Track, Karingal/Frankston North

|                    |  |
|--------------------|--|
| <b>Description</b> | Improved safety and amenity along the popular student thoroughfare, which joins Skye Rd near John Paul College to Monterey Secondary College. Works included resurfacing and realignment of the track, new fencing, plumbing, CCTV and dog waste bins located at both ends of the track. |
| <b>Status</b>      | Complete   |
| <b>Start</b>       | November 2021  |
| <b>End</b>         | February 2022  |
| <b>Cost</b>        | \$365,000 funded by Council (\$300,000) and Victorian Government (\$65,000)  |

#### Pat Rollo Reserve Pavilion, Frankston North

|                    |  |
|--------------------|--|
| <b>Description</b> | New pavilion includes two female friendly change rooms with supporting amenities, separate social rooms, first aid room, two umpire change rooms with supporting amenities, kitchen/kiosk and meeting rooms. |
| <b>Status</b>      | Complete   |
| <b>Start</b>       | April 2021   |
| <b>End</b>         | May 2022   |
| <b>Cost</b>        | \$2.84 million funded by Victorian Government (\$2 million) and Council (\$844,000)  |





## Major changes

### Organisational Structure Realignment project

Following the retirement of several leaders from our Communities Directorate last year, we reviewed our structure in consultation with our employees in November 2021

We made the following changes:

- renamed the 'Business Innovation and Culture' Directorate to 'Customer Innovation and Arts' and 'Chief Financial Office' Directorate to 'Corporate and Commercial Services' to better reflect the departments operating within these directorates.
- Arts and Culture includes Tourism and moved to the 'Customer Innovation and Arts' Directorate
- Creation of a new Business Chamber function under Community Relations.
- Environmental Health and Building Services moved under Development Services (previously known as Statutory Planning)

## Major achievements

### Over \$43 million in funding from the Victorian and Australian governments

Council achieved a 60 per cent increase in external funding in the 2012-22 financial year. State Government funding more than doubled with over \$20m received for projects across the municipality.

Our success with grant applications remains high, with \$23 million secured across from a range of State and Federal programs, with an application success rate of 60 per cent.



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#### **Adopted the following major strategies and plans**

- Active Leisure Strategy 2021-2029
- Asset Plan 2023-2032
- Biodiversity Action Plan 2021-2036
- Child Safe Policy
- Disability Action Plan 2021-2025
- Municipal Health and Wellbeing Plan 2021-2025
- Lighting Frankston Action Plan
- Local Strip Shop Action Plan
- Long Term Infrastructure Plan 2021-2031
- Municipal Early Years Plan 2021-2025
- Pines Forest Aquatic Centre Masterplan
- Play Strategy and Local Park Action Plan
- Positive Ageing Action Plan 2021-2025
- Privacy Policy
- Procurement Policy 2021-2025
- Reconciliation Action Plan (pending endorsement from Reconciliation Australia)
- Risk Management Policy
- Sandfield Reserve Landscape Masterplan

#### **Awards**

- Aquatics and Recreation Victoria (ARV) Awards, Health Club of the Year – PARC
- Aquatics and Recreation Victoria (ARV) Awards, Personal Trainer of the Year – Pru Drago (PARC)
- Australian Institute of Landscape 2021 Architecture National Landscape Architecture Award for best Civic Landscape – Shannon Mall.
- Australian Street Art Awards Best Street Art Tour 2021 – Frankston Street Art Walking Tours
- Economic Development Australia Awards 2021 finalist – Frankston City Place Activation Program
- Illuminating Engineering Society of Australia and New Zealand Lighting Award – Frankston Park's sports lighting project (Design consultant Webb Australia, the recipient of the award).
- LGPRO Annual Awards 2022 finalist in the Service Delivery Initiative Category – COVID-19 Response – Live Chat in 48 hours
- LGPro Corporate Planners Network Awards 2022 finalist in the category 'Best Practice and Innovation in Council Plan Development Award' – 2021-2025 Council Plan and Budget
- LGPro Customer Impact Award 2021 – COVID-19 Response – Live Chat in 48 hours
- Victorian Tourism Industry Council Top Tourism Town Awards Bronze in 2022
- Victorian Tourism Industry Council Top Tourism Town Awards shortlisted in 2021



## Our journey towards reconciliation

In September 2021 we adopted our updated Reconciliation Action Plan 2020-2022 following community consultation. This is currently pending endorsement from Reconciliation Australia.

The plan provides our organisation with a formal statement of commitment to reconciliation. It supports the development of strategies and initiatives to enhance our ability to connect and engage with Aboriginal and Torres Strait Islanders in Frankston City, building relationships, respect and trust, and creating opportunities.

Throughout 2021-2022 we continued our journey towards reconciliation.

- Adopted variations of the Acknowledgment of Traditional Owners as provided by the Bunurong Land Council for use by our organisation for meetings, events, email signatures and official documents.
- Recognised the unique role of the Bunurong Land Council as the appointed Registered Aboriginal Party to be the representative corporation that's inclusive of all Traditional Owners in the Frankston City municipality.
- Installed plaques with the approved Acknowledgement of Country at our Maternal Child Health Centres.
- Celebrated National Reconciliation Week 2022 with a variety of activities:
  - flag raising ceremony, welcome to country and smoking ceremony at Frankston City's local gathering place, Nairn Marr Djambana
  - employees gathered to enjoy food provided by Nairn Marr Djambana while contemplating what reconciliation meant to them. Reconciliation Project Manager, Grant Lea, welcomed his colleagues and asked: 'What does reconciliation mean to you? The anonymous responses were collected to be further analysed.
  - Frankston Arts Centre presented a show from renowned Aboriginal singer/songwriter and proud Mutti Mutti, Yorta Yorta and Nari Nari man, Kutcha Edwards.
  - Frankston Arts Centre's exhibition 'Works on Paper' featured Mangkaja artists from the Fitzroy Valley region sharing stories of culture and identity through vibrant images and representations of country.
  - Frankston City Libraries revisited a compelling FrankTALK online, with author Dianne O'Brien (known as Auntie Di) talking about her memoir, Daughter of the River Country.
- Started development of a future employment plan and strategy to gain more employment opportunities for the community in various departments. We aim to have this strategy in place for the start of 2023 traineeship program, including a video for online recruitment.
- Supported Councillors and employees to attend reconciliation events at Nairn Marr Djambana.





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# Our Council



# Frankston City profile

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 142,147 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 131km<sup>2</sup> 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.

## 21.4%

Of Frankston City residents were born overseas

## 20.9%

Are aged over 60 years

## 2

Industrial precincts (Carrum Downs and Seaford)

## 11.3%

Speak a language other than English at home

## 44

Public and private schools

## 53.3K

Jobs in Frankston City

## 1,338

Aboriginal and Torres Strait Islanders

## 18

Degree courses offered on campus in Frankston City

## \$6.3B

in total Gross Regional Product for Frankston City

## 22.2%

Are aged under 17 years

## 15.4%

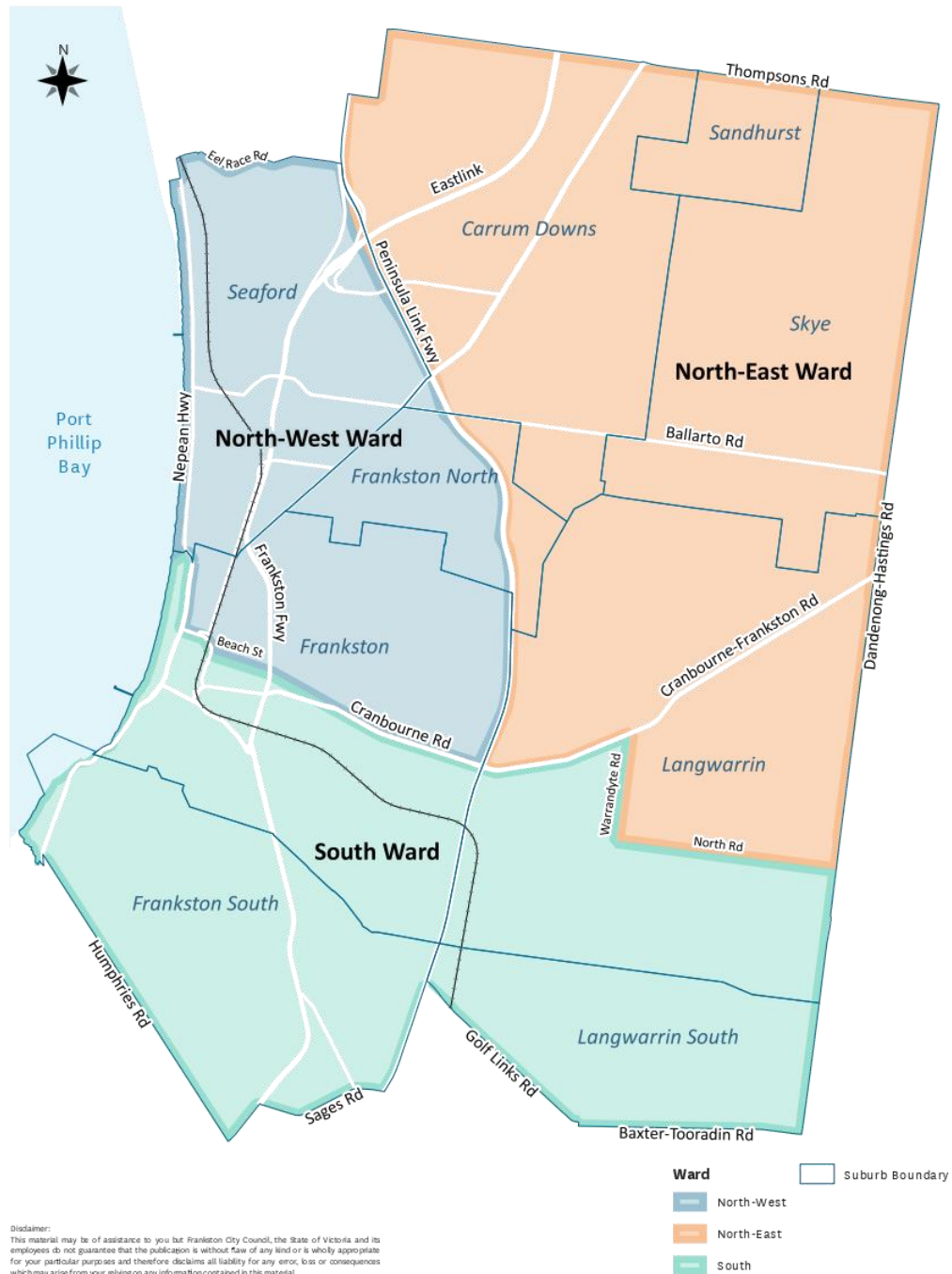
Of residents volunteer

## 65.2%

Of workforce living in Frankston City

Source: id consulting 2022, Frankston City Council community profile, 2016 ABS Census, [id.com.au/frankston](http://id.com.au/frankston)

## Electoral ward boundaries



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## Councillors

Frankston City Council has three Wards with three councillors elected to represent each Ward. They were elected in November 2020 for a 4-year term.

### North-East Ward



**Mayor Cr Nathan Conroy**

0424 515 930  
crconroy@frankston.vic.gov.au



**Deputy Mayor Cr Suzette Tayler**

0438 179 515  
crtayler@frankston.vic.gov.au



**Cr David Asker**

0438 175 560  
crasker@frankston.vic.gov.au

### North-West Ward



**Cr Kris Bolam JP**

0417 921 644  
crbolam@frankston.vic.gov.au



**Cr Steven Hughes**

0402 729 150  
crshughes@frankston.vic.gov.au



**Cr Sue Baker**

0438 145 842  
crbaker@frankston.vic.gov.au

### South Ward



**Cr Brad Hill**

0438 212 426  
crhill@frankston.vic.gov.au



**Cr Claire Harvey**

0438 267 778  
crharvey@frankston.vic.gov.au



**Cr Liam Hughes**

0434 703 239  
crlhughes@frankston.vic.gov.au

## Council offices

### Frankston Civic Centre

30 Davey Street, Frankston  
PO Box 490, Frankston  
VIC 3199  
**Telephone:** 1300 322 322  
**Email:**  
info@frankston.vic.gov.au  
**Website:**  
frankston.vic.gov.au

### Langwarrin Customer Service Centre

Shop 6, Gateway Village  
Shopping Centre,  
230 Frankston-Cranbourne  
Road, Langwarrin

### Seaford Customer Service Centre

Seaford Community Centre,  
1/6R Broughton Street,  
Seaford

### Frankston Visitor Information Centre

7N Pier Promenade,  
Frankston Waterfront

**Telephone:** 1300 322 842

**Website:**  
discoverfrankston.com

### Libraries

Frankston Library  
60 Playne Street, Frankston  
**Telephone:** 03 9784 1020

Carrum Downs Library  
Lyrebird Community Centre,  
203 Lyrebird Drive, Carrum  
Downs  
**Telephone:** 03 8773 9539  
Seaford Library  
Seaford Community Centre,  
1/6R Broughton Street,  
Seaford  
**Telephone:** 03 9784 1048

For up-to-date information, visit [frankston.vic.gov.au](http://frankston.vic.gov.au)



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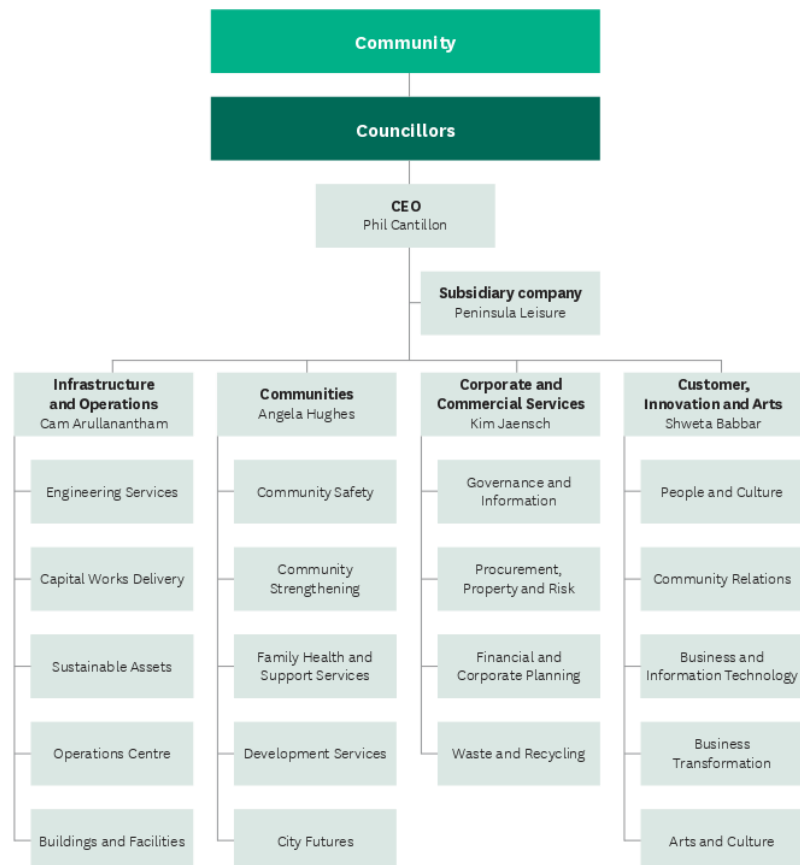
# Our people



# Organisational structure

Frankston City Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of the organisation's operations in accordance with the strategic directions of the Council Plan. Our Executive Management Team (EMT) consists of the CEO, Director of Infrastructure and Operations, Director Communities, Director Corporate and Commercial Services and Director Customer Innovation and Arts who lead the organisation.

Details of our organisation structure at 30 June 2022 are set out below.



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# Council staff

At the end of June 2022, Council's workforce consisted of 992 full-time, part-time, temporary and casual employees. This equates to 673.78 full time equivalent staff (FTE) which is shown in Table 1. Our turnover of permanent employees was 18.13%, which is 6.46% higher than the 2020-2021

figure of 11.67% and 8.75% higher than the 2019-2020 figure of 9.38%.

**Table 1. Number of Council employees (FTE) by organisational structure, employment type and gender**

| Employee type/gender                           | CEO<br>Office | Commun-<br>ities | Corporate<br>and<br>Commercial<br>Services | Customer<br>Innovation<br>and Arts | Infra-<br>structure<br>and<br>Operations | Penninsula<br>Lelsure<br>(PL) | Total         |
|--|---------------|------------------|--|------------------------------------|--|-------------------------------|---------------|
| Casual female                                  | 0.00          | 1.53             | 0.00                                       | 1.63                               | 0.05                                     | 0.00                          | 158.21        |
| Casual male                                    | 0.00          | 0.32             | 0.03                                       | 1.08                               | 0.03                                     | 0.00                          | 100.45        |
| Casual self –<br>described gender              | 0.00          | 0.00             | 0.00                                       | 0.00                               | 0.00                                     | 0.00                          | 0.00          |
| Permanent full-time female                     | 1.00          | 82.00            | 39.00                                      | 60.00                              | 32.00                                    | 0.00                          | 229.00        |
| Permanent full-time male                       | 1.00          | 56.00            | 14.00                                      | 24.00                              | 149.00                                   | 0.00                          | 250.00        |
| Permanent full-time self –<br>described gender | 0.00          | 0.00             | 0.00                                       | 0.00                               | 0.00                                     | 0.00                          | 0.00          |
| Permanent part-time<br>female                  | 0.00          | 85.76            | 3.42                                       | 34.68                              | 3.07                                     | 0.00                          | 150.93        |
| Permanent part-time male                       | 0.00          | 12.69            | 0.80                                       | 4.33                               | 0.63                                     | 0.00                          | 21.45         |
| Permanent part-time self –<br>described gender | 0.00          | 0.26             | 0.00                                       | 0.00                               | 0.00                                     | 0.00                          | 0.00          |
| Temporary full-time female                     | 0.00          | 15.00            | 1.00                                       | 1.00                               | 3.00                                     | 0.00                          | 28.00         |
| Temporary full-time male                       | 0.00          | 4.00             | 1.00                                       | 6.00                               | 5.00                                     | 0.00                          | 16.00         |
| Temporary full-time self –<br>described gender | 0.00          | 0.00             | 0.00                                       | 0.00                               | 0.00                                     | 0.00                          | 0.00          |
| Temporary part-time<br>female                  | 0.00          | 10.54            | 1.74                                       | 5.71                               | 0.95                                     | 0.00                          | 18.94         |
| Temporary part-time male                       | 0.00          | 0.21             | 0.70                                       | 1.64                               | 0.00                                     | 0.00                          | 2.54          |
| Temporary part-time self –<br>described gender | 0.00          | 0.00             | 0.00                                       | 0.00                               | 0.00                                     | 0.00                          | 0.00          |
| PL Permanent                                   |               |                  |  |                                    |  | 31.59                         |               |
| PL Casual                                      |               |                  |  |                                    |  | 54.45                         |               |
| <b>Total</b>                                   | <b>2.00</b>   | <b>268.30</b>    | <b>61.69</b>                               | <b>148.06</b>                      | <b>193.73</b>                            | <b>86.04</b>                  | <b>759.82</b> |

**Figure 9. Number of Council employees (FTE) by organisational structure, employment type and gender**

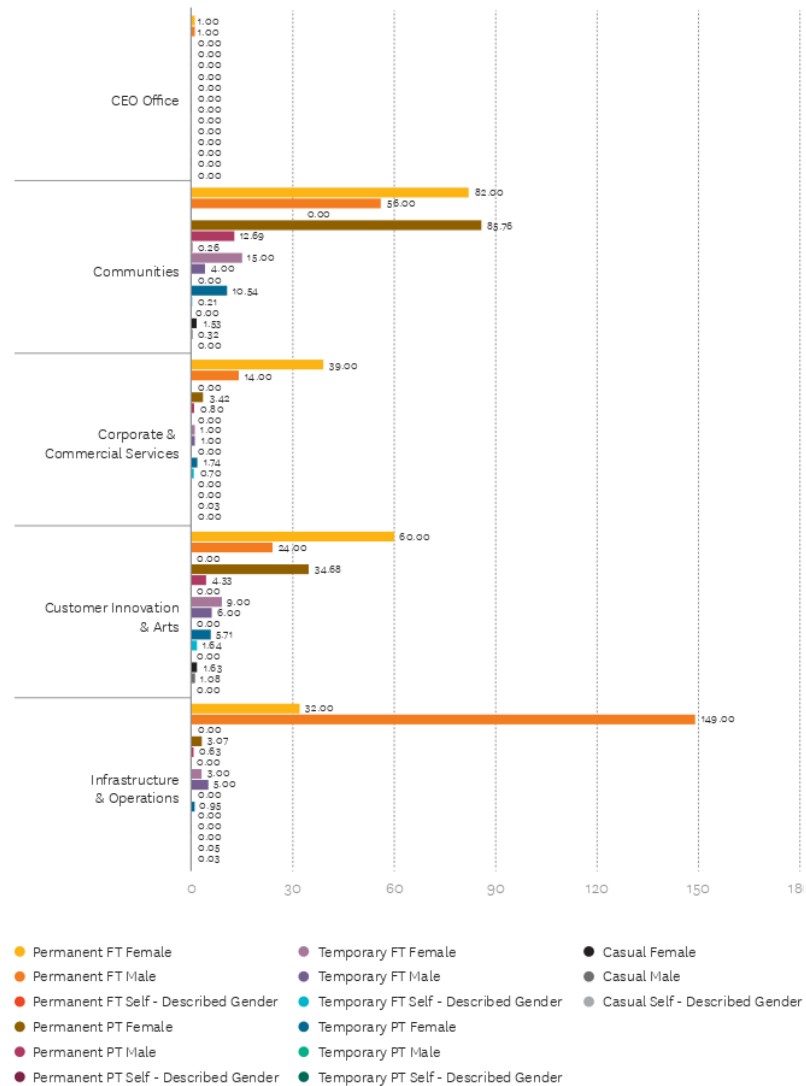


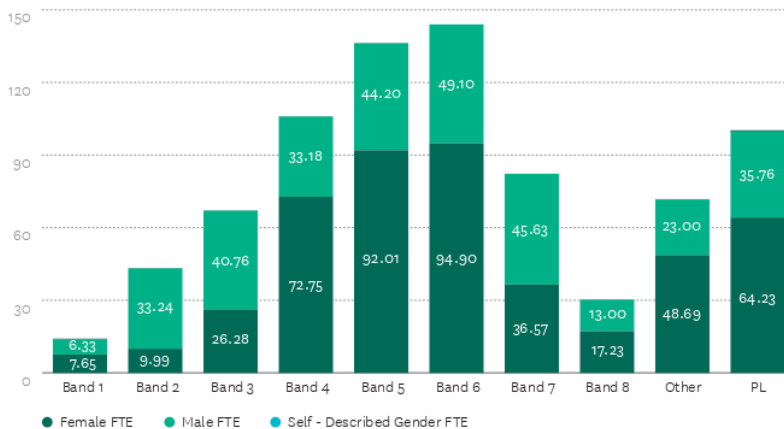
Figure 9 shows us the breakdown of our workforce by employment status, by gender and Directorate. It shows that the Communities Directorate has a workforce comprising predominantly females.



**Table 2. Number of Council employees by employment classification and gender**

| Employee classifications | Female FTE    | Male FTE      | Self - Described Gender FTE | Total FTE     |
|--------------------------|---------------|---------------|-----------------------------|---------------|
| Band 1                   | 7.65          | 6.33          | 0.26                        | 14.24         |
| Band 2                   | 9.99          | 33.24         | 0.00                        | 43.22         |
| Band 3                   | 26.28         | 40.76         | 0.00                        | 67.05         |
| Band 4                   | 72.75         | 33.18         | 0.00                        | 105.93        |
| Band 5                   | 92.01         | 44.20         | 0.00                        | 136.21        |
| Band 6                   | 94.90         | 49.10         | 0.00                        | 144.00        |
| Band 7                   | 36.57         | 45.63         | 0.00                        | 82.20         |
| Band 8                   | 17.23         | 13.00         | 0.00                        | 30.23         |
| Other                    | 48.69         | 23.00         | 0.00                        | 71.69         |
| PL                       | 194           | 108           | 0.00                        | 86.04         |
| <b>Total</b>             | <b>406.08</b> | <b>288.44</b> | <b>0.26</b>                 | <b>759.82</b> |

**Figure 10. Number of Council employees (FTE) by employment classification and gender**



\*Other classifications - includes junior employees, trainees, apprentices, aerobics instructors, SEOs, SOs and nurses on contract.



# Equal opportunity employment program

We're an equal opportunity employer. We aim to provide a workplace free from discrimination, harassment, victimisation and bullying by taking a zero tolerance approach and upholding the principles of Equal Employment Opportunity (EEO) in all of our activities.

## Employee diversity and inclusion

Under the *Gender Equality Act 2020* (Victoria), we conducted a gender audit (as at 30 June 2021) and used the results to inform a meaningful Gender Equality Action Plan (GEAP). We submitted the plan to the Commission for Gender Equality in the Public Sector on 30 March 2022.

The plan provides a focus on creating an organisation where all employees have an equal lived experience, where gender, ethnicity, disability, being of Aboriginal or Torres Strait Islander background are not barriers in recruitment, promotion, learning and development and employment conditions.

Employees participated in a variety of diversity awareness, celebration and recognition events throughout 2021–2022. These included International Women's Day (IWD), International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT) and Reconciliation Week.

We also offered employee short courses through our learning portal on IWD, gender equality and diversity and inclusion.



# Other staff matters

## Values enhancement project

We refreshed our behaviours associated with our corporate values in March 2022. This review followed feedback from over 135 employees through a values survey and further consultation with departments in October/November 2021.

- Future Ready Senior Leaders program
- range of LGPro coaching and mentoring programs
- delivery of our 18-month traineeship program offering placement opportunities for trainees to experience working in various business units across Council.

## Learning and development

Through our Learning and Development program, we offered a range of learning and development opportunities for all employees throughout 2021-2022.

- the Future Ready Mentoring Program building organisational capabilities and fostering cross-organisational relationships (37 pairs)
- the Future Ready Kickstart Program for employees who aspire to leadership or new People Managers with little or no formal straining (16 participants)
- Leading Performance program by Learning Ventures for people leaders who are responsible for conducting performance conversations

## Reward and recognition

We celebrated our quarterly Future Ready Frankston Excellence Awards with the winners of the Directorate Awards feeding into our Annual Future Ready Frankston Corporate Excellence Awards.

The awards acknowledged the modelling of our values and achievements in customer experience, organisational culture, innovation, leadership, collaboration and teamwork and perseverance and persistence

See 'Year in review' section for external awards and recognition.





### Employee engagement

In 2022 we undertook the 'Your Voice – Your Workplace Survey' (12 months after our last pulse survey). The survey was a chance for employees to have their say about Council as an organisation and help us to set goals for where we want to be in the future.

Approximately 631 employees completed the survey which was a strong response rate of 74% (8% greater than our target response rate of 66%).

Our engagement rate improved from 45% to 54% which means our culture has moved up into the category of 'Culture of Ambition'.

The 'Truly Great Place to work' percentage increased from 65% to 68%.

These are two key indicators that our organisation has improved since last financial year which we welcome considering the challenges of the last 12 months.

### Health, safety and wellbeing

Throughout 2021–2022 we continued to support mentally healthy workplaces and boosted our wellbeing offerings, particularly in relation to the additional challenges raised by the pandemic.

Key initiatives included:

- RU OK day initiatives, including laughter yoga sessions

- Workshop sessions for our people leaders in creating a psychologically safe and thriving workplace (which will continue into 2022–2023)
- a new wellbeing portal
- ongoing provision of employee assistance program.

The year also brought about significant change with the rollout of Elumina, our online incident reporting and workers compensation claims management system. This required comprehensive consultation and input across the organisation to lead to successful implementation.

We additionally successfully delivered a number of employee initiatives educating, supporting and advising on health, safety, and injury management.

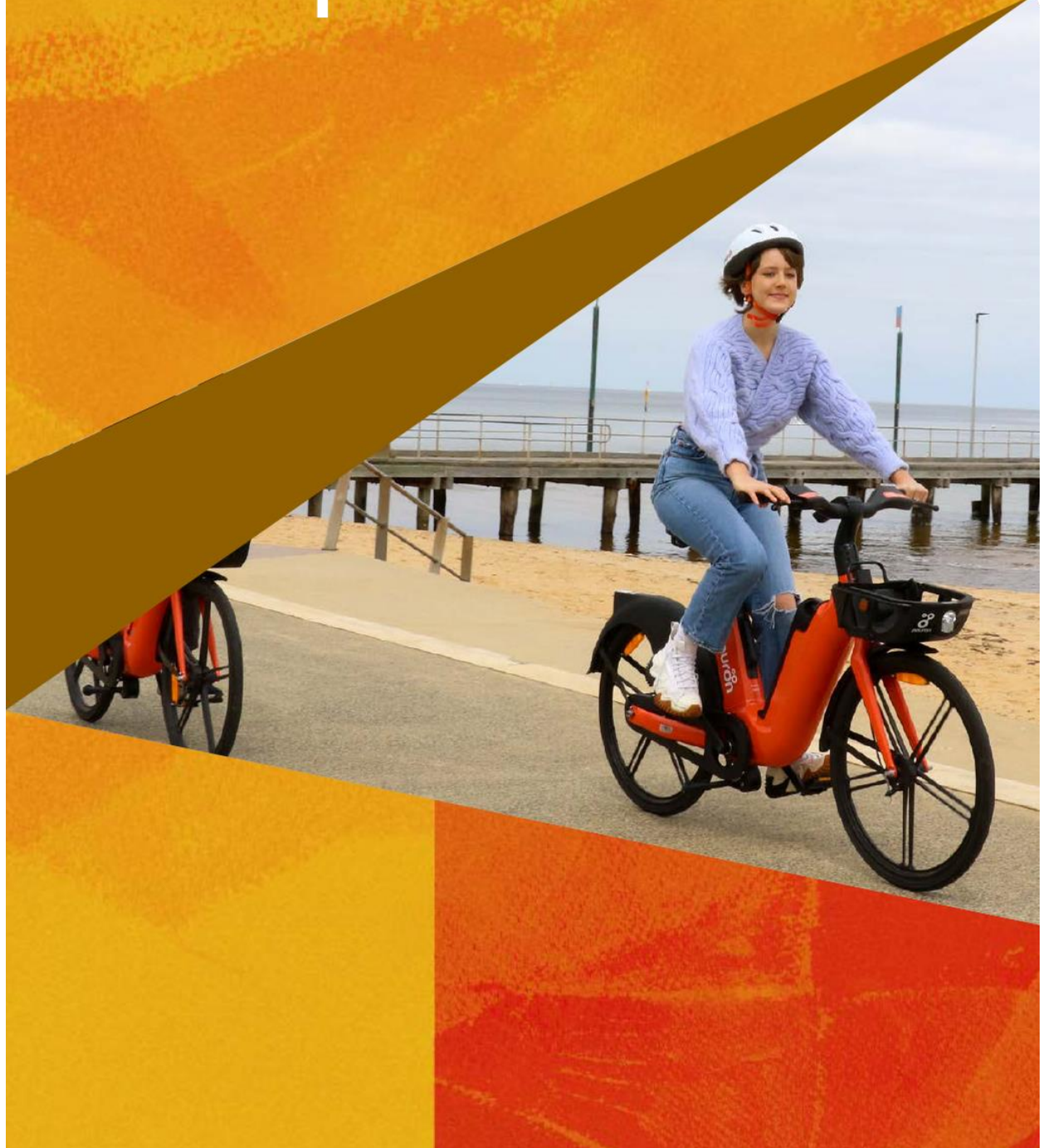
- Risk management training for health and safety representatives
- Staff flu vaccination program
- Increased access to early intervention program
- Ongoing manual handling champions course to address manual handling hazards across the organisation
- Incident investigation training
- Virtual and in-person ergonomic assessments to support hybrid working.





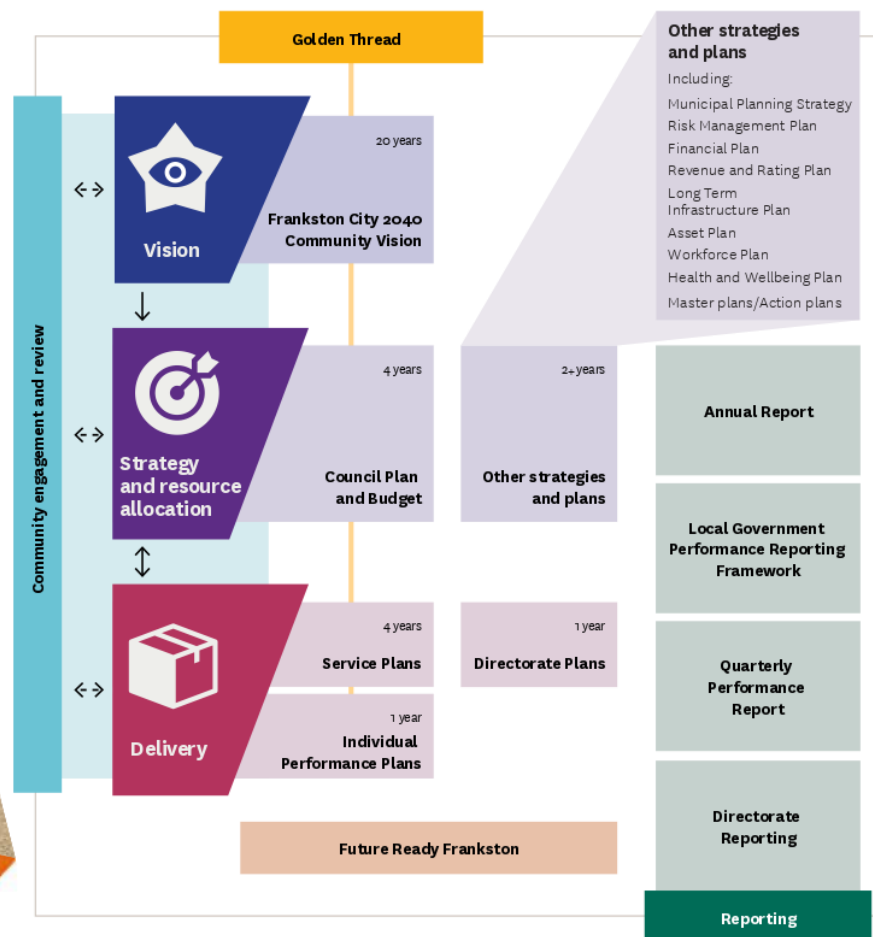
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# Our performance



# Integrated planning and reporting framework

To address the Governance principles in the *Local Government Act 2020*, Frankston developed an Integrated Planning and Reporting Framework. The green boxes identify the reporting structure. Progress and results are reported back to the community through the Quarterly Performance Report, Local Government Performance Reporting Framework (LGPRF) and the Annual Report.



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# Council Plan

The 2021-2025 Council Plan sets out Council's four-year vision for the city and the outcomes Council wants to achieve over that period. These outcomes align with the six themes identified in the Frankston City Community Vision 2040.

Our Council Plan identifies key priorities and initiatives aimed at working towards the six future outcomes that will set the strategic direction of Frankston City.

1. Healthy and safe communities p43

2. Community strength p58

3. Sustainable environment p68

4. Well planned and liveable city p78

5. Thriving economy p88

6. Progressive and engaged city p97

Annual Council Plan initiatives are adopted each year in conjunction with the adoption of the Budget.

Reporting across the four years of the 2021-2025 Council Plan and Budget is summarised below, and includes 2021-2022 results showing 91% of planned initiatives were completed by June 30.

## How to read this section

Performance results that follow are broken up into each of the six Council Plan Outcomes. The initiatives have been assessed and given a status and comment update.

### Status key:



Initiative completed



Initiative completion has been deferred to 2022-2023



Initiative will not be completed

Council Plan Strategic Indicator results, Local Governance Performance Reporting Framework (LGPRF) results and related service information has also been included.

|                                  | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 |
|----------------------------------|-----------|-----------|-----------|-----------|
| Initiatives completed            | 123       | -         | -         | -         |
| Completion deferred to 2022-2023 | 11        | -         | -         | -         |
| Initiative will not be completed | 1         | -         | -         | -         |

## 1. Healthy and safe communities

Health, safety and wellbeing of the community is improved through the reduction of harms and opportunities for individuals and families to adopt healthy lifestyles.

### Priorities

- Active and healthy lifestyles that support residents living independently longer
- Long-term health and learning outcomes established in early childhood
- Reduction of harms from family violence, gambling, alcohol and other drugs
- Value and support for young people

The following provides information about the service funding in 2021-2022.

|                       |   |                 |               |
|-----------------------|---|-----------------|---------------|
| Community health      | Enhancing the health of families and the community by supporting them to develop and thrive, through enabling independent living.   | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 5,394         |
|                       |   | Actual          | 4,491         |
|                       |   | Variance        | (903)         |
| Sport and recreation  | Encouraging people to be active by supporting access to a diverse range of sport and leisure activities.  | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 1,248         |
|                       |   | Actual          | 1,419         |
|                       |   | Variance        | 171           |
| PARC                  |   | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 267           |
|                       |   | Actual          | 770           |
|                       |   | Variance        | 503           |
| Community safety      | Supporting people to feel protected and safe in the community regarding animal management, building services, environmental and public health, city safety and the enforcement of local laws. | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 4,846         |
|                       |   | Actual          | 4,476         |
|                       |   | Variance        | (370)         |
| Community development | Delivering inclusive and accessible support, programs and community spaces to build resilience and community strength in the community.   | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 1,749         |
|                       |   | Actual          | 930           |
|                       |   | Variance        | (819)         |
| Arts and Culture      | Building Frankston City's cultural landscape by supporting the production and delivery of arts programs, events and library facilities providing opportunities to create, learn and connect.  | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 1,918         |
|                       |   | Actual          | 2,626         |
|                       |   | Variance        | 708           |



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## How we performed

100% of Council Plan initiatives completed (22/22)



Completed



Deferred completion to 22-23



Not proceeding

## Highlights

Welcomed 10,699 visitors to Pines Forest Aquatic Centre in January 2022, the highest ever January attendance under Peninsula Leisure management

Invited 790 first-time parents to attend a 'First Time Parents Group' with 605 sessions held

Officially opened the \$2.8 million Pat Rollo Reserve Pavilion in Frankston North

Upgraded playgrounds at Fleetwood Crescent Reserve (Frankston South), John Monash Reserve (Skye), Lady Emily Reserve (Skye) and Witternberg Reserve, (Frankston)

Introduced a new Youth Council with 11 passionate members evoking change for their community, through projects, consultations and events

Supported residents through two severe weather events including the provision of a 'shower and power' drop-in centre to support those residents without power for an extended period of time in November 2021

Partnered with Community Support Frankston to support over 130 local households with deliveries of essential food, pet care and medicinal items whilst they were isolating due to COVID-19 and were unable to access family and friend support networks

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## 2021-2022 Council Plan Initiatives

| Four-year Initiatives   | What we planned for 2021-2022   | Comments   | Status |
|---|---|--|--------|
| Engage families to promote the importance of early childhood education and health | Deliver Maternal and Child Health and early childhood services and programs including immunisation and supported playgroups | Council continues to deliver all Maternal and Child Health (MCH) and early learning services, with some modifications to ensure staff and community safety during the ongoing COVID-19 pandemic. Council officers are now working to re-engage with community to increase participation in services. The Immunisation team delivered school vaccinations onsite and also provided additional community sessions to ensure all secondary school students that missed vaccinations during the school year are up to date. Supported playgroups are transitioning back to face-to-face delivery. There is a small number of families that are choosing not to re-engage and officers continue to support these families via online platforms. | ✓      |
|   | Co-ordinate Central Registration of enrolments for community kindergartens  | Due to the introduction of funded three-year-old kindergarten, there has been a significant increase in the number of three-year-old registrations. Additional resourcing has been approved and this will support the expected further increase with the announcement of free kindergarten from 2023. Offers have been made for families registering for kindergarten in 2023 with 98% offered a place at their preferred kindergarten.  | ✓      |
|   | Implement Council's Early Years and Best Start Plans  | All first-year actions of the Municipal Early Years Plan (MEYP) have commenced, with a focus on incorporating the work into every day practice. The MEYP 2021-2025 and Best Start Plan continue to provide strategic direction for a whole-of-Council approach to enable stronger families and thriving children within the community, and support the municipality to become a child-friendly city.   | ✓      |
|   | Implement Council's Child Safe Policy   | An interim Child Safe Policy was endorsed by Council at the Council meeting on 11 July 2022. This policy provides guidance and understanding of obligations outlined the new Child Safe Standards that have been in operation since 1 July 2022.   | ✓      |

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| <b>Initiatives</b>  | <b>What we planned for 2021-2022</b>   | <b>Comments</b>  | <b>Status</b> |
|---|--|--|---------------|
| Maintain systems and capacity to manage and respond to emergency events | Monitor and mitigate key emergency risks   | As the global COVID-19 pandemic has shifted gears with the downgrading of State government restrictions, key internal documents for managing the emergency have been updated accordingly. Case numbers spiked once again internally and externally and potential workplace exposures were managed and advice provided as required. Food and material aid referrals remain consistent at 2-3 per week via the Coronavirus hotline.<br><br>Input and feedback into municipal climate change initiatives was provided and is an ongoing conversation to ensure our work is concise and collaborative in this space. | ✓             |
|   | Maintain up to date emergency management plans   | The Municipal Emergency Management Plan (MEMP) has undergone the regional assurance process and has been endorsed as meeting all legislative requirements. The multi-agency arrangements for response to emergency events will be tested in the next financial year as part of a collaborative table top discussion exercise.  | ✓             |
|   | Leverage partnerships with key agencies and community groups to improve response to and recovery from emergency events | Partnerships with key agencies have been crucial in establishing an emergency management exercise writing group for the municipality. Peninsula Health, Ambulance Victoria, Victoria Police and Council have determined a suitable scenario to test the municipal response arrangements which will occur later into 2022.  | ✓             |
|   | Provide financial support for material aid through eligible emergency relief and recovery organisations                | The provision of financial supports and material aid continued for disadvantaged community members through eligible emergency relief (ER) organisations, Community Support Frankston (CSF). Professional ER assessments, information, advocacy and practical supports also continued as part of CSF's ER program. Coordination of the Frankston Emergency Relief Providers (FERP) network was maintained through CSF communications and facilitation of quarterly meetings.  | ✓             |

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| Four-year Initiatives  | What we planned for 2021-2022   | Comments   | Status |
|--|---|--|--------|
| Encourage active and healthy lifestyles for people of all ages and abilities | Optimise accessibility and usage of open space and facilities through a program of development and renewals for open space, play grounds and sporting infrastructure  | <p>Delivery of the Frankston Open Space Strategy, Open Space Master Plans, Local Park Action Plan and Play Strategy priorities ensure universal access principles are integrated into the design and implementation of projects.</p> <p>Works completed include:</p> <ul style="list-style-type: none"> <li>• New Witternberg Reserve, Frankston District Play space</li> <li>• New primary path to complete an East- West connection in the George Pentland Botanic Gardens</li> <li>• Lady Emily Reserve, Skye local park and play upgrade</li> <li>• John Monash Reserve, local park and play upgrade</li> <li>• Digital Wayfinding signs</li> </ul> <p>Planning and design completed include:</p> <ul style="list-style-type: none"> <li>• Brolga Reserve Carrum Downs</li> <li>• Orwill Reserve, Frankston.</li> <li>• Yarralumla Reserve, Langwarrin</li> <li>• Willow Reserve, Frankston</li> <li>• Sandfield Reserve Master Plan and Play space</li> <li>• Carrum Downs Recreation Reserve District Level Play space</li> <li>• Draft Municipal Wayfinding Strategy and Style Guide</li> </ul> | ✓      |
|  | Promote and deliver more diverse play and leisure opportunities for residents of all ages to encourage active lifestyles  | This initiative has been completed and officers will continue to work towards the implementation of the strategy and assist residents to be more active leading to healthier more connected lives.   | ✓      |
|  | Work in partnership with health, education and community organisations including sporting clubs and community gardens to enhance opportunities for improved primary health and participation in passive and active recreation | Officers have worked closely with the St Kilda Football Club, Monash University and a range of interested community groups and organisations to enable the delivery of the Healthy Futures Hub. Construction will be completed by February 2023 when the center will be fully operational. Officers are also working with Thrive and Good Sports to develop healthy sports initiatives.  | ✓      |
|  | Deliver first year actions for Council's Health and Wellbeing Plan  | <p>Implementation of the Health and Wellbeing Plan 2021-25 Year One Action Plan has been completed. Many actions have progressed well, with highlights including:</p> <ul style="list-style-type: none"> <li>• Community consultation on the FMAC Structure Plan and Integrated Transport Strategy to consider the community's transport and movement needs;</li> <li>• Play Strategy adopted; local area profiles created for the Community Needs Assessment and Community Infrastructure Plan;</li> <li>• free Mental Health First Aid training for the community; events hosted for NAIDOC Week, Reconciliation Week and IDAHOBIT Day; Men as Role Models mentoring program launched; new Pat Rollo Pavilion opened with new female-friendly changes rooms; the Frankston Zero homelessness initiative was launched;</li> <li>• and work on the Climate Change Strategy commenced.</li> </ul>   | ✓      |



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| Four-year Initiatives   | What we planned for 2021-2022   | Comments  | Status |
|---|---|---|--------|
| Advocate for programs and support to reduce harms from family violence, gambling, alcohol and other drugs | Implement Council's Stronger Families Policy and Family Violence Action Plan  | A key action in the Action Plan is delivery of the Men As Role Models program. A lead agency and trainer have been appointed and recruitment of mentors and mentees is now underway. The community forum was delayed twice due to COVID-19 restrictions and is now scheduled to proceed in July 2022.   | ✓      |
|   | Partner with Monash University and Peninsula Health and key advocacy organisations to raise awareness of risks associated with gambling and Alcohol and Other Drug (AOD) use and improve access to support services | The RAD-FMP (Responding to Alcohol and Drugs – Frankston Mornington Peninsula) group, which is auspiced by Peninsula Health met regularly this year, with Council a group member and regular participant. State Government changes to the funding of Public Health Units has resulted in a slight change to the governance and secretariat support provided to this group.  | ✓      |
|   | Implement Council's Gender Equity Policy and coordinate activities to celebrate International Women's Day   | Council has developed a four-year Gender Equality Action Plan which achieved compliance in the review conducted by the Gender Equality Commission. The Gender Equality Act 2020 outlined the requirements of the Action Plan including all elements that would be covered by a policy document. For this reason the creation of a Gender Equality Action Plan superseded the development of a specific policy while achieving the same desired outcome. Council promoted and successfully delivered an extensive range of events and activities to celebrate International Women's Day in March 2022. | ✓      |
|   | Work with Alliance partners to deliver the Frankston City Strategic Housing and Homelessness Alliance Five-Year Strategic Plan  | The Strategic Housing & Homelessness Alliance met in May and members continue to progress the implementation of the Five-Year Strategic Plan. The Alliance met bimonthly throughout 2021-2022 to discuss local homelessness and housing needs as well as advocate for programs and support. Other tasks undertaken included overseeing the implementation of the Frankston Zero initiative.   | ✓      |

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| Initiatives   | What we planned for 2021-2022   | Comments  | Status |
|---|---|---|--------|
| Engage young people to support their educational outcomes | Partner with the Department of Education and Training on Frankston North Strategic Education Plan | Council continues to work closely with Department of Education and Training and other key Frankston North stakeholders to deliver actions of the Frankston North Education Plan. Collaborative relationships between stakeholders at the Mahogany Rise Child & Family Centre continue to strengthen with shared learning and social opportunities.  | ✓      |
|   | Deliver Youth Services outreach, in-reach and engagement programs                                 | In a challenging health environment we have continued to work closely with our partnering schools to promote student engagement and support, as well as assertive outreach with our Project-Y (Project Youth) partners to identify gaps and support needs for our most 'at risk' young people in the local area. Since transitioning back into the community, we have been in higher demand with young people, schools, and our fellow service providers/partners in the community.   | ✓      |
|   | Enable young people to have a voice through Youth Council and youth events                        | Our youth leadership groups have continued to thrive, including Youth Council, Fresh Entertainment (FReeZA), as well as our recently developed NexGen Advisory program whereby young people have provided us invaluable guidance, ensuring we stay informed around the needs and interests of young people in Frankston. This ensures that our programs and events continue to be meaningful, with an emphasis on youth participation.  | ✓      |
|   | Deliver Library Action Plan   | <p>The last year has seen the delivery of a number of actions within the libraries action plan</p> <ul style="list-style-type: none"><li>• Completion of the library roster review</li><li>• Project undertaken to refurbish Frankston library with new carpet and shelving</li><li>• Work continued to develop access to the Local History Collection</li><li>• The libraries team participated in a statewide public library census, which will offer a deeper understanding of the use of public libraries within the state</li><li>• The team continued to innovate and consider ways to engage the community with library events and programs. For the first time, outdoor story times were delivered to the community</li></ul> | ✓      |

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| Four-year<br>Initiatives  | What we planned for 2021-2022   | Comments  | Status |
|---|---|---|--------|
| Engage young people to support their educational outcomes (continued) | Increase work experience, traineeship and student placement opportunities                         | Council engaged six work experience students and three work placements. Additional requests for placements were received by the People & Culture team, however it was difficult for the hosting teams to accommodate placements based on a lack of consistent supervision caused by the impact of COVID-19, staff shortages and hybrid working agreements. Council also engaged six traineeships across the organisation. Three of the six did not complete the traineeships due to personal reasons and one was ceased due to inadequate available supervision. In addition to these roles, we have one apprentice employed as part of the Work Ready program within the Parks and Gardens division. | ✓      |
|   | Provide grants to support students in participating in formal education and recreational programs | Two different grant programs were delivered to assist young people to participate in educational and recreational programs. The Inclusion Support program funded \$11,982 in recreational activities for 72 school-aged young people. The student scholarship delivered four grants to the amount of \$2,404 supporting participation in higher education through the provision of necessities and text books.  | ✓      |



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## Strategic indicators

Strategic indicators provide Council with measures to monitor how we are progressing towards our outcome. Council's level of influence over the result of each measure is shown, as often Council does not control the results, but seeks to influence with advocacy, partnerships and the community.

| If we are successful we will see   | Outcome measures  | Level of Influence | Result | Comment  |
|--|---|--------------------|--------|--|
| Increased active and healthy lifestyles that support residents living independently for longer | Proportion of adults who are sufficiently physically active compared to the Victorian state benchmark (Victorian Population Health Survey)                | M                  | 51.20% | 2017 Victorian Population Health Survey results. This question has not been asked in a survey since 2017. The next survey with this question will be conducted in 2022.  |
|  | Chronic disease levels compared to the Victorian state benchmark (Victorian Population Health Survey)   |                    | 37.00% | Proportion of adults living with a chronic disease. (2017 Victorian Population Health Survey). This question has not been asked in a survey since 2017. The next survey with this question will be conducted in 2022.                |
|  | Proportion of residents are satisfied with sport and recreation facilities (Community Satisfaction Survey)  |                    | 81.20% | 81.20% of respondents are satisfied with sport and recreation facilities. (2022 Community Satisfaction Survey) This has decreased from 82.20% in 2020-2021.  |
| Improved long-term health and learning outcomes established in early childhood                 | Proportion of students achieving literacy benchmarks (Victorian Child and Adolescent Monitoring System)   | M                  | 90.70% | Proportion of Year 9 students achieving minimum standards in literacy. (2019 NAPLAN, Victorian Child & Adolescent Monitoring System (VCAMS) data portal). The Victorian Government has not updated the VCAMS data portal since 2019. |
|  | Proportion of children fully immunised by school age compared to the Victorian state benchmark (LGPRF) (Local Government Performance Reporting Framework) |                    | 94.30% | Indicator reported annually, percentage result is above Victorian state benchmark.   |



| If we are successful we will see   | Outcome measures  | Level of Influence | Result | Comment   |
|--|---|--------------------|--------|---|
| Reduction of harms from family violence, gambling, alcohol and other drugs | Proportion of residents who feel a safe in public areas in Frankston City (Community Satisfaction Survey) | M                  | 78.00% | In 2022, when asked 'How safe you feel overall' in public areas of Frankston City, the overall responses was 7.80. This is on a scale from 0 (very unsafe) to 10 (very safe). This measurement was not recorded in 2021, so there is no comparison data for this specific question. However the other eight public safety questions asked in this survey all had improved results since 2021. |
|  | Rate of hospital admissions due to alcohol and other drugs (Turning Point)                                |                    | 869    | Average rate of hospital admissions in 2018-2019 for alcohol and other drugs (all) = 1,388 per 100,000 people. Count of hospital admissions in 2018-19 for alcohol and other drugs (all) = 1980. (Turning Point AOD Stats). This data has not been updated.   |
|  | Rate of reported family violence incidents (Crimes Statistics Agency)                                     |                    | 1,897  | Rate of family violence incidents for 2020-21 = 1,902.4 incidents per 100,000 people (Crime Statistics Agency).   |
| Improved education outcomes through better engagement of young people      | Rate of participation in further education (ABS 2021 Census)  | M                  | 20.3%  | Proportion of people attending TAFE or University, (ABS 2021 Census).   |

#### Level of Influence over the result

- H High:** Council can directly influence this result
- M Medium:** Council can influence this result however external factors outside of Council's control may also influence the result
- L Low:** Councils level of influence on this result is limited however monitoring this indicator assists Council in planning and guiding priorities

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## Performance indicators (LGPRF)

The following table represents Council's service performance against prescribed indicators included within the Local Government Performance Reporting Framework (LGPRF).

| No                       | Service Indicator  | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 | Variance | Comments  |
|--------------------------|--|---------------|---------------|---------------|---------------|----------|---|
| <b>Animal Management</b> |  |               |               |               |               |          |   |
| <b>Timeliness</b>        |  |               |               |               |               |          |   |
| AM1                      | Time taken to action animal requests<br><br>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests] | 4.73 days     | 4.22 days     | 4.65 days     | 3.82 days     | -17.84%  | Council Officers have continued to work with customers to provide a high level of customer service and reduced response time. This is reflected in the performance output.  |
| <b>Service Standard</b>  |  |               |               |               |               |          |   |
| AM2                      | Animals reclaimed<br><br>[Number of animals reclaimed / Number of animals collected] x100  | 57.83%        | 41.69%        | 54.35%        | 63.77%        | 17.34%   | Council officers have a strong focus of reuniting pets with their owners which is reflected in the performance.   |
| AM5                      | Animals rehomed<br><br>[Number of animals rehomed / Number of animals collected] x100  | NA            | 10.17%        | 13.41%        | 16.80%        | 25.35%   | 122 animals were adopted and found new permanent homes. Council has seen an increase this year of animals that have been rehomed, which demonstrates Council's commitment to rehoming animals.  |
| <b>Service cost</b>      |  |               |               |               |               |          |   |
| AM6                      | Cost of animal management service per population<br><br>[Direct cost of the animal management service / Population]  | \$9.81        | \$10.87       | \$8.25        | \$12.47       | 51.20%   | The amount remains consistent and within target. The increase in cost is attributed to an increase in Council's external animal pound contract.   |
| <b>Health and safety</b> |  |               |               |               |               |          |   |
| AM7                      | Animal management prosecutions<br><br>[Number of successful animal management prosecutions / Number of animal management prosecutions] x 100                                     | #N/A          | 100.00%       | 100.00%       | 100.00%       | 0        | Council undertakes prosecutions in relation to the more serious provisions of the Domestic Animals Act or repeat offenders. This action is taken to reduce the risk of injury to the community. All matters progressed to Court had a successful outcome. |

|              |                |             |            |             |            |                       |            |
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| No                        | Service Indicator   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | Variance | Comments  |
|---------------------------|---|-----------|-----------|-----------|-----------|----------|---|
| <b>Aquatic Facilities</b> |   |           |           |           |           |          |   |
| <b>Service Standard</b>   |   |           |           |           |           |          |   |
| AF2                       | Health inspections of aquatic facilities<br><br>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities] | 1.00      | 1.00      | 1.00      | 1.00      | 0.00%    | All Council operated aquatic facilities were inspected during 2021-2022.  |
| <b>Utilisation</b>        |   |           |           |           |           |          |   |
| AF6                       | Utilisation of aquatic facilities<br><br>[Number of visits to aquatic facilities / Municipal population]  | 7.36      | 5.78      | 3.29      | 4.59      | 39.66%   | The PARC facility was closed due to State Government restrictions related to the pandemic for approximately 26% of the financial year. When reopened, Government restrictions limited parts of the community from attending (non-vaccinated) and imposed mask requirements that impacted attendance levels.   |
| <b>Service Cost</b>       |   |           |           |           |           |          |   |
| AF7                       | Cost of aquatic facilities<br><br>[Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]                             | NA        | \$1.34    | \$0.88    | \$1.19    | 34.95%   | During these State Government imposed lockdown periods, the facility still incurred ongoing costs including maintenance, utilities and staff costs for those not stood down. Even once reopened, when the operating costs increased, ongoing concerns over COVID-19 kept customer numbers below expectations. |

|              |                |             |            |             |            |                       |            |
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| No                      | Service Indicator  | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | Variance | Comments   |
|-------------------------|--|-----------|-----------|-----------|-----------|----------|--|
| <b>Food Safety</b>      |  |           |           |           |           |          |  |
| <b>Timeliness</b>       |  |           |           |           |           |          |  |
| FS1                     | Time taken to action food complaints<br><br>[Number of days between receipt and first response action for all food complaints / Number of food complaints]   | 1.63      | 1.53      | 1.51      | 1.31      | -13.63%  | To ensure that risks are effectively managed, the Environmental Health Unit continues to prioritise food complaints. These results demonstrate Council's commitment to food safety and maintaining a target of actioning complaints within two days.   |
| <b>Service standard</b> |  |           |           |           |           |          |  |
| FS2                     | Food safety assessments<br><br>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x100 | 100.00%   | 93.44%    | 72.69%    | 104.33%   | 43.51%   | Despite COVID-19 restrictions which impacted food businesses and Council operations, Council was able to ensure that all registered food businesses requiring an assessment received their annual assessment. A number of food premises changed ownership during the year, meaning that some premises received multiple assessments. |
| <b>Service cost</b>     |  |           |           |           |           |          |  |
| FS3                     | Cost of food safety service<br><br>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]  | \$537.05  | \$601.37  | \$637.52  | \$489.68  | -23.19%  | The decrease in costs in 2021-2022 was due to vacant positions, and the opening of new and reopening of a number of former food businesses. Additionally, a review was undertaken to ensure that the calculation of the direct cost of Council's food safety service was reflective of the Local Government Better Practice Guide.   |



|              |                |             |            |             |            |                       |            |
|--------------|----------------|-------------|------------|-------------|------------|-----------------------|------------|
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| No                               | Service Indicator   | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 | Variance | Comments   |
|----------------------------------|---|---------------|---------------|---------------|---------------|----------|--|
| <b>Health and safety</b>         |   |               |               |               |               |          |  |
| FS4                              | Critical and major non-compliance outcome notifications<br><br>[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 | 100.00%       | 100.00%       | 100.00%       | 95.51%        | -4.49%   | Overall results remain positive with Council Officers continuing to follow up critical and major non-compliance notifications at a high level. Due to a combination of COVID-19 restrictions and changes to the Food Act which abolished transfers of proprietor, a small number of notifications were not followed up or alternative follow up activities occurred. |
| <b>Maternal and Child Health</b> |   |               |               |               |               |          |  |
| <b>Service standard</b>          |   |               |               |               |               |          |  |
| MC2                              | Infant enrolments in the MCH service<br><br>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100   | 101.64%       | 100.87%       | 100.88%       | 101.17%       | 0.29%    | The MCH Service continues to engage all new infants born within the municipality.  |
| <b>Service cost</b>              |   |               |               |               |               |          |  |
| MC3                              | Cost of the MCH service<br><br>[Cost of the MCH service / Hours worked by MCH nurses]   | \$64.54       | \$61.20       | \$67.95       | \$65.25       | -3.98%   | The cost of the MCH service has remained consistent with a slight decrease from last year due to vacant positions resulting from state wide workforce shortages.   |
| <b>Participation</b>             |   |               |               |               |               |          |  |
| MC4                              | Participation in the MCH service<br><br>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100   | 74.52%        | 70.81%        | 64.75%        | 67.94%        | 4.93%    | Whilst participation in the MCH Service is higher than in quarter four 2020-2021 it remains below target due to the impacts of COVID-19 pandemic and staffing capacity.  |

| No                  | Service Indicator  | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 | Variance | Comments   |
|---------------------|--|---------------|---------------|---------------|---------------|----------|--|
| MC5                 | Participation in the MCH service by Aboriginal children<br><br>[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 | 87.19%        | 76.67%        | 64.85%        | 63.71%        | -1.75%   | Percentage of Aboriginal children who participate in the MCH service remains consistent and within target. |
| <b>Satisfaction</b> |  |               |               |               |               |          |  |
| MC6                 | Participation in four week Key Age and Stage visit<br><br>[Number of 4-week key age and stage visits / Number of birth notifications received] x100  |               | 95.24%        | 96.00%        | 96.96%        | 1.00%    | Participation in four-week Key Age and Stage visit remains consistent and within target.                   |



## 2. Community strength

Strengthening community through resilience, inclusiveness and the enrichment of arts, culture and diversity.

### Priorities

- Accessibility of services to enhance social inclusion and mental wellbeing
- Volunteering to build connections and resilience within the community
- Frankston City's arts and cultural identity

The following provides information about the service funding in 2021-2022.

|                       |   |                 |               |
|-----------------------|---|-----------------|---------------|
| Community health      | Enhancing the health of families and the community by supporting them to develop and thrive, through enabling independent living.   | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 1,719         |
|                       |   | Actual          | 1,409         |
|                       |   | Variance        | (310)         |
| Community development | Delivering inclusive and accessible support, programs and community spaces to build resilience and community strength in the community.   | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 5,246         |
|                       |   | Actual          | 5,034         |
|                       |   | Variance        | (212)         |
| Arts and culture      | Building Frankston's cultural landscape by supporting the production and delivery of arts programs, events and library facilities providing opportunities to create, learn and connect. | <b>Net cost</b> | <b>\$'000</b> |
|                       |   | Budget          | 3,816         |
|                       |   | Actual          | 3,958         |
|                       |   | Variance        | 142           |

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## How we performed

100% of Council Plan initiatives completed (27/27)



Completed



Deferred completion to 22-23



Not proceeding

## Highlights

Celebrated 16,800 volunteers in Frankston City, contributing more than 46,000 hours of their time each and every year to our community, equaling \$1.3 million worth of donated time annually

Recognised Reconciliation Week 2022 across Frankston City with a number of events and programs

Installed five new vibrant public art sculptures leased from Sculpture by the Sea for across Frankston City

Launched Frankston Zero, a major initiative combating homelessness and helping rough sleepers in Frankston City

Partnered with Whitelion Youth and Jesuit Social Services to launch the free Men as Role Models mentoring program for men aged 15–24 years

Welcomed over 80,000 visitors to our major events, including Frankston's Magical Christmas (6,793), Waterfront Festival (45,000), Big Picture Fest (1,500), Party in the Park (8,000) and South Side Festival (20,000)

Presented the inaugural South Side Festival – a nine-day arts festival delivered over 30 events and creative outcomes engaging with over 150 artists and creatives, spanning local artists through to globally recognised companies

Frankston's Street Art Walking Tours were named the best street art tour in the nation at the 2021 Australian Street Art Awards

Reviewed the Community Grants Program and made a number of improvements including a substantial increase to the allocated funding



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## 2021-2022 Council Plan Initiatives

### Four-year

| Initiatives   | What we planned for 2021-2022  | Comments  | Status |
|---|--|---|--------|
| Build Frankston City's reputation as an arts, culture and tourism destination | Deliver Arts and Culture Strategic Plan  | 2021-2022 key outcomes included professional development series for artists, artist grants, and the delivery of Year 1 of the Library Action Plan, positioning Frankston as Creativity City via high profile programming, tourism campaigns and the inaugural South Side Festival. Two key awards were received for the City including being crowned the winner of the National Street Art Awards for Best Street Art Tours and third place for the Top Tourism Town Awards.  | ✓      |
|   | Build capacity and partner with local creatives and the community to deliver high quality events and art experiences | The Artists Grant Program for 2021-2022 was successfully delivered and completed with five local artists producing and presenting their work. South Side Festival gave local business the opportunity to link with the festival and saw activation of a range of local and community spaces with programming and performances.  | ✓      |
|   | Deliver festivals and events to improve precinct activation and build on destination tourism                         | Five Council-run major events/series of events were delivered following the easing of COVID-19 restrictions in November 2021. An increase in marketing and offering saw record patrons attend Party in the Park (8,000) and the Waterfront Festival (45,000). The launch of the inaugural South Side Festival proved popular with 20,000 people attending over 50 performances and activities.  | ✓      |
|   | Develop sculpture and eclectic street art culture  | Development of the sculpture program has been completed for 2021-2022 with the leasing of five sculptures by Sculpture by the Sea for three years, the re-fabrication of Mirage, the refurbishment and re-location of Roadside Marker, the fabrication of the first commissioned gateway sculpture at Nepean Hwy and Eel Race Road underpass and the restoration of Sentinel. The development of eclectic street art was boosted to through the successfully delivered Big Picture Fest in March where 15 murals were produced. | ✓      |

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| Initiatives  | What we planned for 2021-2022  | Comments  | Status |
|--|--|---|--------|
| Enrich the lives of older residents and people with disabilities with opportunities to enable participation and independent living | Deliver Council's annual Seniors Festival, programs and activities to enhance participation and social inclusion | The Positive Ageing team continues to support participation and social inclusion through a broad range of programs. Planning is well progressed for the next Seniors Festival in Oct 2022.  | ✓      |
|  | Promote University of the Third Age (U3A) and its diversity of programs  | The operations of the Frankston U3A continue to be supported and promoted through the Karingal PLACE Community Hub. Council recently approved a \$10,000 grant (recurrent for three years) to further support and promote these important programs operated by the Frankston U3A.   | ✓      |
|  | Develop and deliver Council's Disability Action Plan   | Council's Disability Action Plan was adopted by Council in October 2021. The plan contains various initiatives to increase active participation in the community, increase social inclusion, engagement and mental wellbeing, support respectful relationships, and reduce barriers to education and employment.  | ✓      |
|  | Facilitate improved access for people with disabilities to services and transport options                        | Council's diversity officer and the Disability, Access and Inclusion Committee have played an important role in contributing to a range of plans and strategies (such as the Transport Strategy and the Public Toilets strategy) to improve participation and opportunities for people with disabilities.   | ✓      |
|  | Support and promote Culturally and Linguistically Diverse (CALD) seniors groups                                  | The Positive Ageing team has continued to provide support for bi-cultural workers and community health champions to support broad community access to COVID-19 vaccines. Opportunities have been provided for Culturally and Linguistically Diverse (CALD) groups and places of worship to host Peninsula Health's pop-up vaccine clinics or have Monash Health's vaccine bus attend meeting locations. | ✓      |

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| Initiatives   | What we planned for 2021-2022  | Comments   | Status |
|---|--|--|--------|
| Work with community organisations and groups to develop our future leaders and evolve a diverse culture and gender equality | Develop an online seasonal tenancy system to ease the burden on club volunteers  | The system is now in place and is now in use enabling a better and responsive service.   | ✓      |
|   | Continue to build volunteering diversity in community organisations  | The L2P program has had a strong year (following earlier COVID-19 related challenges) in recruiting mentors to support disadvantaged youth in gaining their driver licence. The program is now in a strong position to achieve targets.  | ✓      |
|   | Co-design and deliver a culture change program for sporting clubs to achieve greater gender equity in participation and board membership | A tool kit has been launched and officers are working with clubs to further develop in this area.  | ✓      |
|   | Work with schools and disengaged young people to build relationships awareness and enable them to choose respectful relationships        | We have continued to work closely with our partnering schools as members of the Critical Friend Network, and have developed the content and architecture Respectful Relationships/Choose Awesome Relationships, an early intervention learning tool for young people. Finalisation and roll out is imminent. | ✓      |
|   | Coordinate activities to celebrate International Women's Day   | Council promoted and successfully delivered an extensive range of events and activities to celebrate International Women's Day in March 2022.  | ✓      |



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| <b>Initiatives</b>  | <b>What we planned for 2021-2022</b>  | <b>Comments</b>  | <b>Status</b> |
|---|---|--|---------------|
| Targeting community needs through development programs and grants | Engage and consult with the community, groups and organisations to better understand community needs and program design | Council continues to maintain effective engagement with many community groups, through a range of activities including projects, grants, seasonal tenancies, volunteering support, events, meetings, etc. These opportunities provide Council with a greater understanding of the needs of the groups and the community. By way of example, in response to these feedback opportunities a recent strategic planning forum was successfully delivered for representatives from the Neighbourhood Houses and Community Centres across Frankston. | ✓             |
|   | Promote Community Centres and their programs  | Council has continued to actively promote the programs and services delivered through Community Centres across Frankston.  | ✓             |
|   | Deliver Council's grants programs   | The new Community Grant Policy was endorsed by Council enabling improvements to the governance structures, achieving best practice and engaging community. This policy will guide future grant programs. All community grant programs for the 2021-2022 financial year were successfully delivered.  | ✓             |
|   | Build connections between volunteers and volunteer organisations through Impact Volunteering                            | Impact Volunteering continues to provide a valuable volunteer matching service to community organisations and residents. A Volunteer Expo was held in May 2022 and engaged 26 local organisations to recruit volunteers and showcase their valuable community services. This re-engagement event provided a physical space for prospective volunteers to meet face to face with organisations and see the opportunities available.   | ✓             |
|   | Promote library programs to engage the community  | A range of programs were offered to the community at all library locations including a range of author talks and story times. Key author talks included appearances from Heather Morris, Garry Disher, Christian White, Summer DeRoche, Vikki Petraitis and Paul Kennedy. The library programs continued to book well and the community continue to engage with the offerings from the library team; overall there were 8675 attendees at story times.   | ✓             |



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| Initiatives   | What we planned for 2021-2022   | Comments  | Status |
|---|---|---|--------|
| Deliver essential advocacy, support and referral services for residents in need | Monitor demographic data trends to inform service plans to meet the future needs of the local community   | Demographic data trends from various sources were monitored and analysed for various purposes. Highlights included the 2021 Household Survey which provided comprehensive and benchmarked data on residents' needs and behaviours to inform service planning. In addition a Health and Wellbeing Community Profile was developed to provide a snapshot of community wellbeing and highlight areas of need. The id. Housing Monitor was purchased to provide supply and demand data to inform strategic planning and social policy.  | ✓      |
|   | Deliver a community call centre to triage service system support, referrals and the funded job advocacy program   | The Community Recovery Call Centre supported more than 4,000 contacts across the year. Calls continued from residents for a wide range of needs, including support with navigating the My Aged Care system, and support with mental health or substance. Vulnerable members of the community continued to benefit from well-being calls, reducing social isolation. Older residents expressing concerns about re-engaging in the community were referred to services for social activities and supports. Frankston Job Advocates continue to deliver the program and provide career support and training referrals. Throughout the year Job Advocates activated community centres, shopping centres, libraries, International online sessions, and attended the Building Connections - Career & Development Expo. | ✓      |
|   | Deliver Home and Community Care (HACC) and Commonwealth Home Support Program (CHSP) in home services to older residents to enable them to live safely and independently | Council delivered in home services to HACC-PYP & CHSP consumers across the municipality. The pandemic continues to impact service delivery through aged care workforce shortages, reduced volunteer numbers and staff resourcing. Additionally, government restrictions and a general reluctance to participate in services have been a significant challenge. Staff continue to follow COVID-19 Safe plans and relevant advice to ensure business continuity and the safety of the community. Council is exploring opportunities to collaborate with local education providers to lift the profile and increase the number of aged care workers. Officers also attended a Career Expo and developed a number of videos for social media to highlight the valuable work across various services in aged care.     | ✓      |
|   | Partner with the Housing and Homelessness Sector to deliver the Frankston City Strategic Housing and Homelessness Alliance 5-Year Strategic Plan                        | Work has continued at all levels of the Frankston City Strategic Housing & Homelessness Alliance to progress delivery against the five-year Strategic Plan. The Alliance met bi-monthly to discuss progress, with the highlight being the Alliance's continued successful implementation of the Frankston Zero initiative.  | ✓      |
|   | Provide referral services through our Neighbourhood House programs and youth services   | Referral services continue to be successfully conducted through both the Neighbourhood House programs and the Youth Service programs, ensuring the community receives support and 'no wrong door'.  | ✓      |

| Four-year Initiatives   | What we planned for 2021-2022   | Comments   | Status |
|---|---|--|--------|
| Build acknowledgement and respect for Aboriginal and Torres Strait Islander cultural heritage and history | Deliver the Reconciliation Action Plan (RAP)  | Delivery of the RAP progressed well. Council's Reconciliation Officer worked closely with the Nairm Marr Djambana community and the Bunurong Land Council amongst other key stakeholders to strengthen relationships, which is an important focus of Council's first RAP.  | ✓      |
|   | Celebrate aboriginal culture through provision of a community bus tour of significant Aboriginal and Torres Strait Islander sites and National Aborigines and Islanders Day Observance Committee (NAIDOC) week activities | Council recognised and supported NAIDOC day on 17 May 2022 through a broad range of activities including the NAIDOC Dinner Dance, a collaborative Youth Event and Smoking Ceremony at Frankston South Community Centre, a Family Day and various Flag Raising ceremonies conducted throughout the region and other Council activities. | ✓      |
|   | Project manage the redevelopment of the Nairm Marr Djambana gathering place   | Council has worked in collaboration with Nairm Marr Djambana and the State Government to develop a proposal and project plan to utilise a successful State Government grant to develop a masterplan and construction designs for the Nairm Marr Djambana site.   | ✓      |



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## Strategic indicators

Strategic indicators provide Council with measures to monitor how we are progressing towards our outcome. Council's level of influence over the result of each measure is shown, as often Council does not control the results, but seeks to influence with advocacy, partnerships and the community.

| If we are successful we will see  | Outcome measures   | Level of Influence | Result | Comment   |
|---|--|--------------------|--------|---|
| Improved accessibility of services to enhance social inclusion and mental wellbeing | Percentage of participation rates of gender diversity, disability and Aboriginal and Torres Strait Islander communities in structured sport (sporting clubs) | M                  | 70%    | Council launched a Gender Equality Self-Assessment Tool Kit to assist clubs to reflect on the extent to which they are gender inclusive in all levels of the club and activities, and to guide further actions to improve this. This is now being rolled out in sporting clubs across the municipality. This data will now help to quantify further advancements that are being made. |
|   | Proportion of people who have ever been diagnosed with depression or anxiety (Victorian Population Health Survey)  |                    | 34.90% | 2017 Victorian Population Health Survey data. This question has not been asked in a survey since 2017. The next survey with this question will be conducted in 2022.  |
|   | Proportion of residents who agree Frankston City is responsive to local community needs (Community Satisfaction Survey)                                      |                    | 70.40% | 70.40% of respondents agree Frankston City is responsive to local community needs. (2022 Community Satisfaction Survey) This has increased from 64.40% in 2020-2021.  |
| Increased volunteering to build connections and resilience within the community     | Percentage of residents who volunteer 'sometimes' or 'regularly' (Victorian Population Health Survey)  | L                  | 15.40% | id. Profile for Frankston City, ABS 2016 Census data. The 2021 Census data has been released for the proportion of people who did voluntary work through an organisation or group (last 12 months) = 10.5%.   |
| Increased enjoyment of Frankston City's arts and cultural experiences               | Proportion of residents who are satisfied with Arts and cultural events, programs and activities (Community Satisfaction Survey)                             | H                  | 80.40% | 80.40% of respondents who are satisfied with Arts and cultural events, programs and activities. (2022 Community Satisfaction Survey) This has increased from 78.50% in 2020-2021.   |

### Level of influence over the result

**H High:** Council can directly influence this result

**M Medium:** Council can influence this result however external factors outside of Council's control may also influence the result

**L Low:** Councils level of influence on this result is limited however monitoring this indicator assists Council in planning and guiding priorities

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## Performance indicators (LGPRF)

The following table represents Council's service performance against prescribed indicators as included within the Local Government Performance Reporting Framework (LGPRF).

| No                       | Service Indicator  | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 | Variance | Comments  |
|--------------------------|--|---------------|---------------|---------------|---------------|----------|---|
| <b>Libraries</b>         |  |               |               |               |               |          |   |
| <b>Utilisation</b>       |  |               |               |               |               |          |   |
| LB1                      | Physical library collection usage<br><br>[Number of physical library collection item loans / Number of physical library collection items]                              | 4.94          | 3.06          | 2.06          | 2.97          | 43.96%   | A number of factors have continued to limit the community's access to the physical library collection this year, including restrictions from COVID-19, and a refurbishment of the main library in Frankston. The physical library collection is popular with the community. |
| <b>Resource standard</b> |  |               |               |               |               |          |   |
| LB2                      | Recently purchased library collection<br><br>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100              | 69.25%        | 70.43%        | 67.47%        | 73.74%        | 9.30%    | The libraries team has worked over the last year to refresh the collection available to the community, reducing the number of resources older than five years. There is still more work to be done to continue to renew the collection.                                     |
| <b>Participation</b>     |  |               |               |               |               |          |   |
| LB4                      | Active library borrowers in municipality<br><br>[Number of active library borrowers in the last three years / The sum of the population for the last three years] x100 | 10.93%        | 11.43%        | 11.27%        | 9.83%         | -12.75%  | The wide range of resources available through the library were accessed by almost 10% of the population. A number of factors this year have impacted the reach and engagement of the library, including the COVID-19 restrictions and lockdowns.                            |
| <b>Service cost</b>      |  |               |               |               |               |          |   |
| LB5                      | Cost of library service per population<br><br>[Direct cost of the library service / Population]  | \$26.59       | \$27.17       | \$27.36       | \$30.41       | 11.16%   | The Year to Date figure is slightly more than last year, due to the need to staff for vaccination status checks. Frankston City Libraries continues to offer access to the community for library services, safe community spaces, and community connection.                 |



### 3. Sustainable environment

Enhanced sustainability through bold action and leadership on climate change and the protection and enhancement of Frankston City's natural and built environments.

#### Priorities

- Climate emergency response and leadership
- Green canopy cover to reduce urban heat
- Diversion of waste from landfill
- Protection, access and connection to the natural environment

The following provides information about the service funding in 2021-2022.

|                             |  |                 |               |
|-----------------------------|--|-----------------|---------------|
| Biodiversity and open space | Ensuring the natural environment is protected and enhanced to provide safe, diverse and engaging open space for the community. | <b>Net cost</b> | <b>\$'000</b> |
|                             |  | Budget          | 1,032         |
|                             |  | Actual          | 1,277         |
|                             |  | Variance        | 245           |
| Climate change action       | Managing climate change response and supporting the community to mitigate impacts and manage vulnerabilities.                  | <b>Net cost</b> | <b>\$'000</b> |
|                             |  | Budget          | 377           |
|                             |  | Actual          | 401           |
|                             |  | Variance        | 24            |
| Integrated water            | Providing storm water protection for properties and ensuring healthy waterways for the community.                              | <b>Net cost</b> | <b>\$'000</b> |
|                             |  | Budget          | 460           |
|                             |  | Actual          | 574           |
|                             |  | Variance        | 114           |
| Waste and recycling         | Facilitating the collection of waste, recovery of resources and delivery of waste reduction and diversion programs.            | <b>Net cost</b> | <b>\$'000</b> |
|                             |  | Budget          | 19,550        |
|                             |  | Actual          | 18,541        |
|                             |  | Variance        | (1,009)       |

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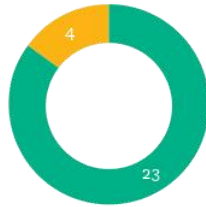
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## How we performed

85% of Council Plan initiatives completed (23/27)



- ✓ Completed
- Deferred completion to 22-23
- ✗ Not proceeding

## Highlights

Adopted Biodiversity Action Plan 2021–2026 which reinforces a commitment to maintaining a healthy and sustainable environment and recognises the importance of supporting resilient ecosystems

Developed Urban Forest Precinct Plans for Carrum Downs/Sandhurst/Skye and Seaford to guide the planting of 20,386 trees in streets, parks and reserves to increase our canopy cover

Completed Stotts Lane path upgrade in Frankston South which includes Polyrok, a sustainable alternative to mineral aggregate which includes soft plastic

Increased the uptake and awareness of the Kerbside Food & Garden Waste Collection Service to divert waste from landfill and support a circular solution in composting

Upgraded Karingal PLACE, Keast Park, Frankston Arts Centre and PARC with energy efficient lighting



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## 2022 Council Plan Initiatives

### Four-year

| Initiatives   | What we planned for 2021-2022  | Comments   | Status |
|---|--|--|--------|
| Increase urban forest and canopy coverage to create a greener and cooler city | Implement Urban Forest Action Plan including tree planting of 20,000 trees and maintenance on Council land | <p>The Seaford and Carrum Downs Urban Forest Precinct Plans were completed in March and development of Precinct Plans for Frankston Metropolitan Activity Centre, Frankston North, Frankston and Karingal have commenced. The 20,000 tree planting target has been achieved with 20,386 trees planted across the city in the following locations:</p> <ul style="list-style-type: none"><li>• 3,840 Street Trees</li><li>• 14,053 in Parks &amp; Reserves</li><li>• 1,400 for National Tree Day at Jubilee Park</li><li>• 1,093 incorporated into Capital Works projects</li></ul> | ✓      |
|   | Develop precinct planting plans to identify opportunities for planting in high priority areas              | <p>The first priority Urban Forest Precinct Plans to be developed were Seaford and Carrum Downs/Skye/Sandhurst. These were completed in quarter three and have been used to guide plantings for the 2022 planting season. Work commenced on the next priority precinct, Frankston North, Frankston, Karingal and the Frankston Municipal Activity Centre in quarter four.</p>  | ✓      |
|   | Implement the tree protection local law and planning scheme  | <p>The Tree Protection Local Law and relevant planning scheme controls have been implemented to protect trees throughout the Municipality. 248 local law applications were received and completed for 2021-2022 (compared to 146 applications in 2020-2021). The increase in application numbers is due to the removal of bushfire exemptions in some parts of the municipality. Planning referral numbers relating to removal and protection of trees remain high and are ongoing.</p>  | ✓      |
|   | Support the volunteer indigenous nursery to encourage indigenous planting                                  | <p>Frankston indigenous nursery produced and sold more than 175,000 plants in 2021-2022, more than in any previous year since its establishment. Community demand for quality indigenous plants is supported by a growing team of three experienced nursery staff and 11 committed community members who volunteer their time to propagate locally sourced indigenous species for Council planting programs, residents, community groups, bushland regeneration contractors and land management agencies.</p>  | ✓      |

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| <b>Initiatives</b>                                       | <b>What we planned for 2021-2022</b>          | <b>Comments</b>  | <b>Status</b> |
|--|---|--|---------------|
| Protect and enhance the natural and coastal environments | Review and update the Coastal Management Plan | The 2016 Coastal Management Plan was reviewed. A new Foreshore Advisory Committee has been established and is meeting monthly to discuss the development of the Coastal Marine Management Plan and other coastal-related issues and projects. Engagement on coastal planning matters was undertaken via the online platform and at the Waterfront Festival in February. Work has commenced on the development of the six Coastal Precinct Plans. The development of the Coastal Marine Management Plan is a two year project which will continue in 2022-2023.   | ✓             |
|  | Adopt the Biodiversity Action Plan            | The Biodiversity Action Plan was adopted in November 2021. Implementation of year one actions commenced including the updating of native vegetation mapping to inform a review of the Environmental Significance Overlay schedule one, which seeks to enhance vegetation outcomes in the Frankston Planning Scheme.  | ✓             |
|  | Deliver the Native Vegetation Offset Program  | Preliminary options for the program require the removal of restrictions on title with concerns being expressed by the Department of Environment Land Water and Planning (DEWLP). Officers are investigating the feasibility of removing restrictions to enable the program to proceed. Officers will report back to Council before the end of 2022.  | ✓             |
|  | Update management plans for natural reserves  | An audit of existing management plans was undertaken to determine which reserves have management plans and their currency. Officers commenced work developing templates for the production of future management plans. This is a multi-year project and will continue into 2022-2023.  | ✓             |
|  | Maintain natural and coastal reserves         | Frankston City Council currently has 20 Natural Reserves Rangers maintaining 68 natural reserves ranging from small local remnant wildflower reserves such as Clifton Reserve in Carrum Downs to some of our larger, highest priority reserves including Seaford Foreshore, Seaford Wetlands and Kananook Creek. More than 550 hectares of natural reserves continue to improve and expand each year through weed control, promoting natural regeneration and revegetation of wildlife corridors.<br><br>A total of 366 cubic meters of litter were collected from Frankston and Seaford Foreshore in 2021-2022. | ✓             |



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| Initiatives  | What we planned for 2021-2022  | Comments   | Status |
|--|--|--|--------|
| Lessen the severity of climate change through actions that enable Council and the community to reduce greenhouse gas emissions | Develop Climate Change Strategy and Action Plan  | Policy development on the Climate Change Strategy and Action Plan was undertaken with Council committing to a Science-Based Target and reduction trajectory. Further research and analysis was undertaken to develop an action plan to respond to this position. A report seeking the endorsement of a draft strategy is scheduled for quarter two of the 2022-2023 financial year.  | —      |
|  | Ensure Environmentally Sustainable Design (ESD) principles are achieved for new developments, buildings, public realm and places | Relevant external development applications are now required to address Environmentally Sustainable Development requirements in accordance with the Environmentally Sustainable Development Policy.   | ✓      |
|  | Work with local and regional partners to deliver environmental and climate action projects                                       | A number of projects were either completed or commenced in 2021-2022 working in partnership with the South East Councils Climate Change Alliance (SECCCA). An assessment of how climate change will impact Council assets was completed, while two new projects have commenced including development of a regional climate action advocacy campaign, and another project aimed at helping communities prepare for the changing climate. In April 2022, a project looking at how coastal ecosystems can assist in reducing the impacts of climate change was launched with the Biosphere Foundation.  | ✓      |
|  | Implement energy efficient upgrades to Council assets  | Council's bulk LED street light upgrade was completed and a \$394,000 financial rebate secured from the Victorian Government. However, some lighting upgrades and rooftop solar works were delayed and impacted by the COVID-19 pandemic. These works have been awarded and are expected to be completed in early 2022-2023, including the installation of significant solar systems at PARC and the Civic Centre. Other key projects underway include the redevelopments of Jubilee Park Stadium and Kevin Collopy Pavilion, both projects include electrification (zero gas) and solar works to reduce emissions and transition to renewable energy. | ✓      |
|  | Research ways for council to support the use and uptake of electric vehicles across Frankston City                               | The Electric Vehicle (EV) Charging Roadmap for south east Melbourne was completed, identifying optimal locations for public EV charging. Council's pedal assisted e-bike trial was successfully launched in January 2022. An EV charging station was installed at Council offices for a new zero emissions waste education vehicle, with a further EV fleet vehicle in procurement. Additionally, a number of Council facility and carpark projects are underway to enable future implementation of EV charging and smart cities infrastructure at these locations.  | ✓      |
|  | Introduce and support programs to enable the community to upgrade their buildings to be more sustainable and climate resilient   | Two local businesses were approved under Council's Environmental Upgrade Finance program for low interest loans to upgrade their buildings with rooftop solar. Over 150 local businesses were engaged through the Small Business Energy Saver Program, with 11 businesses upgrading to energy efficient appliances through a financial rebate. Development of the Home Energy Saver Toolkit is underway and scheduled to be implemented in 2022-2023.  | ✓      |

**Four-year**

| Initiatives  | What we planned for 2021-2022   | Comments  | Status |
|--|---|---|--------|
| Improve the quality of recycling, minimise the generation of waste and establish alternatives to landfill disposal | Progress collaborative procurement for an advanced waste processing solution for household rubbish for the South East Melbourne region to deliver a vital alternative to landfill | The collaborative procurement for the Advanced Waste Processing Solution Project progressed as planned in 2021-2022, however, a decision for Council to commit to the final tender stage was requested earlier than anticipated. Council deferred this decision into 2022-2023 seeking further information and requesting community engagement on the project. Council remains a stakeholder in the Special Purpose Vehicle of South East Metropolitan Advanced Waste Processing Pty Ltd. | ✓      |
|  | Deliver a standardised waste and recycling system to all households to maximise diversion of waste from landfill  | Action was completed for 2021-2022 in line with 4 year Council Plan action. Kerbside Collection and processing contracts have been tendered and awarded. The business case for early transition to a separate glass collection service has been completed. Completion of the standardisation of bin lid colours was approved in the 2022-2023 budget process.   | ✓      |
|  | Implement the Waste Circularity Master Plan   | Due to the re-direction of resources to deliver the kerbside recycling processing tender and the earlier than anticipated Advanced Waste Processing procurement commitment and community engagement, Council resolved to defer the Waste Circularity Plan to 2022-2023.   | —      |
|  | Increase uptake of the Kerbside Food Waste Collection Service, including expansion to multi-unit developments   | Uptake of food waste collection service has increased with 24 per cent of the community currently utilising a Council supplied food caddy, compared to 15 per cent in the previous year. The awareness of the service has remained the key communication focus. Expansion to implement multi-unit development service is scheduled to be delivered in 2023-2024.  | ✓      |
|  | Implement the Kerbside Reform Transition Plan   | Both kerbside collection and processing tenders were completed in preparation of finalising the Kerbside Reform Transition Plan, as per planned requirements for 2021-2022.   | —      |
|  | Introduce waste minimisation initiatives  | Planned waste minimisation initiatives completed in 2021-2022 focused on event promotion, education webinars and social media posts.  | ✓      |

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| Four-year Initiatives   | What we planned for 2021-2022   | Comments  | Status |
|---|---|---|--------|
| Increase opportunities to experience native flora and fauna   | Support Frankston Environmental Friends Network   | Support of the Frankston Environmental Friends Network has occurred on an ongoing basis. Support has taken the form of distribution lists, monthly meetings, provision of tools and equipment and ongoing training opportunities.   | ✓      |
|   | Develop and grow programs that enable residents to enjoy flora and fauna                  | Engagement activities and programs were impacted by the COVID-19 pandemic. Several webinars were run to keep the community engaged during the lockdown period and Frankston participated in a Bio-Blitz competition to celebrate Biodiversity month (September 2021) for the first time. Regular events and programs such as the Nursery Open Day and Gardens for Wildlife were able to resume in the second half of the year.              | ✓      |
|   | Ensure reserves are accessible while still protected                                      | Path upgrades commenced as part of a multi-year project at Lower Sweetwater Creek to improve track conditions and repair erosion to improve accessibility and safety. Ongoing programs to repair and replace erosion mitigation and dune protection fencing continue at Seaford Foreshore with completion of entry tracks 12 and 19 as well as installation of a new shower platform, drinking fountain and picnic table at entry track 10. | ✓      |
|   | Deliver community tree planting programs and education                                    | The 2021 National Tree Day community planting had to be called off due to COVID-19 constraints, however Council's Natural Reserves Team ensured that the 1500 plants were still planted to continue to enhance wildlife corridors at Robinsons Park. 3000 plants were also provided to local schools as part of National Tree Day. 20,386 trees and over 100,000 shrubs and ground flora were planted in the winter 2022 planting season.   | ✓      |
| Improve the management of water including flooding risk, water quality of creeks and waterways and the efficient use of water | Advocate to State Government and negotiate improvements to Kananook Creek Management Plan | The Kananook Creek Governance Group has spent the early part of 2022 planning future actions to improve Kananook Creek. A series of actions has been developed after wider consultation with key stakeholders in order to support the advocacy efforts.   | —      |
|   | Progress Council's recycled water projects in partnership with key stakeholders           | A business case was developed in partnership with South East Water and other stakeholders, and grant funding was sought for the project. Unfortunately the project was unsuccessful in obtaining a funding grant and so the project will not proceed immediately.<br><br>Future work to design and cost recycled water projects will enable projects to be ready for future advocacy and partnerships.                                      | ✓      |

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## Strategic indicators

Strategic indicators provide Council with measures to monitor how we are progressing towards our outcome. Council's level of influence over the result of each measure is shown, as often Council does not control the results, but seeks to influence with advocacy, partnerships and the community.

| If we are successful we will see                    | Outcome measures   | Level of influence | Result       | Comment  |
|---|--|--------------------|--------------|--|
| Increased climate emergency response and leadership | Council greenhouse gas emissions (Emissions register)  | M                  | 9,012 tonnes | Council's net greenhouse gas emissions were 9,012 tonnes in 2021-2022. This is a 14% decrease (1,408 tonnes) from the previous year when it was 10,420 tonnes. Emissions were reduced from the previous year mainly due to Council's energy supplies being sourced from renewable energy and the Victorian electricity grid being supplied with an increasing proportion of renewable energy. (Utility Tracker MS Access database, August 2022). |
|   | Community greenhouse gas emissions per capita (Emissions register)   |                    | 10.50 Tonnes | Community emissions for the Frankston municipality were 10.5 tonnes per capita. The majority of emissions (62%) were from electricity use ('Snapshot Climate - Australian Emissions Profiles' developed by Beyond Zero Emissions and Ironbark Sustainability).   |
|   | Community satisfaction with Council meeting its responsibilities towards the environment (Community Satisfaction Survey) |                    | 74.30%       | 74.30% of respondents are satisfied Council is meeting its responsibilities towards the environment. (2022 Community Satisfaction Survey) This has increased from 69.10% in 2020-2021.   |





| If we are successful we will see                                       | Outcome measures  | Level of influence | Result | Comment  |
|--|---|--------------------|--------|--|
| Increased protection, access and connection to the natural environment | Proportion of beach water quality samples at acceptable Environmental Protection Authority levels (EPA)           | M                  | NA     | Beach water quality is monitored by EPA Victoria. Data for 2021-2022 is not yet available. However data for 2020-2021 concludes that most of the sampling results for the 2020-2021 summer were below SEPP (Waters) short-term microbial water objectives. This means the water was generally suitable for recreation. High microbial levels were mostly associated with rainfall, with only five swim advisories issued for dry weather pollution during the summer. No water quality alerts were issued for Frankston beaches in the 2020-2021 period. |
|  | Proportion of local biodiversity that is thriving and safeguarded (Flora and Fauna Surveys)                       |                    | 15.00% | 15% of local biodiversity is thriving and safeguarded. This measures the proportion of land in Frankston City covered by native vegetation as opposed to cleared and heavily modified land.  |
|  | Proportion of community satisfied with Open space, natural reserves and foreshore (Community Satisfaction Survey) |                    | NA     | Data not available for 2021-2022.  |
| Increased diversion of waste from landfill                             | Proportion of collection waste diverted from landfill (LGPRF)   | M                  | 51.64% | Council's landfill diversion rate has reduced as a result of increased contamination of the recyclables stream and confirmation of contamination through increased bin audit scheduling.   |
| Increased tree canopy cover and reduced urban heat                     | Percentage of tree canopy cover (DELWP)   | M                  | 17.00% | 17% of the municipality is covered by tree canopy cover (Spatial Datamart, DELWP, 2019)  |
|  | Urban temperature (DWELP)   |                    | 10.8%  | 10.8% of the Municipality has Land Surface Temperatures 9.5-12°C hotter than non-urban areas (thermal hotspots) (Spatial Datamart, DELWP, 2019)  |

#### Level of influence over the result

- H High:** Council can directly influence this result
- M Medium:** Council can influence this result however external factors outside of Council's control may also influence the result
- L Low:** Councils level of influence on this result is limited however monitoring this indicator assists Council in planning and guiding priorities

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## Performance indicators (LGPRF)

The following table represents Council's service performance against prescribed indicators as included within the Local Government Performance Reporting Framework (LGPRF).

| No                      | Service Indicator  | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 | Variance | Comments  |
|-------------------------|--|---------------|---------------|---------------|---------------|----------|---|
| <b>Waste Collection</b> |  |               |               |               |               |          |   |
| <b>Satisfaction</b>     |  |               |               |               |               |          |   |
| WC1                     | Kerbside bin collection requests<br><br>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households]<br>x1000   | 117.29        | 142.55        | 148.25        | 166.06        | 12.01%   | Consistent number of request for new bin services. There has been an increase in additional garbage, recycling and food and garden waste bins.  |
| <b>Service standard</b> |  |               |               |               |               |          |   |
| WC2                     | Kerbside collection bins missed<br><br>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000                               | 1.63          | 1.97          | 1.87          | 1.94          | 3.43%    | Continued high level of service provision throughout COVID-19 restrictions. The number of bins not presented by residents has increased due to COVID-19.                              |
| <b>Service cost</b>     |  |               |               |               |               |          |   |
| WC3                     | Cost of kerbside garbage collection service<br><br>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]   | \$97.42       | \$99.56       | \$98.36       | \$119.64      | 21.63%   | The cost of the garbage service per collection has increased mainly due to the increased landfill levy charges.   |
| WC4                     | Cost of kerbside recyclables collection service<br><br>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]   | \$56.69       | \$62.78       | \$65.58       | \$66.77       | 1.82%    | Recycling tonnes collected have remained consistent this year during COVID-19 restrictions.   |
| <b>Waste diversion</b>  |  |               |               |               |               |          |   |
| WC5                     | Kerbside collection waste diverted from landfill<br><br>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins]<br>x100 | 53.47%        | 55.61%        | 55.71%        | 51.64%        | -7.30%   | Council's landfill diversion rate has reduced as a result increased contamination of the recyclables stream and confirmation of contamination through increased bin audit scheduling. |

#### 4. Well planned and liveable city

Enhanced liveability through access to, and revitalisation of, Frankston City's places and spaces.

##### Priorities

- Urban design renewal of places and spaces
- Connected, accessible, smart and safe travel options
- Frankston City's identity as a liveable city

The following provides information about the service funding in 2021-2022.

|                        |  |                 |               |
|------------------------|--|-----------------|---------------|
| Transport connectivity | Facilitating safe movement into, around and out of Frankston City.   | <b>Net cost</b> | <b>\$'000</b> |
|                        |  | Budget          | 2,138         |
|                        |  | Actual          | 2,055         |
|                        |  | Variance        | (83)          |
| Parking                | Providing on and off street parking to manage the road environment and ensure appropriate car parking options are available for the community. | <b>Net cost</b> | <b>\$'000</b> |
|                        |  | Budget          | (1,632)       |
|                        |  | Actual          | (502)         |
|                        |  | Variance        | 1,130         |
| City planning          | Building, maintaining and improving a liveable city in line with the Frankston City Planning Scheme.   | <b>Net cost</b> | <b>\$'000</b> |
|                        |  | Budget          | 2,841         |
|                        |  | Actual          | 2,545         |
|                        |  | Variance        | (296)         |



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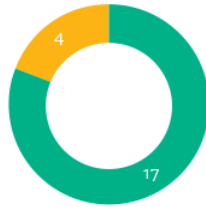
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## How we performed

81% of Council Plan initiatives completed (17/21)



Completed



Deferred completion to 22-23



Not proceeding

## Highlights

Reopened Frankston's historic Ballam Park Homestead after \$250,000 worth of maintenance works, including painting, rewiring, CCTV, LED lighting, replacement of rotting timber, re-stumping and more

Started our e-bike 12-month trial with Neuron Mobility across Frankston City

Installed charging stations for personal e-bikes at the Frankston Foreshore

Introduced two new animal orders allowing dogs in the Frankston City centre and a new dog beach at Keast Park, Seaford

Launched 'Building Frankston's Future' campaign promoting major construction projects over \$500,000

Jubilee Park redevelopment

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## 2021-2022 Council Plan Initiatives

### Four-year

| Initiatives   | What we planned for 2021-2022   | Comments   | Status |
|---|---|--|--------|
| Integrate land use planning and revitalise and protect the identity and character of the City | Implement Frankston City Centre Revitalisation Action Plan                                  | <p>In collaboration with the Frankston Revitalisation Board the following projects have been delivered in 2021-2022:</p> <ul style="list-style-type: none"><li>Digital Wayfinding Signs</li><li>City Park Advocacy Concept</li></ul> <p>The design and approvals for the following projects were completed in 2021-2022, with (capital) works on these projects expected to commence in September 2022:</p> <ul style="list-style-type: none"><li>Frankston Pier Lighting</li><li>Monash University Greenlink</li><li>Stiebel Lane Revitalisation</li><li>White St Mall Revitalisation</li><li>Fletcher Road Gateway</li></ul> | ✓      |
|   | Develop an integrated Housing strategy, Neighbourhood Character study and design guidelines | <p>The project was deferred in the second quarter of the 2021-2022 financial year due to insufficient budget allocation. This project is a multi-year project and is now appropriately resourced with the tender process to commence in quarter one of the 2022-2023 financial year.</p>   | —      |
|   | Finalise and implement Frankston Metropolitan Activity Centre (FMAC) Structure Plan         | <p>Consultation on Emerging Ideas Paper complete. The draft Structure Plan is scheduled to be presented to Council in the first quarter of the 2022-2023 financial year. Consultation on the Draft Structure Plan will commence in the second quarter of the 2022-2023 financial year. This project is a multi-year project and will continue throughout the 2022-2023 financial year.</p>   | ✓      |
|   | Review Kerbside Trading Guidelines  | <p>A project scope has been prepared to assess the success of the outdoor dining program and to provide recommendations for the future of the initiative. This project will consider the Kerbside Trading requirements. The outcomes of the review will be presented to council in the 2022-2023 financial year.</p>   | —      |
|   | Review and update the streetscape palette   | <p>Development of the FMAC Design Standards has commenced and will be completed for Council endorsement before the end of 2022.</p> <p>The Project program was adjusted due to other priority projects emerging in 2021-2022.</p>  | —      |
|   | Revise the Municipal Planning Strategy  | <p>A review was considered and the revisions required for the Municipal Planning Strategy will be undertaken through the implementation of current strategic planning projects, via their future planning scheme amendment processes.</p>  | ✓      |



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| Initiatives  | What we planned for 2021-2022  | Comments  | Status |
|--|--|---|--------|
| Improve connectivity and movement, and provide transport choices to the community, including walking trails and bike paths | Develop an Integrated Transport Strategy to improve transport choices and make walking, cycling and public transport easy, safe and accessible | A Draft Integrated Transport Strategy (ITS) has now been developed and endorsed by Council for consultation. The final strategy expected to be adopted by Council at its October meeting following feedback from the community. The ITS provides a comprehensive look at transport in Frankston including active transport, public transport, sustainable transport and what the community would like to see into the future. | ✓      |
|  | Review Council's Bicycle Strategy and develop a Cycle Improvement Plan to encourage and facilitate transport choice                            | Base information for existing bicycle facilities and network in the municipality has been compiled. The Integrated Transport Strategy is now in draft format for final community consultation and so development of the bicycle strategy can follow on in detail.   | —      |
|  | Advocate to the State Government for improvements to bus and rail public transport services  | Council has advocated to State government for accessibility and facility improvements to Kananook Railway Station, seeking disability lifts and a public toilet at the station. Advocacy has also resulted in construction of bus shelters at a number of locations across Frankston.   | ✓      |
|  | Develop open space walking and cycling connections   | Key priority open space connections have been completed including South Gateway Reserve, Langwarrin and George Pentland Botanic Gardens new primary path. Work is progressing to deliver Witternberg Reserve shared use path connection to the Peninsula Link Trail in the 2022-2023 financial year.  | ✓      |



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| Initiatives   | What we planned for 2021-2022   | Comments   | Status |
|---|---|--|--------|
| Provide well designed, fit for purpose, multi-use open spaces and infrastructure for the community to connect, engage and participate | Review future needs for open space, play and recreation facilities  | The Frankston Play Strategy, Local Parks Action Plan and Lighting Frankston Plan were developed and endorsed in the 2021-2022 financial year. These plans inform priority programs in the Long Term Infrastructure Program. Funding for the Open Space Strategy review is programmed for 2023-2024.  | ✓      |
|   | Deliver annual capital works program including key major projects: Jubilee Park and activation of Yacht Club Restaurant | The annual capital works program was delivered this year with an overall delivery rate of 86%. This is an exceptional outcome given the current COVID-19 related delays and the construction emerging challenges in relation to cost escalation and material shortages. However, these factors mean the result is slightly below the target of 90%. Major projects are progressing as scheduled. The Jubilee Park Stadium is well into the construction phase with all earthworks and foundations complete, the majority of the building frame has been erected and the stadium car park is complete. The Frankston Yacht Club ground floor café is complete and the first floor restaurant is well into the design phase. | ✓      |
|   | Develop the Public Toilet Action Plan   | All background work has been undertaken on the action plan including a background report and analysis of issues; design principles and guidelines; template facility plans and draft schedules and specifications for materials and products. The draft Action Plan is scheduled for Councillor endorsement before the end of the second quarter of the 2022-2023 financial year.  | ✓      |
|   | Develop the Baxter Park Master Plan   | Draft Baxter Master Plan has been developed. This was informed by key user groups including sporting clubs and community groups. The Final Master Plan will be prepared in consideration of feedback received for Council endorsement in quarter two of the 2022-2023 financial year.  | ✓      |
|   | Review maintenance and asset renewal programs to enhance safety and presentation of the City                            | Maintenance and asset renewal programs have included <ul style="list-style-type: none"><li>the removal of 24,357 square metres of graffiti (equivalent to 6 acres and 1.5 times the area of the Melbourne Cricket Ground)</li><li>1,100 drainage pits cleaned</li><li>15,249 kilometres of pavement swept by street sweepers</li><li>3,427 square metres (0.85 acres) of concrete footpaths replaced</li><li>72 tonnes of litter caught and removed from council's gross pollutant traps before entering waterways, keeping Port Phillip Bay cleaner</li></ul>   | ✓      |

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| Initiatives  | What we planned for 2021-2022  | Comments   | Status |
|--|--|--|--------|
| Innovate with smart technology and initiatives to increase the liveability of the city | Capture real time data to gather insights into liveability   | Council has collected extensive valuable data through its Smart Cities program over the course of 2021-2022. Its e-bike trial has informed Council how the community wants to use sustainable transport options, including when, where and for how long. Council has also made preliminary investments in e-bike charging stations too, which will help inform further investment decisions. Council has also collected baseline data on a future streetscape initiative to see if our improvement works meet the expected outcomes.   | ✓      |
|  | Investigate parking technology and way finding to make it easier for people to make smart parking choices            | Investigation of parking technology has been completed. A trial project was developed to provide real time information to motorists through signage and mobile phone apps to enhance parking choices in Frankston. The project will be implemented in the south section of Frankston Metropolitan Activity Centre bounded by Wells Street, Young Street, Playne Street and Thompson Street. Delivery of the trial project has commenced with installation of in-ground sensors to be followed by installation of signs. This will be complemented with real time information to motorists to assist in finding parking spaces. | ✓      |
|  | Complete an electric charging station feasibility study  | Council has partnered with five neighboring Council's and SECCCA to conduct an electric vehicle charging station feasibility study for the region. The feasibility study has been delivered to Council. Council along with SECCCA will use this to consider its next steps within this space.  | ✓      |
|  | Develop a transport plan for the City Centre as part of the development of the Frankston Metropolitan Structure Plan | A Draft Integrated Transport Strategy (ITS) has now been developed and endorsed by Council for consultation. The final strategy is expected to be adopted by Council at its October meeting following feedback from the community. The ITS provides a comprehensive look at transport in Frankston including active transport, public transport, sustainable transport and what the community would like to see into the future.   | ✓      |
|  | Develop a Municipal Integrated Transport Plan which addresses emerging technologies in transport planning.           | A Draft Integrated Transport Strategy (ITS) has now been developed and endorsed by Council for consultation. The final strategy is expected to be adopted by Council at its October meeting following feedback from the community. The ITS provides a comprehensive look at transport in Frankston including active transport, public transport, sustainable transport and what the community would like to see into the future.   | ✓      |
|  | Smart Cities data collection, reporting and insights   | Council continues to collect a host of data sets for reporting and insights relating to Smart City activities. We have continued to add to these sets over the course of the reporting period. Currently data is being collected on economic performance of the City, people movements, cycling, WiFi usage and waste management services. The data collected has been used to evaluate the impact of our initiatives such as shopping strip redevelopment and future planning related to sustainable transport.   | ✓      |

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## Strategic indicators

Strategic indicators provide Council with measures to monitor how we are progressing towards our outcome. Council's level of influence over the result of each measure is shown, as often Council does not control the results, but seeks to influence with advocacy, partnerships and the community.

| If we are successful we will see  | Outcome measures  | Level of Influence | Result | Comment  |
|---|---|--------------------|--------|--|
| Urban design renewal of places and spaces                               | Proportion of open space and infrastructure that is fit for purpose (Internal report)                                 | H                  | NA     | Indicator not able to be measured.   |
|   | Proportion of residents who are satisfied with the design of places and spaces (Community Satisfaction Survey)        |                    | 75.30% | 75.30% of respondents who are satisfied with the design of places and spaces. (2022 Community Satisfaction Survey) This has increased from 73.30% in 2020-2021.    |
| Increased travel options that are connected, accessible, smart and safe | Proportion of residents who are satisfied with travel options around the municipality (Community Satisfaction Survey) | M                  | 76.00% | 76.00% of respondents are satisfied with travel options around the municipality. (2022 Community Satisfaction Survey) This has increased from 74.80% in 2020-2021. |
|   | Proportion of residents living within 400m of public transport  |                    | NA     | Indicator not able to be measured.   |
| Frankston City's identity as a liveable city                            | Proportion of residents who are proud and enjoy living in their local area (Community Satisfaction Survey)            | M                  | 79.40% | 79.40% of respondents are proud and enjoy living in their local area. (2022 Community Satisfaction Survey) This has decreased from 79.90% in 2020-2021.            |

### Level of influence over the result

- H High:** Council can directly influence this result
- M Medium:** Council can influence this result however external factors outside of Council's control may also influence the result
- L Low:** Council's level of influence on this result is limited however monitoring this indicator assists Council in planning and guiding priorities

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## Performance indicators (LGPRF)

The following table represents Council's service performance against prescribed indicators as included within the Local Government Performance Reporting Framework (LGPRF).

| No                         | Service Indicator  | 2018-<br>2019 | 2019-<br>2020 | 2020-<br>2021 | 2021-<br>2022 | Variance | Comments  |
|----------------------------|--|---------------|---------------|---------------|---------------|----------|---|
| <b>Roads</b>               |  |               |               |               |               |          |   |
| <b>Satisfaction of use</b> |  |               |               |               |               |          |   |
| R1                         | Sealed local road requests<br><br>[Number of sealed local road requests / Kilometres of sealed local roads] x100   | 106.22        | 109.14        | 104.36        | 110.67        | 6.04%    | This indicator was high in the first quarter and as work was being completed it gradually decreased and is now within the expected range.   |
| <b>Condition</b>           |  |               |               |               |               |          |   |
| R2                         | Sealed local roads maintained to condition standards<br><br>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100 | 99.46%        | 99.46%        | 99.27%        | 97.88%        | -1.39%   | The standard of the road network has remained consistent with the previous year's result and falls within the expected range.   |
| <b>Service cost</b>        |  |               |               |               |               |          |   |
| R3                         | Cost of sealed local road reconstruction<br><br>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]  | \$108.73      | \$59.23       | \$84.35       | \$144.81      | 71.69%   | Council undertook major road rehabilitation works along the east and west-bound lanes of Hall Road, between Frankston Dandenong Road and Rowellyn Avenue in Carrum Downs during 2021-2022. These roadworks included full depth pavement removal and replacement with asphalt to restore the road condition along both carriageways of Hall Road.<br><br>Although costs for these works were higher than previous years due to the extensive renewal treatment applied to Hall Road and the night works associated with the project to minimise disruptions, the cost of these works is within the expected range. |



|              |                |             |            |             |            |                       |            |
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| No                        | Service Indicator  | 2018-2019  | 2019-2020  | 2020-2021  | 2021-2022  | Variance | Comments  |
|---------------------------|--|------------|------------|------------|------------|----------|---|
| R4                        | Cost of sealed local road resealing<br><br>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]                       | \$20.82    | \$25.40    | \$25.33    | \$31.81    | 25.58%   | The indicator is slightly above the expected range due to this year's works program requiring a significant amount of work to be done at night to minimise disruptions, and some roads requiring additional remedial works as part of the road resurfacing. Additionally, Council also trialed crumb rubber treatments for a number of roads in this year's resurfacing program. These treatments use rubber tyres as a recycled material for a more sustainable outcome, but they incur a higher cost than a standard asphalt treatment. |
| <b>Satisfaction</b>       |  |            |            |            |            |          |   |
| R5                        | Satisfaction with sealed local roads<br><br>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 66.00      | 60.00      | 70.05      | 73.00      | 4.21%    | Measure is within the expected range. Community satisfaction with sealed local roads has increased to 73%.  |
| <b>Statutory Planning</b> |  |            |            |            |            |          |   |
| <b>Timeliness</b>         |  |            |            |            |            |          |   |
| SP1                       | Time taken to decide planning applications<br><br>[The median number of days between receipt of a planning application and a decision on the application]    | 84.00 days | 60.00 days | 57.00 days | 76.00 days | 33.33%   | Whilst still within an acceptable range, the time taken to decide planning applications increased compared to the previous year due to challenges posed by the COVID-19 pandemic, including resourcing and training of new staff. This resulted in an accumulated backlog of applications.  |

|              |                |             |            |             |            |                       |            |
|--------------|----------------|-------------|------------|-------------|------------|-----------------------|------------|
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| No                      | Service Indicator  | 2018-2019  | 2019-2020  | 2020-2021  | 2021-2022  | Variance | Comments   |
|-------------------------|--|------------|------------|------------|------------|----------|--|
| <b>Service standard</b> |  |            |            |            |            |          |  |
| SP2                     | Planning applications decided within required time frames<br><br>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100 | 48.29%     | 69.52%     | 70.10%     | 58.15%     | -17.05%  | Performance is below Council's target of 70 percent of applications determined within statutory timeframes. Timeframes have declined due to increased application volumes and challenges posed by the COVID-19 pandemic, including resourcing challenges in the Statutory Planning sector. |
| <b>Service cost</b>     |  |            |            |            |            |          |  |
| SP3                     | Cost of statutory planning service<br><br>[Direct cost of the statutory planning service / Number of planning applications received]   | \$1,965.89 | \$2,618.24 | \$2,271.09 | \$1,811.25 | -20.25%  | The cost of the statutory planning service reduced in 2021-2022 due to staff shortages and other factors.  |
| <b>Decision making</b>  |  |            |            |            |            |          |  |
| SP4                     | Council planning decisions upheld at VCAT<br><br>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100   | 32.00%     | 50.00%     | 75.00%     | 75.00%     | 0.00%    | The number of planning decisions upheld by VCAT remained consistent with last year. A low percentage (2%) of total applications received are reviewed at VCAT and of the few matters overturned or set aside a majority were resolved through consent.                                     |

## 5. Thriving economy

A thriving economy that has strengthened through recovery, created employment and opportunities to build a skilled and educated community that supports sustainable and diverse industries.

### Priorities

- Business and industry investment attraction
- Activity centre precincts
- Local employment, education and training opportunities for all people

The following provides information about the service funding in 2021-2022.

|                      |   |                 |               |
|----------------------|---|-----------------|---------------|
| Economic development | Fostering the development of a sustainable and prosperous local economy.  | <b>Net cost</b> | <b>\$'000</b> |
|                      |   | Budget          | 3,120         |
|                      |   | Actual          | 2,466         |
|                      |   | Variance        | (654)         |
| Arts and culture     | Building Frankston's cultural landscape by supporting the production and delivery of arts programs, events and library facilities providing opportunities to create, learn and connect. | <b>Net cost</b> | <b>\$'000</b> |
|                      |   | Budget          | 915           |
|                      |   | Actual          | 928           |
|                      |   | Variance        | 13            |
| City planning        | Building, maintaining and improving a liveable city in line with the Frankston City Planning Scheme.  | <b>Net cost</b> | <b>\$'000</b> |
|                      |   | Budget          | 1,271         |
|                      |   | Actual          | 1,048         |
|                      |   | Variance        | (223)         |

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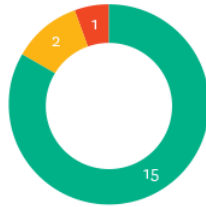
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## How we performed

83% of Council Plan initiatives completed (15/18)



Completed



Deferred completion to 22-23



Not proceeding

## Highlights

Launched a new local business chamber, Frankston Business Collective, fostering a thriving local economy and elevating Frankston City's identity as an innovation hub and business-friendly city.

Delivered the extended Outdoor Dining and Activation Program.

Upgraded the Excelsior Drive shopping strip in Frankston North with improved footpaths, new shade trees, garden beds, seats, bins and public lighting.

The South East B.I.G. Build showcased almost \$1 billion worth of the latest exciting new developments coming to the region, and provided opportunities for local businesses to hear from developers about how to be involved.

\$39.4 million election commitments from incoming Federal Government

Frankston was awarded bronze in the 2022 Victorian Top Tourism Town Awards a testament to the city's unique and enviable bayside urban setting and experiences. Bendigo and Echuca won gold and silver respectively.

Participated in the DELWP Better Planning Approvals project to redesign and enhance Council's pre-application planning services. Various improvements have been achieved to date, including new triage tools for Customer Relations, customer guides and the ability to now request written pre-application advice, a pre-application meeting and copies of planning permits and endorsed plans online via the Council's website.

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## 2021-2022 Council Plan Initiatives

### Four-year

| Initiatives  | What we planned for 2021-2022  | Comments  | Status |
|--|--|---|--------|
| Activate vacant commercial spaces and underutilised Council assets | Develop and implement the Place Activation Plan                                  | The development of the Place Activation Plan was overtaken by the delivery of an activation program within the City. This included the Nepean Highway Activation project; the White Street Mall Upgrade; Steibel Place Laneway Activation, which were delivered through a combination of Council and State Government grant funding.  | ✗      |
|  | Deliver the COVID-19 economic recovery package including activation of precincts | The vacant shopfront activation grants and the extended outdoor dining activation have been completed. Funded by Council's COVID-19 Recovery Package, the City Wide Façade Improvement Grants were successfully awarded in April 2022. This grant round was open to businesses across our whole municipality, with the aim to improve shopfront facades and beautifying our municipality, and to activate and enhance our retail precincts. | ✓      |





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| Initiatives   | What we planned for 2021-2022   | Comments   | Status |
|---|---|--|--------|
| Remove complexity and provide planning certainty to attract economic investment | Expand Council's Business Investment Attraction Program   | The Invest Frankston promotion and marketing campaign ( <a href="http://www.investfrankston.com/befrank">www.investfrankston.com/befrank</a> ) is now complete. An external marketing agency report will be received in quarter one of the 2022-2023 financial year. The Invest Frankston Business Grants program for 2022 was finalised in April with eight successful applicants sharing in \$228,245 of funding to support new business opportunities, employment, activation and growth of the local Frankston business community.   | ✓      |
|   | Promote Invest Frankston and precinct opportunities   | A number of grant programs that seek to activate retail precincts (Seaford, Nepean Highway, Stiebel Place, City-wide Facade improvement) have been awarded. The successful grant recipients are now underway with improvement works.<br>The Business Local to Local Program was completed in quarter four of 2021-2022. This initiative provided an opportunity for our local business community to connect with other local businesses to provide professional services up to the value of \$1,000 within the City boundaries. Place activation occurred at Monterey Reserve in Frankston North, and Banyan Reserve in Carrum Downs.  | ✓      |
|   | Complete the Statutory Planning Business Improvement Program to streamline online planning permits applications | Statutory Planning participated in a Better Planning Approvals project with the Department of Environment, Land, Water and Planning, with the specific objective to redesign and enhance our pre-application services. This included preliminary planning advice, website enhancements, information updates and pre-application meetings. Various improvements have been made to date, including new triage tools for Customer Services, customer guides and the ability to now request written pre-application advice, a pre-application meeting, and copies of planning permits and endorsed plans online via the Council's website. | —      |
|   | Maintain and promote Council's business concierge   | The business concierge service received 81 enquiries in quarter four. This has been trending upward throughout the financial year as COVID-19 restrictions ease.   | ✓      |

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| Initiatives  | What we planned for 2021-2022  | Comments  | Status |
|--|--|---|--------|
| Strengthen Frankston City as a destination for events and creative arts industries | Expand and deliver a reputation for engaging major and seasonal events       | <p>The Destination Event Attraction Program was launched to industry at the end of March 2022.</p> <p>The Program specifically seeks unique and memorable events which will raise the city's profile as an events destination, attract new audiences to the city and garner significant media attention.</p> <p>Round 1 applications closed in May 2022 with 10 applications received. The applications supported by the Assessment Panel are scheduled to be presented to Councillors for endorsement in July 2022.</p> <p>Furthermore a Destination Events Strategy is in the early stages of development.</p>  | ✓      |
|  | Research and develop opportunities for a vibrant night time economy          | <p>This action was completed in early 2022. A Council resolution to support a grant program for After Dark Activation has been determined. The program will commence in 2022-2023 financial year as per the Council resolution.</p>   | ✓      |
|  | Engage local and international creatives to enhance Frankston as an arts hub | <p>Council delivered a range of experiences, from programming to exhibitions, outdoor festivals, public art and workshops.</p> <p>Many of the creatives involved in our programs and events are internationally and nationally renowned. The following artists appeared at the Frankston Arts Centre: Anh Doh, Jimeoin, Ross Noble, Ten Tenors, Silvie Paladino, John Williamson and Damien Leith.</p> <p>International Circus company CIRCA were a feature of the annual theatre program in addition to Melbourne International Comedy Festival Roadshow, Kutcha Edwards and the Grigoryan Brothers. Sneaky Sound System headlined the Waterfront Festival and internationally renowned street artist Adnate was a key artist in this year's Big Picture Festival.</p> | ✓      |

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| Initiatives   | What we planned for 2021-2022  | Comments   | Status |
|---|--|--|--------|
| Elevate Frankston City's identity as an innovation hub and business-friendly city | Adopt and implement the Sustainable Economy and Skilled Community Strategies                               | The strategy is complete but requires review in light of the impact of COVID-19 and vacancies. This is scheduled to commence in quarter one of the 2022-2023 financial year.   | —      |
|   | Develop and Implement the Frankston Industrial Strategy  | A Discussion Paper has been prepared and Council has been briefed, authorising the commencement of community consultation. Consultation on the discussion paper is to commence in quarter one of the 2022-2023 Financial Year. This project is a multi-year project and will continue during the 2022-2023 Financial Year.   | ✓      |
|   | Further develop the feasibility for a Business Innovation Centre in the city centre                        | This action item was completed in quarter three of 2021-2022. A decision was made not to progress the matter.  | ✓      |
|   | Deliver the Strategic Partnerships and Advocacy Framework  | The Strategic Partnering and Advocacy Framework is aligned to the Advocacy priorities and activities when working with politicians and stakeholders. This framework was followed for the Federal Election in 2022 and resulted in commitments of \$39.4 million from the incoming Federal Government. This includes funding for the Frankston Basketball Stadium, the Arts Trail and Carrum Downs regional playground.                                   | ✓      |
|   | Re-establish a Frankston Business and Industry Council and pursue partnership and innovation opportunities | The Frankston Business Collective was launched to the business community in Frankston - the organisation has been registered as a not-for-profit business and a Board selected and announced. The membership structure is now available to all businesses in Frankston. The first official event for the Business Collective for new members will occur on July 2022. A full calendar of events is now available plus active social media and a website. | ✓      |

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Leverage the emerging connection between Frankston City's café and dining culture through the revitalisation of public spaces

Improve the urban design, pedestrian appeal and activation of the Nepean Highway

Nepean Highway expanded Outdoor Dining has completed. Design for creative tree lighting and median improvements are finalised, with approvals sought from relevant authorities. On-the-ground works are expected to commence in September 2022



Explore support for permanency of outdoor dining initiatives

The preparation of a brief for the review of Kerbside Trader Guidelines commenced. An audit of existing sites was completed. Conversion of temporary sites to more permanent sites to be undertaken upon completion of Kerbside Trader Guidelines review and future streetscape master plan works.



Embed place-making and activation programs in key precincts

This initiative was completed in quarter three of 2021-2022 through the Do It Outdoors 2.0 place activation program. The program will commence again in the 2022-23 financial year but has been renamed the Commercial Activities in Public Open Space program.



Program improvements to precinct streetscapes

Outdoor dining interventions and concepts were progressed for White Street Mall and Norman Avenue Shops. McClelland Gallery Café, Banyan Reserve and Monterey Park improvement programs were delivered. Planning and design is underway for improvement to Railway Parade Shops, Seaford and Fairway Street Shops, Frankston.



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## Strategic indicators

Strategic indicators provide Council with measures to monitor how we are progressing towards our outcome. Council's level of influence over the result of each measure is shown, as often Council does not control the results, but seeks to influence with advocacy, partnerships and the community.

| If we are successful we will see           | Outcome measures                              | Level of Influence | Result  |
|--|---|--------------------|---|
| Increased business and industry investment | Number of commercial building approvals (ABS) | L                  | <p>40.00</p> <p>40 commercial building approvals were issued in 2021-2022. These were made up of:</p> <p>Commercial Fit outs (51):</p> <ul style="list-style-type: none"> <li>19 BP approved</li> <li>1 Cancelled</li> <li>24 Final certificates issued</li> <li>1 Occupancy Permit issued</li> <li>6 Section 80 lodged</li> </ul> <p>Commercial Change of Use (6):</p> <ul style="list-style-type: none"> <li>5 BP approved</li> <li>1 Section 80 lodged</li> </ul> <p>New Commercial Building (18):</p> <ul style="list-style-type: none"> <li>6 BP approved</li> <li>1 Occupancy Permit issued</li> <li>11 Section 80 lodged</li> </ul> <p>Warehouse/Factory(23):</p> <ul style="list-style-type: none"> <li>10 BP approved</li> <li>4 Occupancy Permit Issued</li> <li>9 Section 80 lodged</li> </ul> |
| Rejuvenated activity centre precincts      | Gross local product of the municipality (\$m) | M                  | <p>\$7.106m</p> <p>An increase of approximately \$100 million occurred over the 2020-2021 and 2021-2022 financial year. (.id)</p>   |
|  | Percentage of retail vacancy rates            |                    | <p>27.48%</p> <p>This vacancy rate increased by 2.22% from the previous year. Data was sourced in January 2021. (Economic Development Scorecard)</p>  |



| If we are successful we will see   | Outcome measures   | Level of Influence | Result   |
|--|--|--------------------|--|
| Enhanced local employment, education and training opportunities for all people | Proportion of residents who are unemployed                 | <b>H</b>           | 5.00% This is 0.1% greater than Greater Melbourne. This figure is 1000 less unemployed than the same time 12 months prior. (.id)   |
|  | Proportion of residents who are underemployed              |                    | 6.20% This is a State figure no localised data could be sourced for this round of reporting. (ABS)   |
|  | Proportion of residents with a qualification               |                    | 48.30% Hold either a vocational qualification, diploma/advance diploma or bachelor degree or higher degree. id. Profile for Frankston City, ABS Census 2016. The 2021 Census data for this is not yet available. (.id) |
|  | Proportion of residents employed locally in Frankston City |                    | 50.60% This figure has been affected by the impacts of COVID-19. (.id)   |

#### Level of influence over the result

- H High:** Council can directly influence this result
- M Medium:** Council can influence this result however external factors outside of Council's control may also influence the result
- L Low:** Councils level of influence on this result is limited however monitoring this indicator assists Council in planning and guiding priorities

## 6. Progressive and engaged city

### A progressive and responsive council that values community voice, service innovation and strong governance

#### Priorities

- Engagement with our community in communication and decision-making
- Future-ready service delivery through changes to culture, capability, connectivity and customer experience
- Sound governance to build trust in the integrity and transparency of Council

The following provides information about the service funding in 2021-2022.

|                                  |   |                 |               |
|----------------------------------|---|-----------------|---------------|
| Financial management             | Providing leadership and support in financial planning, processing and reporting to ensure Council's long term financial position is sustainable. | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 4,079         |
|                                  |   | Actual          | 3,436         |
|                                  |   | Variance        | (643)         |
| Asset management                 | Ensuring Council assets adequately support current and future service delivery.   | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 35,287        |
|                                  |   | Actual          | 35,433        |
|                                  |   | Variance        | 155           |
| Governance                       | Enabling sound governance through transparency, accountability, risk management and compliance.   | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 3,073         |
|                                  |   | Actual          | 3,056         |
|                                  |   | Variance        | (17)          |
| Customer service and experience  | Enabling future ready service delivery, communications and engagement that meet community expectations.   | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 5,259         |
|                                  |   | Actual          | 5,277         |
|                                  |   | Variance        | (32)          |
| Technology and information       | Supporting the delivery and management of technology and information management.  | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 6,147         |
|                                  |   | Actual          | 6,417         |
|                                  |   | Variance        | 270           |
| People, culture and workforce    | Enabling a high performing workforce and ensuring a safe workplace.   | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 3,016         |
|                                  |   | Actual          | 2,694         |
|                                  |   | Variance        | (322)         |
| Council strategy and performance | Supporting sound decision making through the development of council strategy and performance reporting.   | <b>Net cost</b> | <b>\$'000</b> |
|                                  |   | Budget          | 5,322         |
|                                  |   | Actual          | 5,448         |
|                                  |   | Variance        | 126           |

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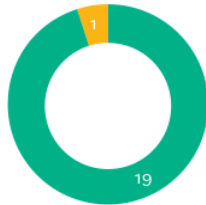
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## How we performed

95% of Council Plan initiatives completed (19/20)



Completed



Deferred completion to 22-23



Not proceeding

## Highlights

Adopted our annual budget 2022–2023 which includes the largest investment in capital works to date (\$91.6 million)

Celebrated the 40th anniversary of Frankston City's Sister City agreement with Susono, Japan

Launched Engage Frankston, our new engagement platform enabling greater community participation on Council plans, projects and activities

Joined the Regional Smart City Partnership with another five Councils increasing smart city opportunities across the south and eastern Melbourne suburbs

Endorsed a new Customer Service Charter that promises accessible, respectful, clear and accountable customer service

Launched the Future Ready Frankston Advocacy Campaign 2021–2025

Secured \$23 million in grants from a range of State and Federal programs, with an application success rate of 60 per cent

Formed the Mini Frankston Panel representing the wider community in online engagement activities, discussions, focus groups and deliberative panels, to help influence and guide our decision-making, policies and planning



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## 2021-2022 Council Plan Initiatives

### Four-year

| Initiatives  | What we planned for 2021-2022  | Comments  | Status |
|--|--|---|--------|
| Ensure sustainable financial management and the strategic allocation of resources to deliver planned infrastructure and services | Regularly review and update 10-year financial and infrastructure planning to guide our budget decisions to ensure they are responsible and sustainable | Council adopted the 10-year financial plan at the 11 October, 2021 meeting. The plan outlines strategic actions to ensure Council remains financially sustainable in maintaining infrastructure and delivering services into the future. COVID-19 continued to challenge the financial sustainability of the organisation, however close financial monitoring ensures an accurate reflection of the financial impacts and management's response to mitigate those impacts. The March 2022 Quarterly Consolidated Financial Performance Report documented the financial impacts of COVID-19 and Council's approach to funding those financial losses. The 2021-2022 Mid-Year Budget position was adopted by Council at the 21 February 2022 meeting. Council continues to remain in a cash surplus and financially sustainable.                        | ✓      |
|  | Seek alternative revenue sources   | Council's ability to seek alternate revenue sources was constrained by the impacts of the government restrictions from the ongoing COVID-19 pandemic. Even when restrictions were lifted, opportunities to generate more revenue still remain difficult through this recovery phase. Council's commitment to advocacy has generated additional grant funding which will take pressure off rates funding and user fees and charges.  | ✓      |
|  | Implement the Property Strategy and Plan to ensure property is managed for the broader community in a responsible way                                  | A Property Strategy Implementation Plan was developed and an internal audit of Council's leasing and licensing processes supported the actions identified in the Plan. Standardised processes and supporting documentation were adopted and implemented for a number of property management functions. A Property Utilisation Review was completed and the data collected will be used to inform the Integrated Community Infrastructure Planning, Community Needs Assessment and other strategic work when making decisions about the future property needs of Council. Broad stakeholder engagement was undertaken on a new suite of occupancy agreements to ensure that Council's property management is appropriate and strategically focused to meet the needs of the Frankston community, and to properly account for the use of public assets. | ✓      |

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| Initiatives  | What we planned for 2021-2022  | Comments   | Status   |
|--|--|--|--|
| Ensure sustainable financial management and the strategic allocation of resources to deliver planned infrastructure and services (continued) | Review and adopt Procurement Policy; monitor, manage and refine processes to support collaboration, innovation, efficiency and agility | Council's Procurement Policy 2021-2025 was adopted by Council on 11 October 2021. This policy includes the incorporation of community benefit procurement principles and objectives to achieve social, economic and environmental outcomes.<br><br>Systems, procedures and templates were aligned to meet the requirements of the Policy, and quarterly compliance reporting has been implemented. Service Level Agreements have been developed to ensure that staff understand the roles, responsibilities and timing requirements for procurement activity.<br><br>Mandatory probity training was implemented across the organisation for all staff involved in purchasing processes. Dashboards and reporting are now actively used to provide intelligent data insights to inform strategic procurement recommendations, including opportunities for aggregation of spend to increase value for money opportunities. |   |
|  | Oversee the reporting and governance of Council's subsidiary Peninsula Leisure P/L to ensure recovery and future growth                | The financial impacts of the government restrictions due to COVID-19 were challenging, however the Board briefed Councillors, the Executive Management team and the Audit and Risk Committee in a timely manner. Council endorsed a financial draw-down of \$2.25 million for expenditure to address the COVID-19 challenges during 2021-2022. Since re-opening the facility in November/December, the forecast improved with actual draw-down of \$1.14 million during the year. The continued high numbers of COVID-19 cases impacted on the recovery number of memberships resulting in a carry-over of \$1.11 million to be made available to Peninsula Leisure P/L if required for the 2022-2023 financial year.<br><br>Financial and governance reporting during the year was presented within time-frames and transparently to Council and the Audit and Risk Committee.  |  |



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| Initiatives  | What we planned for 2021-2022  | Comments   | Status |
|--|--|--|--------|
| Enhance strategy, policy and plan development and identify alignment to allow for prioritisation of services that are efficient, well planned, accessible and meet community needs | Enhance integrated planning and strategy alignment across the organisation   | We established an Integrated Planning and Reporting Control Group that oversaw the development of key strategic plans, endorsed Frankston's Integrated Planning and Reporting Framework and commenced a number of projects aimed at strengthening Council's integrated planning and strategy alignment. The 2021-2025 Service Plans were used to better inform the 2022-2023 planning cycle, including the budget.   | ✓      |
|  | Review Council's assets to ensure they meet community needs  | Council's 10-year works plan for the development and renewal of its assets is detailed in the 2021-2031 Long Term Infrastructure Plan (LTIP) which was adopted by Council on 11 October 2021. As a new requirement of the <i>Local Government Act</i> (2020), Council developed its first Asset Plan with deliberative engagement processes in March 2022, before undertaking wider community engagement prior to adoption on 6 June 2022. The Asset Plan details the state of Council's assets, challenges and opportunities, capital and operational funding requirements over the next 10 years and significantly, incorporates community-led decision-making principles to guide Council's discretionary infrastructure expenditure.   | ✓      |
|  | Develop and implement Enterprise, Risk, Opportunity Management Framework   | Council continued to enhance its maturity in risk management. Council's risk appetite and strategic risks have been reviewed by Councillors as part of the Integrated Planning Cycle engagement. A review of the Risk and Opportunity Framework has commenced, and a Risk Management System has been implemented and populated with strategic and operational risks, which were captured as part of Service Planning.<br><br>A revised Risk Management Policy which now incorporates the governance principles outlined in the <i>Local Government Act 2020</i> was reviewed by the Audit and Risk Committee and published for community consultation. Periodic risk assessments and mitigation strategies have been undertaken as a result of the ongoing impacts of COVID-19 and emerging issues within the construction industry. | ✓      |
|  | Develop and implement Governance and Integrity Framework to enable open, transparent and accountable decision-making | The development and implementation of the Governance and Integrity Framework has been deferred to 2022-2023 as resources are required for this priority work to be undertaken.   | —      |

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Lead advocacy engagement and enhance relationships with all tiers of government and key stakeholders

Develop and implement an Advocacy and Strategic Partnering Framework

The Strategic Partnering and Advocacy Framework is aligned to the Advocacy priorities and activities when working with Politicians and stakeholders. This framework was followed for the Federal Election in 2022 and resulted in commitments of \$39.4 million from the incoming Federal Government - this includes funding for the Frankston Basketball Stadium, the Arts Trail and Carrum Downs regional playground.



Develop and deliver annual advocacy campaign plan

The flagship Advocacy priorities were shared very successfully during the Federal Government election campaign which resulted in \$39.4 million being allocated to projects in Frankston. These priorities will now be taken to the State Election in November 2022 and shared with all candidates and the community as the election campaign progresses.



Build the profile of advocacy priorities through implementation of a communication and engagement plan

Council has a full calendar of events and regular meetings with local politicians - this has included trips to Canberra to advocate for Frankston's advocacy priorities. The Federal Election saw \$39.4 million in commitments to projects in Frankston that were clear pillars to the Advocacy campaign.



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| Initiatives  | What we planned for 2021-2022   | Comments  | Status |
|--|---|---|--------|
| Enhance customer experience through the transformation of our services to ensure they are easy to access, and provide seamless transactional and interactional experiences | Transformation of our digital platforms, ensuring that they are fully accessible for people of all abilities and cultures | Council continued its redesign of the navigation of its websites and rewriting of its content to ensure accessibility for all. Council continued to digitise high impact transactions such as secondary school vaccine consent forms and Pool and Spa registration extensions.  | ✓      |
|  | Implement the Customer Experience Strategy  | The Customer Experience Strategy is complete and roll out has progressed – the first phase will look to the internal environment with a view to enhancing customer experiences when working with Council. The Strategy looks to all customer interaction with a view to improvement and reaching best practice outcomes.  | ✓      |
|  | Implement the Community Engagement Framework  | The implementation for the framework was complete. There are now 550 Mini Frankston City (Community Panel) members, and engagement methods on the platform vary from surveys to ideas walls, and interactive maps. The platform brings together all of Frankston City Council's engagement projects into one digital space - community members interested in particular projects can contribute to their area of interest while also seeing all the other projects, and often will contribute to one or more projects. There is also the opportunity for two-way conversation with questions and comments responded to on projects throughout their engagement period. Community pop-ups for face-to-face engagement are occurring regularly. | ✓      |

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| Initiatives  | What we planned for 2021-2022  | Comments   | Status |
|--|--|--|--------|
| Support transparent and evidenced based decision making through sharing council data and clear reporting on our measures of success to the community | Monitor and report on Council's operations, spending and work across Frankston City in a way that is meaningful and simple to understand | Council received the audited 2020-2021 consolidated financial accounts at its meeting on the 20 September 2021. The September 2021, December 2021 and March 2022 Consolidated Financial Performance Reports were all presented and noted by Council. COVID-19 impacted our financial position, however management responded by taking action to offset these losses, whilst continuing to deliver services within community expectations. Council's cash position remains strong and in surplus.                   | ✓      |
|  | Implement a Transparency Hub   | The Transparency Hub solution was awarded in March 2022 and went live with a soft launch on 28 June 2022. Currently the Transparency Hub has financial, capital works projects, animal registrations, awarded contracts, consultancy spend and eBike data. This project provides improved access to relevant financial and non-financial information by the community.   | ✓      |
|  | Proactively increase access to Council's open data to maximise new opportunities for release of records                                  | Council has an endorsed Data Exchange Policy which helps facilitate the publishing and sharing of Council data with the community and other entities. A 2021-2022 project of Council, the Transparency Hub, leverages this policy with its platform for the community to gain access to this data. Council has a beta launch of this Hub with 12 datasets released on the platform currently. This platform and policy leaves a legacy for Council to do so much more for our community with respect to open data. | ✓      |
|  | Progress the data protection and security plan   | The development of Council's Information Asset Register as part of the Information Security Plan has been completed. The Information Security Plan is an ongoing deliverable for Council year on year.   | ✓      |
|  | Enhance public transparency, in line with Council's Public Transparency Policy, to maximise council decision making                      | The categories of publicly available information and documents have been reviewed and expanded. A new public Transparency Hub provides a further tool to make Council data available to the community.   | ✓      |

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## Strategic indicators

Strategic indicators provide Council with measures to monitor how we are progressing towards our outcome. Council's level of influence over the result of each measure is shown, as often Council does not control the results, but seeks to influence with advocacy, partnerships and the community.

| If we are successful we will see   | Outcome measures  | Level of influence | Result | Comment   |
|--|---|--------------------|--------|---|
| Increased engagement with our community  | Community satisfaction with Council's community consultation and engagement (Community Satisfaction Survey)   | M                  | 69.30  | 69.30% of respondents are satisfied with Council's community consultation and engagement. (2022 Community Satisfaction Survey). This has increased from 62.90% in 2020-2021.  |
|  | Customer satisfaction with Council's representation, lobbying and advocacy on behalf of the community with other levels of government and private organisations on key issues (Community Satisfaction Survey) |                    | 71.00  | 71.00% of respondents are satisfied with Council's representation, lobbying and advocacy on behalf of the community with other levels of government and private organisations on key issues. (2022 Community Satisfaction Survey). This has increased from 61.00% in 2020-2021.   |
| Service delivery that frequently meets the needs and expectations of the community | Proportion of residents satisfaction with the overall Council performance (Community Satisfaction Survey)   | M                  | 71.10% | 71.10% of respondents are satisfied with Council's overall performance. (2022 Community Satisfaction Survey) This has increased from 67.10% in 2020-2021.   |
|  | Proportion of residents satisfaction that Council provides important services that meet the needs of the whole community (Community Satisfaction Survey)  |                    | 73.30% | 73.30% of respondents are satisfied that Council provides important services that meet the needs of the whole community. (2022 Community Satisfaction Survey).  |
|  | Percentage of capital work program delivered (target 90 per cent) (Capital Works Delivery Program)  |                    | 86.00% | The annual capital works program was delivered this year with an overall delivery rate of 86%. This result is slightly below the target of 90% due to delays in delivery and cost escalations due to COVID-19 related factors, lack of available contractors, shortages in materials and labour due to the current market conditions. |
| Increased satisfaction with the integrity and transparency of Council              | Community satisfaction with Council implementing decisions in the best interests of the Community (Community Satisfaction Survey)   | M                  | 70.70  | 70.70% of respondents are satisfied with Council implementing decisions in the best interests of the Community. (2022 Community Satisfaction Survey) This has increased from 63.00% in 2020-2021.   |
|  | Community satisfaction with Council's performance in maintaining the trust and confidence of the local community (Community Satisfaction Survey)  |                    | 70.50  | 70.50% of respondents are satisfied with Community satisfaction with Council's performance in maintaining the trust and confidence of the local community. (2022 Community Satisfaction Survey). This has increased from 63.10% in 2020-2021.   |

### Level of influence over the result

- H High:** Council can directly influence this result
- M Medium:** Council can influence this result however external factors outside of Council's control may also influence the result
- L Low:** Council's level of influence on this result is limited however monitoring this indicator assists Council in planning and guiding priorities



## Performance indicators (LGPRF)

The following table represents Council's service performance against prescribed indicators as included within the Local Government Performance Reporting Framework (LGPRF).

| No                                 | Service Indicator   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | Variance | Comments  |
|------------------------------------|---|-----------|-----------|-----------|-----------|----------|---|
| <b>Governance</b>                  |   |           |           |           |           |          |   |
| <b>Transparency</b>                |   |           |           |           |           |          |   |
| G1                                 | Council decisions made at meetings closed to the public<br><br>[Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors ] x100 | 28.00%    | 18.84%    | 8.92%     | 5.86%     | -34.36%  | 14 of 239 Council resolutions were made in Close Council.   |
| <b>Consultation and engagement</b> |   |           |           |           |           |          |   |
| G2                                 | Satisfaction with community consultation and engagement<br><br>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement ]  | 54.00     | 57.00     | 63.00     | 69.30     | 9.52%    | Council's Community Engagement has increased overall for greater visibility for the community.                    |
| <b>Attendance</b>                  |   |           |           |           |           |          |   |
| G3                                 | Councillor attendance at Council meetings<br><br>[The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) × (Number of Councillors elected at the last Council general election)] x100  | 88.89%    | 76.30%    | 98.15%    | 99.42%    | 1.29%    | Councillor attendance was at the expected standard. One Councillor was suspended for one month in September 2021. |

|              |                |             |            |             |            |                       |            |
|--------------|----------------|-------------|------------|-------------|------------|-----------------------|------------|
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| No                  | Service Indicator   | 2018-2019   | 2019-2020   | 2020-2021   | 2021-2022   | Variance | Comments   |
|---------------------|---|-------------|-------------|-------------|-------------|----------|--|
| <b>Service cost</b> |   |             |             |             |             |          |  |
| G4                  | Cost of elected representation<br><br>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]                        | \$52,338.00 | \$51,978.56 | \$55,196.67 | \$62,708.33 | 13.61%   | The increase in cost per Councillor can be attributed to the increase in Councillor Allowance, implemented by the State government in second quarter and the Council meetings moving from virtual attendance to in-person attendance, resulting in an increase in expenditure. |
| <b>Satisfaction</b> |   |             |             |             |             |          |  |
| G5                  | Satisfaction with council decisions<br><br>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | 55.00       | 54.00       | 63.00       | 70.00       | 11.11%   | Council has performed well having made decisions to achieve the best outcomes for the community.   |

### Retired service performance indicators

| No  | Service Indicator   | 2018-2019 | Comments  |
|-----|---|-----------|---|
| AF4 | Cost of indoor aquatic facilities<br><br>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]    | -\$0.37   | This measure was replaced by Cost of aquatic facilities for 2020.                       |
| AF5 | Cost of outdoor aquatic facilities<br><br>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities] | \$8.90    | This measure was replaced by Cost of aquatic facilities for 2020.                       |
| AM3 | Cost of animal management service<br><br>[Direct cost of the animal management service / Number of registered animals]                                      | \$56.39   | This measure was replaced by Cost of animal management service per population for 2020. |
| AM4 | Animal management prosecutions<br><br>[Number of successful animal management prosecutions]   | 114       | This measure was replaced by Animal management prosecutions (%) for 2020.               |
| LB3 | Cost of library service<br><br>[Direct cost of the library service / Number of visits]  | \$10.77   | This measure was replaced by Cost of library service per population for 2020.           |
| MC1 | Participation in first MCH home visit<br><br>[Number of first MCH home visits / Number of birth notifications received] x100                                | 101.0%    | This measure was replaced by Participation in 4-week Key Age and Stage visit for 2020.  |

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# Governance, management and other information



# Governance

The *Local Government Act 2020* (the Act) constitutes Frankston City Council to provide leadership for the good governance of Frankston City and the local community.

We must give effect to the following overarching governance principles:

- Council decisions made and actions taken are to be in accordance with the relevant law
- Priority to be given to achieving the best outcomes for the municipal community, including future generations
- Economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, are to be promoted
- Municipal community to be engaged in strategic planning and strategic decision making
- Innovation and continuous improvement to be pursued
- Collaboration with other councils and governments and statutory bodies to be sought
- Ongoing financial viability of Council to be ensured
- Regional, state and national plans and policies to be taken into account in strategic planning and decision making
- Transparency of Council decisions, actions and information to be ensured

We're committed to supporting these principles and take into account the community engagement, public transparency, strategic planning, financial management and service performance principles when responding to the community's priorities. The community has many opportunities to provide input into our

decision making processes including community consultation, public forums and the ability to make submissions at Council meetings.

Council meetings conduct our formal decision-making processes. Council delegates the majority of its decision making to Council officers through the CEO. These delegations are exercised in accordance with adopted Council policies.

## Council meetings

We conduct open public Council meetings every 3 weeks with community members able to attend and observe from the public gallery. They provide the opportunity for community members to submit questions to the Council, make a submission or speak about an item.

Council meetings are livestreamed on our website:



[frankston.vic.gov.au](https://frankston.vic.gov.au)

We also conduct regular Councillor Briefings to consider information on matters that are intended or likely to go before Council for decision.

In 2021-2022 we held 19 Council meetings and 47 Councillor Briefings.



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statement](#)[Financials](#)**Table 3. Councillor attendance at meetings 2021-2022**

| Councillor        | Council              |                         | Total    |            |
|-------------------|----------------------|-------------------------|----------|------------|
|                   | Meetings<br>Attended | Councillor<br>Briefings | Attended | Attendance |
| Cr David Asker    | 19                   | 43                      | 62       | 94%        |
| Cr Sue Baker      | 19                   | 45                      | 64       | 97%        |
| Cr Kris Bolam     | 19                   | 43                      | 62       | 94%        |
| Cr Nathan Conroy  | 19                   | 47                      | 66       | 100%       |
| Cr Claire Harvey  | 19                   | 45                      | 64       | 97%        |
| Cr Brad Hill      | 19                   | 46                      | 65       | 98%        |
| Cr Liam Hughes    | 19                   | 40                      | 59       | 89%        |
| Cr Steven Hughes  | 18                   | 24                      | 42       | 64%        |
| Cr Suzette Tayler | 19                   | 44                      | 63       | 95%        |

## Delegated committees

Council can establish committees consisting of:

- Councillors
- Council Officers
- Other persons
- Any combination of the above

Council may also participate in other external committees. The tables below contain all of the committees established by Council that are in operation and the councillor members of each committee.

**Table 4. Councillor nominees for external committees 2021-2022**

| Committee  | Councillor delegate/s  |
|--|--|
| Association of Bayside Municipalities                | Cr Kris Bolam and Manager City Futures                                     |
| Australian Local Government Women's Association      | Cr Sue Baker and Cr Claire Harvey  |
| Frankston Charitable Fund Committee of Management    | Mayor Cr Nathan Conroy and Deputy Mayor, Cr Suzette Tayler                 |
| Frankston Revitalisation Board                       | Mayor of the Day, Cr Nathan Conroy   |
| Metropolitan Local Governments' Waste Forum          | Cr Claire Harvey and Manager Waste and Recycling                           |
| Municipal Association of Victoria                    | Mayor of the Day, Cr Nathan Conroy<br>Sub: Deputy Mayor, Cr Suzette Tayler |
| National General Assembly Mayor of the Day           | Cr Nathan Conroy   |
| Peninsula Leisure Pty Ltd Board                      | Mayor, Cr Nathan Conroy  |
| South East Councils Climate Change Alliance (SECCCA) | Mayor, Cr Nathan Conroy and Cr Claire Harvey                               |
| Greater South East Melbourne Group                   | Mayor, Cr Nathan Conroy  |
| Youth Advisory Council                               | Cr Liam Hughes and Cr Brad Hill  |



**Table 5. Councillor nominees for internal committees 2021-2022**

| Delegated committee  | Councillor delegate/s  |
|--|--|
| Advocacy Sub-Committee   | Mayor, Cr Nathan Conroy,<br>Deputy Mayor, Cr Suzette Tayler,<br>Cr Kris Bolam and Cr Brad Hill |
| Audit and Risk Committee   | Mayor, Cr Nathan Conroy and Cr Claire Harvey   |
| Belvedere Reserve Negotiation Committee  | Cr Kris Bolam and Cr Brad Hill   |
| Chief Executive Officer's Performance Review<br>Sub-Committee                      | Mayor, Cr Nathan Conroy,<br>Deputy Mayor, Cr Suzette Tayler,<br>Cr Kris Bolam and Cr Sue Baker |
| Community Grants Committee of Management   | Cr Brad Hill and Cr Sue Baker  |
| Disability Access and Inclusion Committee<br>(DAIC)                                | Cr Sue Baker and Councillor  |
| Destination Development Working Group  | Mayor, Cr Nathan Conroy<br>Deputy Mayor, Cr Suzette Tayler<br>Cr David Asker                   |
| Frankston Arts Advisory Committee  | Cr David Asker, and Cr Kris Bolam<br>Sub: Cr Liam Hughes                                       |
| Foreshore Advisory Committee   | Deputy Mayor, Cr Suzette Tayler and Cr Brad Hill   |
| Frankston Cemetery Trust Committee   | Mayor, Cr Nathan Conroy, Cr Kris Bolam<br>and Cr David Asker                                   |
| Kananook Creek Governance Group  | Cr Sue Baker and Cr Brad Hill  |
| Major Community Events Grants Committee  | Cr Suzette Tayler and Cr Liam Hughes   |
| Miscellaneous Grants Program Committee   | Mayor, Cr Nathan Conroy and Cr Kris Bolam  |
| Major Projects Advisory Committee (MPAC)   | All Councillors  |
| Reconciliation Action Plan Advisory Committee                                      | Cr Kris Bolam and Cr Sue Baker   |
| Sport and Recreation Advisory Committee<br>(renamed from Sports Liaison Committee) | Mayor, Cr Nathan Conroy and Cr Liam Hughes   |

## Councillor code of conduct

The *Local Government Act 2020* requires Council to review and adopt its Councillor Code of Conduct within 4 months of the general election. The elections were held on 24 October 2020 and Council adopted the Councillor Code of Conduct on 15 February 2021.

The Councillor Code of Conduct was adopted in accordance with the requirements of the Act and is binding on all councillors to:

- Specify the standards of conduct expected of Frankston City Council's elected representatives
- Foster constructive working relationships between councillors, to enable councillors to work together in the best interests of the community
- Mandate legal, ethical and appropriate councillor conduct that will build public confidence in the integrity of local government

## Conflict of interest

Residents and ratepayers elect councillors to act in the best interests of the community. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest happens when a personal or private interest might compromise the ability to act in the public interest. We have a Conflict of Interest Policy for disclosure of general and material instances of conflict of interest in accordance with the provisions of the *Local Government Act 2020*.

Declaration of a conflict of interest is a standard agenda item for all our Council and committee meetings.

While the procedures vary depending on the circumstances, in general they involve disclosing the relevant interests and stepping aside from the decision-making process or from exercising public duty. We maintain a register to record all conflicts of interest made by councillors.

During 2021-2022 there were two (2) instances when a conflict of interest was declared by a Councillor at Council meetings.

## Councillor allowances

In accordance with Section 39 of the *Local Government Act 2020*, councillors are entitled to receive an allowance while performing their duty as a councillor.

The Victorian Independent Remuneration Tribunal made its first determination on the payment of Mayoral, Deputy Mayor and Councillor Allowances on 18 March 2022.

The new allowances applied retrospectively from 18 December 2021 and councils were required to pay their council members in accordance with the Tribunal's determination.

The determination sees an increase to allowances. Councillor Steven Hughes and Councillor Liam Hughes chose not to receive the increase and will remain at the maximum allowance rate of \$31,444, the amount resolved by Council in January 2021.

The annual allowances payable was a maximum of \$35,972 for councillors, \$59,659 for the Deputy Mayor and a maximum of \$119,316 for the Mayor.

Table 6. Total allowances paid to Councillors during the 2021-2022 year

| Councillor  | Allowance<br>(per year,<br>pro-rata from<br>1 July 2021) | Allowance<br>(per year, pro-<br>rata from 18<br>March 2022) | Back pay<br>(New monthly<br>rate) |
|---|--|---|-----------------------------------|
| Cr David Asker  | \$31,444   | \$35,972  | \$359.26                          |
| Cr Sue Baker  | \$31,444   | \$35,972  | \$359.26                          |
| Cr Kris Bolam<br>(Mayor from 1 July 2021 until 18 November 2021)        | \$100,434  |   |                                   |
| Cr Kris Bolam<br>(Councillor from 18 November 2021)                     | \$31,444   | \$35,972  | \$359.26                          |
| Cr Nathan Conroy<br>(Deputy Mayor from 1 July 2021 to 18 November 2021) | \$31,444   | \$35,972  |                                   |
| Cr Nathan Conroy<br>(Mayor from 18 November 2021)                       | \$100,434  | \$119,316   | \$2,294.95                        |
| Cr Claire Harvey  | \$31,444   | \$35,972  | \$359.26                          |
| Cr Brad Hill  | \$31,444   | \$35,972  | \$359.26                          |
| Cr Liam Hughes  | \$31,444   | \$31,444  | n/a                               |
| Cr Steven Hughes  | \$31,444   | \$31,444  | n/a                               |
| Cr Suzette Tayler<br>(Deputy Mayor from 18 November 2021)               | \$31,444   | \$59,659  | \$6509.62                         |



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## Councillor expenses

In accordance with Section 40 of the *Local Government Act 2020*, we're required to reimburse a Councillor for expenses incurred while performing his or her duties as a Councillor.

Our Council Expenses Policy guides the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to perform their functions and duties.

**Table 7. Councillor expenses 2021-2022**

| Councillor                                       | IC              | CT               | T             | CM       | C             | M             | FAC tickets   | Total            |
|--|-----------------|------------------|---------------|----------|---------------|---------------|---------------|------------------|
| Cr David Asker                                   | 381.72          | -                | -             | -        | -             | -             | -             | 381.72           |
| Cr Sue Baker                                     | 381.72          | 8,443.55         | -             | -        | -             | -             | -             | 8,825.27         |
| Cr Kris Bolam<br>*Mayor from 16 November 2020    | 763.26          | 5,285.44         | 261.80        | -        | -             | 50.00         | 595.60        | 6,956.10         |
| Cr Nathan Conroy<br>*Mayor from 18 November 2021 | -               | 582.15           | -             | -        | -             | -             | -             | 582.15           |
| Cr Claire Harvey                                 | 381.72          | 5,629.00         | -             | -        | 282.25        | 67.73         | -             | 6,360.70         |
| Cr Brad Hill                                     | 381.72          | 8,918.00         | -             | -        | -             | -             | -             | 9,299.72         |
| Cr Liam Hughes                                   | -               | -                | -             | -        | -             | -             | -             | -                |
| Cr Steven Hughes                                 | -               | -                | -             | -        | -             | -             | -             | -                |
| Cr Suzette Tayler                                | 381.72          | 435.00           | -             | -        | -             | 289.00        | 110.00        | 1,215.72         |
| <b>Total</b>                                     | <b>2,671.86</b> | <b>29,293.14</b> | <b>261.80</b> | <b>-</b> | <b>282.25</b> | <b>406.73</b> | <b>705.60</b> | <b>33,621.38</b> |

### IC = Information and communication

Equipment such as mobiles, laptops, stationery and associated operating costs.

### CT = Conferences and training

Attendance costs for conferences, training and/or events such as booking/entry fees, meals, accommodation and membership fees for approved organisations.

### T = Travel

Costs for travel by taxi, bus, train, tram or air to approved Council business.

### CM = Car mileage

Claim for car mileage for the use of Councillor private vehicle whilst performing Council business.

### C = Childcare

Allowable reimbursement of out of pocket expenses, such as child care, which are bona-fide expenses incurred while performing the duties of a Councillor

### M = Materials

Allowable reimbursement of out of pocket expenses, such as protective clothing, name badges and business cards.

### FAC tickets = Frankston Arts Centre tickets

Councillor Expense Reimbursement Policy makes provision for Councillors to receive 8 complimentary double house seat tickets per year for performances at the Frankston Arts Centre.

# Management

## Audit and Risk Committee

The committee provides independent advice and recommendations to Council about the systems and activities of Council to ensure:

- reliable and complete financial and performance reporting
- high standards of corporate governance
- appropriate application of accounting policies
- compliance with applicable laws and regulations
- effective management and monitoring of all risks, controls and insurances
- effective and efficient internal and external audit functions
- appropriate measures to provide early warning of any issues affecting the organisation's financial wellbeing
- the level and effectiveness of appropriate Business Continuity and Disaster Recovery planning
- maintenance and fostering of an ethical environment and oversight of related party transactions
- fraud prevention, including corruption

### Independent members

- Neil Greenaway (Chairperson) – retired from the Committee in December 2021
- Lisa Tripodi (Chairperson) – started as Chairperson in January 2022
- Michael Ulbrick
- Trudy Ararat – started in February 2022

## Councillor members

- Former Mayor Cr Kris Bolam (retired in November 2021)
- Mayor Cr Nathan Conroy (started November 2021)
- Cr Claire Harvey

The committee met five times a year in 2021–2022. The CEO, Directors and Manager Financial and Corporate Planning attend all the committee meetings. Other management representatives attend as required to present reports.

The external auditors attend each year to present the Audit Plan, Independent Audit Report and to review the financial statements.

Council reports to and considers recommendations from each committee meeting.

**Table 8. Audit and risk management committee member attendance**

| Member              | Eligible  |          |
|---------------------|-----------|----------|
|                     | to attend | Attended |
| Mayor               |           |          |
| Cr Nathan Conroy    | 3         | 3        |
| Mayor Cr Kris Bolam | 2         | 1        |
| Cr Claire Harvey    | 5         | 5        |
| Neil Greenaway      | 3         | 3        |
| Michael Ulbrick     | 5         | 5        |
| Lisa Tripodi        | 5         | 5        |
| Trudy Ararat        | 2         | 2        |



## Internal audit

Our Internal Audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. We revise a risk-based three-year Internal Audit Plan annually to ensure the audit resources remain focused on the appropriate areas. The review process considers our risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input.

During 2021-2022 year, representatives from HLB Mann Judd attended each Audit and Risk Committee meeting to report on the status of the Internal Audit Plan, provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated.

Our corporate system tracks the recommendations assigned to the responsible manager. They provide quarterly status updates which the Internal Auditor reviews and report to the Executive Management Team and the Audit and Risk Committee.

Client satisfaction surveys for each review, the annual Audit and Risk Committee self-assessment, completion of the Internal Audit Plan and benchmarking against other internal audit functions measure quality assurance.

Audits undertaken during 2021-2022 include:

- Review of Landfill Management (focus on closed landfill site)
- Review of Cyber Security
- Review of Reimbursements EMT and Councillor Expenses
- Review of Cash Handling Procedures
- Review of Purchasing cards (credit cards, fuel cards, Cab Charge, Bunnings and Coles cards)
- Review of Complaints
- Review of Rates Revenue (including data analytics)
- Review of Fleet Management

- Review of Leases and Licences

## External audit

The Victorian Auditor-General externally audits Council. A Victorian Auditor-General's representative conducted the annual external audit of Council's Financial Statements and Performance Statement for 2021-2022.

The external auditors attend Audit and Risk Committee meetings throughout the year as required to present the annual audit plan and Independent Audit Report. They provide the external audit management letter and responses to the committee.

## Risk management

Our Risk Management Policy sets out our commitment to managing risk, which eliminates or minimises significant or unacceptable negative impacts on the environment and our community. It encourages the pursuit of opportunities for the best outcomes for our community and future generations.

During 2021-2022 we reviewed our Risk Management Policy which underwent community consultation during April 2021. We expect Council to adopt it in July 2022.

The Risk Management Framework has components that provide the foundations and organisational arrangement. These are needed to design, implement, monitor, review and continually improve risk management throughout the organisation. We revised and updated the components and tabled this with the Audit and Risk Committee in 2021-2022.

We also reviewed the organisation's strategic risks and briefed Council on the outcome. This was reported back to the committee. We captured the operational risks during service planning and will review them as part of the service initiative process.

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# Governance and management checklist

The following are the results of Council's assessment against the prescribed governance and management checklist.

| No. | Governance and management Item   | Assessment   |
|-----|--|--|
| 1   | <b>Community Engagement Policy</b><br>Policy outlining council's commitment to engaging with the community on matters of public interest                                   | <b>Policy in operation</b><br>Adopted in accordance with section 55 of the Act:<br>1 Mar 2021                                    |
| 2   | <b>Community Engagement Guidelines</b><br>Guidelines to assist staff to determine when and how to engage with the community  | <b>Guidelines in operation</b><br>Adopted: 28 Jun 2021   |
| 3   | <b>Financial Plan</b><br>Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years            | <b>Plan in operation</b><br>Adopted in accordance with section 91 of the Act:<br>11 October 2021                                 |
| 4   | <b>Asset Plan</b><br>Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years                        | <b>Plan in operation</b><br>Adopted in accordance with section 92 of the Act:<br>6 June 2022                                     |
| 5   | <b>Revenue and Rating Plan</b><br>Plan setting out the rating structure of Council to levy rates and charges   | <b>Plan in operation</b><br>Adopted in accordance with section 93 of the Act:<br>28 June 2021                                    |
| 6   | <b>Annual Budget</b><br>Plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required | <b>Adopted in accordance with section 94 of the Act</b><br>Adopted: 6 June 2022  |
| 7   | <b>Risk Policy</b><br>Policy outlining council's commitment and approach to minimising the risks to council's operations   | <b>Policy in operation</b><br>Date of commencement: 18 Feb 2019<br>Revised policy adopted: 14 Jul 2022                           |
| 8   | <b>Fraud Policy</b><br>Policy outlining council's commitment and approach to minimising the risk of fraud  | <b>Policy in operation</b><br>Revised policy adopted: 14 Jul 2022<br>(as part of the Risk Policy)                                |
| 9   | <b>Municipal Emergency Management Plan</b><br>Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery            | <b>Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act 1986</i></b><br>Adopted: 11 Mar 2022 |
| 10  | <b>Procurement Policy</b><br>Policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council               | <b>Policy in operation</b><br>Adopted in accordance with section 108 of the Act:<br>11 October 2021                              |

|              |                |             |            |             |                   |                       |            |
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|----|---|--|
| 11 | <b>Business Continuity Plan</b><br>Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster  | <b>Plan in operation</b><br>Adopted: 27 May 2021<br>Updated: 22 June 2022  |
| 12 | <b>Disaster Recovery Plan</b><br>Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster   | <b>Plan in operation</b><br>Date of commencement: 15 Jan 2021<br>Updated: 14 Jul 2022  |
| 13 | <b>Risk Management Framework</b><br>Framework outlining council's approach to managing risks to the council's operations  | <b>Framework in operation</b><br>Adopted: 1 April 2008<br>Reviewed annually. Currently under review.   |
| 14 | <b>Audit and Risk Committee</b><br>Advisory committee of council under section 53 and 54 of the Act   | <b>Committee established in accordance with section 53 of the Act</b><br>Established: 27 October 1997  |
| 15 | <b>Internal Audit</b><br>Independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls                    | <b>Internal auditor engaged</b><br>Three year period from 1 Oct 2019, option to extend for two years available.  |
| 16 | <b>Performance reporting framework</b><br>A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act                            | <b>Framework in operation</b><br>Adopted: 21 June 2021   |
| 17 | <b>Council Plan Report</b><br>Report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year | <b>Reports presented</b><br>Presented: (Q1) 15 November 2021, (Q2) 21 February 2022, (Q3) 16 May 2022  |
| 18 | <b>Quarterly budget reports</b><br>Quarterly statements to council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations                                   | <b>Reports presented to Council in accordance with section 97(1) of the Act</b><br>Presented: (Q1) 15 November 2021, (Q2) 21 February 2022, (Q3) 16 May 2022 |
| 19 | <b>Risk Reporting</b><br>Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies  | <b>Reports presented to Audit and Risk Committee</b><br>Presented: 17 September 2021, 24 February 2022   |
| 20 | <b>Performance Reporting</b><br>Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act        | <b>Reports presented</b><br>Presented: 21 February 2022  |
| 21 | <b>Annual Report</b><br>Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements  | <b>Report considered by Council in accordance with section 100 of the Act</b><br>Presented: 15 November 2021   |

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| 22 | <b>Councillor Code of Conduct</b><br>Code setting out of the standards of conduct to be followed by Councillors and other matters                                    | <b>Code reviewed in accordance with section 139 of the Act</b><br>Adopted: 15 February 2021  |
| 23 | <b>Delegations</b><br>Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff | <b>Delegations in operation and register maintained</b><br>S5 Instrument of Delegation by Council to CEO<br>Updated: 11 October 2021<br><br>S6 Instrument of Delegation by Council to Members of Council Staff<br>Updated: 4 April 2022<br><br>S7 Instrument of Delegation by CEO to Members of Council Staff<br>Updated: 30 September 2021<br><br>S13 Instrument of Delegation - List of CEO Powers, duties and functions<br>Updated: 15 July 2021<br><br>S14 Instrument of Delegation by CEO for VicSmart Applications under the Planning and Environmental Act 1987<br>Updated: 18 June 2021<br><br>S16 Instrument of Delegation by CEO for Bushfire Reconstruction Applications under the Planning and Environment Act 1987<br>Updated: 18 June 2021<br><br>S18 Instrument of Sub-Delegation under Environment Protection Act 2017<br>Updated: 16 May 2022 |
| 24 | <b>Meeting Procedures</b><br>Governance Rules governing the conduct of meetings of Council and delegated committees  | <b>Governance Rules in operation</b><br>Adopted in accordance with section 92 of the Act: 30 August 2020   |

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



**Phil Cantillon**  
Chief Executive Officer

21 October 2022



**Cr Nathan Conroy**  
Mayor

21 October 2022

## Contracts

In accordance with the *Local Government Act 2020*, we adopted our new Procurement Policy in October 2021. The new policy indicated a revised tendering threshold of \$300,000 excluding GST for both goods and/or services. During this period, we didn't enter into any contracts valued at \$300,000 or more for either goods or services without engaging in a competitive process.

## Freedom of Information Act

The *Freedom of Information Act 1982* provides the community with a right of access to documents held by Council which are not available via administrative processes.

Certain exemptions exist to protect interests such as the personal privacy of individuals and trade secrets of businesses. Applications for access to documents must be in writing and be as specific as possible about the documents being sought. Council received 42 Freedom of Information applications in 2021-2022.

Information about the types of documents held by Council, and the documents which are publicly available, can be found in the Freedom of Information Part II Statement on Council's website.

## Public Interest Disclosures

The Public Interest Disclosure Act 2012 enables anyone to make a disclosure about improper conduct within the public sector without fear of reprisal and aims to ensure protection for any person who makes such a report.

We adopted our Public Interest Disclosure Policy in August 2020 and updated it in January 2021 to include an option for making disclosures to an independent disclosure management service, run by Stopline. The policy outlines the procedure for how to make disclosures and is available under the Governance section on our website. During 2021-2022 there were no public interest disclosure notification to the

Independent Broad-based Anti-Corruption Commission (IBAC) under the *Public Interest Disclosure Act 2012*.

## Privacy and Data Protection Act 2014 and Health Records Act 2001

We're committed to complying with the obligations and principles in the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*. We will only collect personal, sensitive and health information that's necessary for our functions and activities and will handle and store it securely. You are entitled to access your personal information, except where we're required by law to withhold it.

If you are concerned about our handling of your personal, sensitive or health information, you may make a complaint to our Privacy Officer. We investigate complaints promptly and will provide a written response.

We received 5 privacy complaints during 2021-2022. No complaints were referred to the Victorian Information Commissioner or the Health Complaints Commissioner.

Further information regarding privacy, including our Privacy Policy, is available on our website:



The policy is also available upon request by contacting our Privacy Officer on **1300 322 322** or by emailing **privacyofficer@frankston.vic.gov.au**



## Food Act Ministerial directions

In accordance with section 7E of the *Food Act 1984*, we didn't receive any Ministerial Directions during 2021-2022.

## Road Management Act ministerial directions

In accordance with section 22 of the *Road Management Act 2004*, we didn't receive any ministerial directions during 2021-2022.

## Local laws

Local laws current at the time of 30 June 2022 were:

- Community Local Law 2020
- Governance Local Law 2020
- Tree Protection Local Law 2016
- Short Stay Rental Accommodation Local Law 2020

For more information about these local laws visit:



## Disability Action Plan 2021-2025

In accordance with section 38 of the *Disability Act 2006*, we adopted our Disability Action Plan 2021-2025 in October 2021. Working together with Frankston City's Disability Access and Inclusion Committee (DAIC), the plan outlines how we'll work over the next four years to improve access and inclusion for people with disability and recognise and support the role of carers.

Across 4 priority areas, we implemented the following initiatives in 2021-2022.

### Priority 1: Increase active participation in the community

- Collaborated with the DAIC to create a checklist of 'key access information' helping residents and visitors confidently plan their outings to parks, play spaces and buildings. For example, our online Parks and Reserves directory ([frankston.vic.gov.au](http://frankston.vic.gov.au)) now has a new 'Search by features' function.
- Adopted several strategies and plans promoting access and inclusion as key planning priorities, including the Play Strategy and Local Park Action Plan.

### Priority 2: Increase social inclusion, engagement and mental wellbeing

- [frankston.vic.gov.au](http://frankston.vic.gov.au) meets level AA standard in The World Wide Web Consortium Web Content Accessibility Guidelines 2.1 (W3C's WCAG 2.1) and also includes more information on LGBTQIA+.
- The DAIC met eight times and provided advice on the access and inclusion needs of people with disability. This included the following projects: Community Safety Strategy, Draft Disability Action Plan, emergency management needs for vulnerable people, George Pentland Botanic Gardens Masterplan (onsite visit), International Day of People with Disability activities, Monterey Reserve and outdoor furniture standards.
- Increased opportunities for the community, including people with disability, to shape projects through our new Community Engagement Framework and its accessible toolkit, and Mini Frankston City.
- Partnered with Mornington Peninsula Shire to co-facilitate the Frankston City Mornington Peninsula LGBTQIA+ Collaborative: a group of local services, community groups and individuals who work together to identify and support the needs of locals who identify as gender and sexually diverse or questioning.
- Worked with Brotherhood of St Lawrence NDIS, Interchange Outer East and Orwil Street Community House to launch and deliver a local Pathways for Carers program aiming to reduce feelings of isolation in carers.
- International Day of People with Disability (IDPWD) 2021 celebrations:

- Partnered with Brotherhood of St Laurence NDIS to host an online, Auslan interpreted and live captioned presentation from Paralympian, businessman and social inclusion advocate, Geoff Trappett OAM.
- In-person, Auslan interpreted FrankTALK with local author and carer, who shared her experiences as a carer of a son with disability, advocating for more disability awareness and inclusion. Hosted by Frankston City Libraries and Brotherhood of Laurence NDIS.
- Promoted an engaging social media video (1,000 views, 10 shares) with submissions from local people with disability and service providers, sharing their thoughts and feelings around IDPWD now and into the future.
- Introduced a new online staff training module 'YouMeUs – achieving inclusion for our employees' which promotes disability awareness and inclusion in a Council setting.
- Frankston Arts Centre promoted the voice and talents of people with disabilities with the BAM Arts annual concert, 'The Impossible Dream' exhibition by local artist Jonathan Thompson and the Circus on Wheels program (Cube 37).
- Improved access and inclusion at our major events through:
  - a chillout space, and social scripts and access guides at the Waterfront Festival and Party in the Park events.
  - For the first time, Party in the Park's Children's Entertainment Stage had an Auslan Interpreter for the event.
  - Engaged an access consultant for South Side Festival's Frankston Generator one-off event to determine access challenges in line with relevant building permits.
- Community Recovery Call Centre and Jobs Victoria Advocates continued to help our community through challenging times, tailoring support to individual needs.

### Priority 3: Support respectful relationships

- Promoted the safety of vulnerable people by hosting events, activities and shared information during campaigns like 16 Days of Activism against Gender-Based Violence and World Elder Abuse Day.
- Completed or started 40/41 actions from the Child Safe Action Plan, included redrafting of our Child Safe Policy highlighting our responsibility in meeting the diverse needs of children.
- Introduced new online professional development modules aimed at reducing stigma of people with disability and promoting access and inclusion of diverse communities for employees. Some of our customer-facing teams also participated in tailored 'Inclusive Practices' sessions.

### Priority 4: Reduce barriers to education and employment

- Developed an internal Diversity Inclusion Group to share best practice knowledge and increase cross-department project collaborations to increase diversity, access and inclusion both internally and in the community.
- Reviewed and updated our Social Procurement Policy to be more accessible and inclusive of diversity.
- Procured a volunteer/staff management system to collect demographic information.
- Community engagement with people with disability exploring local transport issues and opportunities in preparation for our Integrated Transport Strategy.
- Participated in Victorian Government Transport Accessibility Strategy workshops to share local feedback and advocate for more accessible public transport.
- Supported DAIC member Henryk Kay to advocate for improved accessible public transport in Frankston City by joining The Kinetic (a local Metropolitan Melbourne bus franchise) Accessibility Reference Group.

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## Domestic animal management plan

In accordance with the *Domestic Animals Act 1994*, we prepare a Domestic Animal Management Plan every 4 years and evaluate its implementation in the annual report.

We adopted our Domestic Animal Management Plan 2020–2024 in August 2020 which identifies the following key issues:

- dog waste not being picked up by owners in public areas
- dogs being walked off lead and irresponsible owners
- cats roaming during the day and night
- dog regulations in foreshore areas
- not enough fenced dog free-roam parks and dogs being walked on sports ovals
- dog regulations in the Frankston City centre
- dog attacks and public safety
- stronger enforcement from our Compliance Officers.

Implementation of the plan has included:

- audit of all dog waste bins and locations and installation of additional bins in key locations
- Compliance Officers distributing dog waste bags when undertaking proactive patrols
- review of the cat curfew in late 2021 and after extensive community consultation, Council reaffirmed the dusk till dawn curfew
- endorsed and established free-roam dog beach at Keast Park in late 2021
- completed free-roam fenced area at Keast Park
- dogs now allowed in the city centre following community consultation to lift the ban
- proposal of a Rapid Response Team in the 2022–2023 budget to increase patrols and a visual presence in parks, reserves and business areas.

## Carers Recognition Act 2012

We're committed to supporting vulnerable people within Frankston City and to fulfilling our obligations under the *Carers Recognition Act 2012* that strengthens this support.

We work with both carers and clients to promote and enhance independence at home, in the community, and to support both parties in the care relationship.

We promote awareness and understanding of the care relationship principles as set out in the Act while undertaking their work and supporting those in care relationships as they exist at home, in the community or in services.

In making assessments, we refer also to the National Screening and Assessment Framework section on carers and sustaining the care relationship.

During 2021–2022, we adopted our Positive Ageing Action Plan 2021–2025. The plan has a holistic focus on wellbeing, and directly or indirectly supports both carers and care recipients.

Five guiding principles underpin this plan for how we'll enable and support positive ageing within the municipality. This includes listening and respecting the views and experiences of older people, carers and organisations who support older people, and act on what they tell us wherever possible.

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# Performance Statement





## 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 131km<sup>2</sup> 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.



**Credit:** Invest Frankston



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# Sustainable capacity indicators

For the year ended 30 June 2022

|   | Results    |            |            |            |  |
|---|------------|------------|------------|------------|--|
| Indicator / Measure                                 | 2018-2019  | 2019-2020  | 2020-2021  | 2021-2022  | Comment  |
| Population  |            |            |            |            |  |
| Expenses per head of municipal population           | \$1,216.33 | \$1,229.32 | \$1,244.58 | \$1,379.39 | Expenses have risen due to Council operations gradually returning to pre-COVID-19 levels. Contributing to the increased result is a decrease in population compared to 2020-21   |
| [Total expenses / Municipal population]             |            |            |            |            |  |
| Infrastructure per head of municipal population     | \$6,153.70 | \$6,314.56 | \$6,549.61 | \$7,115.10 | Frankston City continues to increase infrastructure delivery to meet community needs. During 2021-22 Council also revalued its infrastructure assets which resulted in an increase of \$40.85M to its infrastructure asset base.   |
| [Value of infrastructure / Municipal population]    |            |            |            |            |  |
| Population density per length of road               | 212.81     | 202.33     | 203.32     | 199.45     | The population density per km of local road has resulted in a slight reduction from the previous year due to a minor decrease during 2021/22 in the municipal population.  |
| [Municipal population / Kilometres of local roads]  |            |            |            |            |  |
| Own-source revenue                                  |            |            |            |            |  |
| Own-source revenue per head of municipal population | \$1,126.41 | \$1,127.20 | \$1,071.81 | \$1,171.22 | Own source revenue has improved compared to the previous year, with Council operations returning to Pre-COVID-19 levels in the latter part of the financial year. Rates income was also favourable as the increase is in line with the 1.5 per cent rate cap in 2021-22. Council will continue to identify and pursue alternative revenue sources. |
| [Own-source revenue / Municipal population]         |            |            |            |            |  |

| Results   |           |           |           |           |   |
|---|-----------|-----------|-----------|-----------|---|
| Indicator / Measure   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | Comment   |
| Recurrent grants  |           |           |           |           |   |
| Recurrent grants per head of municipal population   | \$127.65  | \$139.33  | \$135.85  | \$159.90  | Recurrent grants have improved compared to the previous year, with Council operations returning to Pre-COVID-19 levels in the latter part of the financial year and early receipt of 75% of the Financial Assistance Grant funding allocated for 2022-23.   |
| [Recurrent grants / Municipal population]   |           |           |           |           |   |
| Disadvantage  |           |           |           |           |   |
| Relative socio-economic disadvantage  | 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.  |
| [Index of Relative Socio-economic Disadvantage by decile]   |           |           |           |           |   |
| Work force turnover   |           |           |           |           |   |
| Percentage of staff turnover  | 10.1%     | 9.4%      | 11.6%     | 18.2%     | A reasonably high turnover rate for the 2021-22 financial year. Several contributed factors to this rate including the cessation of the Intake and Assessment function in the Family Health Support Services department and the impact of the COVID-19 pandemic on the organisation and work environment. |
| [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100 |           |           |           |           |   |

**Definitions**

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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# Service performance indicators

For the year ended 30 June 2022

| Service / Indicator / measure  | Results     |           |           |           | Comment  |
|--|-------------|-----------|-----------|-----------|--|
|  | 2018-2019   | 2019-2020 | 2020-2021 | 2021-2022 |  |
| Aquatic facilities   |             |           |           |           |  |
| Utilisation  | 7.36        | 5.78      | 3.29      | 4.59      | The Peninsula Aquatic Recreation Centre PARC facility was under State Government lockdown orders for approximately 26% of the financial year. Even when reopened, Government restrictions limited some individuals from attending, such as unvaccinated individuals.   |
| Utilisation of aquatic facilities  |             |           |           |           |  |
| [Number of visits to aquatic facilities / Municipal population]  |             |           |           |           |  |
|  |             |           |           |           |  |
| Animal management  |             |           |           |           |  |
| Health and safety  | New in 2020 | 100%      | 100%      | 100%      | Council undertakes prosecutions in relation to the more serious provisions of the Domestic Animals Act or repeat offenders. This action is taken to reduce the risk of injury to the community. All matters progressed to Court had a successful outcome.  |
| Animal management prosecutions   |             |           |           |           |  |
| [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100   |             |           |           |           |  |
|  |             |           |           |           |  |
| Food safety  |             |           |           |           |  |
| Health and safety  | 100%        | 100%      | 100%      | 95.51%    | Overall results remain positive with Council Officers continuing to follow up critical and major non-compliance notifications at a high level. Due to a combination of COVID-19 restrictions and changes to the Food Act which abolished transfers of proprietor, a small number of notifications were not followed up or alternative follow up activities occurred. |
| Critical and major non-compliance outcome notifications  |             |           |           |           |  |
| [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 |             |           |           |           |  |
|  |             |           |           |           |  |

|              |                |             |            |             |            |                       |            |
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| Results   |           |           |           |           |   |
|---|-----------|-----------|-----------|-----------|---|
| Service / Indicator / measure   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | Comment   |
| <b>Governance</b>   |           |           |           |           |   |
| <b>Satisfaction</b>   | 55        | 54        | 63        | 71        | Council has performed well having made decisions to achieve the best outcomes for the community.  |
| Satisfaction with council decisions   |           |           |           |           |   |
| [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]                          |           |           |           |           |   |
| <b>Libraries</b>  |           |           |           |           |   |
| <b>Participation</b>  | 10.93%    | 11.43%    | 11.27%    | 9.83%     | The wide range of resources available through the library were accessed by almost 10% of the population. A number of factors this year have impacted on the reach and engagement of the library, including the COVID-19 restrictions and lockdowns. |
| Active library borrowers in municipality  |           |           |           |           |   |
| [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100                                  |           |           |           |           |   |
| <b>Maternal and child health</b>  |           |           |           |           |   |
| <b>Participation</b>  | 74.52%    | 70.81%    | 64.75%    | 67.94%    | Whilst participation in the MCH Service is higher than in quarter four 2020-2021 it remains below target due to the impacts of COVID-19 pandemic and staffing capacity.   |
| Participation in the MCH service  |           |           |           |           |   |
| [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100                       |           |           |           |           |   |
| <b>Participation</b>  | 87.19%    | 76.67%    | 64.85%    | 63.71%    | Percentage of Aboriginal children who participate in the MCH service remains consistent and within target.  |
| Participation in the MCH service by Aboriginal children   |           |           |           |           |   |
| [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 |           |           |           |           |   |

|              |                |             |            |             |            |                       |            |
|--------------|----------------|-------------|------------|-------------|------------|-----------------------|------------|
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|--------------|----------------|-------------|------------|-------------|------------|-----------------------|------------|

| Service / Indicator / measure   | Results   |           |           |           | Comment  |
|---|-----------|-----------|-----------|-----------|--|
|   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |  |
| Roads   |           |           |           |           |  |
| Satisfaction  | 66        | 60        | 70        | 73        | Measure is within the expected range. Community satisfaction with sealed local roads has increased to 72.5%, which equates to an increase of 2.45% during 2021/22.                       |
| Satisfaction with sealed local roads  |           |           |           |           |  |
| [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]  |           |           |           |           |  |
| Statutory Planning  |           |           |           |           |  |
| Decision making   | 32.00%    | 50.00%    | 75.00%    | 75.00%    | During the 2021-22 financial year twelve of sixteen planning decisions reviewed were upheld by VCAT.   |
| Council planning decisions upheld at VCAT   |           |           |           |           |  |
| [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 |           |           |           |           |  |
| Waste Collection  |           |           |           |           |  |
| Waste diversion   | 53.47%    | 55.61%    | 55.71%    | 51.64%    | Council's landfill diversion rate has reduced as a result of increased contamination of the recyclables stream and confirmation of contamination through increased bin audit scheduling. |
| Kerbside collection waste diverted from landfill  |           |           |           |           |  |
| [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100                   |           |           |           |           |  |



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# Financial performance Indicators

For the year ended 30 June 2022

| Dimension / Indicator / measure  | Results     |            |            |            |            | Forecasts  |            |            |   |  | Material Variations |
|--|-------------|------------|------------|------------|------------|------------|------------|------------|---|--|---------------------|
|  | 2018-2019   | 2019-2020  | 2020-2021  | 2021-2022  | 2022-2023  | 2023-2024  | 2024-2025  | 2025-2026  |   |  |                     |
| Efficiency   |             |            |            |            |            |            |            |            |   |  |                     |
| Expenditure level  |             |            |            |            |            |            |            |            |   |  |                     |
| Expenses per property assessment                                       | \$2,782.74  | \$2,783.40 | \$2,787.42 | \$3,034.84 | \$3,183.77 | \$3,170.26 | \$3,208.14 | \$3,241.40 | Expenses have risen due to Council operations gradually returning to pre- COVID-19 levels. Council's forecast includes a return to pre-COVID-19 service delivery.   |  |                     |
| [ Total expenses / Number of property assessments]                     |             |            |            |            |            |            |            |            |   |  |                     |
| Revenue level  |             |            |            |            |            |            |            |            |   |  |                     |
| Average rate per property assessment                                   | New in 2020 | \$1,589.49 | \$1,598.80 | \$1,638.00 | \$1,687.16 | \$1,708.45 | \$1,733.50 | \$1,753.97 | Council's general rate income has been increased in line with the rate cap set by the State Government and Waste Charges have been set at full cost recovery. In 2020-2021 and 2021-22, the increase has been offset by the COVID-19 rate waiver offered. Increase is expected to remain stable over the forecast period due to rate capping. |  |                     |
| [General rates and Municipal charges / Number of property assessments] |             |            |            |            |            |            |            |            |   |  |                     |
|  |             |            |            |            |            |            |            |            |   |  |                     |

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| Dimension / Indicator / measure                   | Results   |           |           |           | Forecasts |           |           |           | Material Variations  |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|
|   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |  |
| Liquidity   |           |           |           |           |           |           |           |           |  |
| Working capital                                   |           |           |           |           |           |           |           |           |  |
| Current assets compared to current liabilities    | 299.19%   | 307.53%   | 223.69%   | 194.28%   | 183.69%   | 175.51%   | 134.95%   | 146.10%   | Cash assets are expected to decrease over the next four years as Council delivers on its strategic priorities.   |
| [Current assets / Current liabilities] x100       |           |           |           |           |           |           |           |           |  |
| Unrestricted cash                                 |           |           |           |           |           |           |           |           |  |
| Unrestricted cash compared to current liabilities |           |           |           |           |           |           |           |           | Council continues to invest a portion of its cash reserves in term deposits greater than 90 days, which is considered to be restricted cash. Cash reserves are expected to decrease over the next years as Council continues to deliver on its strategic priorities. |
| [Unrestricted cash / Current liabilities] x100    | 44.16%    | 82.26%    | 68.95%    | 30.14%    | 41.27%    | 48.19%    | 43.94%    | 35.75%    |  |

| Dimension / Indicator / measure  | Results   |           |           |           |           | Forecasts |           |           |  | Material Variations |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|---------------------|
|  | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |  |                     |
| Obligations  |           |           |           |           |           |           |           |           |  |                     |
| Loans and borrowings   |           |           |           |           |           |           |           |           |  |                     |
| Loans and borrowings compared to rates   | 23.08%    | 21.82%    | 23.20%    | 19.98%    | 26.48%    | 29.19%    | 35.50%    | 32.23%    | The indicator has dropped from 2020-21 to 2021-22 as Council did not borrow funds to deliver its capital works program and repaid \$370k of its borrowings. Expected to increase in the next four years, reflecting Council's decision to borrow funds to assist with the delivery of the capital works program.   |                     |
| [Interest bearing loans and borrowings / Rate revenue] x100                                      |           |           |           |           |           |           |           |           |  |                     |
| Loans and borrowings   |           |           |           |           |           |           |           |           |  |                     |
| Loans and borrowings repayments compared to rates  | 7.07%     | 1.41%     | 1.38%     | 3.45%     | 1.42%     | 2.16%     | 2.64%     | 13.55%    | The increase in 2021-2022 was the result of the repayment of an overdraft taken out at the end of 2020-2021. The ratio is expected to return to normal levels in 2022-2023 and increase in future years, reflecting Council's decision to borrow funds to assist with the delivery of the capital works program. The ratio is high in 2025-2026 due to the repayment of the low interest loan borrowed through the Local Government Funding vehicle. |                     |
| [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 |           |           |           |           |           |           |           |           |  |                     |

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| Dimension / Indicator / measure   | Results     |           |           |           |           | Forecasts |           |           |   |  | Material Variations |
|---|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|--|---------------------|
|   | 2018-2019   | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |   |  |                     |
| Obligations   |             |           |           |           |           |           |           |           |   |  |                     |
| Indebtedness  |             |           |           |           |           |           |           |           |   |  |                     |
| Non-current liabilities compared to own source revenue                    | 18.37%      | 18.70%    | 18.95%    | 17.05%    | 20.91%    | 22.53%    | 18.70%    | 23.59%    | Council has a prudent level of long term liabilities, however the level of own source revenue continues to be restricted through rate capping and user fees and charges.  |  |                     |
| [Non-current liabilities / Own source revenue] x100                       |             |           |           |           |           |           |           |           |   |  |                     |
| Asset renewal and upgrade   |             |           |           |           |           |           |           |           |   |  |                     |
| Asset renewal and upgrade compared to depreciation                        | New in 2020 | 99.13%    | 88.87%    | 129.94%   | 214.65%   | 132.24%   | 172.75%   | 160.75%   | Council is focused on closing its asset renewal gap, and has planned a robust capital works program that will achieve this outcome.   |  |                     |
| [Asset renewal and upgrade expense / Asset depreciation] x100             |             |           |           |           |           |           |           |           |   |  |                     |
| Operating position  |             |           |           |           |           |           |           |           |   |  |                     |
| Adjusted underlying result  |             |           |           |           |           |           |           |           | This figure reflects the long-term impact of rate capping, the increase in waste disposal service costs, and a decrease in revenue streams impacted by COVID-19. Financial performance is expected to slightly improve over the next four years due to Council's operations forecasted to return to pre- COVID-19 levels. |  |                     |
| Adjusted underlying surplus (or deficit)                                  | 4.46%       | 4.54%     | -0.58%    | -1.98%    | -0.30%    | 0.90%     | 0.91%     | 0.88%     |   |  |                     |
| [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 |             |           |           |           |           |           |           |           |   |  |                     |

| Dimension / Indicator / measure   | Results   |           |           |           |           | Forecasts |           |           |   |  | Material Variations |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|--|---------------------|
|   | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 |   |  |                     |
| Stability   |           |           |           |           |           |           |           |           |   |  |                     |
| Rates concentration   |           |           |           |           |           |           |           |           |   |  |                     |
| Rates compared to adjusted underlying revenue   | 67.34%    | 69.23%    | 73.71%    | 71.19%    | 69.96%    | 69.44%    | 69.57%    | 69.67%    | Council has a stable dependency on rate revenue, however results indicate it should continue to identify and pursue alternative revenue sources.  |  |                     |
| [Rate revenue / Adjusted underlying revenue] x100                                       |           |           |           |           |           |           |           |           |   |  |                     |
| Rates effort  |           |           |           |           |           |           |           |           |   |  |                     |
| Rates compared to property values   | 0.31%     | 0.34%     | 0.34%     | 0.34%     | 0.28%     | 0.29%     | 0.29%     | 0.30%     | Council's Capital Improved Property Values (CIV) increased by 24.3% from 2021-22 to 2022-23. This valuation base has been used in the calculation 2022-23 forecast. A conservative 1% increase in valuations have been factored into the calculation of the following years |  |                     |
| [Rate revenue / Capital improved value of rateable properties in the municipality] x100 |           |           |           |           |           |           |           |           |   |  |                     |



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# Former Measures

For the year ended 30 June 2022

| Retired indicators<br>Service / Indicator / measure                     | Results<br>2018-2019 | Comment   |
|---|----------------------|---|
| <b>Animal Management</b>  |                      |   |
| <b>Health and safety</b>  |                      |   |
| Animal management prosecutions  | 114                  | This measure was replaced by Animal management prosecutions (%) for 2020.                 |
| [Number of successful animal management prosecutions]                   |                      |   |
| <b>Efficiency</b>   |                      |   |
| <b>Revenue level</b>  |                      |   |
| Average residential rate per residential property assessment            | \$1,292.28           | This measure was replaced by Average rate per property assessment for 2020.               |
| [Residential rate revenue / Number of residential property assessments] |                      |   |
| <b>Obligations</b>  |                      |   |
| <b>Asset renewal</b>  |                      |   |
| Asset renewal compared to depreciation                                  | 80.48%               | This measure was replaced by Asset renewal and upgrade compared to depreciation for 2020. |
| [Asset renewal expense / Asset depreciation] x100                       |                      |   |

## Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

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# Other information

For the year ended 30 June 2022

## Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 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 in its 22-26 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.

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# Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.



**Kim Jaensch CPA MBA**  
Principal Accounting Officer  
21 October 2022

In our opinion, the accompanying performance statement of the Frankston City Council for the year ended 30 June 2022 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* 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.



**Cr Nathan Conroy**  
Mayor  
21 October 2022



**Cr Claire Harvey**  
Councillor  
21 October 2022



**Phil Cantillon**  
Chief Executive Officer  
Dated: 21 October 2022



## Independent Auditor's Report

### To the Councillors of Frankston City Council

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

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

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

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

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



MELBOURNE  
21 October 2022

Travis Derricott  
as delegate for the Auditor-General of Victoria



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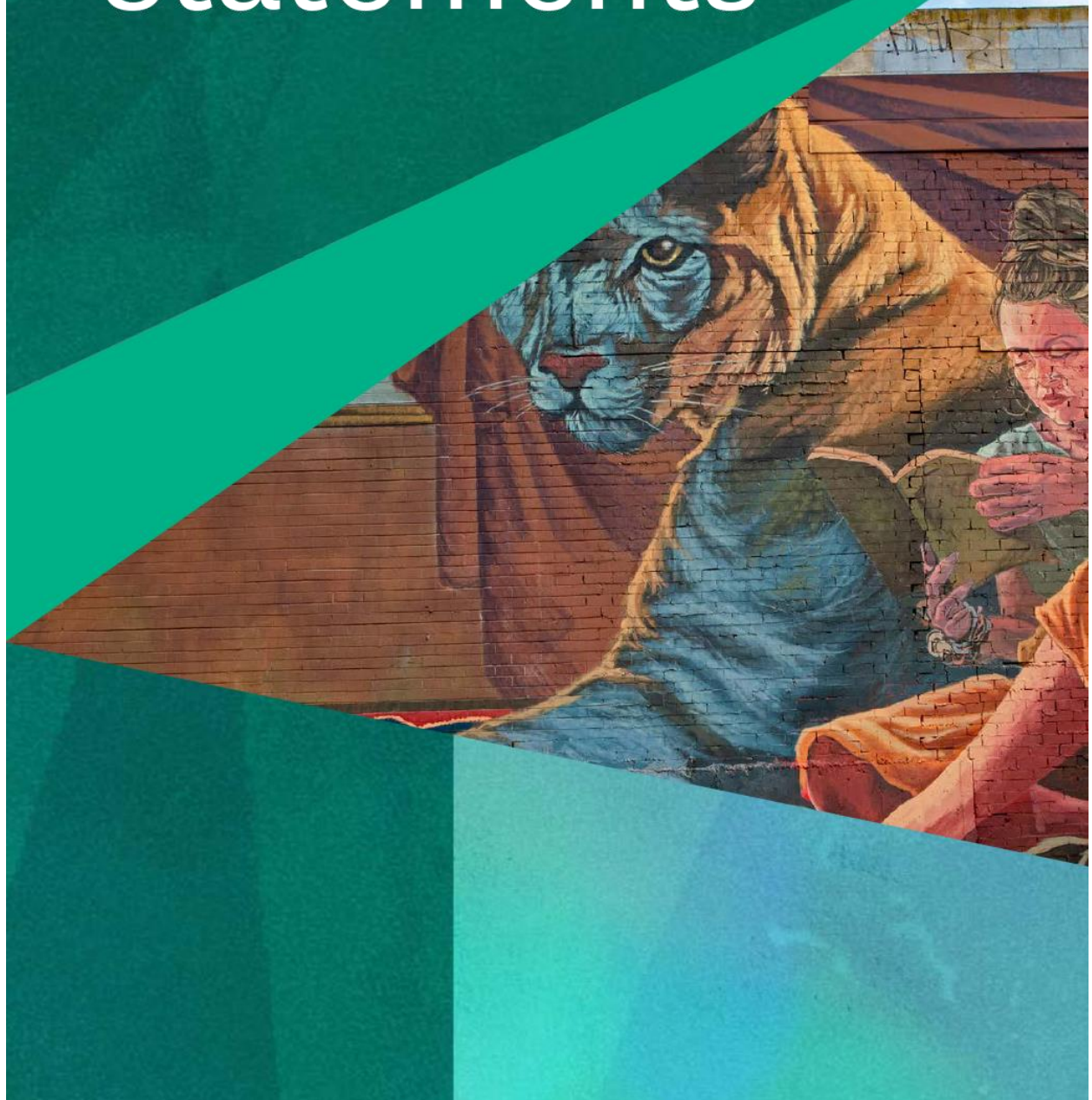
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# Financial Statements



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### Financial Statements

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## Certification of the Financial Statements

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



**Kim Jaensch CPA MBA**

Principal Accounting Officer

21 October 2022

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 2022 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 2022 and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the Financial Statements in their final form.

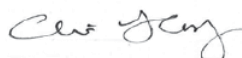


**Cr Nathan Conroy**

Mayor

21 October 2022

30 Davey Street, Frankston Victoria, Australia



**Cr Claire Harvey**

Councillor

21 October 2022

30 Davey Street, Frankston Victoria, Australia



**Phil Cantillon**

Chief Executive Officer

21 October 2022

30 Davey Street, Frankston Victoria, Australia

## Independent Auditor's Report



### To the Councillors of Frankston City Council

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



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

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

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

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

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**Auditor's  
responsibilities  
for the audit of  
the financial  
report  
(continued)**

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

MELBOURNE  
21 October 2022



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

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## Consolidated Comprehensive Income Statement

For the year ended 30 June 2022

|   | Note | 2022<br>\$'000 | 2021<br>\$'000 |
|---|------|----------------|----------------|
| <b>Income</b>   |      |                |                |
| Rates and charges                                     | 3.1  | 135,581        | 130,729        |
| Statutory fees and fines                              | 3.2  | 5,234          | 4,872          |
| User fees   | 3.3  | 19,580         | 14,491         |
| Grants - operating                                    | 3.4  | 23,264         | 20,552         |
| Grants - capital                                      | 3.4  | 17,261         | 6,667          |
| Contributions - monetary                              | 3.5  | 2,103          | 1,858          |
| Contributions - non monetary                          | 3.5  | 251            | 4,400          |
| Net gain on disposal of property, plant and equipment | 3.6  | 566            | 258            |
| Other income  | 3.7  | 3,958          | 3,281          |
| <b>Total income</b>                                   |      | <b>207,798</b> | <b>187,108</b> |
| <b>Expenses</b>                                       |      |                |                |
| Employee costs  | 4.1  | 82,900         | 77,204         |
| Materials and services                                | 4.2  | 68,728         | 58,946         |
| Depreciation  | 4.3  | 34,735         | 33,186         |
| Amortisation - intangible assets                      | 4.4  | 707            | 718            |
| Amortisation - right of use assets                    | 4.5  | 558            | 547            |
| Bad and doubtful debts                                | 4.6  | 141            | 137            |
| Borrowings costs                                      | 4.7  | 1,427          | 1,452          |
| Finance costs - leases                                | 4.8  | 36             | 59             |
| Other expenses  | 4.9  | 4,998          | 6,146          |
| <b>Total expenses</b>                                 |      | <b>194,230</b> | <b>178,395</b> |
| <b>Surplus for the year</b>                           |      | <b>13,568</b>  | <b>8,713</b>   |
| <b>Other comprehensive income</b>                     |      |                |                |
| Net asset revaluation increment                       | 6.1  | 311,609        | 17,215         |
| <b>Total other comprehensive income</b>               |      | <b>311,609</b> | <b>17,215</b>  |
| <b>Total comprehensive result</b>                     |      | <b>325,177</b> | <b>25,928</b>  |

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

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## Consolidated Balance Sheet

As at 30 June 2022

|   | Note | 2022<br>\$'000   | 2021<br>\$'000   |
|---|------|------------------|------------------|
| <b>Assets</b>                                 |      |                  |                  |
| <b>Current assets</b>                         |      |                  |                  |
| Cash and cash equivalents                     | 5.1  | 56,200           | 82,029           |
| Other financial assets                        | 5.1  | 45,507           | 36,517           |
| Trade and other receivables                   | 5.1  | 29,428           | 23,522           |
| Inventories                                   | 5.2  | 169              | 154              |
| Other assets                                  | 5.2  | 2,891            | 2,838            |
| <b>Total current assets</b>                   |      | <b>134,195</b>   | <b>145,060</b>   |
| <b>Non-current assets</b>                     |      |                  |                  |
| Trade and other receivables                   | 5.1  | 560              | 613              |
| Other financial assets                        | 5.1  | 3,507            | -                |
| Property, infrastructure, plant and equipment | 6.1  | 2,093,600        | 1,755,953        |
| Right-of-use assets                           | 5.8  | 443              | 982              |
| Intangible assets                             | 5.2  | 1,849            | 1,150            |
| <b>Total non-current assets</b>               |      | <b>2,099,959</b> | <b>1,758,698</b> |
| <b>Total assets</b>                           |      | <b>2,234,154</b> | <b>1,903,758</b> |
| <b>Liabilities</b>                            |      |                  |                  |
| <b>Current liabilities</b>                    |      |                  |                  |
| Trade and other payables                      | 5.3  | 33,227           | 19,699           |
| Trust funds and deposits                      | 5.3  | 5,896            | 6,705            |
| Unearned income/revenue                       | 5.3  | 13,472           | 19,094           |
| Provisions                                    | 5.5  | 15,689           | 15,518           |
| Interest-bearing liabilities                  | 5.4  | 392              | 3,250            |
| Lease liabilities                             | 5.8  | 398              | 584              |
| <b>Total current liabilities</b>              |      | <b>69,074</b>    | <b>64,850</b>    |
| <b>Non-current liabilities</b>                |      |                  |                  |
| Provisions                                    | 5.5  | 1,318            | 1,542            |
| Interest-bearing liabilities                  | 5.4  | 26,692           | 27,084           |
| Lease liabilities                             | 5.8  | 112              | 493              |
| <b>Total non-current liabilities</b>          |      | <b>28,122</b>    | <b>29,119</b>    |
| <b>Total liabilities</b>                      |      | <b>97,196</b>    | <b>93,969</b>    |
| <b>Net assets</b>                             |      | <b>2,136,958</b> | <b>1,809,789</b> |
| <b>Equity</b>                                 |      |                  |                  |
| Accumulated surplus                           |      | 765,364          | 744,754          |
| Reserves                                      | 9.1  | 1,371,594        | 1,065,035        |
| <b>Total equity</b>                           |      | <b>2,136,958</b> | <b>1,809,789</b> |

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 2022

|   |        | Total            | Accumulated    | Revaluation      | Other         |
|---|--------|------------------|----------------|------------------|---------------|
|   | Note   | \$'000           | Surplus        | Reserve          | Reserves      |
| 2022  |        | \$'000           | \$'000         | \$'000           | \$'000        |
| <b>Balance at beginning of financial year</b> |        | <b>1,809,789</b> | <b>744,754</b> | <b>992,589</b>   | <b>72,446</b> |
| Surplus for the year                          |        | 13,568           | 13,568         | -                | -             |
| Prior year adjustment - found assets          |        | 1,992            | 1,992          | -                | -             |
| Net asset revaluation increment               | 9.1(a) | 311,609          | -              | 311,609          | -             |
| Transfers to other reserves                   | 9.1(b) | -                | (14,048)       | -                | 14,048        |
| Transfers from other reserves                 | 9.1(b) | -                | 19,098         | -                | (19,098)      |
| <b>Balance at end of the financial year</b>   |        | <b>2,136,958</b> | <b>765,364</b> | <b>1,304,198</b> | <b>67,396</b> |
|   |        |                  |                |                  |               |
| 2021  | Note   | Total            | Accumulated    | Revaluation      | Other         |
|   |        | \$'000           | Surplus        | Reserve          | Reserves      |
|   |        | \$'000           | \$'000         | \$'000           | \$'000        |
| <b>Balance at beginning of financial year</b> |        | <b>1,777,960</b> | <b>718,375</b> | <b>975,374</b>   | <b>84,211</b> |
| Surplus for the year                          |        | 8,713            | 8,713          | -                | -             |
| Prior year adjustment - found asset           |        | 5,901            | 5,901          | -                | -             |
| Net asset revaluation increment               | 9.1(a) | 17,215           | -              | 17,215           | -             |
| Transfers to other reserves                   | 9.1(b) | -                | (4,804)        | -                | 4,804         |
| Transfers from other reserves                 | 9.1(b) | -                | 16,569         | -                | (16,569)      |
| <b>Balance at end of the financial year</b>   |        | <b>1,809,789</b> | <b>744,754</b> | <b>992,589</b>   | <b>72,446</b> |

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



## Consolidated Statement of Cash Flows

For the year ended 30 June 2022

|   | Note | 2022<br>Inflows/<br>(Outflows)<br>\$'000 | 2021<br>Inflows/<br>(Outflows)<br>\$'000 |
|---|------|--|--|
| <b>Cash flows from operating activities</b>                             |      |  |  |
| Rates and charges   |      | 133,565                                  | 127,295                                  |
| Statutory fees and fines  |      | 4,881                                    | 4,581                                    |
| User fees   |      | 18,878                                   | 14,691                                   |
| Grants - operating  |      | 23,100                                   | 22,510                                   |
| Grants - capital  |      | 11,508                                   | 18,896                                   |
| Contributions - monetary  |      | 2,103                                    | 1,858                                    |
| Interest received   |      | 416                                      | 818                                      |
| Trust funds and deposits taken  |      | 13,760                                   | 14,776                                   |
| Other receipts  |      | 3,458                                    | 2,642                                    |
| Net GST payment   |      | (2,666)                                  | (1,213)                                  |
| Employee costs  |      | (81,966)                                 | (74,614)                                 |
| Materials and services  |      | (53,035)                                 | (55,319)                                 |
| Other payments  |      | (2,513)                                  | (3,314)                                  |
| Short-term, low value and variable lease payments                       |      | (360)                                    | (319)                                    |
| Trust funds and deposits repaid   |      | (14,565)                                 | (13,867)                                 |
| <b>Net cash provided by operating activities</b>                        | 9.2  | <b>56,564</b>                            | <b>59,421</b>                            |
| <b>Cash flows from investing activities</b>                             |      |  |  |
| Payments for property, infrastructure, intangibles, plant and equipment |      | (65,346)                                 | (49,431)                                 |
| Proceeds from sale of property, infrastructure, plant and equipment     | 3.6  | 754                                      | 533                                      |
| Proceeds from disinvestment in joint venture arrangement                |      | -  | 12                                       |
| Net (payments)/proceeds for investments                                 |      | (12,497)                                 | 15,498                                   |
| <b>Net cash used in investing activities</b>                            |      | <b>(77,089)</b>                          | <b>(33,388)</b>                          |
| <b>Cash flows from financing activities</b>                             |      |  |  |
| Finance costs   |      | (1,430)                                  | (1,452)                                  |
| Proceeds of borrowings  |      | -  | 50                                       |
| Repayment of borrowings   |      | (370)                                    | (345)                                    |
| Interest paid - lease liabilities                                       |      | (36)                                     | (59)                                     |
| Repayment of lease liabilities  |      | (588)                                    | (522)                                    |
| <b>Net cash used in financing activities</b>                            |      | <b>(2,424)</b>                           | <b>(2,328)</b>                           |
| Net (decrease)/increase in cash and cash equivalents                    |      | (22,949)                                 | 23,705                                   |
| Cash and cash equivalents at the beginning of the financial year        |      | 79,149                                   | 55,444                                   |
| <b>Cash and cash equivalents at the end of the financial year</b>       | 9.3  | <b>56,200</b>                            | <b>79,149</b>                            |
| Financing arrangements  | 5.6  |  |  |
| Restrictions on cash assets   | 5.1  |  |  |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## Consolidated Statement of Capital Works

For the year ended 30 June 2022

|  | 2022<br>\$'000          | 2021<br>\$'000          |
|--|-------------------------|-------------------------|
| <strong>Property</strong>                        |                         |                         |
| Land   | 3,348                   | -                       |
| <strong>Total land</strong>                      | <strong>3,348</strong>  | -                       |
| Buildings  | 25,192                  | 16,742                  |
| <strong>Total buildings</strong>                 | <strong>25,192</strong> | <strong>16,742</strong> |
| <strong>Total property</strong>                  | <strong>28,540</strong> | <strong>16,742</strong> |
| <strong>Plant and equipment</strong>             |                         |                         |
| Plant, machinery and equipment                   | 2,504                   | 2,581                   |
| Fixtures, fittings and furniture                 | 566                     | 246                     |
| Computers and telecommunications                 | 3,373                   | 3,576                   |
| Library books                                    | 699                     | 435                     |
| <strong>Total plant and equipment</strong>       | <strong>7,142</strong>  | <strong>6,838</strong>  |
| <strong>Infrastructure</strong>                  |                         |                         |
| Roads  | 8,797                   | 4,859                   |
| Bridges  | 196                     | 269                     |
| Footpaths and cycleways                          | 3,018                   | 2,680                   |
| Drainage   | 1,204                   | 2,092                   |
| Recreational, leisure and community facilities   | 6,536                   | 6,251                   |
| Waste management                                 | 431                     | 85                      |
| Parks, open space and streetscapes               | 7,243                   | 6,284                   |
| Off street car parks                             | 343                     | 508                     |
| Traffic management devices                       | 1,747                   | 2,734                   |
| <strong>Total infrastructure</strong>            | <strong>29,515</strong> | <strong>25,762</strong> |
| <strong>Total capital works expenditure</strong> | <strong>65,197</strong> | <strong>49,342</strong> |
| <strong>Represented by:</strong>                 |                         |                         |
| New asset expenditure                            | 15,496                  | 19,849                  |
| Asset renewal expenditure                        | 23,107                  | 21,763                  |
| Asset expansion expenditure                      | 4,566                   | -                       |
| Asset upgrade expenditure                        | 22,028                  | 7,730                   |
| <strong>Total capital works expenditure</strong> | <strong>65,197</strong> | <strong>49,342</strong> |

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

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## Notes to the Financial Statements

For the year ended 30 June 2022

### 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.

#### Significant accounting policies

##### (a) Basis of accounting

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

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

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1)
- the determination of employee provisions (refer to note 5.5)
- 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)

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## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 1 Overview (continued)

- 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)*.

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

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. While the impacts of the pandemic abated somewhat through the 2021-22 year, Council has noted the following significant impacts on its financial operations:

- Council received additional grant revenue of \$1.756 million in 2020-2021 to support the community and economy. This came mainly in the form of the Working for Victoria program initiative, with a further \$0.128 million received in 2021-2022.
- Council has foregone \$0.191 million (2020-2021: \$0.442 million) in fees waived under its relief and recovery package. Please refer to note 3.3 for further details.
- Council has foregone \$0.179 million (2020-2021: \$0.210 million) in rent waived under its relief and recovery package. Please refer to note 3.7 for further details.
- Council has waived \$0.322 million (2020-2021: \$0.450 million) in rates income and \$0.464 million in 2020-2021 in interest on rates and charges under its relief and recovery package. Please refer to note 3.1 for further details.
- Council has waived \$0.179 million (2020-2021: \$0.117 million) in registrations income under its relief and recovery package. Please refer to note 3.2 for further details.
- COVID-19 also had an impact on Council's expenditure for the year. Whilst Materials and Services increased by \$9.709 million compared to the previous year, the following items were impacted compared to budget by COVID-19:
  - Periodic closure of Peninsula Aquatic Recreation Centre lead to a reduction of \$0.960 million (2020-2021: \$0.750 million) in Materials and Services, which contained a decrease in items such as cost of goods sold, cleaning, utilities and pool materials.
  - Restrictions on crowds and public gatherings resulted in a decrease of \$0.127 million (2020-2021: \$0.301 million) spent on Events compared to budget. Events were run in an alternate format which lead to reduced expenditure.
  - Expenditure on the Frankston Arts Centre decreased by \$0.189 million (2020-2021: \$0.335 million) compared to budget due to closures of the facility. Items such as cleaning, utilities, royalties and marketing were reduced due to the reduction in patronage.
  - Debt Collection expenditure decreased by \$0.500 million (2020-2021: \$0.419 million) due to the decision of Council to not proceed with this activity in light of the circumstances that the community were enduring at the time. As the debt relating to rates has increased, this activity will recommence in 2022-2023 with debt levels anticipated to return to normal levels within three to four years.

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## Notes to the Financial Statements

For the year ended 30 June 2022

### 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 28 June 2021. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

#### Note 2.1.1 Income and Expenditure

|   | Budget<br>2022<br>\$'000 | Actual<br>2022<br>\$'000 | Variance<br>\$'000 | Variance<br>%   | Ref. |
|---|--------------------------|--------------------------|--------------------|-----------------|------|
| <b>Income</b>   |                          |                          |                    |                 |      |
| Rates and charges   | 134,698                  | 135,581                  | 883                | 0.66%           |      |
| Statutory fees and fines  | 6,093                    | 5,234                    | (859)              | (14.10%)        | 1.   |
| User fees   | 27,777                   | 19,580                   | (8,197)            | (29.51%)        | 2.   |
| Grants - operating  | 18,777                   | 23,264                   | 4,487              | 23.90%          | 3.   |
| Grants - capital  | 18,221                   | 17,261                   | (960)              | (5.27%)         |      |
| Contributions - monetary  | 1,200                    | 2,103                    | 903                | 75.25%          | 4.   |
| Contributions - non-monetary  | 800                      | 251                      | (549)              | (68.63%)        | 5.   |
| Net gain on disposal of property, infrastructure, plant and equipment | 574                      | 566                      | (8)                | (1.39%)         |      |
| Other income  | 4,531                    | 3,958                    | (573)              | (12.65%)        | 6.   |
| <b>Total income</b>   | <b>212,671</b>           | <b>207,798</b>           | <b>(4,873)</b>     | <b>(2.29%)</b>  |      |
| <b>Expenses</b>   |                          |                          |                    |                 |      |
| Employee costs  | 85,958                   | 82,900                   | 3,058              | 3.56%           | 7.   |
| Materials and services  | 68,649                   | 68,728                   | (79)               | (0.12%)         |      |
| Bad and doubtful debts  | 220                      | 141                      | 79                 | 35.91%          | 8.   |
| Depreciation  | 31,659                   | 34,735                   | (3,076)            | (9.72%)         | 9.   |
| Amortisation - Intangible assets                                      | 943                      | 707                      | 236                | 25.03%          | 10.  |
| Amortisation - Right of use assets                                    | 512                      | 558                      | (46)               | (8.98%)         |      |
| Borrowing costs   | 1,533                    | 1,427                    | 106                | 6.91%           |      |
| Finance costs - leases  | 40                       | 36                       | 4                  | 10.00%          | 11.  |
| Other expenses  | 5,201                    | 4,998                    | 203                | 3.90%           |      |
| Efficiency factor   | (1,068)                  | -                        | (1,068)            | 100.00%         | 12.  |
| <b>Total expenses</b>   | <b>193,647</b>           | <b>194,230</b>           | <b>(583)</b>       | <b>(0.30%)</b>  |      |
| <b>Surplus for the year</b>   | <b>19,024</b>            | <b>13,568</b>            | <b>(5,456)</b>     | <b>(28.68%)</b> |      |



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### Note 2.1 Performance against budget (continued)

#### (i) Explanation of material variations

| Ref       | Explanation  |
|-----------|--|
| <b>1.</b> | <b>Statutory fees and fines</b>  |
|           | Statutory fees and fines had an unfavourable actual to budget variance of \$0.859 million due to less parking infringements issued than expected totalling \$1.136 million. Car Parking fees were relaxed at times during the year to encourage visitors to attend the municipality which had the flow on effect of a reduced amount of infringements issued. Offsetting this, \$0.126 million of election fines relating to previous Council election were received, as well as an increase of \$0.161 million additional income relating to Building Services. |
| <b>2.</b> | <b>User fees</b>   |
|           | User fees had an unfavourable actual to budget variance of \$8.197 million due to less visitations of the Peninsula Aquatic Recreation Centre of \$5.538 million and Frankston Arts Centre \$3.360 million. COVID-19 restrictions resulted in these facilities not being able to be utilised for parts of the year. Offsetting this, visitations of the Frankston Regional Recycling and Recovery Centre were increased which lead to additional income of \$1.339 million.  |
| <b>3.</b> | <b>Grants - operating</b>  |
|           | Grants- operating had a favourable actual to budget variance of \$4.487 million primarily due to receipt of additional non-recurrent grants relating to community development of \$0.513 million, aged and community care \$0.264 million and environment \$0.150 million. These grants did have associated expenditure to enable delivery of programs and outcomes. Also received was \$2.962 million income above budget due to a payment brought forward in relation to the Financial Assistance Grants for 2022-2023.  |
| <b>4.</b> | <b>Contributions - monetary</b>  |
|           | Contributions – monetary had a favourable actual to budget variance of \$0.903 million due to an increase in capital contributions of \$0.400 million as a result of timing differences. There were also additional cash contributions received of \$0.503 million in excess of budget relating to subdivisions within the municipality.   |
| <b>5.</b> | <b>Contributions - non-monetary</b>  |
|           | Contributions – non monetary had an unfavourable actual to budget variance of \$0.549 million due to decreased gifted land, roads and drainage received relating to subdivisions within the municipality than expected.  |
| <b>6.</b> | <b>Other Income</b>  |
|           | Other income had an unfavourable actual to budget variance of \$0.573 million due to the reclassification during the year of interest on rates of \$0.750 million. The Budget of \$0.447 million for interest on rates was included in the Other Income category, however reclassification during the year has resulted in the actual being reflected in the Rates and Charges category.   |
| <b>7.</b> | <b>Employee Costs</b>  |
|           | Employee costs had a favourable actual to budget variance of \$3.058 million due to a reduction in the hours worked at the Peninsula Aquatic Recreation Centre. This variance of \$3.168 million is attributed to COVID-19 restrictions in place for parts of the year resulting in closure of the facility.   |
| <b>8.</b> | <b>Bad and doubtful debts</b>  |
|           | Bad and doubtful debts had a favourable actual to budget variance of \$0.079 million due to less parking infringements issued than budgeted for, resulting in a reduced expectation of bad and doubtful debt.  |

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### Note 2.1 Performance against budget (continued)

(i) Explanation of material variations

| Ref   | Explanation  |
|---|--|
| <b>9. Depreciation</b>                      |  |
|   | Depreciation had an unfavourable actual to budget variance of \$3.076 million due to increased revaluation in 2020-2021 of recreation and leisure assets resulting in an increase of \$1.675 million. In addition, depreciation on roads exceeded budget by \$1.236 million due to the budget being initially understated. |
| <b>10. Amortisation - Intangible assets</b> |  |
|   | Amortisation – Intangible Assets had a favourable actual to budget variance of \$0.236 million due to actual capital spend on software being less than budgeted.   |
| <b>11. Finance costs - leases</b>           |  |
|   | Finance costs - leases had a favourable actual to budget variance due to a reduction in leases across the organisation than budgeted for.  |
| <b>12. Efficiency factor</b>                |  |
|   | Efficiencies achieved have been reflected in other categories, but not material enough to have an impact on the budget bottom line.  |

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### Note 2.1 Performance against budget (continued)

#### 2.1.2 Capital Works

|  | Budget<br>2022<br>\$'000 | Actual<br>2022<br>\$'000 | Variance<br>\$'000 | Variance<br>%   | Ref. |
|--|--------------------------|--------------------------|--------------------|-----------------|------|
| <b>Property</b>                                |                          |                          |                    |                 |      |
| Land   | -                        | 3,348                    | 3,348              | 100.00%         | 1.   |
| <b>Total Land</b>                              | <b>-</b>                 | <b>3,348</b>             | <b>3,348</b>       | <b>100.00%</b>  |      |
| Buildings                                      | 20,266                   | 25,192                   | 4,926              | 24.31%          | 2.   |
| <b>Total Buildings</b>                         | <b>20,266</b>            | <b>25,192</b>            | <b>4,926</b>       | <b>24.31%</b>   |      |
| <b>Total Property</b>                          | <b>20,266</b>            | <b>28,540</b>            | <b>8,274</b>       | <b>40.83%</b>   |      |
| <b>Plant and equipment</b>                     |                          |                          |                    |                 |      |
| Plant, machinery and equipment                 | 4,732                    | 2,504                    | (2,228)            | (47.08%)        | 3.   |
| Fixtures, fittings and furniture               | 437                      | 566                      | 129                | 29.52%          | 4.   |
| Computers and telecommunications               | 4,194                    | 3,373                    | (821)              | (19.58%)        | 5.   |
| Library books                                  | 726                      | 699                      | (27)               | (3.72%)         |      |
| <b>Total plant and equipment</b>               | <b>10,089</b>            | <b>7,142</b>             | <b>(2,947)</b>     | <b>(29.21%)</b> |      |
| <b>Infrastructure</b>                          |                          |                          |                    |                 |      |
| Roads  | 9,330                    | 8,797                    | (533)              | (5.71%)         |      |
| Bridges  | 200                      | 196                      | (4)                | (2.00%)         |      |
| Footpaths and cycleways                        | 3,259                    | 3,018                    | (241)              | (7.39%)         |      |
| Drainage                                       | 1,056                    | 1,204                    | 148                | 14.02%          | 6.   |
| Recreational, leisure and community facilities | 6,808                    | 6,536                    | (272)              | (4.00%)         |      |
| Waste management                               | 560                      | 431                      | (129)              | (23.04%)        | 7.   |
| Parks, open space and streetscapes             | 10,823                   | 7,243                    | (3,580)            | (33.08%)        | 8.   |
| Off street car parks                           | 430                      | 343                      | (87)               | (20.23%)        | 9.   |
| Other infrastructure                           | 2,064                    | 1,747                    | (317)              | (15.36%)        | 10.  |
| <b>Total Infrastructure</b>                    | <b>34,530</b>            | <b>29,515</b>            | <b>(5,015)</b>     | <b>(14.52%)</b> |      |
| <b>Total capital works expenditure</b>         | <b>64,885</b>            | <b>65,197</b>            | <b>312</b>         | <b>0.48%</b>    |      |
| <b>Represented by:</b>                         |                          |                          |                    |                 |      |
| New asset expenditure                          | 23,761                   | 15,496                   | (8,265)            | (34.78%)        |      |
| Asset renewal expenditure                      | 19,359                   | 23,107                   | 3,748              | 19.36%          |      |
| Asset expansion expenditure                    | 4,776                    | 4,566                    | (210)              | (4.40%)         |      |
| Asset upgrade expenditure                      | 16,989                   | 22,028                   | 5,039              | 29.66%          |      |
| <b>Total capital works expenditure</b>         | <b>64,885</b>            | <b>65,197</b>            | <b>312</b>         | <b>0.48%</b>    |      |

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### Note 2.1 Performance against budget (continued)

#### (i) Explanation of material variations

| Ref  | Explanation  |
|--|--|
| <b>1. Land</b>                               |  |
|  | Compulsory land acquisition by Council.  |
| <b>2. Buildings</b>                          |  |
|  | A significant portion of the Capital Works Program expenditure was delivered on buildings & facilities (\$25.192 million). A number of budget adjustments were endorsed at the Mid-Year Budget Review due to COVID-19 impacts which resulted in reduced expenditure to some major projects, including Pat Rollo Pavilion (\$0.644 million) and Lloyd Park Football Pavilion (\$0.587 million). However, this was offset by endorsed increased expenditure at Mid-Year Budget Review for the Jubilee Park Stadium Redevelopment (\$8.280 million) as a result of undertaking civil and facility construction works concurrently to expedite project delivery. |
| <b>3. Plant, machinery and equipment</b>     |  |
|  | Significant under expenditure of \$2.228 million in plant, machinery and equipment is primarily due to manufacturing and supply delays associated with the impacts of the COVID-19 pandemic, which affected the delivery of a number of heavy plant and light vehicles.  |
| <b>4. Fixtures, fittings and furniture</b>   |  |
|  | Additional expenditure incurred in renewal works of the Frankston Library, where project scope was increased to renew carpet during the replacement of shelving units, resulted in over expenditure of \$0.129 million in fixtures, fittings and furniture.  |
| <b>5. Computers and telecommunications</b>   |  |
|  | Computers and telecommunications was underspent by \$0.821 million due to delays with systems implementations including new systems for Finance and Human Resources, and supply delays to hardware acquisitions.   |
| <b>6. Drainage</b>                           |  |
|  | Drainage was overspent by \$0.148 million, primarily due to works associated with 2020/21 carry forward for drainage improvements at Williams Street, Frankston South.   |
| <b>7. Waste management</b>                   |  |
|  | Waste management was underspent by \$0.129 million due to savings associated with landfill aftercare land management and design works for the upgrade of the Harold Road entrance to the Frankston Regional Recycling and Recovery Centre.   |
| <b>8. Parks, open space and streetscapes</b> |  |
|  | Parks, open space and streetscapes were underspent by \$3.580 million across a number of projects, primarily to impacts associated COVID-19, delays with consultation and planning approvals, and unfavourable market conditions. Significantly, the Ballam Park Regional Playspace had a budget reduction endorsed at Mid-Year Budget Review of \$2.050 million due to COVID-19 impacts and supply delays.  |
| <b>9. Off Street Carparks</b>                |  |
|  | Minor under expenditure of \$0.087 million in off-street carparks due to savings with resurfacing works at the shopping strip at Excelsior Drive in Frankston North, and pavement investigations & design for future works.  |
| <b>10. Other Infrastructure</b>              |  |
|  | Under expenditure of \$0.317 million in other Infrastructure primarily due to delays with planning approvals for retaining wall works on Cranbourne Road (\$0.152 million), and delays to the implementation of local area traffic management precinct works.  |

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### Note 2.2 Analysis of Council results by program

During the financial year Council undertook a restructure of its Directorate responsibility structure. The significant change saw the Arts and Culture department move over from the Communities directorate to the Customer Innovation and Arts directorate. Prior year comparatives have been updated to reflect this.

#### 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 and Recycling as well as Financial and Corporate 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, Business Transformation, Business and Information Technology, Arts and Culture and Community Relations.

The items in Other are not directly attributable to the Directorates and include 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) and Pines Forest Aquatic Centre.



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### Note 2.2 Analysis of Council results by program (continued)

#### Note 2.2.2 Summary of income, expenses, assets and capital expenses by program

|                                   | Income<br>\$'000 | Expenses<br>\$'000 | Surplus/<br>(Deficit)<br>\$'000 | Grants<br>included in<br>income<br>\$'000 | Total<br>assets<br>\$'000 |
|-----------------------------------|------------------|--------------------|---------------------------------|---|---------------------------|
| <b>2022</b>                       |                  |                    |                                 |   |                           |
| CEO and Council                   | -                | 1,021              | (1,021)                         | -   | -                         |
| Infrastructure and Operations     | 2,226            | 74,262             | (72,036)                        | 211                                       | 1,910,583                 |
| Communities                       | 18,247           | 41,349             | (23,102)                        | 10,438                                    | 32,145                    |
| Corporate and commercial services | 144,604          | 34,868             | 109,736                         | 286                                       | 36,472                    |
| Customer innovation and arts      | 3,213            | 30,841             | (27,628)                        | 1,038                                     | 63,658                    |
| Other                             | 30,428           | 2,039              | 28,389                          | 26,921                                    | 188,465                   |
| Peninsula Leisure                 | 9,080            | 9,850              | (770)                           | 1,631                                     | 2,831                     |
| <b>Total</b>                      | <b>207,798</b>   | <b>194,230</b>     | <b>13,568</b>                   | <b>40,525</b>                             | <b>2,234,154</b>          |

|                                   | Income<br>\$'000 | Expenses<br>\$'000 | Surplus/<br>(Deficit)<br>\$'000 | Grants<br>included in<br>income<br>\$'000 | Total<br>assets<br>\$'000 |
|-----------------------------------|------------------|--------------------|---------------------------------|---|---------------------------|
| <b>2021</b>                       |                  |                    |                                 |   |                           |
| CEO and Council                   | -                | 881.0              | (881)                           | -   | -                         |
| Infrastructure and Operations     | 2,071            | 70,116.0           | (68,045)                        | 168                                       | 1,600,825                 |
| Communities                       | 17,424           | 44,468.0           | (27,044)                        | 9,801                                     | 26,013                    |
| Corporate and commercial services | 138,954          | 31,358.0           | 107,596                         | 1,583                                     | 32,108                    |
| Customer innovation and arts      | 1,936            | 20,069.0           | (18,133)                        | 955                                       | 56,898                    |
| Other                             | 18,827           | 3,191.0            | 15,636                          | 14,602                                    | 184,359                   |
| Peninsula Leisure                 | 7,896            | 8,312.0            | (416)                           | 110                                       | 3,555                     |
| <b>Total</b>                      | <b>187,108</b>   | <b>178,395.0</b>   | <b>8,713</b>                    | <b>27,219</b>                             | <b>1,903,758</b>          |

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### Note 3 Funding for the delivery of our services

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Note 3.1 Rates and charges</b>   |                |                |
| 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 2021-2022 was \$40,044 million (2020-2021 \$38,320 million). The 2021-2022 rate in the capital improved value dollar was 0.002280 (2020-2021 0.002326). The municipal charge is levied at the rate of \$168.90 (2020-2021 166.40) per rateable property. |                |                |
| General rates   | 92,832         | 91,076         |
| COVID-19 Rate waiver*   | (322)          | (450)          |
| Waste management charge   | 29,969         | 28,374         |
| Municipal charge  | 10,738         | 10,496         |
| Supplementary rates and rate adjustments  | 1,584          | 1,201          |
| Interest on rates and charges   | 780            | 496            |
| Waive of interest on rates and charges**  | -              | (464)          |
| <b>Total rates and charges</b>  | <b>135,581</b> | <b>130,729</b> |

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2021 and the valuation was applied to the rating period commencing 1 July 2021.

Valuations were prepared by registered valuers Patel Dore Pty Ltd under contract to Council.

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.

\* In response to the impacts of the COVID-19 pandemic, Council offered a one-off \$200 waive off rates to rate payers experiencing financial hardship under its Relief and Recovery Package.

\*\* In response to the impacts of the COVID-19 pandemic, Council elected to waive interest on rates and charges under its Relief and Recovery Package during 2020-2021.

### Note 3.2 Statutory fees and fines

|                                       |              |              |
|---------------------------------------|--------------|--------------|
| Permits                               | 2,010        | 1,870        |
| Waiver - permits*                     | (179)        | (117)        |
| Building and town planning fees       | 1,715        | 1,713        |
| Infringements and costs               | 1,439        | 1,196        |
| Land information certificates         | 177          | 131          |
| Court recoveries                      | 72           | 79           |
| <b>Total statutory fees and fines</b> | <b>5,234</b> | <b>4,872</b> |

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

\* In response to the impacts of the COVID-19 pandemic, Council elected to waive Food Registrations permits under its Relief and Recovery Package.

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|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Note 3.3 User fees</b>                         |                |                |
| Recreation and leisure                            | 7,822          | 5,708          |
| Waste management                                  | 5,944          | 4,443          |
| Aged and health services                          | 972            | 985            |
| Arts and culture                                  | 1,791          | 746            |
| Waiver - arts and culture fees*                   | -              | (5)            |
| Parking   | 1,084          | 917            |
| Waiver - parking fees*                            | (102)          | (50)           |
| Registrations and other permits                   | 822            | 697            |
| Waiver - registrations and other permits*         | (89)           | (71)           |
| Other fees and charges                            | 685            | 430            |
| Building services                                 | 356            | 456            |
| Waiver - building services fees*                  | -              | (40)           |
| Child care/children's programs                    | 265            | 246            |
| Library fees and fines                            | 30             | 305            |
| Waiver - library fees and fines*                  | -              | (276)          |
| <b>Total user fees</b>                            | <b>19,580</b>  | <b>14,491</b>  |
| <b>User fees by timing of revenue recognition</b> |                |                |
| User fees recognised over time                    | 5,064          | 3,393          |
| User fees recognised at a point in time           | 14,516         | 11,098         |
| <b>Total user fees</b>                            | <b>19,580</b>  | <b>14,491</b>  |

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

\* In response to the impacts of the COVID-19 pandemic, Council has elected to waive certain fees and charges under its Relief and Recovery Package. Waivers to certain fees relating to arts and culture, building services and library were only offered in 2020-2021 and not 2021-2022.

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|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Note 3.4 Funding from other levels of government</b> |                |                |
| Grants were received in respect of the following:       |                |                |
| <b>Summary of grants</b>                                |                |                |
| Commonwealth funded grants                              | 22,800         | 16,959         |
| State funded grants                                     | 17,725         | 10,260         |
| <b>Total grants received</b>                            | <b>40,525</b>  | <b>27,219</b>  |
| <b>(a) Operating grants</b>                             |                |                |
| <b>Recurrent - Commonwealth Government</b>              |                |                |
| Financial Assistance Grants                             | 11,519         | 8,024          |
| Aged and community care                                 | 4,271          | 4,535          |
| Family, children and youth services                     | 946            | 901            |
| Maternal and child health                               | 11             | 13             |
| <b>Recurrent Commonwealth grants</b>                    | <b>16,747</b>  | <b>13,473</b>  |
| <b>Recurrent - State Government</b>                     |                |                |
| Maternal and child health                               | 2,225          | 1,809          |
| Libraries   | 958            | 926            |
| Aged and community care                                 | 623            | 767            |
| School crossing supervisors                             | 429            | 441            |
| Family, children and youth services                     | 332            | 275            |
| Community development                                   | 224            | 153            |
| Recreation  | 168            | 163            |
| Community safety  | 40             | 49             |
| <b>Recurrent State grants</b>                           | <b>4,999</b>   | <b>4,583</b>   |
| <b>Total recurrent operating grants</b>                 | <b>21,746</b>  | <b>18,056</b>  |
| <b>Non-recurrent - State Government</b>                 |                |                |
| Community development                                   | 668            | 159            |
| Aged and community care                                 | 264            | 5              |
| Environment   | 150            | 10             |
| Family, children and youth services                     | 121            | 196            |
| Maternal and child health                               | 90             | 70             |
| Recreation  | 45             | 289            |
| Libraries   | 31             | 22             |
| Community safety  | 21             | 23             |
| Working for Victoria                                    | 128            | 1,573          |
| Community recovery                                      | -              | 149            |
| <b>Non-recurrent State grants</b>                       | <b>1,518</b>   | <b>2,496</b>   |
| <b>Total non-recurrent operating grants</b>             | <b>1,518</b>   | <b>2,496</b>   |
| <b>Total operating grants</b>                           | <b>23,264</b>  | <b>20,552</b>  |

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|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Note 3.4 Funding from other levels of government (continued)</b> |                |                |
| <b>(b) Capital grants</b>   |                |                |
| <b>Recurrent - Commonwealth Government</b>                          |                |                |
| Roads to recovery   | 769            | 1,416          |
| <b>Recurrent Commonwealth grants</b>                                | <b>769</b>     | <b>1,416</b>   |
| <b>Non-recurrent - Commonwealth Government</b>                      |                |                |
| Buildings   | 2,399          | 1,560          |
| Roads   | 2,225          | -              |
| Recreational, leisure and community facilities                      | 660            | 510            |
| <b>Non-recurrent Commonwealth grants</b>                            | <b>5,284</b>   | <b>2,070</b>   |
| <b>Non-recurrent - State Government</b>                             |                |                |
| Buildings   | 7,982          | 1,385          |
| Parks, open space and streetscapes                                  | 2,371          | 551            |
| Recreational, leisure and community facilities                      | 477            | 350            |
| Footpaths and cycleways   | 323            | 75             |
| Fixtures, fittings and furniture                                    | 55             | -              |
| Other infrastructure  | -              | 630            |
| Roads   | -              | 190            |
| <b>Non-recurrent State grants</b>                                   | <b>11,208</b>  | <b>3,181</b>   |
| <b>Total non-recurrent capital grants</b>                           | <b>16,492</b>  | <b>5,251</b>   |
| <b>Total capital grants</b>   | <b>17,261</b>  | <b>6,667</b>   |



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|---|----------------|----------------|
| <b>Note 3.4 Funding from other levels of government (continued)</b>   |                |                |
| <b>(c) Unspent grants received on condition that they be spent in a specific manner</b>   |                |                |
| <b>Operating</b>  |                |                |
| Balance at start of year  | 4,573          | 2,621          |
| Received during the financial year and remained unspent at balance date   | 1,667          | 2,656          |
| Received in prior years and spent during the financial year   | (1,831)        | (704)          |
| Balance at year end   | <b>4,409</b>   | <b>4,573</b>   |
| <b>Capital</b>  |                |                |
| Balance at start of year  | 12,228         | -              |
| Received during the financial year and remained unspent at balance date   | 4,581          | 12,228         |
| Received in prior years and spent during the financial year   | (10,335)       | -              |
| Balance at year end   | <b>6,474</b>   | <b>12,228</b>  |
| <b>(d) Recognition of grant income</b>  |                |                |
| 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 <i>Revenue from Contracts with Customers</i> . When both these conditions are satisfied, the Council:  |                |                |
| <ul style="list-style-type: none"> <li>identifies each performance obligation relating to revenue under the contract/agreement</li> <li>determines the transaction price</li> <li>recognises a contract liability for its obligations under the agreement</li> <li>recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.</li> </ul>  |                |                |
| Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 <i>Income for Not-for-Profit Entities</i> .   |                |                |
| 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. |                |                |
| <b>Income recognised under AASB 1058 Income of Not-for-Profit Entities</b>  |                |                |
| General purpose   | 11,519         | 8,024          |
| Other specific purpose grants   | 5,905          | 6,325          |
| <b>Revenue recognised under AASB 15 Revenue from Contracts with Customers</b>   |                |                |
| Specific purpose grants   | 23,101         | 12,870         |
| <b>Total Grants</b>   | <b>40,525</b>  | <b>27,219</b>  |

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 3.5 Contributions</b>  |                |                |
| Monetary   | 2,103          | 1,858          |
| Non-monetary   | 251            | 4,400          |
| <b>Total contributions</b>   | <b>2,354</b>   | <b>6,258</b>   |
| <i>Contributions of non-monetary assets were received in relation to the following asset classes</i> |                |                |
| Drainage   | 251            | 946            |
| Roads  | -              | 1,530          |
| Recreational, leisure and community  | -              | 856            |
| Land   | -              | 560            |
| Land under roads   | -              | 275            |
| Footpath and cycleways   | -              | 233            |
| <b>Total non-monetary contributions</b>  | <b>251</b>     | <b>4,400</b>   |

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

### Note 3.6 Net gain on disposal of property, plant and equipment

|  |            |            |
|--|------------|------------|
| Proceeds from sale   | 754        | 533        |
| Written down value of assets disposed                              | (188)      | (275)      |
| <b>Total net gain on disposal of property, plant and equipment</b> | <b>566</b> | <b>258</b> |

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

### Note 3.7 Other income

|                           |              |              |
|---------------------------|--------------|--------------|
| Sales                     | 1,314        | 994          |
| Insurance settlements     | 1,090        | 134          |
| Other rent                | 765          | 856          |
| Waiver - other rent*      | (179)        | (203)        |
| Interest                  | 500          | 594          |
| Other                     | 222          | 516          |
| Waiver - other income**   | -            | (7)          |
| Reimbursements            | 246          | 397          |
| <b>Total other income</b> | <b>3,958</b> | <b>3,281</b> |

Interest is recognised as it is earned.

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.

\* In response to the impacts of the COVID-19 pandemic, Council elected to waive rental charges for commercial and community tenants under its Relief and Recovery Package.

\*\* In response to the impacts of the COVID-19 pandemic, Council elected to waive the RSL contribution to the maintenance of the War Memorial under its 2020-21 Relief and Recovery Package.

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### Note 4 The cost of delivering services

|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 4.1 Employee costs</b>   |                |                |
| <b>(a) Employee costs</b>  |                |                |
| Salaries and wages   | 67,732         | 64,022         |
| Casual and agency staff  | 5,830          | 4,747          |
| Superannuation   | 7,239          | 6,345          |
| WorkCover  | 1,808          | 1,861          |
| Fringe benefits tax  | 164            | 156            |
| Other  | 127            | 73             |
| <b>Total employee costs</b>  | <b>82,900</b>  | <b>77,204</b>  |
| <b>(b) Superannuation</b>  |                |                |
| Council made contributions to the following funds:                             |                |                |
| Defined benefit fund   |                |                |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 192            | 190            |
|  | <b>192</b>     | <b>190</b>     |
| Employer contributions payable at reporting date                               | -              | -              |
| <b>Accumulation funds</b>  |                |                |
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 6,585          | 5,782          |
| Employer contributions - other funds   | 462            | 373            |
|  | <b>7,047</b>   | <b>6,155</b>   |
| Employer contributions payable at reporting date                               | <b>588</b>     | <b>527</b>     |

Refer to note 9.4 for further information relating to Council's superannuation obligations.

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 4.2 Materials and services</b>       |                |                |
| Waste collection and disposal services       | 22,352         | 19,238         |
| Contract services                            | 17,453         | 14,480         |
| Materials                                    | 6,372          | 5,422          |
| Utilities                                    | 4,124          | 3,611          |
| Building maintenance                         | 3,040          | 2,967          |
| Works in progress (unable to be capitalised) | 3,103          | 2,306          |
| Information technology                       | 2,564          | 3,184          |
| Consultants                                  | 2,453          | 1,916          |
| Plant and equipment                          | 1,877          | 1,806          |
| Insurance and fire services levy             | 1,872          | 1,348          |
| Office administration                        | 1,227          | 1,001          |
| Finance and legal                            | 1,134          | 974            |
| Marketing and promotion                      | 704            | 395            |
| Cost of goods sold                           | 453            | 298            |
| <b>Total materials and services</b>          | <b>68,728</b>  | <b>58,946</b>  |

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

### Note 4.3 Depreciation

|                           |               |               |
|---------------------------|---------------|---------------|
| Infrastructure            | 23,249        | 21,775        |
| Property                  | 7,692         | 7,663         |
| Plant and equipment       | 3,794         | 3,748         |
| <b>Total depreciation</b> | <b>34,735</b> | <b>33,186</b> |

Please refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

### Note 4.4 Amortisation - intangible assets

|   |            |            |
|---|------------|------------|
| Software                                      | 707        | 718        |
| <b>Total amortisation - intangible assets</b> | <b>707</b> | <b>718</b> |

Please refer to note 5.2(c) for a more detailed breakdown of amortisation charges and accounting policy.

### Note 4.5 Amortisation - right of use assets

|   |            |            |
|---|------------|------------|
| Plant and equipment                           | 533        | 529        |
| Motor Vehicles                                | 3          | -          |
| Property                                      | 22         | 18         |
| <b>Total amortisation - intangible assets</b> | <b>558</b> | <b>547</b> |

Please refer to note 5.8 for a more detailed breakdown of amortisation charges and accounting policy.

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 4.6 Bad and doubtful debts</b>   |                |                |
| Other debtors  | 60             | 106            |
| Parking fine debtors   | 81             | 31             |
| <b>Total bad and doubtful debts</b>  | <b>141</b>     | <b>137</b>     |
| <b>Note 4.7 Borrowing costs</b>  |                |                |
| Interest - borrowings  | 1,427          | 1,452          |
| <b>Total borrowing costs</b>   | <b>1,427</b>   | <b>1,452</b>   |
| Borrowing costs are recognised as an expense in the period in which they are incurred.                             |                |                |
| <b>Note 4.8 Finance costs - leases</b>   |                |                |
| Interest - lease liability   | 36             | 59             |
| <b>Total finance costs - leases</b>  | <b>36</b>      | <b>59</b>      |
| <b>Note 4.9 Other expenses</b>   |                |                |
| Assets written-off / impaired  | 2,124          | 2,516          |
| Grants and contributions*  | 856            | 1,625          |
| Training and professional development  | 636            | 600            |
| Councillors' allowances and expenses   | 418            | 361            |
| Operating lease rentals  | 361            | 319            |
| Court lodgement fees   | 138            | 238            |
| Auditor remuneration - Internal  | 173            | 188            |
| Director and committee member fees   | 117            | 127            |
| "Auditors' remuneration - VAGO - audit of the financial statements,<br>performance statement and grant acquittals" | 111            | 105            |
| Board costs  | 64             | 67             |
| <b>Total other expenses</b>  | <b>4,998</b>   | <b>6,146</b>   |

\* Grants and Contributions has decreased by \$0.769 million from the prior year due to Council issuing grants to COVID-19 affected groups and organisations that were part of the 2020-21 Relief and Recovery Package. These grants amounted to \$0.900 million. In 2020-21 Council also increased Business Grants by \$0.114 million to help attract further business to the municipality.



## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 5 Our Financial Position

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Note 5.1 Financial assets</b>  |                |                |
| <b>(a) Cash and cash equivalents</b>  |                |                |
| Cash on hand  | 23             | 21             |
| Cash at bank  | 2,653          | 1,228          |
| Term deposits   | 53,524         | 80,780         |
| <b>Total cash and cash equivalents</b>  | <b>56,200</b>  | <b>82,029</b>  |
| <b>(b) Other financial assets</b>   |                |                |
| Term deposits - current   | 45,507         | 36,517         |
| Term deposits - non-current   | 3,507          | -              |
| <b>Total other financial assets</b>   | <b>49,014</b>  | <b>36,517</b>  |
| <b>Total financial assets</b>   | <b>105,214</b> | <b>118,546</b> |
| Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include: |                |                |
| • Trust funds and deposits (note 5.3b)  | 5,896          | 6,705          |
| • Unearned income (note 5.3c)   | 13,472         | 19,094         |
| <b>Total restricted funds</b>   | <b>19,368</b>  | <b>25,799</b>  |
| <b>Total unrestricted cash and cash equivalents</b>   | <b>36,832</b>  | <b>56,230</b>  |
| <b>Intended allocations</b>   |                |                |
| Although not externally restricted the following amounts have been allocated for specific future purposes by Council:                       |                |                |
| • Strategic asset reserve (note 9.1b)   | 23,403         | 28,952         |
| • MAV LGFV Fund (note 9.1b)   | 12,708         | 12,205         |
| • PARC asset management sinking fund (note 9.1b)  | 11,048         | 11,705         |
| • Unexpended grants (note 9.1b)   | 8,482          | 5,796          |
| • Statutory reserves (note 9.1b)  | 7,447          | 8,482          |
| • Cash held to fund carried forward capital works   | 11,154         | 5,330          |
| • Capital project reserve (note 9.1b)   | 3,931          | 4,459          |
| • PARC asset management plan reserve (note 9.1b)  | -              | 473            |
| • PARC strategic reserve (note 9.1b)  | 300            | 300            |
| • Resource efficiency reserve (note 9.1b)   | 77             | 74             |
| <b>Total funds subject to intended allocations</b>  | <b>78,550</b>  | <b>77,776</b>  |

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\$'000

2021  
\$'000

### Note 5.1 Financial assets (continued)

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

##### Current

##### Statutory receivables

|  |         |         |
|--|---------|---------|
| Rates debtors                                | 18,010  | 15,894  |
| Infringement debtors                         | 5,933   | 5,606   |
| Provision for doubtful debts - infringements | (2,872) | (2,768) |
| Net GST receivable                           | 5,618   | 2,952   |
| Special rate scheme                          | 225     | 123     |

##### Non statutory receivables

|  |       |       |
|--|-------|-------|
| Other debtors                                | 2,646 | 1,837 |
| Provision for doubtful debts - other debtors | (132) | (122) |

|  |               |               |
|--|---------------|---------------|
| <b>Total current trade and other receivables</b> | <b>29,428</b> | <b>23,522</b> |
|--|---------------|---------------|

##### Non-current

##### Statutory receivables

|                     |     |     |
|---------------------|-----|-----|
| Special rate scheme | 560 | 613 |
|---------------------|-----|-----|

|  |            |            |
|--|------------|------------|
| <b>Total non-current trade and other receivables</b> | <b>560</b> | <b>613</b> |
|--|------------|------------|

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised on an expected credit loss model per AASB 9 *Financial Instruments*. This model considers both historic and forward looking information in determining the level of impairment. Long term receivables are carried at amortised cost using the effective interest rate method.

In response to the impacts of the COVID-19 pandemic, Council reframed its hardship policy to provide support to the community, including waiving of interest on outstanding rates to 30 June 2022 and ceasing debt collection on outstanding rates to 30 June 2022. This has had an impact on the balance of rates receivable as at 30 June 2022, increasing by \$2.116 million over 2021-22 (\$3.679 million in 2020-21). The deferment provisions provide relief until 30 June 2022 and the rates receivable balance is expected to return to be consistent with previous years.

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 5.1 Financial assets (continued)</b>   |                |                |
| <b>(d) Ageing of receivables</b>   |                |                |
| The ageing of Council's trade and other receivables (excluding statutory receivables) that are not impaired was: |                |                |
| Current (not yet due)  | 1,987          | 1,274          |
| Past due by up to 60 days  | 52             | 89             |
| Past due between 181 and 365 days  | 607            | 474            |
| <b>Total trade and other receivables</b>   | <b>2,646</b>   | <b>1,837</b>   |

### Note 5.2 Non-Financial assets

#### (a) Inventories

##### Current

|                                   |            |            |
|-----------------------------------|------------|------------|
| Inventories held for distribution | 128        | 111        |
| Inventories held for sale         | 41         | 43         |
| <b>Total inventories</b>          | <b>169</b> | <b>154</b> |

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

##### Current

|                           |              |              |
|---------------------------|--------------|--------------|
| Prepayments               | 1,882        | 1,949        |
| Accrual income            | 679          | 559          |
| Other                     | 330          | 330          |
| <b>Total other assets</b> | <b>2,891</b> | <b>2,838</b> |

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 5.2 Non-Financial assets (continued)</b>             |                |                |
| <b>(c) Intangible assets</b>                                 |                |                |
| <b>Software</b>  |                |                |
| At cost  | 8,748          | 7,346          |
| Less accumulated amortisation                                | (6,899)        | (6,196)        |
|  | <b>1,849</b>   | <b>1,150</b>   |
| <b>Gross carrying amount</b>                                 |                |                |
| Balance at 1 July  | 7,346          | 6,970          |
| Acquisitions   | 17             | 151            |
| Write-off  | (6)            | -              |
| Transfers from property, infrastructure, plant and equipment | 1,391          | 225            |
| Balance at 30 June   | 8,748          | 7,346          |
| <b>Accumulated amortisation and impairment</b>               |                |                |
| Balance at 1 July  | 6,196          | 5,478          |
| Amortisation expense   | 707            | 718            |
| Write-off  | (4)            | -              |
| Balance at 30 June   | 6,899          | 6,196          |
| <b>Net book value 30 June</b>                                | <b>1,849</b>   | <b>1,150</b>   |

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

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 5.3 Payables, trust funds and deposits and unearned income/revenue</b> |                |                |
| <b>(a) Trade and other payables</b>  |                |                |
| <b>Current</b>   |                |                |
| <i>Non-statutory payables</i>  |                |                |
| Trade payables   | 27,584         | 16,153         |
| Accrued expenses   | 5,643          | 3,546          |
| <b>Total trade and other payables</b>  | <b>33,227</b>  | <b>19,699</b>  |
| <b>(b) Trust funds and deposits</b>  |                |                |
| <b>Current</b>   |                |                |
| Refundable deposits and bonds  | 3,305          | 3,314          |
| Fire Services Levy   | 2,065          | 2,877          |
| Trust deposits   | 391            | 379            |
| Unclaimed moneys   | 135            | 135            |
| <b>Total trust funds and deposits</b>  | <b>5,896</b>   | <b>6,705</b>   |

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of 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 Victorian Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the Victorian Government in line with that process.

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|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| <b>Note 5.3 Payables, trust funds and deposits and unearned income/revenue (continued)</b> |                |                |
| <b>(c) Unearned income</b>   |                |                |
| <b>Current</b>   |                |                |
| Grants received in advance - operating   | 4,409          | 4,573          |
| Grants received in advance - capital   | 6,474          | 12,228         |
| User fees  | 2,589          | 2,293          |
| <b>Total current unearned income</b>   | <b>13,472</b>  | <b>19,094</b>  |

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers in respect of grant operating income, user fees and charges and rent income. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to note 3.

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.



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|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Note 5.4 Interest-bearing liabilities</b>          |                |                |
| <b>Current</b>  |                |                |
| Bank overdraft  | -              | 2,880          |
| Other borrowings - secured                            | 392            | 370            |
| Total current   | 392            | 3,250          |
| <b>Non-current</b>                                    |                |                |
| Treasury Corporation of Victoria borrowings - secured | 50             | 50             |
| Other borrowings - secured                            | 26,642         | 27,034         |
| Total non-current                                     | 26,692         | 27,084         |
| Total interest-bearing liabilities                    | 27,084         | 30,334         |

Borrowings are secured over the general rates of Council.

**(a) The maturity profile for Council's borrowings is:**

|   |        |        |
|---|--------|--------|
| Not later than one year                           | 392    | 3,250  |
| Later than one year and not later than five years | 1,892  | 1,761  |
| Later than five years                             | 24,800 | 25,323 |
| Total interest-bearing liabilities                | 27,084 | 30,334 |

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. Council determines the classification of its interest bearing liabilities at initial recognition.

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## Notes to the Financial Statements

For the year ended 30 June 2022

|   | 2022<br>\$'000         | 2021<br>\$'000         |
|---|------------------------|------------------------|
| <b>Note 5.5 Provisions</b>  |                        |                        |
| <b>Employee Provisions</b>  |                        |                        |
| Balance at beginning of financial year  | 17,060                 | 15,097                 |
| Additional provisions   | 7,540                  | 5,763                  |
| Amounts used  | (7,186)                | (3,602)                |
| Change in discounted amount arising because of the time and the effect of any change in the discount rate | (407)                  | (198)                  |
| <b>Balance at the end of the financial year</b>   | <b>17,007</b>          | <b>17,060</b>          |
|   | <b>2022<br/>\$'000</b> | <b>2021<br/>\$'000</b> |
| <b>(a) Employee provisions</b>  |                        |                        |
| Current provisions expected to be wholly settled within 12 months   |                        |                        |
| Annual leave  | 6,329                  | 6,285                  |
| Long service leave  | 1,347                  | 1,325                  |
| Gratuity  | 2                      | 3                      |
|   | <b>7,678</b>           | <b>7,613</b>           |
| <b>(a) Current</b>  |                        |                        |
| <b>Current provisions expected to be wholly settled after 12 months</b>                                   |                        |                        |
| Annual leave  | 333                    | 331                    |
| Long service leave  | 7,636                  | 7,510                  |
| Gratuity  | 42                     | 64                     |
|   | <b>8,011</b>           | <b>7,905</b>           |
| <b>Total current employee provisions</b>  | <b>15,689</b>          | <b>15,518</b>          |
| <b>(b) Non-current</b>  |                        |                        |
| Long service leave  | 1,318                  | 1,542                  |
| <b>Total non-current employee provisions</b>  | <b>1,318</b>           | <b>1,542</b>           |
| <b>Aggregate carrying amount of employee provisions:</b>  |                        |                        |
| Current   | 15,689                 | 15,518                 |
| Non-current   | 1,318                  | 1,542                  |
| <b>Total aggregate carrying amount of employee provisions</b>   | <b>17,007</b>          | <b>17,060</b>          |

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

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| 2022   | 2021   |
|--------|--------|
| \$'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.

Key assumptions:

- |                  |        |        |
|------------------|--------|--------|
| • discount rate  | 3.330% | 0.883% |
| • inflation rate | 3.850% | 2.950% |

### 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                          | 45            | 45            |
| Interest-bearing loans and borrowings – secured | 30,034        | 28,704        |
| <b>Total facilities</b>                         | <b>32,579</b> | <b>31,249</b> |
| Used facilities                                 | 27,084        | 29,954        |
| Unused facilities                               | 5,495         | 1,295         |

Council has a bank overdraft facility secured over rates with the Commonwealth Bank.

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### Note 5.7 Commitments

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

|                                  | Not later<br>than 1 year<br>\$'000 | Later than<br>1 year and not<br>later<br>than 2 years<br>\$'000 | Later than<br>2 year and<br>not later<br>than 5 years<br>\$'000 | Later than<br>5 years<br>\$'000 | Total<br>\$'000 |
|----------------------------------|------------------------------------|---|---|---------------------------------|-----------------|
| <b>2022</b>                      |                                    |   |   |                                 |                 |
| <b>Operating</b>                 |                                    |   |   |                                 |                 |
| Recycling and waste collection * | 13,796                             | 11,321  | 27,732  | 37,192                          | 90,041          |
| Council building maintenance     | 461                                | -   | -   | -                               | 461             |
| Other                            | 1,987                              | 379   | 310   | -                               | 2,676           |
| Energy                           | 188                                | 188   | 564   | 419                             | 1,359           |
| Valuations                       | 236                                | -   | -   | -                               | 236             |
| Information technology           | 1,585                              | 1,062   | 401   | -                               | 3,048           |
| <b>Total</b>                     | <b>18,253</b>                      | <b>12,950</b>   | <b>29,007</b>   | <b>37,611</b>                   | <b>97,821</b>   |
| <b>Capital</b>                   |                                    |   |   |                                 |                 |
| Buildings                        | 27,832                             | -   | -   | -                               | 27,832          |
| Infrastructure                   | 3,119                              | -   | -   | -                               | 3,119           |
| Plant and equipment              | 12,995                             | -   | -   | -                               | 12,995          |
| <b>Total</b>                     | <b>43,946</b>                      | <b>-</b>  | <b>-</b>  | <b>-</b>                        | <b>43,946</b>   |

|                                | Not later<br>than 1 year<br>\$'000 | Later than<br>1 year and not<br>later<br>than 2 years<br>\$'000 | Later than<br>2 year and<br>not later<br>than 5 years<br>\$'000 | Later than<br>5 years<br>\$'000 | Total<br>\$'000 |
|--------------------------------|------------------------------------|---|---|---------------------------------|-----------------|
| <b>2021</b>                    |                                    |   |   |                                 |                 |
| <b>Operating</b>               |                                    |   |   |                                 |                 |
| Recycling and waste collection | 8,821                              | 4,000   | 4,000   | 4,000                           | 20,821          |
| Council building maintenance   | 667                                | -   | -   | -                               | 667             |
| Other                          | 1,201                              | 364   | 96  | 96                              | 1,757           |
| Information technology         | 1,773                              | 559   | 516   | 639                             | 3,487           |
| <b>Total</b>                   | <b>12,462</b>                      | <b>4,923</b>  | <b>4,612</b>  | <b>4,735</b>                    | <b>26,732</b>   |
| <b>Capital</b>                 |                                    |   |   |                                 |                 |
| Buildings                      | 2,218                              | -   | -   | -                               | 2,218           |
| Infrastructure                 | 2,543                              | -   | -   | -                               | 2,543           |
| Plant and equipment            | 355                                | -   | -   | -                               | 355             |
| <b>Total</b>                   | <b>5,116</b>                       | <b>-</b>  | <b>-</b>  | <b>-</b>                        | <b>5,116</b>    |

\* Council entered into a new waste management contract in 2021-22 which came in to effect on 1 July 2022. Council will recognise lease assets and liabilities associated with the exclusive use of the waste management vehicles provided as part of the new contract in the 2022-23 financial year.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 5.8 Leases

At inception of a contract, Council will assess 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;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct use of the asset.

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

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

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

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

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

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

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

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

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 5.8 Leases (continued)

|   | Property<br>\$'000 | Plant and<br>equipment<br>\$'000 | Motor<br>Vehicles<br>\$'000 | Total<br>\$'000        |
|---|--------------------|----------------------------------|-----------------------------|------------------------|
| <b>Right-of-Use Assets</b>                                  |                    |                                  |                             |                        |
| <b>2022</b>   | -                  | -                                |                             |                        |
| Balance at beginning of financial year                      | 79                 | 903                              | -                           | 982                    |
| Additions   | -                  | -                                | 19                          | 19                     |
| Re-measurement arising from lease modifications             | -                  | -                                | -                           | -                      |
| Amortisation charge   | (22)               | (533)                            | (3)                         | (558)                  |
| <b>Balance at end of the financial year</b>                 | <b>57</b>          | <b>370</b>                       | <b>16</b>                   | <b>443</b>             |
| <b>2021</b>   |                    |                                  |                             |                        |
| Balance at beginning of financial year                      | 97                 | 1,412                            | -                           | 1,509                  |
| Re-measurement arising from lease modifications             | -                  | 20                               | -                           | 20                     |
| Amortisation charge   | (18)               | (529)                            | -                           | (547)                  |
| <b>Balance at end of the financial year</b>                 | <b>79</b>          | <b>903</b>                       | <b>-</b>                    | <b>982</b>             |
| <b>Lease Liabilities</b>                                    |                    |                                  | <b>2022<br/>\$'000</b>      | <b>2021<br/>\$'000</b> |
| Maturity analysis - contractual undiscounted cash flows     |                    |                                  |                             |                        |
| Less than one year  |                    |                                  | 400                         | 620                    |
| One to five years   |                    |                                  | 103                         | 510                    |
| <b>Total undiscounted lease liabilities as at 30 June:</b>  |                    |                                  | <b>503</b>                  | <b>1,130</b>           |
| Lease liabilities included in the Balance Sheet at 30 June: |                    |                                  |                             |                        |
| Current   |                    |                                  | 398                         | 584                    |
| Non-current   |                    |                                  | 112                         | 493                    |
| <b>Total lease liabilities</b>                              |                    |                                  | <b>510</b>                  | <b>1,077</b>           |



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### Note 5.8 Leases (continued)

#### 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.

|                              | 2022<br>\$'000 | 2021<br>\$'000 |
|------------------------------|----------------|----------------|
| <b>Expenses relating to:</b> |                |                |
| Short-term leases            | 329            | 317            |
| Leases of low value assets   | 31             | 13             |
| <b>Total</b>                 | <b>360</b>     | <b>330</b>     |

Variable lease payments (not included in measurement of lease liabilities).

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

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

Payable:

|   |          |            |
|---|----------|------------|
| Within one year                                   | 1        | 320        |
| Later than one year but not later than five years | 2        | 3          |
| <b>Total lease commitments</b>                    | <b>3</b> | <b>323</b> |

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## Notes to the Financial Statements

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### Note 6 Assets we manage

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

|                     | At Fair<br>Value<br>30 June<br>2021<br>\$'000 | Additions<br>\$'000 | Contri-<br>butions<br>\$'000 | Reval-<br>uation<br>\$'000 | Deprec-<br>iation<br>\$'000 | Disposals<br>\$'000 | Write-offs<br>\$'000 | Found<br>\$'000 | Transfers<br>\$'000 | At Fair<br>Value<br>30 June<br>2022<br>\$'000 |
|---------------------|---|---------------------|------------------------------|----------------------------|-----------------------------|---------------------|----------------------|-----------------|---------------------|---|
| Property            | 1,032,061                                     | 5,282               | -                            | 286,470                    | (7,692)                     | -                   | (1,032)              | 483             | 12,696              | 1,328,268                                     |
| Plant and equipment | 12,712  | 2,576               | -                            | -                          | (3,794)                     | (188)               | (5)                  | -               | 488                 | 11,789  |
| Infrastructure      | 652,481                                       | 610                 | 251                          | 25,139                     | (23,249)                    | -                   | (1,087)              | 1,509           | 25,100              | 680,754                                       |
| Work in progress    | 58,699  | 56,868              | -                            | -                          | -                           | -                   | (3,103)              | -               | (39,675)            | 72,789  |
|                     | 1,755,953                                     | 65,336              | 251                          | 311,609                    | (34,735)                    | (188)               | (5,227)              | 1,992           | (1,391)             | 2,093,600                                     |

#### Summary of Work in Progress (WIP)

|                     | Opening WIP<br>\$'000 | Additions<br>\$'000 | Write-offs<br>\$'000 | Reclass-<br>ification<br>\$'000 | Transfers<br>\$'000 | Closing WIP<br>\$'000 |
|---------------------|-----------------------|---------------------|----------------------|---------------------------------|---------------------|-----------------------|
| Property            | 24,805                | 23,258              | (185)                | (5,278)                         | (12,696)            | 29,904                |
| Plant and equipment | 3,890                 | 4,705               | (1,828)              | 179                             | (1,879)             | 5,267                 |
| Infrastructure      | 30,004                | 28,905              | (1,290)              | 5,099                           | (25,100)            | 37,618                |
| <b>Total</b>        | <b>58,699</b>         | <b>56,868</b>       | <b>(3,103)</b>       | <b>-</b>                        | <b>(39,675)</b>     | <b>72,789</b>         |

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

| (a) Property                                 | Land - specialised \$'000 | Land - non specialised \$'000 | Land under roads \$'000 | Total land \$'000 | Buildings - specialised \$'000 | Buildings - non specialised \$'000 | Total buildings \$'000 | Work in progress \$'000 | Total property \$'000 |
|--|---------------------------|-------------------------------|-------------------------|-------------------|--------------------------------|------------------------------------|------------------------|-------------------------|-----------------------|
| At fair value 1 July 2021                    | 790,124                   | 22,667                        | 4,354                   | 817,145           | 43,786                         | 311,222                            | 355,008                | 24,805                  | 1,196,958             |
| Accumulated depreciation 1 July 2021         | -                         | -                             | -                       | -                 | (19,047)                       | (121,045)                          | (140,092)              | -                       | (140,092)             |
|  | 790,124                   | 22,667                        | 4,354                   | 817,145           | 24,739                         | 190,177                            | 214,916                | 24,805                  | 1,056,866             |
| <b>Movements in fair value</b>               |                           |                               |                         |                   |                                |                                    |                        |                         |                       |
| Additions                                    | 3,348                     | -                             | -                       | 3,348             | -                              | 1,934                              | 1,934                  | 23,258                  | 28,540                |
| Found  | 483                       | -                             | -                       | 483               | -                              | -                                  | -                      | -                       | 483                   |
| Revaluation                                  | 266,185                   | 4,569                         | -                       | 270,754           | 1,660                          | 7,168                              | 8,828                  | -                       | 279,582               |
| Write-offs                                   | -                         | -                             | -                       | -                 | (313)                          | (4,875)                            | (5,188)                | (185)                   | (5,373)               |
| Work in progress reclassification            | -                         | -                             | -                       | -                 | -                              | -                                  | -                      | (5,278)                 | (5,278)               |
| Transfers                                    | -                         | -                             | -                       | -                 | 917                            | 11,779                             | 12,696                 | (12,696)                | -                     |
|  | 270,016                   | 4,569                         | -                       | 274,585           | 2,264                          | 16,006                             | 18,270                 | 5,099                   | 297,954               |
| <b>Movements in accumulated depreciation</b> |                           |                               |                         |                   |                                |                                    |                        |                         |                       |
| Depreciation                                 | -                         | -                             | -                       | -                 | (914)                          | (6,778)                            | (7,692)                | -                       | (7,692)               |
| Revaluation                                  | -                         | -                             | -                       | -                 | (537)                          | 7,425                              | 6,888                  | -                       | 6,888                 |
| Accumulated depreciation of write-offs       | -                         | -                             | -                       | -                 | 266                            | 3,890                              | 4,156                  | -                       | 4,156                 |
|  | -                         | -                             | -                       | -                 | (1,185)                        | 4,537                              | 3,352                  | -                       | 3,352                 |
| At fair value 30 June 2022                   | 1,060,140                 | 27,236                        | 4,354                   | 1,091,730         | 46,050                         | 327,228                            | 373,278                | 29,904                  | 1,494,912             |
| Accumulated depreciation 30 June 2022        | -                         | -                             | -                       | -                 | (20,232)                       | (116,508)                          | (136,740)              | -                       | (136,740)             |
| <b>Carrying amount</b>                       | 1,060,140                 | 27,236                        | 4,354                   | 1,091,730         | 25,818                         | 210,720                            | 236,538                | 29,904                  | 1,358,172             |

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For the year ended 30 June 2022

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

|  | Plant<br>machinery<br>equipment | Fixtures,<br>and<br>furniture | Computers<br>and<br>telecomms | Library<br>books | Work in<br>progress | Total<br>plant and<br>equipment |
|--|---------------------------------|-------------------------------|-------------------------------|------------------|---------------------|---------------------------------|
|  | \$'000                          | \$'000                        | \$'000                        | \$'000           | \$'000              | \$'000                          |
| <b>(b) Plant and equipment</b>               |                                 |                               |                               |                  |                     |                                 |
| At fair value 1 July 2021                    | 21,303                          | 1,684                         | 6,567                         | 6,522            | 3,890               | 39,966                          |
| Accumulated depreciation 1 July 2021         | (12,909)                        | (905)                         | (4,344)                       | (5,206)          | -                   | (23,364)                        |
|  | 8,394                           | 779                           | 2,223                         | 1,316            | 3,890               | 16,602                          |
| <b>Movements in fair value</b>               |                                 |                               |                               |                  |                     |                                 |
| Additions                                    | 2,021                           | 23                            | 154                           | 378              | 4,705               | 7,281                           |
| Transfers to intangible assets               | -                               | -                             | -                             | -                | (1,391)             | (1,391)                         |
| Write-offs                                   | (7)                             | -                             | -                             | -                | (1,628)             | (1,635)                         |
| Disposals                                    | (1,773)                         | -                             | -                             | -                | -                   | (1,773)                         |
| Work in progress reclassification            | -                               | -                             | -                             | -                | 179                 | 179                             |
| Transfers                                    | 27                              | 292                           | 148                           | 21               | (488)               | -                               |
|  | 268                             | 315                           | 302                           | 399              | 1,377               | 2,661                           |
| <b>Movements in accumulated depreciation</b> |                                 |                               |                               |                  |                     |                                 |
| Depreciation                                 | (2,454)                         | (185)                         | (641)                         | (514)            | -                   | (3,794)                         |
| Accumulated depreciation of write-offs       | 2                               | -                             | -                             | -                | -                   | 2                               |
| Accumulated depreciation of disposals        | 1,585                           | -                             | -                             | -                | -                   | 1,585                           |
|  | (867)                           | (185)                         | (641)                         | (514)            | -                   | (2,207)                         |
| At fair value 30 June 2022                   | 21,571                          | 1,999                         | 6,869                         | 6,921            | 5,267               | 42,627                          |
| Accumulated depreciation 30 June 2022        | (13,776)                        | (1,090)                       | (4,985)                       | (5,720)          | -                   | (25,571)                        |
| <b>Carrying amount</b>                       | <b>7,795</b>                    | <b>909</b>                    | <b>1,884</b>                  | <b>1,201</b>     | <b>5,267</b>        | <b>17,056</b>                   |

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

|  | Roads<br>\$'000 | Bridges<br>\$'000 | Footpaths<br>and<br>cycleways<br>\$'000 | Drainage<br>\$'000 | Recreat-<br>ional,<br>leisure and<br>community<br>\$'000 | Waste<br>manage-<br>ment<br>\$'000 | Off-street<br>car parks<br>\$'000 | Other<br>infra-<br>structure<br>\$'000 | Work in<br>progress<br>\$'000 | Total<br>infra-<br>structure<br>\$'000 |
|--|-----------------|-------------------|---|--------------------|--|------------------------------------|-----------------------------------|--|-------------------------------|--|
| <b>(c) Infrastructure</b>                    |                 |                   |   |                    |  |                                    |                                   |  |                               |  |
| At fair value 1 July 2021                    | 519,757         | 26,247            | 125,695                                 | 291,495            | 134,795  | 2,950                              | 44,626                            | 17,317                                 | 30,004                        | 1,192,886                              |
| Accumulated depreciation 1 July 2021         | (203,605)       | (11,764)          | (62,957)                                | (152,313)          | (47,007)   | (1,672)                            | (22,888)                          | (8,195)                                | -                             | (510,401)                              |
|  | 316,152         | 14,483            | 62,738                                  | 139,182            | 87,788   | 1,278                              | 21,738                            | 9,122                                  | 30,004                        | 682,485                                |
| <b>Movements in fair value</b>               |                 |                   |   |                    |  |                                    |                                   |  |                               |  |
| Additions                                    | 43              | -                 | 91                                      | 117                | 359  | -                                  | -                                 | -                                      | 28,905                        | 29,515                                 |
| Contributions                                | -               | -                 | -                                       | 251                | -  | -                                  | -                                 | -                                      | -                             | 251                                    |
| Found  | 369             | -                 | -                                       | 3,417              | -  | -                                  | -                                 | -                                      | -                             | 3,786                                  |
| Revaluation                                  | 20,254          | 1,125             | 3,995                                   | (4,590)            | (1,123)  | -                                  | 1,438                             | 105                                    | -                             | 21,204                                 |
| Write-offs                                   | (1,601)         | -                 | (201)                                   | -                  | (287)  | -                                  | (391)                             | (17)                                   | (1,290)                       | (3,787)                                |
| Work in progress reclassification            | -               | -                 | -                                       | -                  | -  | -                                  | -                                 | -                                      | 5,099                         | 5,099                                  |
| Transfers                                    | 5,792           | -                 | 1,946                                   | 1,318              | 12,598   | -                                  | 1,629                             | 1,817                                  | (25,100)                      | -                                      |
|  | 24,857          | 1,125             | 5,831                                   | 513                | 11,547   | -                                  | 2,676                             | 1,905                                  | 7,614                         | 56,068                                 |
| <b>Movements in accumulated depreciation</b> |                 |                   |   |                    |  |                                    |                                   |  |                               |  |
| Depreciation                                 | (7,575)         | (597)             | (2,994)                                 | (3,654)            | (6,539)  | (295)                              | (1,106)                           | (489)                                  | -                             | (23,249)                               |
| Accumulated depreciation of write-offs       | 851             | -                 | 117                                     | -                  | 133  | -                                  | 298                               | 11                                     | -                             | 1,410                                  |
| Revaluation                                  | (3,820)         | (310)             | (2,690)                                 | 13,161             | (1,107)  | -                                  | (874)                             | (425)                                  | -                             | 3,935                                  |
| Found  | (6)             | -                 | -                                       | (2,271)            | -  | -                                  | -                                 | -                                      | -                             | (2,277)                                |
|  | (10,550)        | (907)             | (5,567)                                 | 7,236              | (7,513)  | (295)                              | (1,682)                           | (903)                                  | -                             | (20,181)                               |
| At fair value 30 June 2022                   | 544,614         | 27,372            | 131,526                                 | 292,008            | 146,342  | 2,950                              | 47,302                            | 19,222                                 | 37,618                        | 1,248,954                              |
| Accumulated depreciation 30 June 2022        | (214,155)       | (12,671)          | (68,524)                                | (145,077)          | (54,520)   | (1,967)                            | (24,570)                          | (9,098)                                | -                             | (530,582)                              |
| <b>Carrying amount</b>                       | <b>330,459</b>  | <b>14,701</b>     | <b>63,002</b>                           | <b>146,931</b>     | <b>91,822</b>  | <b>983</b>                         | <b>22,732</b>                     | <b>10,124</b>                          | <b>37,618</b>                 | <b>718,372</b>                         |

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

#### Acquisition

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

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

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

#### Asset recognition thresholds and depreciation periods

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

#### 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.



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### 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 2022 by a qualified independent valuer Sarah Singleton (AAPI 108105) 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 Statement.

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

The date of the current valuation is detailed in the following table.

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

|                             | Level 1<br>\$'000 | Level 2<br>\$'000 | Level 3<br>\$'000 | Date of<br>Valuation |
|-----------------------------|-------------------|-------------------|-------------------|----------------------|
| Land – non-specialised      | -                 | 27,236            | -                 | March 2022           |
| Land – specialised          | -                 | -                 | 1,060,140         | March 2022           |
| Land under roads            | -                 | -                 | 4,354             | March 2022           |
| Buildings – non-specialised | -                 | 210,720           | -                 | March 2022           |
| Buildings – specialised     | -                 | -                 | 25,818            | March 2022           |
| <b>Total</b>                | <b>-</b>          | <b>237,956</b>    | <b>1,090,312</b>  |                      |

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### 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 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 below. 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. Full re-valuation of these assets will be conducted according to the schedule in the table below.

|  | Indexed Valuation –<br>30 June 2022 | Scheduled<br>Full<br>Revaluation | Level 3<br>\$'000 | Date of<br>Valuation |
|--|-------------------------------------|----------------------------------|-------------------|----------------------|
| Roads  | Indexed valuation                   | 2023-2024                        | 330,459           | June 2022            |
| Bridges  | Indexed valuation                   | 2023-2025                        | 14,701            | June 2022            |
| Footpaths and cycleway                         | Indexed valuation                   | 2023-2026                        | 63,002            | June 2022            |
| Drainage                                       | Full revaluation                    | 2021-2022                        | 146,931           | June 2022            |
| Recreational, leisure and community facilities | Indexed valuation                   | 2025-2026                        | 91,822            | June 2022            |
| Waste management*                              | -                                   | -                                | 983               |                      |
| Off-street carparks                            | Indexed valuation                   | 2022-2023                        | 22,732            | June 2022            |
| Other infrastructure                           | Indexed valuation                   | 2022-2023                        | 10,124            | June 2022            |
| <b>Total</b>                                   |                                     |                                  | <b>680,754</b>    |                      |

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

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are shown in the table above.

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

#### 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 \$10 and \$2,885 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 \$210 to \$75,600 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.

|   | 2022<br>\$'000   | 2021<br>\$'000 |
|---|------------------|----------------|
| <b>Reconciliation of specialised land</b> |                  |                |
| Land                                      | 1,060,140        | 790,124        |
| Land under roads                          | 4,354            | 4,354          |
| <b>Total specialised land</b>             | <b>1,064,494</b> | <b>794,478</b> |

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## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 6.2 Investments in joint arrangements and subsidiaries

#### (a) Investments in joint arrangements

##### Joint arrangement

Nuclio Pty Ltd (ACN: 634 835 902)

##### Background

Nuclio Pty Ltd was formed by Peninsula Leisure Pty Ltd and SMC Venture Holdings Pty Ltd, as a vehicle to further develop and then commercialise the customer engagement technical IP, first created for Peninsula Leisure Pty Ltd. The joint venture was governed by the Shareholders' Agreement and the IP License Agreement. Up to the date of deregistration of Nuclio Pty Ltd, Peninsula Leisure Pty Ltd held 51.2 per cent share and equal control with SMC Venture Holdings Pty Ltd. Nuclio Pty Ltd was deregistered on 4 November 2020.

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| Fair value of Council's investment in Nuclio Pty Ltd        | -              | -              |
| <b>Movement in carrying value of specific investment</b>    |                |                |
| Carrying value of investment at start of year               | -              | 162            |
| Acquisition of share capital                                | -              | -              |
| Share of profit for year                                    | -              | -              |
| Intellectual property (software) acquired on deregistration | -              | (150)          |
| Cash and cash equivalents received on deregistration        | -              | (12)           |
| <b>Carrying value of investment at end of year</b>          | -              | -              |

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2022, 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)
- Nuclio Pty Ltd (ACN: 634 835 902) - deregistered

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.

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## Notes to the Financial Statements

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### Note 6.2 Investments in joint arrangements and subsidiaries (continued)

#### (b) 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, Frankston's largest outdoor swimming pool. The centre is open seasonally and is located in Frankston North.

##### Summarised financial information

##### Summarised statement of comprehensive income

|                                   | 2022<br>\$'000 | 2021<br>\$'000 |
|-----------------------------------|----------------|----------------|
| Total income                      | 9,080          | 7,897          |
| Total expenses                    | 9,850          | 8,313          |
| <b>Loss for the year</b>          | <b>(770)</b>   | <b>(416)</b>   |
| Other comprehensive income        | -              | -              |
| <b>Total comprehensive result</b> | <b>(770)</b>   | <b>(416)</b>   |

##### Summarised balance sheet

|                          |              |              |
|--------------------------|--------------|--------------|
| Current assets           | 2,248        | 2,690        |
| Non-current assets       | 583          | 865          |
| <b>Total assets</b>      | <b>2,831</b> | <b>3,555</b> |
| Current liabilities      | 1,498        | 1,242        |
| Non-current liabilities  | 100          | 310          |
| <b>Total liabilities</b> | <b>1,598</b> | <b>1,552</b> |
| <b>Net assets</b>        | <b>1,233</b> | <b>2,003</b> |

##### Summarised statement of cash flows

|  |              |              |
|--|--------------|--------------|
| Net cash from operating activities                 | 162          | 109          |
| Net cash flows used in investing activities        | (158)        | (77)         |
| Net cash used in financing activities              | (220)        | (180)        |
| <b>Net (decrease) in cash and cash equivalents</b> | <b>(216)</b> | <b>(148)</b> |

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 6.2 Investments in joint arrangements and subsidiaries (continued)

#### Economic Dependency

Peninsula Leisure Pty Ltd operates both Peninsula Aquatic Recreation Centre and Pines Forest Aquatic Centre 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 made a cash contribution of \$1,140,000 in 2021-2022 (2020-2021: \$2,041,328) in financial support to Peninsula Leisure Pty Ltd as a result of the facility closure related to COVID-19 government restrictions.

Council has committed \$1,510,000 of funding to Peninsula Leisure Pty Ltd under the MSA for 2022-2023.



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### 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 and joint arrangements are detailed in note 6.2.

##### (b) Key Management Personnel

Details of persons holding the position of Councillor or other members of Key Management Personnel at any time during the year are:

###### Councillors

|                           |   |
|---------------------------|---|
| Councillor Nathan Conroy  | ( 16 November 2020 to 30 June 2022. Mayor from 18 November 2021 to 30 June 2022)    |
| Councillor Kris Bolam     | (22 October 2016 to 30 June 2022. Mayor from 16 November 2020 to 18 November 2021.) |
| Councillor David Asker    | ( 16 November 2020 to 30 June 2022)   |
| Councillor Sue Baker      | ( 16 November 2020 to 30 June 2022)   |
| Councillor Claire Harvey  | ( 16 November 2020 to 30 June 2022)   |
| Councillor Brad Hill      | ( 16 November 2020 to 30 June 2022)   |
| Councillor Liam Hughes    | ( 16 November 2020 to 30 June 2022)   |
| Councillor Steven Hughes  | ( 16 November 2020 to 30 June 2022)   |
| Councillor Suzette Tayler | ( 16 November 2020 to 30 June 2022)   |

###### Key Management Personnel

|  |   |
|--|---|
| Chief Executive Officer:                     | Phil Cantillon  |
| Director - Communities                       | Dr Gillian Kay (1 July to 30 October 2021)<br>Angela Hughes (8 November 2021 to 30 June 2022) |
| Director - Corporate and Commercial Services | Kim Jaensch   |
| Director - Infrastructure and Operations     | Cam Arullanantham   |
| Director - Customer Innovation and Arts      | Shweta Babbar   |

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### Note 7.1 Council and Key management remuneration (continued)

|   | 2022<br>No. | 2021<br>No. |
|---|-------------|-------------|
| Total Number of Councillors   | 9           | 17          |
| Total of Chief Executive Officer and other Key Management Personnel | 6           | 5           |
| <b>Total Number of Key Management Personnel</b>                     | <b>15</b>   | <b>22</b>   |

#### (c) Remuneration of Key Management Personnel

|  | 2022<br>\$'000 | 2021<br>\$'000 |
|--|----------------|----------------|
| Total remuneration of Key Management Personnel was as follows: |                |                |
| Short-term benefits  | 1,921          | 1,821          |
| Other long-term benefits                                       | 27             | 68             |
| Post employment benefits                                       | 183            | 172            |
| <b>Total</b>   | <b>2,131</b>   | <b>2,061</b>   |

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### Note 7.1 Council and Key management remuneration (continued)

#### (c) Remuneration of Key Management Personnel (continued)

The numbers of Key Management Personnel whose total remuneration from Council and any related entities, fall within the following bands:

|                       | 2022<br>No. | 2021<br>No. |
|-----------------------|-------------|-------------|
| \$10,000 - \$19,999   | -           | 7           |
| \$20,000 - \$29,999   | -           | 8           |
| \$30,000 - \$39,999   | 6           | 1           |
| \$40,000 - \$49,999   | 1           | -           |
| \$60,000 - \$69,999   | 1           | -           |
| \$70,000 - \$79,999   | -           | 1           |
| \$80,000 - \$89,999   | 1           | -           |
| \$110,000 - \$119,999 | 1           | -           |
| \$280,000 - \$289,999 | 1           | -           |
| \$300,000 - \$309,999 | 2           | -           |
| \$310,000 - \$319,999 | 1           | 1           |
| \$330,000 - \$339,999 | -           | 2           |
| \$340,000 - \$349,999 | -           | 1           |
| \$370,000 - \$379,999 | -           | 1           |
| \$380,000 - \$389,999 | 1           | -           |
|                       | <b>15</b>   | <b>22</b>   |

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).

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### Note 7.1 Council and Key management remuneration (continued)

#### (d) Senior Officers remuneration

A Senior Officer other than a Key Management Personnel, who:

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

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

| Income range          | 2022<br>No. | 2021<br>No. |
|-----------------------|-------------|-------------|
| < \$151,000           | 1           | -           |
| \$151,000 - \$159,999 | 1           | -           |
| \$160,000 - \$169,999 | -           | 1           |
| \$180,000 - \$189,999 | -           | 2           |
| \$190,000 - \$199,999 | 1           | 6           |
| \$200,000 - \$209,999 | 6           | 7           |
| \$210,000 - \$219,999 | 3           | 1           |
| \$220,000 - \$229,999 | 4           | -           |
| \$230,000 - \$239,999 | 2           | -           |
| \$240,000 - \$249,999 | 1           | 2           |
| \$250,000 - \$259,999 | -           | 1           |
| \$270,000 - \$279,999 | 1           | -           |
| \$280,000 - \$289,999 | 1           | -           |
|                       | <b>21</b>   | <b>20</b>   |

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Total Remuneration for the reporting year for Senior officers included above,<br/>amounted to:</b> | <b>4,473</b>   | <b>4,120</b>   |

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).

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## Notes to the Financial Statements

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### Note 7.2 Related party disclosure

#### (a) Transactions with related parties

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

|  | 2022<br>Excl GST<br>\$'000 | 2021<br>Excl GST<br>\$'000 |
|--|----------------------------|----------------------------|
| <b>Received from Peninsula Leisure Pty Ltd</b> |                            |                            |
| Other reimbursements                           | 78                         | 78                         |
| <b>Total received</b>                          | <b>78</b>                  | <b>78</b>                  |
| <b>Paid to Peninsula Leisure Pty Ltd</b>       |                            |                            |
| Management Service Fee                         | 1,140                      | 2,041                      |
| Contract payment                               | 447                        | 473                        |
| <b>Total paid</b>                              | <b>1,587</b>               | <b>2,514</b>               |

#### (b) Outstanding balances with related parties

The following transactions were outstanding at 30 June

##### Payable to Peninsula Leisure Pty Ltd

|                      |           |          |
|----------------------|-----------|----------|
| Contract payment     | 40        | -        |
| <b>Total payable</b> | <b>40</b> | <b>-</b> |

During 2020-2021, the Board of Nuclo Pty Ltd, after discussions with the private shareholders (including Peninsula Leisure Pty Ltd), agreed to deregister the company after COVID-19 had restricted access to interested overseas parties due to travel restrictions and the resulting cancellation of a number of key major events where the product were to be showcased both locally and internationally. Nuclo Pty Ltd was deregistered on 4 November 2020. Upon deregistration, Peninsula Leisure Pty Ltd received intellectual property (software) valued at \$150,400 and cash of \$11,267 from Nuclo Pty Ltd.

#### (c) Loans to/from related parties

Nil

#### (d) Commitments to/from related parties

Council has made a cash contribution of \$1,140,000 in 2021-2022 (2020-2021: \$2,041,259) in financial support to Peninsula Leisure Pty Ltd as a result of the facility closure related to COVID-19 government restrictions. Under the Management Service Agreement Council provides (if required by the Company) a management service fee (refer to note 6.2(b)).

Council has committed \$1,510,000 of funding to Peninsula Leisure Pty Ltd under the MSA for 2022-2023.

No other commitments have been made, guaranteed or secured by Council to Key Management Personnel or related parties during the reporting year (2020-2021, nil).

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## Notes to the Financial Statements

For the year ended 30 June 2022

### 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:

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| No later than one year                            | 628            | 617            |
| Later than one year and not later than five years | 1,247          | 1,556          |
| Later than five years                             | 335            | 486            |
| <b>Total</b>                                      | <b>2,210</b>   | <b>2,659</b>   |



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### Note 8.1 Contingent assets and liabilities (continued)

#### (b) Contingent liabilities

##### Superannuation

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

##### Future superannuation contributions

In addition to the disclosed contributions, Frankston City Council has paid unfunded liability payments to Vision Super totalling \$0.192 million paid during the 2021-2022 year (2020-2021 \$0.190 million). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 are \$0.194 million.

##### Compensation for land compulsory acquired

Council compulsorily acquired the property at 39 Wells Road, Seaford on 29 June 2021. Council has made an advance payment of \$3.348 million for compensation in 2021-2022. Council is still in negotiations regarding the quantum of compensation.

##### Liability Mutual Insurance

Council was a participant of the MAV Liability Mutual Insurance (LMI) Scheme until 30 June 2014 and then subsequently rejoined 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.

##### Landfill restoration

Council has been directed by the Environmental Protection Authority to undergo work to rehabilitate the closed landfill site at McClelland Road, Frankston North. The work that needs to be done involves extraction, storage and disposal of leachate. Council has recently completed a leachate extraction trial to determine the method and amount of leachate to be disposed from the closed landfill on an annual basis. A proposal, which will determine the on-going costs, will be forwarded to the EPA and based on the acceptance of the proposal the costs will be determined and a provision for landfill rehabilitation will be recognised in the balance sheet.

### 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 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

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## Notes to the Financial Statements

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### Note 8.3 Financial Instruments

#### (a) Objectives and policies

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 significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

#### (b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. 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.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 8.3 Financial Instruments (continued)

#### (c) Credit risk

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 provisions for impairment of those assets, as disclosed in the Balance Sheet and notes to the Financial Statements. Council does not hold any collateral.

#### (d) Liquidity risk

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

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- 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.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

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## Notes to the Financial Statements

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### Note 8.3 Financial Instruments (continued)

#### (e) Sensitivity disclosure analysis

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

- A parallel shift of +2.50 per cent and -0.25 per cent in market interest rates (AUD) from year-end rates of 2.50 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 unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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### Note 8.4 Fair value measurement (continued)

#### Revaluation

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.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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

No matters have occurred after balance date that require disclosure in the financial report.

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### Note 9 Other matters

#### Note 9.1 Reserves

##### (a) Asset revaluation reserves

|   | Balance at<br>beginning<br>of reporting<br>period<br>\$'000 | Increment/<br>(decrement)<br>\$'000 | Balance<br>at end of<br>reporting<br>period<br>\$'000 |
|---|---|-------------------------------------|---|
| <b>2022</b>   |   |                                     |   |
| <b>Property</b>                                       |   |                                     |   |
| Land revaluation                                      | 688,099   | 270,754                             | 958,853   |
| Building revaluation                                  | 68,243  | 15,716                              | 83,959  |
|   | <b>756,342</b>  | <b>286,470</b>                      | <b>1,042,812</b>                                      |
| <b>Infrastructure</b>                                 |   |                                     |   |
| Drainage revaluation                                  | 80,937  | 8,571                               | 89,508  |
| Infrastructure asset revaluation (excluding drainage) | 154,696   | 16,568                              | 171,264   |
|   | <b>235,633</b>  | <b>25,139</b>                       | <b>260,772</b>  |
| <b>Plant and equipment</b>                            |   |                                     |   |
| Plant, machinery and equipment revaluation            | 614   | -                                   | 614   |
|   | <b>614</b>  | <b>-</b>                            | <b>614</b>  |
| <b>Total asset revaluation reserves</b>               | <b>992,589</b>  | <b>311,609</b>                      | <b>1,304,198</b>                                      |
| <b>2021</b>   |   |                                     |   |
| <b>Property</b>                                       |   |                                     |   |
| Land revaluation                                      | 688,099   | -                                   | 688,099   |
| Building revaluation                                  | 68,243  | -                                   | 68,243  |
|   | <b>756,342</b>  | <b>-</b>                            | <b>756,342</b>  |
| <b>Infrastructure</b>                                 |   |                                     |   |
| Drainage revaluation                                  | 88,743  | (7,806)                             | 80,937  |
| Infrastructure asset revaluation (excluding drainage) | 129,675   | 25,021                              | 154,696   |
|   | <b>218,418</b>  | <b>17,215</b>                       | <b>235,633</b>  |
| <b>Plant and equipment</b>                            |   |                                     |   |
| Plant, machinery and equipment revaluation            | 614   | -                                   | 614   |
|   | <b>614</b>  | <b>-</b>                            | <b>614</b>  |
| <b>Total asset revaluation reserves</b>               | <b>975,374</b>  | <b>17,215</b>                       | <b>992,589</b>  |

##### Nature and purpose of reserves

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



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### Note 9.1 Reserves (continued)

#### (b) Other reserves

|                                     | Balance at<br>beginning<br>of reporting<br>period<br>\$'000 | Transfer from<br>accumulated<br>surplus<br>\$'000 | Transfer to<br>accumulated<br>surplus<br>\$'000 | Balance<br>at end of<br>reporting<br>period<br>\$'000 |
|-------------------------------------|---|---|---|---|
| <b>2022</b>                         |   |   |   |   |
| <b>Statutory</b>                    |   |   |   |   |
| Public resort and recreation        | 8,265   | 1,503   | (2,538)   | 7,230   |
| Subdivision roadworks               | 133   | -   | -   | 133   |
| Infrastructure assets               | 74  | -   | -   | 74  |
| Car parking                         | 10  | -   | -   | 10  |
| <b>Total statutory reserves</b>     | <b>8,482</b>  | <b>1,503</b>                                      | <b>(2,538)</b>                                  | <b>7,447</b>  |
| <b>Discretionary</b>                |   |   |   |   |
| Strategic asset reserve             | 28,952  | 4,143   | (9,692)   | 23,403  |
| MAV LGFV Fund                       | 12,205  | 503   | -   | 12,708  |
| PARC asset management sinking fund  | 11,705  | 750   | (1,407)   | 11,048  |
| Unexpended grant reserve            | 5,796   | 6,976   | (4,290)   | 8,482   |
| Capital projects reserve            | 4,459   | 170   | (698)   | 3,931   |
| PARC asset management plan reserve  | 473   | -   | (473)   | -   |
| PARC strategic reserve              | 300   | -   | -   | 300   |
| Resource efficiency reserve         | 74  | 3   | -   | 77  |
| <b>Total discretionary reserves</b> | <b>63,964</b>   | <b>12,545</b>                                     | <b>(16,560)</b>                                 | <b>59,949</b>   |
| <b>Total other reserves</b>         | <b>72,446</b>   | <b>14,048</b>                                     | <b>(19,098)</b>                                 | <b>67,396</b>   |
| <b>2021</b>                         |   |   |   |   |
| <b>Statutory</b>                    |   |   |   |   |
| Public resort and recreation        | 7,686   | 1,766   | (1,187)   | 8,265   |
| Subdivision roadworks               | 133   | -   | -   | 133   |
| Infrastructure assets               | 74  | -   | -   | 74  |
| Car parking                         | 10  | -   | -   | 10  |
| <b>Total statutory reserves</b>     | <b>7,903</b>  | <b>1,766</b>                                      | <b>(1,187)</b>                                  | <b>8,482</b>  |
| <b>Discretionary</b>                |   |   |   |   |
| Strategic asset reserve             | 32,776  | 300   | (4,124)   | 28,952  |
| MAV LGFV Fund                       | 12,205  | -   | -   | 12,205  |
| PARC asset management sinking fund  | 11,114  | 2,639   | (2,048)   | 11,705  |
| Unexpended grant reserve            | 13,220  | -   | (7,424)   | 5,796   |
| Capital projects reserve            | 5,618   | 80  | (1,239)   | 4,459   |
| PARC asset management plan reserve  | 1,020   | -   | (547)   | 473   |
| PARC strategic reserve              | 300   | -   | -   | 300   |
| Resource efficiency reserve         | 55  | 19  | -   | 74  |
| <b>Total discretionary reserves</b> | <b>76,308</b>   | <b>3,038</b>                                      | <b>(15,382)</b>                                 | <b>63,964</b>   |
| <b>Total other reserves</b>         | <b>84,211</b>   | <b>4,804</b>                                      | <b>(16,569)</b>                                 | <b>72,446</b>   |

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### 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.

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

|   | 2022<br>\$'000 | 2021<br>\$'000 |
|---|----------------|----------------|
| <b>Surplus for the year</b>   | 13,568         | 8,713          |
| Depreciation/amortisation   | 36,000         | 34,451         |
| Net gain on disposal of property, plant and equipment                   | (566)          | (258)          |
| Write-off of property, infrastructure, intangibles, plant and equipment | 2,124          | 2,516          |
| Works in progress unable to be capitalised (expensed)                   | 3,103          | 1,860          |
| Borrowing costs   | 1,427          | 1,452          |
| Finance costs   | 36             | 59             |
| Contributions - non-monetary assets                                     | (251)          | (4,400)        |
| <b>Change in assets and liabilities:</b>                                |                |                |
| Increase in receivables   | (5,853)        | (4,915)        |
| Increase in other operating assets                                      | (53)           | (463)          |
| (Increase)/decrease in inventory  | (15)           | 10             |
| Increase in payables  | 13,528         | 2,899          |
| (Decrease)/increase in provisions                                       | (53)           | 1,963          |
| (Decrease)/increase in unearned income                                  | (5,622)        | 14,625         |
| (Decrease)/increase in trust funds and deposits                         | (809)          | 909            |
| <b>Net Cash provided by operating activities</b>                        | <b>56,564</b>  | <b>59,421</b>  |

### Note 9.3 Reconciliation of cash and cash equivalents

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Cash on hand                     | 23            | 21            |
| Cash at bank                     | 2,653         | 1,228         |
| Term deposits                    | 53,524        | 80,780        |
| Bank overdraft                   | -             | (2,880)       |
| <b>Cash and cash equivalents</b> | <b>56,200</b> | <b>79,149</b> |

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## Notes to the Financial Statements

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### 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 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

#### 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.

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

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

Net investment returns: 4.75 per cent pa

Salary information: 2.75 per cent pa

Price inflation (CPI): 2.25 per cent pa

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

Vision Super has advised that the VBI at 30 June 2022 was 102.20%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns: 5.50 per cent pa

Salary information: 2.50 per cent to 30 June 2023, and 3.5 per cent pa thereafter

Price inflation (CPI): 3.00 per cent pa

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

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### Note 9.4 Superannuation (continued)

#### Employer contributions

##### Regular contributions

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

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

#### Funding calls

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

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

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

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

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

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

#### The 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

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## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 9.4 Superannuation (continued)

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

|   | 2021<br>(Interim)<br>\$m | 2020<br>(Triennial)<br>\$m |
|---|--------------------------|----------------------------|
| - A VBI Surplus                         | 214.70                   | 100.00                     |
| - A total service liability surplus     | 270.30                   | 200.00                     |
| - A discounted accrued benefits surplus | 285.20                   | 217.80                     |

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2021.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2021.

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

#### The 2022 interim actuarial investigation

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



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## Notes to the Financial Statements

For the year ended 30 June 2022

### Note 9.4 Superannuation (continued)

#### Superannuation contributions

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

| Scheme       | Type of Scheme    | Rate                 | 2022<br>\$,000 | 2021<br>\$,000 |
|--------------|-------------------|----------------------|----------------|----------------|
| Vision super | Defined benefit   | 10.0%<br>(2021:9.5%) | 192            | 190            |
| Vision super | Accumulation fund | 10.0%<br>(2021:9.5%) | 6,585          | 5,782          |
| Hostplus     | Accumulation fund | 10.0%<br>(2021:9.5%) | 462            | 373            |

Council has paid no unfunded liability payments to Vision Super for the 2021-22 year (2020-2021 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 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$0.194 million.

#### Note 10. Change in accounting policy

There have been no changes to accounting policies in the 2021-2022 year.

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



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