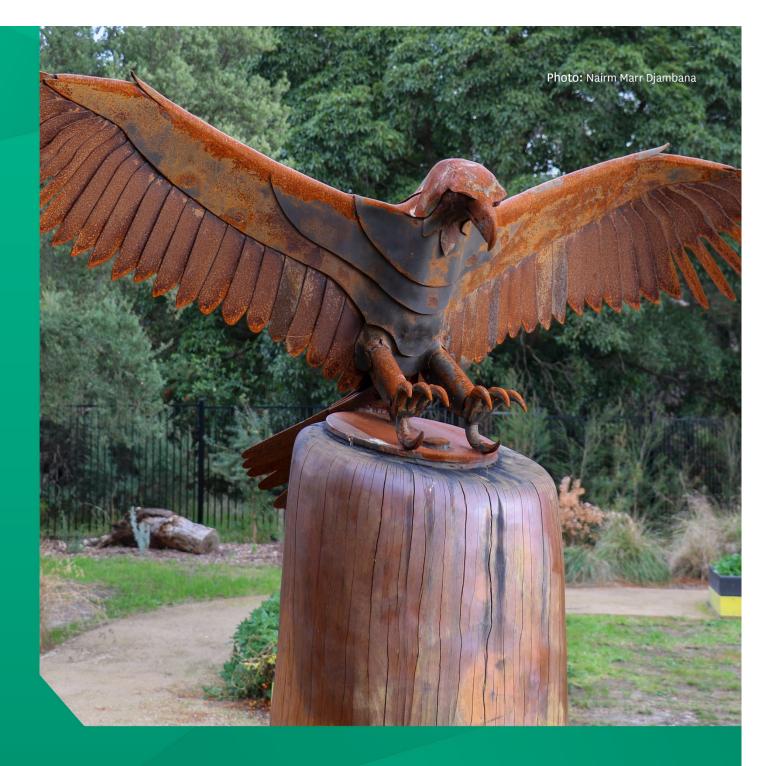
Frankston City Council Annual Report 2020-2021



Lifestyle Capital of Victoria





Welcome to Frankston City

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.

Report of Operations: Table of Contents

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Appendix 1: Performance Statement

Appendix 2: Consolidated Financial Report

Introduction

Frankston City Council is committed to transparent reporting and accountability to the community. The Report of Operations 2020–2021 is the primary means of advising the Frankston City community about Council's operations, achievements, challenges, strategic direction and performance during the financial year.

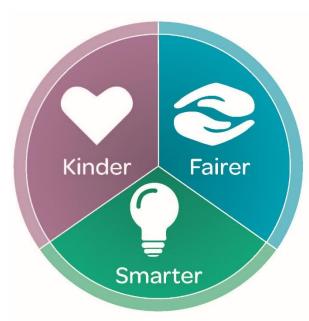
Snapshot

Our vision Lifestyle Capital of Victoria

Our mission

We are 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 values





Looking back at Frankston pier and foreshore

About Frankston City

Frankston City is located on the eastern shores of Port Phillip Bay approximately 40 kilometres south of Melbourne's CBD, within metropolitan Melbourne.

The municipality covers approximately 131 square kilometres from 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 11 kilometres of coastline.

Frankston City comprises the suburbs of Frankston, Frankston South, Frankston North, Seaford, Carrum Downs, Langwarrin, Langwarrin South, Karingal, Sandhurst and Skye.

It is strategically placed as the regional centre for the Mornington Peninsula and the south-east growth corridor of Melbourne.

Frankston City demographic profile

(*Source ABS Data - Census 2016)

- Frankston City has an estimated resident population of 143,338, forecast to grow to 163,610 by 2041 (.id forecast)
- There are 56,873 dwellings in the Frankston area*
- 38.5 per cent of people are in the process of buying their own home (paying off a mortgage)
- 25.1 per cent own their own homes and 27.3 per cent are renting*
- Healthcare and social assistance
 (20.4 per cent) is the largest
 employment sector, followed by
 retail trade (13.1 per cent) and
 construction (12.2 per cent)
 (REMPLAN data incorporating ABS
 and June 2016 Gross State Product)
- The unemployment rate was 6.4 per cent for the March 2021 quarter (latest figures), compared to the Greater Melbourne rate of 7.1 per cent (Department of Education, Skills and Employment, Small Area Labour Markets (SALM)
- The median weekly household income is \$1,331*
- 16,808 people regularly volunteer with an organisation or group*
- 23.6 per cent of residents (aged 15 and over) have a vocational

- qualification, 14.5 per cent have a Bachelor or higher degree and 10.2 per cent have an Advanced Diploma or Diploma*
- 82.5 per cent of residents only speak English at home. Other languages include Greek (0.9 per cent), Mandarin (0.8 per cent), Italian (0.6 per cent), Filipino/Tagalog (0.6 per cent), Malayalam (0.5 per cent) and Spanish (0.5 per cent)*
- 71.5 per cent of residents were born in Australia, with others born in the United Kingdom (7.0 per cent), New Zealand (2.3 per cent), India (1.3 per cent), Philippines (0.8 per cent) and China (0.7 per cent)*

Council manages the following facilities and community assets:

- 525 open space reserves and horticultural sites
- 82 sports grounds
- 995km of pathways
- 706km of local roads
- 111 bridge and pedestrian structures
- 950km of stormwater drains
- 330 buildings
- 166 playgrounds

Fast facts

During 2020-2021 in Frankston City, there were:

Community services



1,069 four year olds and **638** three year olds enrolled in kindergarten



1244 Maternal
Child Health telephone
consultations during lockdowns



14,835 visits to Maternal and Child Health (MCH) centres and 1,777 home visits to first time parents



788 first time parents were invited to attend a New Parent Group with 719 group sessions held



3,026 infants and 3,013 secondary students attended immunisation sessions



65,676Meals provided for those in need



18,791 young people supported and engaged in youth service programs



442 free mentor drives to assist learner drivers in the L2P Program

Environment



768 people took part in Council's Greening Our Future skill-building events



4 Solar Rooftop Systems were installed at community use facilities



100% renewable energy powering five Council buildings from 1 July 2020



19 local clean-up sites were registered by volunteers for Clean Up Australia Day and related events in March 2021.

Over 75 bags of litter were collected by community volunteers throughout Frankston City.



4,087kg (4.1 tonnes)
of household chemical products
were disposed of at the free
Detox Your Home event in
March 2021



5,445 tonne reduction in greenhouse gas emissions from council buildings and services

Customer and visitor experience



231,212 loans of eBooks, eAudiobooks, and streamed movies and music and **36,466** items added to library collections



25,541 Frankston Art Centre attendances,
13,053 livestream attendances and
175,247 Frankston Art Centre website visits



23,590 Live Chat conversations with customers via the website



32,003 visits to the Frankston and Langwarrin service centres



16,638 digital customer requests received across ePathway and Snap Send Solve



3,371 calls made by
Community Recovery Call
Centre to connect people to support

Community engagement



18,335 Frankston City Council Facebook fans in March 2021
4th highest number of online reactions, comments and shares of any Victorian local government through January and February 2021



750 people responded to Council's Community Climate Change survey



385,800 editions of Frankston City News distributed

4,839 subscriptions to Council's EnviroNews and Halve Our Waste e-Newsletters



46 diverse members on our first community panel (planned to rise to 500)

10,000 estimated community consultation contacts for the Community Engagement Framework

Maintenance, works and safety



3,562m² of footpath repaired and replaced



14,763kms of roads swept



3,443 Storm Water Pits cleaned during programmed zone works



29,205m² of graffiti removed



\$2.2 million

heavy plant, minor equipment and fleet vehicle replacements



20,683 pets registered: 15,243 dogs, 5,440 cats

The year in review

Mayor and CEO message

It can be said that no two people will experience the same event the same way. The ongoing pandemic and the reality for Victorians who spent more than a third of the 2020–2021 year in lockdown, has brought clarity to that statement. For many of our Council leaders and officers, working for and alongside residents over this past year has also brought a deeper understanding of how our corporate values of being kinder, smarter and fairer can have real and daily application in responding to the needs of our diverse community.

Ensuring Frankston City is well positioned for recovery from the impacts of COVID-19 has become an important focus of Council's work while maintaining our commitment to the final-year goals of our Council Plan 2017–2021, and developing strategic goals for the years ahead.

It is with great pleasure we present Council's 2020–2021 Annual Report detailing the comprehensive measures taken to assist our community during this time, how we delivered our programs and strategies, and the advances we have made toward securing Frankston City's future as the Lifestyle Capital of Victoria.

By the end of 2020–2021, the level of Council's financial commitment to our COVID–19 Relief and Recovery Package had risen to \$9.128 million including \$3.86 million allocated in the 2021–2022 Budget.

A focus on collaboration during the reporting period has resulted in highly effective advocacy and consequently, significant benefits for Frankston City. This included strengthening relationships with political representatives and local leaders in the business, education, health and social sectors through the Frankston Revitalisation Board, and delegations to Canberra to ensure Frankston City is included in any national agenda.

The success of our funding applications to the Victorian and Australian governments has boosted Council's budget by \$21.4 million to enable or enhance projects.

Council officers also built stronger relationships and capabilities within the community as they worked to alleviate the impacts of COVID-19.

On average, for every one call that came into our Community Recovery Call Centre, our staff made more than two in connecting people to important services or information. It is a great indicator of need and response during this time that Council also supported the distribution of an incredible 65,676 meals, including through our Meals on Wheels service and those delivered by Community Support Frankston.

To support the economy, we increased our engagement with the business community, entering the 2020–2021 year with 7,696 more businesses registered than in the previous year. Analysis also shows that the number of new businesses registered in 2020 was eight per cent higher than for the calendar year before, indicating that Frankston City's entrepreneurial spirit was still active despite the effects of the pandemic.

Council's advocacy to attract investment to the municipality – from both the government and private sectors – has also been paying off, with a strong investment pipeline to take us into the 2021–2022 year and beyond.

It is encouraging to see the Victorian Government commit an additional \$43 million toward the redevelopment of Frankston Hospital in its 2021–2022 Budget announcement.

Much of the work undertaken to complete actions in our Council Plan 2017–2021 and to prepare for the next four years will be of enormous benefit to our recovery efforts.

Modernisations, such as introducing free Wi-Fi locations, new digital access points for Council services, and Smart City sensor gateways have been undertaken in 2020–2021 to improve liveability, productivity and sustainability within Frankston City.

We worked to maintain connections with our community, and within the community, to reduce the potential for isolation, improve on inclusion and wellbeing, and increase deliberative engagement that would help us develop relevant services and plans.

These engagement activities have enabled Council to be confident in understanding community views, and to work with clarity and purpose in progressing shared goals.

The introduction of a Community Panel with diverse membership has been so successful, there are now plans to substantially increase its numbers.

In 2020–2021, this 46-member panel made a critical contribution to the Community Vision 2040 that will help guide us toward a better, brighter Frankston City.

Substantial preparation for Engage Frankston! – Council's new online platform inviting residents to comment on numerous projects and draft plans – occurred this year and, at the start of 2021–2022, is ready to welcome views.

To improve resident interactions with Council and between Council officers, we introduced a Customer Service Promise that commits us to be accessible, respectful, clear and accountable, and a Community Engagement Framework.

Where we undertook major redevelopment of community facilities – like the \$9.147 million RF Miles Pavilion and oval project – we included all-gender amenities and family-friendly social spaces. We met standards that encourage not only local participation but regional interactions for greater connections and opportunities.

While there is no doubt the COVID-19 Delta strain will continue to cause upheaval in 2021–2022, Council is working on multiple fronts to ensure a strong future for our community.

In October 2020, we joined five of our neighbouring councils in a Southern Metropolitan Regional Roundtable to look at social, economic and environmental recovery, discussing advice, ideas and initiatives – for the immediate future and into 2025.

Within the municipality, Council supported the establishment of the Frankston City Job Seeker Alliance so that key local groups can work together to improve employment prospects for individuals.

While a lockdown forced us to hold the South East Build Innovate Grow (BIG) expo online in early 2021–2022, the promotion and networking undertaken for this event is likely to encourage local participation in major construction projects already in the pipeline.

Similarly on the environment front, we are seeing good results from our local actions and envisaging future benefits from our alliances and longer-term strategic planning.

In 2020–2021, Council reduced greenhouse gas emissions by 34 per cent on the previous reporting period, mainly through introducing 100 per cent renewable energy in five major Council buildings and across Frankston City residential street lighting.

Also during the reporting period, Council joined a Climate Council program in which more than 130 councils across Australia report progress on five pledges annually, and worked with the South East Councils Climate Change Alliance in a project identifying potential sites for electric car charging stations.

Looking forward, there are many positive signs to offset the challenges.

While COVID-19 stripped \$8 million from the value of our tourism industry in 2020–2021, the municipality is likely to hold a favoured-destination profile as tourism resumes, thanks to Frankston becoming a finalist in the Top Tourism Town (Victoria) Awards.

We have improved on our delivery of Capital Works over the past few years, dropping only slightly to 91.5 per cent in 2020–2021 despite the challenges, and enter the 2021–22 year with an even larger (\$64.85 million) program that includes the much anticipated \$34.5 million Jubilee Park project.

Finally, the 2020–2021 year has also been one of change in the councillor body, with only one councillor being returned to office in the November 2020 election. Though the Council Plan created in 2017 was not informed by any predictions of a pandemic, its focus on community strengthening through improvement to facilities, economic stimulus and good governance through to July 2021 has given us a firm base on which to build.

Aligning strategies with the appropriate financial support for the first time in the 2021–2025 Council Plan and Budget is expected to bring greater efficiencies and certainty in delivering

for Frankston City.

The robust public engagement process undertaken in the Plan and Budget's development also enabled us to include the most effective actions to meet community needs and aspirations as well as Council goals.

Other working documents – such as the Draft Health and Wellbeing Plan – are now informed by the current challenges and respond proactively to the impacts of COVID-19.

Through this four-year plan, Council aims to encourage active and positive lifestyles with a focus on well planned neighbourhoods, access to high quality open spaces, community amenities that are welcoming and culturally-safe, and universally accessible services.

Local government is uniquely placed to deliver meaningful changes that directly impact our residents. It is a privilege to serve the Frankston City community and we commend the Annual Report 2020–2021 as a record of what we have achieved together during this challenging period, as well as a positive outlook for the year ahead.



Cr Kris Bolam JP
Frankston City Mayor
2020–2021



Phil Cantillon
Chief Executive Officer

Council's COVID-19 Relief and Recovery package highlights

Council's Relief and Recovery Package (\$5,268,000 at June 30, 2021) was boosted by \$3,860,000 in the 2021–2022 Budget, taking the total commitment to \$9,128,000.









Supporting individuals

Financial hardship from loss of income due to COVID-19 has impacted residents, with Council grants for individuals aimed at fulfilling both basic needs and maintaining pathways for recovery. These include:

- An additional \$400,000 to continue providing \$200 rate relief waivers for those experiencing hardship as a result of COVID-19
- Economic grants of \$25,000 for local artists to enable new works for exhibition
- Inclusion grants for schoolaged children under 18 to pay fees at sporting clubs
- Community Support
 Frankston provided
 \$825,000 in 2020-2021, and an additional \$500,000 for welfare assistance to individuals and families in 2021-2022
- Meals on Wheels support (\$150,000) for the provision of nutritious meals for eligible at risk clients
- Youth Grants of up to \$500 for 12-24 year olds for education resources to support employment prospects (\$9,733 awarded in 2020-2021) and a further \$10,000 committed to assist retention of students in education and training



Community recovery

Supporting the community to build resilience and remain connected is a critical focus for Council in providing recovery related assistance such as:

- COVID-19 Recovery Grants of up to \$10,000 for community groups and organisations, for items including equipment, rent, bills and recovery initiatives. (\$363,231 awarded to 87 recipients in 2020-2021)
- COVID-19 Urgent Relief Grants of up to \$4,000 for groups for items including rent, utilities and equipment. Can also be used to provide emergency community care. (\$50,710 awarded to 19 recipients)
- Continued relief and recovery triage service (\$150,000) to support residents experiencing hardship and mental health issues
- Mental Health support programs (\$100,000) enabling community members to undertake training so they can provide vital assistance during crisis situations



Supporting our economy and employment

Council's business grant program pool for those directly impacted by COVID-19 was increased to \$450,000 for 2020-2021 and has been significantly bolstered by the revitalised Relief and Recovery Package for 2021-2022.

The Relief and Recovery
Package now includes
\$1,352,000 in grants and
programs to support business
operators, attract investment
and enhance employment
opportunities.

Support and funding commitments made during 2020-2021 include:

- The former Frankston
 Business Chamber to be
 re-established as the
 Frankston Business and
 Industry Chamber to help
 lead recovery (\$200,000)
- COVID-19 Fast Business Grants of \$1,500 per business are available from a Council pool of \$270,000 to support ongoing operations. (\$86,614 awarded to 57 applicants in 2020-2021)
- In partnership with the Victorian Government, Council is offering shopfront activation grants of up to \$27,000 to revitalise vacant spaces and kerbside dining
- · Encouragement Grants

- worth **\$2,000** for outdoor dining opportunities
- Invest Frankston Business grants totalling \$170,000 to stimulate and attract new and expanded business activity — taking the total funding pool to \$350,000
- Fee relief valued at \$220,000, reducing costs around outdoor dining, city parking, food registrations and signage
- Shop facade improvement grants (\$100,000) to transform shop fronts and thus increase economic activity
- Improving capability and innovation with increased access to business training and mentoring through Council's business concierge service and networking services (\$200,000)
- Invest Frankston marketing campaign (\$100,000) to enhance perceptions of Frankston and attract investment
- Development of a calendar of seasonal activations and events (\$100,000) to boost visitor numbers
- Buy local reward program and marketing campaign (\$237,000) to boost economic activity
- Discount voucher program (\$1,100,000) enabling ratepayers to choose one of the following: discounts at Peninsula Aquatic Recreation Centre (PARC), Frankston Arts Centre vouchers, or a discount on an at-call hard waste collection

For more information on Council's Relief and Recovery Package, visit: frankston.vic.gov.au/COVID19

Staying connected with our community through COVID-19

As the effects of the global COVID- 19 pandemic continued during the 2020–2021 year, Councillors and officers moved to prevent those impacts with potentially long-term consequences compounding – at both a social level and an economic one.

Community Recovery Call Centre

Council's single point of contact for COVID-19 information and support – the Community Recovery Call Centre – remains a critical community portal.

The Centre took 1,266 calls in the reporting period, with common concerns being around food relief and food services, aged services, and face mask requirements.

Call centre staff made 3,371 calls, including welfare checks and connecting people to information and services in areas such as mental health, food relief, legal aid, financial hardship, library services and aged care referrals.

Reflecting spikes in COVID-19 cases in Victoria, the number of callers was highest in July and August 2020 (at 294), lowest in November and December 2020 (at 86) and rose to 193 in June 2021, following Victoria's fourth lockdown in May.

In February 2021, the Victorian Government introduced the Community Activation and Social Isolation initiative, partnering with the Australian Red Cross in a COVID-19 hotline where callers could receive emotional support if they were feeling lonely or disconnected.



On deck at the Community Recovery Call Centre

Funding of \$65,000 from this initiative enabled callers to this hotline to be referred to Council's Community Recovery Call Centre, ensuring the wellbeing of local residents through local knowledge and warm referrals to local services as needed.

Job seekers given additional support

As part of Council's Relief and Recovery Package, \$110,000 was set aside to establish the Frankston City Job Seeker Alliance and employment support program. In the first half of 2021, Frankston City was able to build on the capabilities of this Alliance with three Jobs Victoria Advocates funded by the Victorian Government.

Outside of lockdowns, these Advocates worked from locations such as Frankston Library and community centres, giving face-to-face guidance to job seekers and tailored approaches.

By incorporating the Jobs Advocates program into the Call Centre, job seekers will remain connected to additional support despite periods of lockdown.

Family Health Support Services



Food preparation at the Frankston City Meals on Wheels centre

Over the course of 2020–2021, the Family Health Support Services team performed at a heightened level to ensure the needs of vulnerable members of the community could be met, often having to reshape their practice at short notice to adhere to Victorian Government recommendations and guidelines relating to the pandemic.

Redeployed staff replaced volunteers where necessary (including for the Meals on Wheels service) and the team split into two to reduce risk around potential exposure, and ensure continuity of service.

A reduction in in-home support from 65,546 hours in 2019–2020 to 51,688 hours in 2020–2021 due to COVID-19 lockdowns was offset by a combination of other supports.

During this time, support included:

- 1,500 general welfare checks
- 1,244 telephone consultations relating to Maternal and Child Health
- Escorted and unescorted shopping
- A total of 65,676 meals provided (including Meals on Wheels and provision to Community Support Frankston)
- 784 Community Bus outings/trips (as permitted)

As of 30 June, 2021, staff were working as one team again and volunteers who were able to access vaccinations were returning. With lockdowns expected to continue into 2021–2022, strategies deployed to great effect in 2020–2021 mean Council's Family Health Support Service is likely to be able to respond to the changing needs of the community quickly when required.

Young families and the elderly

In the absence of face-to-face supported playgroups, officers created a Facebook page so participants could enjoy live story time sessions, and singing and dancing activities. One-on-one support, and group discussions were also moved to online, and when restrictions eased, group pram walks in the park were warmly welcomed by many families to re-connect and engage.



Playgroups were moved online during lockdown

To support the wellbeing of older residents, particularly those living alone, the Positive Ageing team transitioned online and introduced activities that connected them to the community, but could still be undertaken at home, such as the 'Coming Together' Jigsaw Puzzle project and 'Letters of Joy' project connecting primary school children with the elderly. Efforts were made to ensure that community members would not be further isolated or disadvantaged through their limited access to the internet or technology.

The team used existing relationships and created new partnerships with other areas of Council and local service providers, such as Red Cross and Peninsula Health, to deliver the 'Knits for Kids' project, where knitting packs were distributed to isolated residents who then created teddies. The teddies were then collected and gifted to child patients at Frankston Hospital.

The Positive Ageing Together (PAT) newsletter was adapted to include games and activities that could be enjoyed at home, information about online activities,

updates on COVID restrictions and where to access local support. The frequency of PAT was increased to monthly and gained a reach of over 2,000 households through circulation via email and hard copies.

Supporting our young people

Redeployment of Council's Youth Services
Team members to Community Support
Frankston (CSF) for periods during 2020—
2021 enabled stronger relationships with
CSF and the opportunity to provide
another layer of support for young people
and their families.

The team supported young people with issues relating to housing, food, materials, Centrelink and technology to help them stay engaged with education, employment, groups and programs.

CSF has now also joined Council's Project Y group, a collective of local stakeholders (including Bayside Security, Victoria Police and youth services) that collaboratively engages and supports the severely vulnerable young people in and around central Frankston through outreach and wrap-around services.

Initiatives during this period include:

- School holiday programs (free) and one-on-one support programs were migrated to online platforms when Youth Hangouts were closed
- In partnership with Monash University, an Online Study Support Program was piloted in response to feedback on the challenges of online study

- Assistance was provided through the Youth Council to secure Youth Grants to provide items such as laptops, iPads and pre-paid internet for vulnerable youth to support study
- Video messages to young people about the importance of getting COVID-19 tested
- An online R U OK Day event

Libraries and community centres

Digital services offered by Frankston City Libraries have been well supported in the reporting period to promote community wellbeing and connection to literature, entertainment and learning.

With doors closed during lockdowns, libraries continued to offer access to eBooks, eAudiobooks, movie and music streaming, genealogy research and learning opportunities through Transparent Language Online and Studiosity, offering student support.

The popular FrankTalk series continued to host authors, and Storytime Live on the Libraries Facebook page built a reach of over 65,000, including viewers in the United States, the United Kingdom, Saudi Arabia and across Australia.

During 2020-2021:

- The Library website and catalogue received just over two million hits
- The Library website was upgraded in May with improved accessibility
- Frankston North Community

- Centre offered an Adult
 Community and Further
 Education-funded Introduction to
 Hospitality Course, adapting it for
 Zoom during lockdown with
 participants receiving a 'mystery'
 box of ingredients to cook along
 with at home each week
- Frankston South Community and Recreation Centre delivered online exercise classes weekly during lockdown

As Victoria transitioned out of lockdowns, a Click and Collect service was introduced at Frankston City Libraries.



Big Ted waits for Storytime Live

Support for businesses and start ups

As well as the grants and programs outlined on page 13, businesses were supported through COVID-19 interruptions via Council's Business Concierge service.

During this time:

 There were 219 enquiries related to the impacts of COVID-19 and business recovery

- Of the businesses with COVID-19 related concerns, 59 were referred to the Business Mentoring Program
- There were 123 mentoring sessions delivered to local businesses from an expert panel of 11 mentors
- Of those assisted by the Business Concierge, 41 per cent were existing business owners in Frankston City, 35 per cent were starting a new business and 16 per cent were considering it

Connecting through the Arts

Funded through the Relief and Recovery Package, Frankston Arts Centre hosted 'This Time, Last Year' – a multidisciplinary art exhibition, time capsule and memorial event in May and June, 2021.

The exhibition captured the sentiment of the community during lockdown, while an anthology launched at the time – Stories at the End of the Line – gave budding writers an opportunity to express themselves on the same topic, and share.

Features of the project included:

- Submissions for the anthology from 143 writers aged from 12 to 90
- A photographic exhibition
- Screening of films created by the community for the 2020 Lockdown Short Film Competition

An Iso Lounge for children's activities

"With the COVID-19 outbreak and being in lockdown, I think I have definitely changed as a person. I've gotten to spend time with myself and I've been getting to know myself in different ways to before. Yes, some upsetting things have happened to me; but no one can go through life without challenges to face, it just makes us stronger than what we were before." — Araya, 13, from Langwarrin (from Stories at the End of the Line).

PARC your way

Council promoted the online platform of its subsidiary company, Peninsula Leisure, that gave around 4,000 subscribers to the Peninsula Aquatic and Recreation Centre free access to over 791 videos created during 2020–2021 to help keep residents motivated and moving during lockdown.

Frankston City Economic Scorecard

In July 2020 — Victoria was experiencing a second wave of COVID-19 and entered a lockdown that would last 112 days. Ninety per cent of the country's deaths attributed to the pandemic would be recorded in Victoria by the time lockdown lifted in late October, and economists were estimating around \$100 million a day was being lost in business activity.

COVID-19 still is having a profound effect on the Frankston City economy but with shorter periods of restrictions in the first half of 2021, economic recovery was beginning to take effect.

As at March 2021, the unemployment rate in Frankston City was at 6.4 per cent, up slightly from 6.2 per cent in December, but still lower than the rate for Greater Melbourne (7.1 per cent).

Despite economic uncertainty, there is still a healthy investment pipeline that includes the following:



Frankston Commons is a new \$28 million, nine-storey development that includes 512 square metres of retail/hospitality on the ground floor and mezzanine, and six floors of offices. As well as parking, it will include bicycle and end-of-trip (EOT) facilities such as showers, catering for the trend toward active commuting.



Frankston Hospital will soon undergo a \$605 million makeover in a public-private partnership, providing an extra 120 beds, two new operating theatres, 13 new emergency department beds, new oncology and specialised mental health services. Three consortia have been shortlisted to prepare proposals, while the Victorian Government's 2021–2022 Budget announcement included an additional \$43 million commitment. Construction is set to begin in 2022 and end in late 2024.



A \$160 million investment by ISPT Super Property is well underway at Karingal Hub. A new precinct featuring more than 28 fresh food and speciality retailers opened in June 2021, with further phases scheduled for completion by the end of the year. The redevelopment is a huge boost for the region, creating about 200 jobs during construction and an expected 300 ongoing and part-time jobs.



A nine-storey \$82 million residential development at 1–2 Plowman Place in the City Centre will provide 79 apartments, and is the latest project from developer Urban DC. As the horizon can be seen from every level of the building, it will be known as Horizon Apartments. A builder has now been appointed and construction is due to start on this significant project at the end of July 2021.

The City generates in excess of \$13.25 billion of output per year



Estimated resident population 2020 **143,338**



Gross Regional Product \$7.107 billion (1.9% of Greater Melbourne and 1.5% of Victoria)



City Centre business occupancy rate **74.7%** (79.1% in 2019–2020)



Total number of registered businesses **36,954** (up from 29,275 in 2019–2020)



Construction

\$2.56 billion



Manufacturing

\$2.41 billion



Rental, Hiring and Real **Estate Services**

\$1.68 billion



Health Care and Social Assistance **\$1.22** billion

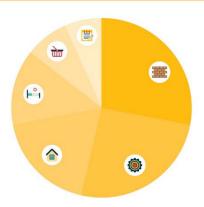


Retail Trade \$704 million



Electricity, Gas, Water and Waste Services

\$665 million



Total number of jobs 44,934



Frankston City has 0.32 jobs per resident (up from 0.31 in 2019)



22,742 (48.3%) of individuals working in Frankston City also reside in the City



30,506 (67.9%) of individuals working in Frankston City reside in either Frankston City or Mornington Peninsula Shire



9,180 (20.4%) Health care and social assistance



5,894 (13.1%) Retail and trade



5,483 (12.2%) Construction



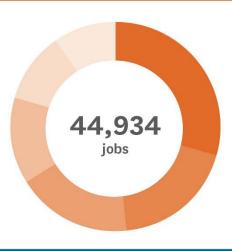
4,195 (9.3%) Education and training



3,318 (7.4%) Manufacturing



2,991 (6.7%) Accommodation and food services



Unemployment Rate

Frankston

6.4%

• Greater Melbourne 7.1%

6.4% Unemployment rate (March 2021)



Tourism



\$340 million is the value of the tourism sector



1,894 jobs in tourism sector

Highlights of the year

Long-term community outcome one: A Well Planned City



The Station Street Mall was recognised with an Excellence in Civic Landscape Award by the Victorian branch of the Australian Institute of Landscape Architects

Council's investment in pursuing a well-planned city is estimated to be \$72,910,000 during the reporting period, with significant 2017–2021 Council Plan objectives achieved.

At 10,423 tonnes, **Council reduced greenhouse gas emissions** in its facilities and services by 34 per cent (compared to 2019–2020). The reduction for the previous period (compared to 2018–2019) was two per cent.

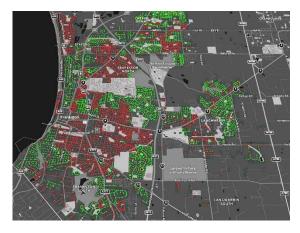
While a proportion of this can be attributed to reduced energy use in Council facilities due to COVID-19, a strong, positive outcome is now sustainable because of the successful implementation of environmental planning initiatives.

These include:

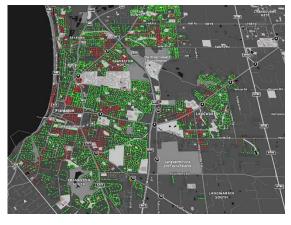
- From 1 July, 2020, Frankston Civic Centre, Frankston Arts Centre, Operations Centre, Ebdale Community Hub and Learning Centre and Karingal PLACE Neighbourhood Centre have been using 100 per cent renewable energy, with electricity sourced from a wind farm in Gippsland
- Four rooftop solar systems were installed at Ebdale Community Hub and Learning Centre, Frankston North Community Centre, Len Phelps Pavilion in Carrum Downs and Carrum Downs Tennis Club, with the reduction in greenhouse gas emissions expected to be about 36 tonnes annually

- Works began in December 2020 to replace fluorescent street lights with LED lights (expected to last up to 20 years) in line with Council's Towards Zero Emissions Plan 2019–2023
- Since January 2021, all street lights on residential roads have been drawing on 100 per cent renewable energy, reducing emissions by about 3,700 tonnes during the reporting period
- 10,000 trees planted
- Our Kerbside Food Waste
 Collection Service continues to
 expand, with an additional 2,997
 caddies distributed to residents in
 2020–2021, taking the total
 number to 10,039 and increasing
 the diversion from landfill
- In June 2021, Council adopted the Planning Scheme Amendment C138 – Environmentally Sustainable Design (ESD) Local Planning Policy – as part of its efforts to promote green design principles in new residential and commercial developments
- In June 2021, Council endorsed the introduction of a new finance mechanism (known as Environmental Upgrade Finance) to enable local businesses to more readily access long-term, lowinterest funding to improve their buildings' environmental

performance, reduce operating costs and build resilience to the impacts of climate change



LED replacements as of May 2021 (green)



As of June 2021



Total replacement achieved in August 2021

Planning for sporting facilities that encourage all-gender participation and can attract higher-level events saw the completion of the stunning \$9,147,000 RF Miles Pavilion and oval redevelopment and the \$4,200,000 Centenary Park Tennis Centre. These developments, to be officially opened in late 2021, will bring benefits to their local communities, the region and, through first-rate facilities, extend the reach of state programs.

The 2020–2021 year also saw a celebration of the new broadcast-level lighting at Frankston Park Oval when Frankston Football Club played its first VFL home game at night and welcomed the

possibility of VFL and AWFL broadcasts.

Council's planning both received recognition and gave it back to the community as its **Connecting Malls Project** – designed to deliver welcoming and safe pathways for residents to key locations in Frankston's business activity centre – was completed.

In early June 2021, the Station Street Mall was recognised with an Excellence in Civic Landscape Award by the Victorian branch of the Australian Institute of Landscape Architects. Nearby, the municipality's Hall of Famers were awarded recognition in perpetuity, enshrined in attractive paving as part of the Clyde Street Mall upgrade.





Long-term community outcome two: A Liveable City



Building its reputation as the Lifestyle
Capital of Victoria, Frankston City
continues to enjoy a stunning, wellmaintained and biodiverse natural
environment while hosting and attracting
events that give it a vibrant, energetic
appeal. Council planning over the
reporting period has centred on
promoting equal access to the benefits of
living in Frankston City for all residents.

In 2020–2021, Council's investment in creating a liveable city is estimated to be \$119,519,000.

Council's **Do It Outdoors** campaign and the complementary **Outdoor Dining and Activation Program** have been popular with residents and hospitality businesses in Frankston City during 2020–2021, with al fresco dining experiences being enabled and promoted by Council (see cover).

Securing a \$500,000 grant from the Victorian Government's Outdoor Eating and Entertainment Package in September 2020 also enabled Council to offer grants of \$5,000 to help local businesses adapt for outdoor service.

Critical to recovery efforts, the initiatives have seen Frankston City's hospitality venues transformed by new parklets, extended kerbside trading and improvements to communal outdoor dining where restrictions inhibited indoor service.



Local artist Maxine Gigliotti working on her mural Blue Banded Bees in Thompson Lane, Frankston

In March 2021, the annual **Big Picture Fest** saw nine new murals created, expanding the impressive urban art trail and contributing to Frankston being named as a finalist in the first Top Tourism Town Awards (for the state) in the Victorian Tourism Awards program soon afterwards.

In 2022, a new signature event – **South Side Festival** – will be curated by Council and held over ten days in May, featuring

food, art, cultural and heritage experiences across multiple venues and spaces.

In June 2021, Council partnered with Women's Health in the South East to host two online **Gender Inclusion Workshops** for local sporting clubs to discuss barriers and solutions to girls and women participating in all aspects of club activities. Ten sporting codes were represented, with their views on the role Council can play to improve gender equity now being used to inform how Council supports them in growing female participation.



Girls who play soccer at Ballam Park can now use allgender facilities in the new pavilion

In mid-2021, Council committed \$15,000 to support **parkrun Australia** in establishing regular weekend events in Frankston City over two five-kilometre courses in popular natural environments.

The endorsement was made under

Council's **Health and Wellbeing Plan** 2017–2021 to increase opportunities for sport and leisure, with funding from the COVID-19 Relief and Recovery Package.

As the 2020–2021 year ended, parkrun was working with Melbourne Water in relation to holding the walk and run on the existing perimeter path of the Seaford wetlands, while Parks Victoria had granted a permit for an event at the Frankston Nature Conservation Reserve.

After two years of intensive planning, a major initiative to combat homelessness in Frankston City was being finalised for launch as 2020–2021 came to a close.

Frankston Zero brings together sectors and services that can support a pathway out of homelessness, including local government and agencies dealing with health and mental health, family violence, legal issues and substance abuse.

It has been established by the Frankston City Strategic Housing and Homelessness Alliance – a collaboration of 14 agencies that arose following emergency meetings called by Council in 2017 to address an alarming rise in people sleeping rough in the municipality. The initiative, enabled by Victorian Government workforce funding for Local Housing and Supportive Housing Teams, aims to diminish rough sleeping homelessness to zero by 2023.



Around 212 people took a tour between January and May 2021 to see Frankston's murals, including those from the most recent Big Picture Fest, Frankston City's signature event, that included contributions (not pictured) by artist-mentored students. 'The Embrace' (left) created by Jason Parker in Plaza Lane, is described by the artist as an expression of his hope for humanity, while in Arthurs Lane, 'The Messenger', is described by artist Julian Clavijo as an eternal sunset of reverberating colours.



Long-term community outcome three: A Well Governed City



A new Communications Policy (2021 – 2024) was adopted by Council in April 2021, after being on public exhibition for four weeks and debated extensively by councillors. The policy commits councillors to being cognisant of using factual messages when communicating on social media and reduces the potential for disputes around councillor conduct.

The policy also strengthens understanding on engaging councillors and Council officers in media opportunities that market community and private business in a way that is beneficial to Frankston City.

Changes were also made during the 2020–2021 year to the **Councillor Gift Policy**, responding to public feedback received during a month-long exhibition period.

These included specific references to multiple gifts offered by the same person, company or body, a provision for publishing a quarterly extract of the Councillor Gifts Register on Council's website, and lowering the threshold for declaring a gift from \$150 to \$50.

Council worked diligently to comply with requirements of the new *Local Government Act 2020* that introduces overarching governance principles that underpin transparency, accountability and integrity.

The diagram at the top of the page shows what Council achieved by 30 June 2021.

Long-term community outcome four: A Well Managed City



In 2020–2021 Council's investment in supporting a well-managed city is estimated to be \$22,331,000.

The way residents enjoy daily life in Frankston City and their interactions with Council have been markedly enhanced through two major Council strategies – Future Ready Frankston and the Smart Cities initiative – that premise actions on higher standards and innovative technology.

Significant progress was made toward providing **equal access to affordable internet**, providing a response to the high percentage of residents living with no household access in Frankston City – 15.8 per cent according to the 2016 Census.

A major refresh of the Frankston City
Council website, the Frankston City
Libraries website and the Frankston Arts
Centre website means there is now
primacy for mobile phone users, improved
accessibility and heightened performance
and functionality.

Other reforms achieved in 2020–2021 intended to improve service delivery, digital literacy and engagement include:

- Public Wi-Fi was rolled out in various areas across the CBD, and free Wi-Fi trialled near libraries
- Online portals were created for planning applications and sportsground bookings
- A QR Code is now included in communications to residents and on the site project signs linking users to current capital works projects on the Council website
- An Interactive Voice Response payment solution now streamlines the service and frees up our busy Customer Service Team

Three **Smart City sensor gateways** to the LoRaWAN low-power wide area network have been installed. Using a specific radio frequency, the network connects battery-operated smart

sensors (that monitor and measure inputs from the environment such as motion, moisture, light, noise and temperature) to the internet.

Data from the sensors can be used in a broad number of applications for greater efficiency and forward planning. Council can use the sensors to remotely monitor when bins may need emptying, prevent unnecessary watering of reserves or monitor noise pollution.

The initiative is open source, extending the opportunity to local businesses and residents to access simple data from the sensors to inform their own decision making.

Council worked in partnership with the community to shape the 2021–2025 Council Plan and Budget, undertaking a deliberative engagement process involving pop-up events, face-to-face and online forums, surveys, the hearing of public submissions and an extensive social media campaign.

These initiatives garnered over 1,200 comments by more than 500 residents. In a first for Council, a **pre-Budget survey** was also held in April 2021, allowing locals to provide feedback at the crucial planning stages.

A new **Customer Service Promise** – that commits Council officers to be accessible, respectful, clear and accountable – was also introduced, along with a **Community Engagement Framework** to embed good practice into the future.

The 2020–2021 year ended with a challenge for emergency services and Council's Operations Centre staff with an extreme weather event on Wednesday 9 and Thursday 10 June 2021.

Parts of Victoria experienced severe storms that brought down trees and left communities without power. The Victorian State Emergency Service (SES) reported that it received the highest number of calls for assistance for any event in memory.

Council's Municipal Emergency
Management Officer liaised with the local
SES and deployed Council contractors to
priority areas. Council's Customer Service
Team took more than 760 calls from
concerned residents and took part in 154
live chat conversations.

In the days following, around 1,300 requests for assistance were logged, with issues ranging from fallen trees, property damage, drainage and access issues.

Around 105 staff from the Operations
Centre (most of the workforce) were
deployed to assist with the cleanup, with
a focus on reducing risk, particularly in
playgrounds and parks before the
weekend.

Challenges and future outlook

Challenges

COVID-19

Council will continue to provide support to individuals, community groups and business through its COVID-19 Relief and Recovery Package, with an additional \$3,860,000 committed in the Council Plan and Budget 2021–2025, taking the total commitment to \$9,128,000.

Access to vaccines is expected to be a strong focus over the next reporting period, with the 2020–2021 year ending with supply building slowly and some of the most vulnerable in our community finding it challenging to get to a vaccination centre or to see a doctor, especially during lockdown.

Council will continue to follow State Government guidelines and work with Peninsula Health and community groups to map out how best to support our community and initiatives for improved access to vaccinations in Frankston City.

Community engagement

Changing restrictions also posed a challenge to the community consultations Council planned during the reporting period to inform the 2021–2025 Council Plan and Budget, the Community Engagement Framework and the Community Vision 2040.

The number of face-to-face engagements were significantly reduced and many popup events cancelled, with Council

identifying areas where communities were hard to reach.

The lack of a digital engagement platform hindered participation in online surveys in 2020–2021, however the Engage Frankston! platform was launched early in the 2021–2022 year and is already showing great potential.

Working from home

As is the case in many workplaces, Council officers have spent long periods working from home in 2020–2021. Providing appropriate and timely support, through the provision of necessary technology and 24-hour access to our Employee Assistance Program to support wellbeing, has been an ongoing focus.

New legislative requirements

A number of Acts came into effect in 2020 that had a significant impact on the legislative obligations of Council during the 2020–2021 year.

The Local Government Act 2020 is the most comprehensive reform of the local government sector by a Victorian Government in the past 30 years, with the introduction of overarching governance principles that underpin transparency, accountability and integrity.

Some sections of the *Local Government*Act 1989 have not been repealed and remain in force for the 2020–2021 period.

Similarly, new Local Government (Planning and Reporting) Regulations 2020 came into effect in October 2020, while the 2014 regulations in force

immediately before that remain in place for this reporting period due to transitional provisions.

Work to meet the new requirements of the *Local Government Act 2020* has been most intensive in the 2020–2021 year – with six compliance deadlines met and three stages implemented – while the 2021–2022 year will involve compliance over three dates for one final stage.

The Gender Equality Act 2020 requires Local Government, among others in the public sector, to promote gender equality in the workplace and to undertake gender audits, gender equality action plans and gender impact assessments.

In December 2020, the Victorian Government responded to 56 recommendations from a Local Government Rating System Review that began in 2018. These recommendations addressed issues to support ratepayers experiencing financial hardship, providing transparency and consistent decision-making across councils on how they levy rates and charges on properties, including the concessions and exemptions in use.

Rate cap and rising State levies

The Rating System Review examined all aspects of the rating system, other than the rate cap. A separate review of the rate cap, which has long been advocated for by Council, is expected to be completed by December 2021.

While the State Government's rate cap directly limits Council's rate revenue (of

which Council relies upon for 69 per cent of total revenue), there are a number of other Victorian and Australian Government decisions impacting on Council's financial position. Frankston City Council complied with the 2 per cent rate cap, however Council has no control over State levies which continue to rise at an alarming rate.

The Landfill Levy, for example, that was \$28 per tonne in 2014–2015, is expected to rise to \$105.90 per tonne in 2021-2022 and \$126 per tonne by 2022–2023.

Heritage Review Study

In May 2021, Councillors voted unanimously to abandon the Heritage Review Study, determining that the overlay failed to take into account property rights and had the potential to damage the housing prices of affected residents.

Councillors also voted unanimously to commit an additional \$60,000 to the annual Heritage Grant Program, resulting in a total grant funding amount of \$100,000. This will allow more owners of existing heritage properties to access these funds for maintenance and restoration works.

Future outlook

As vaccinations become more widely available and taken up, Council expects COVID-19 to have a reduced impact on wellbeing and the economy.

While there has been an economic development strategy in place, the

challenges of the past two reporting periods will require a gear change to ensure resilience, broad participation in recovery initiatives, and sustainable growth.

Strategies being developed that will assist with this include the:

- Health and Wellbeing Plan 2021– 2025
- Skilled Community Strategy that will ensure residents can benefit from economic growth by being connected with training and opportunities to build capability
- Sustainable Economy Strategy that will guide initiatives to revitalise and grow the local economy
- Frankston City Centre
 Revitalisation Action Plan that will
 set out short, medium and long
 term initiatives designed to turn
 Frankston's city centre into a
 magnet for new jobs and growth

These strategies will complement the work of the Frankston City Job Seeker Alliance, established through the Relief and Recovery Package to raise employment prospects, and the newly formed Frankston Business and Industry Chamber.

The outlook for a construction-led recovery is also positive, with numerous significant projects about to get underway in 2021–2022 (see Economic Scorecard, page 19).

Climate change

Since declaring a climate emergency in 2019, Council has been active in reducing greenhouse gas emissions and is working toward a target of zero net emissions by 2025. Significant reductions are expected to be achieved as a result of progress in 2020–2021, with all residential street lighting and five key Council buildings now powered by 100 per cent renewable energy.

In developing the Community Vision 2040, Council heard from residents that they value the coastline, foreshore and beaches, open space and protection of biodiversity. Building a greener and more environmentally sustainable municipality is now embedded in that long-term Vision that will guide all aspects of Council planning.

More specifically, Council's Climate Change Community Survey, conducted between July and September 2020, identified four areas respondents wanted prioritised for action:

- Preserving and enhancing biodiversity and urban forests
- Increasing renewable energy use
- Avoiding and reducing waste
- Achieving sustainable buildings and homes

Respondent views – including a preference for Council supporting community action through advice, incentives, grants and advocacy – will inform a new Climate Change Strategy

and Action Plan in 2021–2022.

There has been continuing positive engagement with Council's free *Greening Our Future* environmental events and Council will continue to encourage green literacy among our younger residents to ensure we continue to see improvements. (Some 239 local primary and secondary school students participated in Council's funded environmental education sessions during 2020–2021.)

Council efforts to support biodiversity in our reserves and clean air across our urban areas are being renewed.

A Draft Biodiversity Action Plan 2021–2036 supporting ecosystems, bio-links and

healthy waterways will soon be adopted, and there are plans to double the number of trees planted in residential areas from 10,000 during the reporting period to 20,000 in the next.

Council will continue to advocate directly and through the South East Councils Climate Change Alliance for positive actions and funding of green initiatives.

Going forward, we will also draw on the resources available to us through our commitment to the Cities Power
Partnership – a national program led by the Climate Council incorporating over 130 local governments – to sustain momentum and innovation.



Seaford Beach and playground: Frankston City residents value the foreshore, open space and biodiversity

How rates are allocated

The picture below represents the budgeted breakdown for every \$100 Council invests locally



TOTAL BUDGET AVAILABLE \$238.54 MILLION

Financial summary

Council's financial position remains sound. A summary of Council's performance is outlined below and detailed information is included in the Financial Statements and Performance Statement.

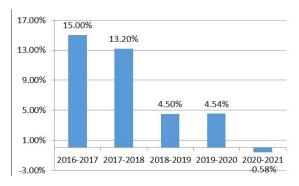
Operating position

Despite the financial impacts from the COVID-19 pandemic, Council was still able to achieve a surplus of \$8.713 million in 2020–2021. This surplus compares unfavourably to the surplus of \$19.642 million in 2019–2020. Council's revenue was impacted by the closure of facilities such as the Frankston Arts Centre and Peninsula Aquatic Recreation Centre.

The adjusted underlying deficit of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of \$1.030 million or -0.58 per cent when compared to adjusted underlying revenue.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$1.758 billion of community assets under Council's control. Figure 1 shows the adjusted underlying result ratio since 2016–2017.

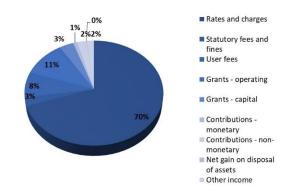
Figure 1: Adjusted underlying result ratio



Operating Income 2020-2021

The total operating income for the year was \$187.108 million, derived from a number of sources as shown in figure 2 (below).

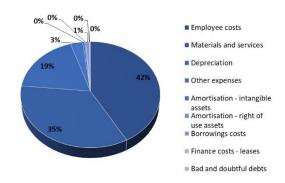
Figure 2: Sources of operating income



Operating Expenditure 2020–2021

The total operating expenditure for the year was \$178.395 million comprised of the main categories as shown in figure 3 (below).

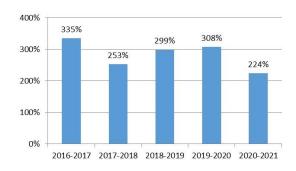
Figure 3: Categories of operating expenditure



Liquidity

Cash has increased by \$26.585 million from 2020–2021 mainly due to an increase in grant funding and closure of long-term term deposits. The working capital ratio – which assesses Council's ability to meet current commitments – is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 224 per cent is an indicator of a satisfactory financial position and above-the-target range of 100 to 200 per cent as shown in figure 4.

Figure 4: Working capital ratio



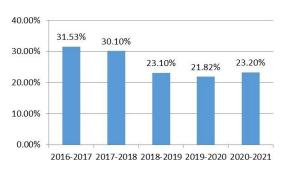
Obligations

Council aims to maintain its infrastructure assets while also continuing to deliver services needed by the community.

Council invested \$21.763 million in asset renewal works during 2020–2021 funded from operational budgets.

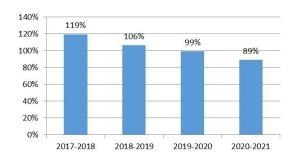
At the end of 2020–2021 Council's debt ratio – which is measured by comparing interest bearing loans and borrowings to rate revenue – was 23.20 per cent, which was within the target range of 20 to 60 per cent. This is a slight increase on 2020–2021 as shown in figure 5 (below).

Figure 5: Debt ratio



Council's asset renewal and upgrade ratio – measured by comparing asset renewal and upgrade expenditure to depreciation – was 89 per cent which falls just outside of the target range of 90 to 110 per cent. However Council achieves this target over a four-year average.

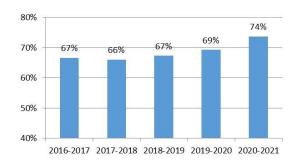
Figure 6: Asset renewal and upgrade ratio



Stability and efficiency

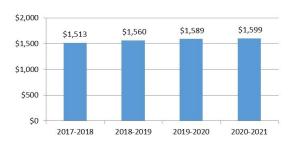
Council receives revenue from a wide range of sources including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration – which compares rate revenue to adjusted underlying revenue – was 74 per cent for 2020–2021. This is toward the higher end of the target range of 40 to 80 per cent. The increase from 2019–2020 was five per cent (see figure 7). The increase is due to a decline in user fees as a result of a number of facilities closures such as the Frankston Arts Centre and Peninsula Aquatic Recreation Centre due to government-imposed restrictions relating to COVID-19.

Figure 7: Rates concentration ratio



Council has continued to focus on broadening its revenue base and for 2020–2021 raised its rate revenue by the rate cap of 2.0 per cent. This resulted in an average rate per property assessment of \$1,599 which compares favourably to similar councils in the outer metropolitan area. Figure 8 (below) shows the average rate per assessment over the last three years.

Figure 8: Average rate per assessment



Capital works projects

The 2020–2021 Capital Works Program comprised 248 projects, including 38 carried over from the last financial year. Council successfully achieved a 91.5 per cent delivery rate at 30 June 2021, delivering \$49.8 million in projects, against a budget of \$54.4 million. This was only slightly down on the 2019–2020 delivery rate of 94 per cent despite lockdown interruptions.

Capital Projects delivered in 2020–2021 include:

RF Miles Pavilion and Oval Redevelopment

This major precinct development has provided an enhanced environment for female players with the Seaford Football Netball Club, with all-gender facilities, and a home court. For Seaford Cricket Club, which has had a home at the ground for almost 100 years, and football players wanting to play at the highest levels, the new facilities are expected to usher in an era of growth and opportunity.

Features include:

- Larger oval to meet AFL standards
- Multipurpose function space
- New scoreboard and coaches box
- New oval lighting
- One netball court with player shelter
- Three lane multi-purpose nets

- All-gender friendly facilities
- Kitchen/kiosk
- Large external viewing terrace
- Public toilets

Construction was completed in June 2021.
Total project cost: \$9.147 million including \$2.6 million from the Victorian
Government, \$2.6 million from the
Australian Government, \$500,000 from the Level Crossing Removal Project.

Centenary Park Tennis Centre

When Frankston Tennis Club courts were acquired by the Victorian Government for the Frankston Hospital expansion, Council worked with the Club, Frankston East Tennis Club and Tennis Victoria/Australia to revitalise Frankston East Tennis Club facilities. The new stand-alone tennis centre at Centenary Park ensures a long life for the sport in Frankston City.

Features include:

- 13 hard surface courts with new lighting and fencing
- Pavilion upgrade with social space, meeting room and office
- Upgraded kitchen and servery
- Accessible shower
- Accessible public toilet
- Drainage and service upgrades

Construction began early 2020 and was completed in February 2021, with landscaping expected to be finalised in the

new financial year. Total project cost: \$4.2 million, including \$3 million from the Victorian Government, \$50,000 from Tennis Australia and staged total contributions of \$35,000 from each of the clubs.



The RF Miles Reserve and pavilion in February 2020 (above) and in April 2021 (below)



Ballam Park South Soccer Pavilion

This exceptional redevelopment has provided one of the largest soccer clubs in the region with room to grow. Peninsula Strikers Football Club hosts players from under fives upwards, with male and female teams in juniors and seniors.

The new facilities have been a gamechanger for the significant number of female players in the Junior Club who had been using public toilets to change in due to the inadequacies of the old clubhouse.

The upgrade, including new sports lighting, has enabled more training and games to be scheduled, including use by Premier League teams at night during the week.

Features include:

- A new kitchen and kiosk
- Eight all-gender change rooms
- A large social space
- Suitable rooms for umpires
- Public toilets for park users

Construction was completed in the first half of 2021 but budgeted for in a previous year. Total project cost: \$4.63 million, including \$300,000 from the Australian Government and \$100,000 from the Victorian Government, while the sports lighting was jointly funded by Council and the Victorian Government, at \$181,000 each. A club contribution of \$50,000 was included in the budget.

Frankston Park sportsfield lighting

Frankston Football Club played its first VFL home game under lights on 16 April, 2021. The project included upgrading existing sports lighting to broadcast levels suitable for telecasting AFLW and VFL games. The enhancement creates a strong foundation for the Club's future growth and opportunities for young athletes who wish to progress their game to an elite level.

Features include:

- Erection of four 48-metre high towers with LED light fittings
- LED light fittings on the grandstand and function centre building to combine with field lighting for oval illumination of up to 1000 lux
- The ability to operate at different lux levels, including 500 lux (professional match level) and lower for training
- A new electricity substation

Construction began in early 2020, and was delivered by March 2021. Total project cost: \$2.861 million, including \$850,000 in Australian Government funding and \$650,000 from the Victorian Government.



Frankston Park sports lighting

Major mall upgrades

Council's Connecting Malls Project, designed to create welcoming and safe pedestrian connections between homes and key destinations in Frankston (such as Frankston Station) was completed in 2020–2021, with final stages following stakeholder and community feedback.

In June 2021, the Station Street Mall, with its stunning timber decking and public seating, outdoor dining, planting and lighting, was recognised with an Award for Excellence for best Civic Landscape at the Australian Institute of Landscape Architects Victorian Awards.

The Clyde Street Mall upgrade saw it become the new home for Frankston City's Hall of Fame.

Features include:

- 23 pavers featuring local heroes
- A passively irrigated garden bed
- Seasonal trees
- Timber top seating walls
- Tree of Dreams mural

Total project cost, \$1.1 million including funding contributions of \$230,000 from Vicinity Centres and developers.

The total project cost of Stage 1 and 2 of the adjacent Station Street Mall: \$1.97 million, including a Victorian Government grant of \$360,000 and \$100,000 from Vicinity Centres.



Artist Sara Catena with her mural 'Tree of Dreams' adjoining Frankston's Clyde Street Mall

Belvedere Bowls Club extension

The Club regularly hosts several bowls and croquet clubs in the district and required a substantial upgrade to cope with increasing membership and use, achieve current building code requirements and satisfy Council's plans and objectives relating to upgrading sporting amenities.

Features include:

- A larger function room space
- Servery and cool room
- New furniture and store rooms
- Office and committee rooms
- All-gender toilet facilities
- Accessible toilets
- Refurbished kitchen

Construction began in October 2020 with full completion expected by the end of August 2021. Total project cost: \$1.6 million, including a commitment of \$250,000 from the Australian Government and \$70,000 from the Club to be paid over three years.



Cr Sue Baker, Mayor Kris Bolam and Deputy Mayor Nathan Conroy enjoy the Sandfield Reserve Dog Park with friends

Sandfield Reserve Dog Park

This popular new dog park was completed in June 2021, and officially opened just prior to a lockdown. It is accessible for a wide range of users and features multiple amenities for dog owners to enjoy with their pets.

The project complements a skate park opened at the reserve in 2019–2020 and reaffirms Council's commitment to improving opportunities for outdoor recreation in Carrum Downs.

Features include a designated dog zone of 4,500 square metres of open space, a dog agility area with ramps, hoops, platforms and posts, a time out area and connecting paths suitable for wheelchairs, walking frames, ride-on scooters and large prams.

Total project cost: \$206,000, including \$87,000 from the Victorian Government.

"I want to thank the Council for the wonderful dog park at Sandfield. I'm in a wheelchair and for the first time I'm actually able to enjoy my walk with my dog instead of watching my family doing it with me in the car park looking on."

local resident via Live Chat

Jubilee Park Stadium Redevelopment

This exciting project will lead off Council's \$64,850,000 Capital Works Program for 2021–22, with Council greenlighting the project on 15 February 2021, and substantial preparation for it occurring during the 2020–2021 year.

Frankston District Netball Association has over 4,000 players and participation rates in the municipality are growing. The Jubilee Park Netball Stadium currently has two indoor courts that do not meet Netball Victoria's minimum standards but are in demand six nights a week (as allowed), with 13 more courts outdoors at Jubilee Park.

Features will include:

- Six multipurpose indoor netball courts
- One of these will be a 1,000 seat show court
- Elite change room facilities
- Creche for players and spectators
- Café, community meeting and function rooms
- Four indoor cricket training nets

Total project cost: \$35.3 million, including \$10 million from the Victorian Government and \$4.56 million from the Australian Government, \$200,000 from the Australian Cricket Infrastructure Fund and a fit-out contribution from the FDNA. Construction is expected to begin in November 2021 and be completed by late 2023.

Civil infrastructure sustainability projects

Seaford path construction a first

In an Australian first, Council included recycled soft plastics in the construction of a new concrete footpath along Seaford Road between Galway Street and Brunel Road. The November 2020 undertaking was part of the Hartnett Drive Local Area Traffic Management (LATM) project.

Council teamed up with Carrum Downsbased company Replas (Recycled Plastic Products), Frankston Sand, Soil and Mini Mix Concrete and SR Engineering to create an 80 metre section of footpath and retaining wall using Polyrok.

Frankston City was the first municipality in Australia to use Polyrok – a product in which soft plastics partly replaces the stone in concrete.

Features of this project include:

- Use of materials such as frozen pea and bread bags collected through the REDcycle program at Coles and Woolworths
- Support for an innovative local company encouraging councils across Australia to use Polyrok, noting that if each council committed to just one kilometre of footpath, 470 million pieces of soft plastic material would be diverted from landfill

Total project cost: \$47,000.

Brighton Street traffic and drainage upgrade

In a progressive step toward reducing landfill and greenhouse gas emissions, Council partnered with Sustainability Victoria to deliver traffic management improvements along Brighton Street, Frankston, between Humphries Road and Baden Powell Drive. Recycled materials have been used for road resurfacing, indented parking, drainage upgrades, a footpath and kerb and channels.

Construction materials include Polyrok,
The Green Pipe, made from recycled
plastics such as milk bottles and
Reconophalt asphalt, using recycled toner
cartridges and crushed glass.

Features include:

- Use of plastics from Council's yellow bin collection service
- A 700 metre footpath constructed from Polyrok
- 867 metres of The Green Pipe installed underground
- 408 tonnes of Reconophalt used in road resurfacing

Total project cost: \$1,250,000, including a \$300,000 grant from Sustainability Victoria. The works began March 2021 and are expected to be completed in late September 2021.

Low traffic crumb rubber asphalt

In late November 2020, Council secured \$75,000 in funding through Tyre Stewardship Australia to offset the cost of trialling a crumb rubber application in road surfacing works at six local roads in the municipality.

Crumb rubber treatments reduce vehicle tyres landfill and provide a cost-effective solution to treating road resurfacing with a recycled crumb rubber within the asphalt.

Asset Renewals

Asset renewal expenditure totalled \$23.7 million in 2020–2021.

Renewals included:

- Facilities more than \$8 million spent
- Roads resurfaced over nine kilometres (asphalt)
- Drainage more than 800 metres of pipe and 73 drainage pits were reconstructed
- Footpaths some 700 metres replaced
- Car parks over 3,000 square metres renewed
- Open space and recreational assets – 314 replaced
- Bridges 12 pedestrian and one vehicular bridge were renewed

City profile

Frankston City is recognised for its stunning coastline, parks and natural reserves and signature and cultural events.

Through extensive community engagement Council is also able to say with confidence that there is widespread commitment to environmental sustainability and access to resources such as recreational and sporting amenities that promote wellbeing.

The community's aspirations are reflected in the Community Vision 2040 that helped prioritise projects and services for the 2021–2025 Council Plan and Budget. The Vision will influence future plans so that this profile of Frankston City continues to define the municipality.

While COVID-19 economic impacts are ongoing, significant capital works projects to be undertaken by private industry in the 2021–2022 year are expected to strengthen the City's profile as an investment drawcard.

The demographic profile of Frankston City also appears to be changing, with citizenship ceremonies in the municipality and Council 'welcome' events for new residents suggesting a shift toward cultural diversity that is not reflected in the 2016 Census.

The profile of Frankston City also includes social disadvantage that has been persistent enough for areas of the municipality to be known as 'hot spots' within the state.

However, Council has had a renewed focus on critical areas of influence – such as education and employment. Over recent years Council has prioritised capital works projects that strengthen inclusion, and built strategic partnerships with those who specialise in the provision of relevant supports.

In 2020–2021 Council worked with two significant alliances – the Frankston City Job Seeker Alliance (funded from our Relief and Recovery Package) and the Frankston City Strategic Housing and Homelessness Alliance that launched Frankston Zero to address rough sleeping in July 2021.

With a stronger ability to advocate, attract external funding and facilitate programs that have been shown to be effective, Council expects to see initiatives in place that increase the potential for every resident to be a part of Frankston City's progress toward being the Lifestyle Capital of Victoria.

Councillors 2016-2020

South Ward: Frankston, Frankston city centre, Frankston South, Langwarrin South



Cr Brian Cunial Elected to Council: 2016, 2012 and 2008



Cr Quinn McCormack Elected to Council: 2016



Cr Steve Toms Elected to Council: 2016

North-East Ward: Carrum Downs, Langwarrin, Sandhurst, Skye



Cr Sandra Mayer — Mayor 2019–2020 Elected to Council: 2016, 2012 and 2008



Cr Colin Hampton — **Deputy Mayor** 2019–2020 **Elected to Council:** 2016, 2012, 2008, 2005, 1993 and 1987



Cr Michael O'Reilly Elected to Council: 2016 and 2012

North-West Ward: Frankston, Frankston North, Karingal, Seaford



Cr Glenn Aitken

Elected to Council: 2016, 2012, 2008, 2005, and 2003

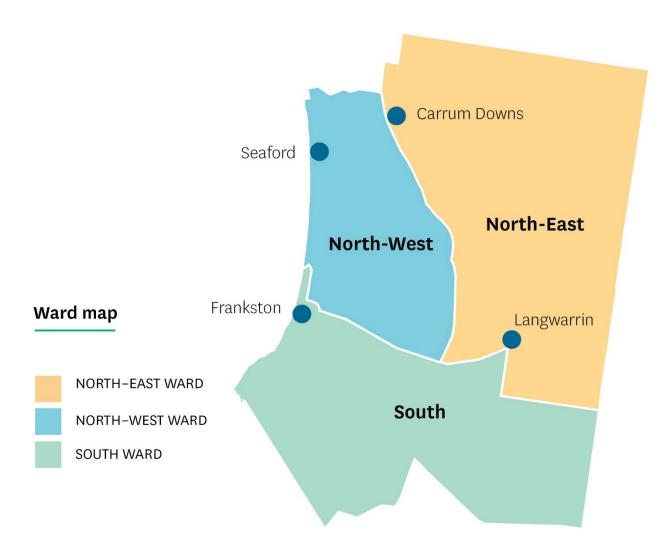


Cr Kris Bolam JP

Elected to Council: 2016 and 2008



Cr Lillian O'Connor Elected to Council: 2016



Councillors 2020-2021

South Ward: Frankston, Frankston city centre, Frankston South, Langwarrin South





Phone: 0438 212 426

Email: crhill@frankston.vic.gov.au **Elected to Council:** 2020, 2008



Cr Claire Harvey

Phone: 0438 267 778

Email: crharvey@frankston.vic.gov.au

Elected to Council: 2020



Cr Liam Hughes

Phone: 0434 703 239

Email: crlhughes@frankston.vic.gov.au

Elected to Council: 2020

North-East Ward: Carrum Downs, Langwarrin, Sandhurst, Skye



Cr Suzette Tayler

Phone: 0438 179 515

Email: crtayler@frankston.vic.gov.au **Elected to Council:** 2020, 2012, 2008



Cr David Asker

Phone: 0438 175 560

Email: crasker@frankston.vic.gov.au Elected to Council: 2020, 2008



Cr Nathan Conroy — Deputy Mayor

Phone: 0424 515 930

Email: crconroy@frankston.vic.gov.au

Elected to Council: 2020

North-West Ward: Frankston, Frankston North, Karingal, Seaford



Cr Kris Bolam — Mayor

Phone: 0417 921 644

Email: crbolam@frankston.vic.gov.au **Elected to Council:** 2020, 2016 and 2008



Cr Sue Baker

Phone: 0438 145 842

Email: crbaker@frankston.vic.gov.au

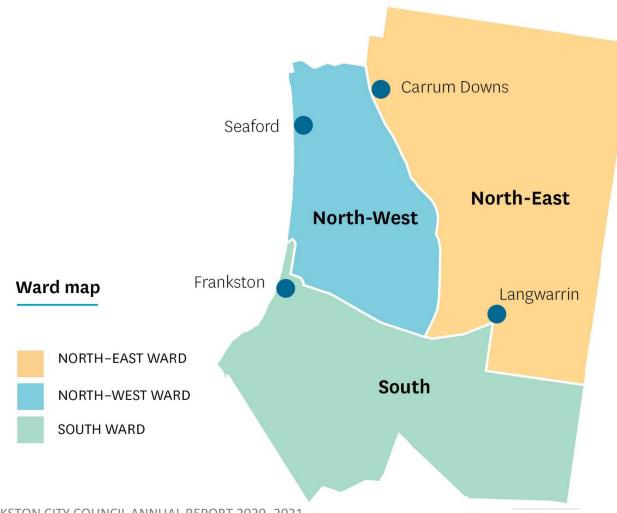
Elected to Council: 2020



Cr Steven Hughes

Phone: 0402 729 150
Email: crshughes@frankston.vic.gov.au

Elected to Council: 2020



Our Council

Council offices

Frankston Civic Centre

30 Davey Street, Frankston PO Box 490, Frankston VIC 3199

Phone: 1300 322 322

Website: frankston.vic.gov.au Email: info@frankston.vic.gov.au

Hours: Monday to Friday 8.30am-5pm

Langwarrin Customer Service Centre

Shop 6, Gateway Village Shopping Centre

230 Frankston-Cranbourne Road

Langwarrin

Hours: Monday to Friday 9am-5pm

Seaford Customer Service Centre

Seaford Community Centre 1/6R Broughton Street, Seaford Hours: Monday to Friday 9am–5pm

Frankston Visitor Information Centre

7N Pier Promenade, Frankston Waterfront

Phone: 1300 322 842

Website: discoverfrankston.com Hours: Monday to Sunday 10am-4pm

Please note: Many Council facilities were closed, operating online or with a modified service (such as the Libraries Click and Collect service) during periods of COVID-19 restrictions. For up-to-date information, visit Frankston.vic.gov.au



Customer Service officers at the Civic Centre

Libraries

Frankston Library

60 Playne Street, Frankston

Phone: **03 9784 1020**

Hours: Monday to Friday 9am-7pm Saturday and Sunday 10am-4pm

Carrum Downs Library

203 Lyrebird Drive, Carrum Downs

Phone: **03 8773 9539**

Hours: Monday to Wednesday 10am-6pm

Thursday 10am–10pm Friday 10am–6pm

Saturday 10am-4pm, Sunday 12-4pm

Seaford Library

Seaford Community Centre 1/6R Broughton Street, Seaford

Phone: **03 9784 1048**

Hours: Monday to Friday 9am-5pm

Saturday 9am-noon

Our People

Organisational structure

Council is the governing body that appoints the Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of Council's operations in accordance with the strategic directions of the Council Plan. The report relates to the Council Plan 2017–2021.

The CEO, Director of Infrastructure and

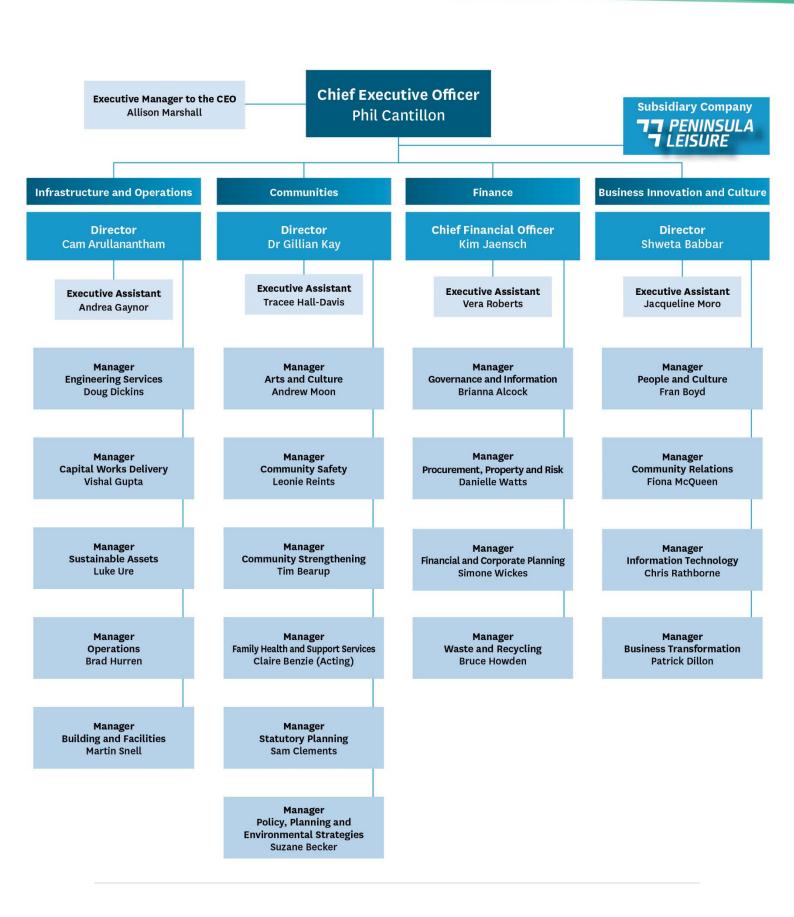
Operations, Director Communities, Chief Financial Officer and Director Business Innovation and Culture form the Executive Management Team (EMT) and lead the organisation.

Details of the CEO and senior officers reporting directly to the CEO at 30 June 2021 are set out on the following page.

Organisational Structure







Council workforce

As of 30 June 2021, Frankston City Council employed 983 employees comprising full-time, part-time, temporary and casual employees. In 2020–2021, the turnover of permanent employees was 11.67 per cent, which is 2.29 per cent higher than the 2019-2020 figure of 9.38 per cent and 0.12 per cent lower than the 2018–2019 figure of 11.79 per cent.

A summary of the number of full-time equivalent (FTE) Council employees by organisational structure, employment type and gender is set out in Table 1 and Figure 1.

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

Employee Type and Gender	CEO Office	Business Innovation & Culture	Chief Financial Office	Communities	Infrastructure & Operations	Total
Casual Female	0	0.29	0.03	2.82	0.05	3.19
Casual Male	0	0.05	0.00	0.89	0.16	1.10
Permanent Full Time Female	1	35.00	34.00	93.00	26.00	189.00
Permanent Full Time Male	1	19.00	13.00	61.00	148.00	242.00
Permanent Part Time Female	0	18.67	5.84	118.94	2.27	145.72
Permanent Part Time Male	0	2.49	0.80	16.85	0.63	20.77
Temporary Full Time Female	0	5.00	1.00	15.00	3.00	24.00
Temporary Full Time Male	0	6.00	0.00	5.00	6.00	17.00
Temporary Part Time Female	0	2.68	1.49	13.24	0.95	18.36
Temporary Part Time Male	0	0.84	0.70	0.21	0.00	1.75
Total	2	90.02	56.86	326.95	187.06	662.89

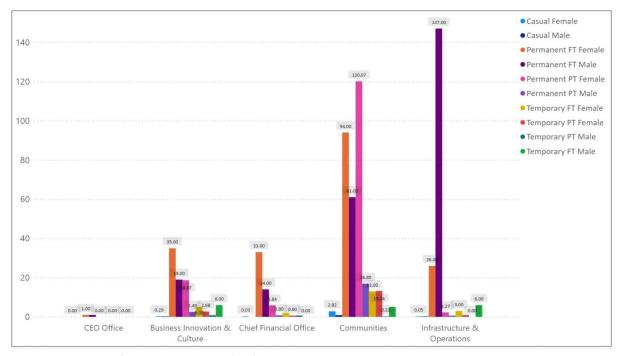


Figure 1: Number of Council employees (FTE) by organisational structure, employment type and gender

A summary of the number of FTE employees categorised by employment classification and gender is set out below in Table 2 and Figure 2.

Table 2: Number of Council employees by employment classification and gender

Employee Classification	Female FTE	Male FTE	Total FTE
Band 1	9.32	6,27	15.59
Band 2	15.05	38.29	53.34
Band 3	24.06	38.95	63.01
Band 4	77.23	33.70	110.93
Band 5	78.95	33.43	112.38
Band 6	83.25	57.33	140.58
Band 7	44.83	42.63	87.46
Band 8	11.28	15.00	26.28
Other	35.54	17.03	52.57
Total	379.51	282.63	662.14

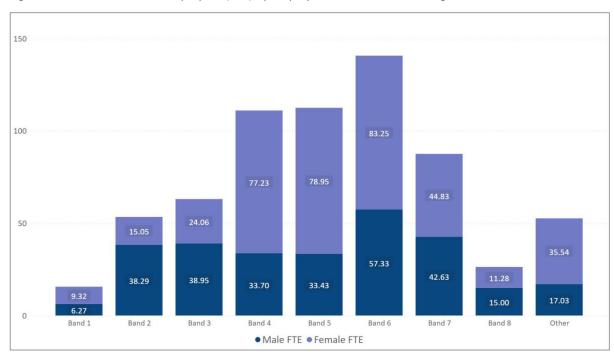


Figure 2: Number of Council employees (FTE) by employment classification and gender

^{*}Other classifications – includes junior employees, trainees, apprentices, aerobics instructors, SEOs, SOs and nurses on contract

Gender equality

Council aims 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.

Under the *Gender Equality Act 2020* (Victoria), Council is required to conduct a workplace gender audit and gender action plan by 1 December 2021 and include Gender Impact Assessments in all new and major reviews of existing policies and strategies and programs that have a direct and significant impact on the community.

Council is progressing toward a workplace where every member of staff has an equal lived experience in respect to recruitment, promotion, training opportunities and impacts of HR policies and procedures so that all staff feel supported and safe and can perform at their best.

All existing and new staff have completed various compliance training modules covering topics such as sexual harassment, bullying and work place behaviours to ensure a heightened awareness of responsibilities under legislation and Council's Code of Conduct.

In 2020–2021, Council officers undertook training to better understand the requirements of the Commission for Gender Equality in the Public Service.



Senior Building Support Officer Lara Schryver (pictured with Cr Claire Harvey) is being supported by Council to become a surveyor through the State Government funded Women Building Surveyors Program.

Other actions toward gender equality in the workforce in 2020–2021 included:

- Engagement with key stakeholders and management teams regarding the development of Gender Impact Assessments
- Gender Equality Survey undertaken by external provider, People Matters, between 31 May and 13 June with almost 200 responses provided
- Appointment of a consultant to assist with assessing survey and organisational data to identify themes and potential actions
- Establishment of an internal Gender Equality Advisory Committee made up of staff from across the organisation through an expression-of-interest process

Other employment matters

The People and Culture team continue to implement actions from the People Strategy 2019–2021 for continuous improvement and enhanced experiences in the workplace. These include:

Refreshing our recruitment policy and processes

- Creating a new online portal for applicants with clarity about the advantages of working for Council and being valued as an employee
- Enhanced reporting and provision of up-to-date organisational information for managers and staff
- Commencing delivery of the Senior Leaders Program (EMT and managers) in response to feedback in our 2020 culture survey about the skills of our leaders
- Delivery of the Leading
 Performance Program for team
 leaders and coordinators focussing
 on leadership and motivational skills

Learning and Development

Staff continued to engage with the platform MyLearning for their training and development. A comprehensive corporate training program offered staff both online and face-to-face learning (when COVID-19 restrictions allowed) as well as blended learning.

In the 2020–2021 period, this included:

- Leading performance program
- Future-ready senior leaders program
- Recruitment and selection
- Supervisor essentials
- Therapeutic relationships and professional boundaries
- Unshakeable in lockdown
- Violence and aggression
- First aid/CPR
- Coaching for return-to-work conversations

A total of 847 staff participated in training, totalling 2,639 training hours for the 2020–2021 year.

Induction

Council has inducted 60 new employees over the reporting period.

Effective and engaging induction is key to creating a positive and welcoming environment for new employees and ensuring staff understand their rights and responsibilities as Council employees is also important.

During 2020–2021, all inductions have been online and particular attention will be required to ensure new starters working from home make the connections in their teams and in the organisation to do their jobs effectively.

Your Voice Your Workplace Staff Pulse Survey 2021

Council launched the staff pulse survey on 15 June, 2021 to understand how the organisation is tracking against the focus areas it identified in the Staff Engagement Survey 2020. Survey results also provide data for departments and teams to review their Culture Improvement Plans to ensure they are still working on things that matter to staff and the organisation.

Occupational Health and Safety

The Health and Safety team continue to build on our commitment to a safe, healthy and positive workplace. Council believes that providing a collaborative and supportive environment is crucial in empowering our people to be their best.

The evolving COVID-19 situation has seen significant changes to the way we work, increasing our focus in the mental health and wellbeing space.

Initiatives introduced to support staff in 2020–2021 include:

- Virtual meditation and fitness classes
- Promotion of our Employee
 Assistance Program and updates to
 the 'My Wellbeing' intranet page
- The delivery of free workplace influenza vaccinations
- Virtual workstation ergonomic assessments for those working from home



Team meetings have often included a chance to say hello to pets and family members

Council's focus on occupational health and safety in the year ahead includes:

- Improving reporting capability to support the analysis of data trends and enhanced decision making
- Continuing to focus on mental health and general wellbeing initiatives
- Strengthening our early intervention program to support injured team members to remain at, or return to, work in a way that positively supports their recovery
- Building knowledge and skills through training programs such as our Manual Handling Champions course
- Ongoing analysis of incidents to identify trends and opportunities for reduction strategies
- Implementation of a new incident and Workers' Compensation claims management system
- Improving incident investigation processes and outcomes

Our Community

Aboriginal and Torres Strait Islander peoples

The 2020–2021 year saw significant developments in Council's relationship with the Bunurong Land Council Aboriginal Corporation (BLCAC) and support of Nairm Marr Djambana, the Aboriginal Gathering Place in Nursery Avenue, Frankston.

Council officers held regular meetings with the BLCAC during the year, providing opportunities to discuss matters of interest and return advice received on projects.

Where appropriate, for example if artefacts have been found in an area, Cultural Heritage Management Plans guide Council works so that measures are taken before, during and after an activity in order to manage and protect Aboriginal cultural heritage.

Two such plans were issued in 2020–2021 in relation to sites where improvements to drainage were needed.

Collaboration between Council and Aboriginal residents and groups in preparing a Reconciliation Action Plan has been ongoing and it is expected to be adopted early in the 2021–2022 year.



The Bay Mob Expo connected people with culture and information on health, education and wellbeing services.

Decisions made during 2020–2021 to support Reconciliation included:

- Ensuring all Aboriginal and Torres
 Strait Islander peoples artwork in
 Council buildings is by local artists
- Including such artwork as a prominent feature of the Jubilee Park Stadium development
- Planning for local Maternal and Child Health centres to include an entrance plaque with an Acknowledgment of Country

Other actions taken by Council to support strength through culture included:

- Providing a \$10,000 grant to the Mornington Peninsula Primary
 Care Partnership to stage the Bay Mob Expo promoting health, education, wellbeing and cultural connections
- Creating a Reconciliation Week Storytime video at Nairm Marr Djambana (for the Frankston City Libraries YouTube channel)









Promoting strength through inclusion

Council has been active in supporting people to feel connected to others, and to opportunities they might otherwise be excluded from for social or economic reasons.

Actions taken during 2020–2021 include:

- Grants for eight community support organisations, including Whitelion, the Living Free Foundation and Mum's Supporting Families in Need, in response to evidence that the pandemic has exacerbated family violence
- Funding for a family violence lawyer and tenancy worker at the Peninsula Community Legal Centre
- Inclusion support grants awarded to 91 recipients under the age of 18, to help pay for sporting club fees
- Youth grants awarded to eligible applicants aged 12 to 24 for education resources and learning
- Student scholarship grants of up to \$750 helped seven students purchase educational materials

- A Jobs Victoria Advocates Program was set up with Victorian Government funding to provide practical support for job seekers
- Online gender inclusion workshops with community members to discuss barriers to participation in sporting clubs and inform future Council strategies
- Participation in, or promotion of,
 LGBTQI celebration days and youth
 events
- The L2P (learner to probationary) driver program provided 442 free mentor drives, resulting in 24 learner drivers obtaining their probationary licences
- Assistance for 10 local learner drivers to get their probationary licence during the long lockdown of 2020, through the Undue Hardship clause devised by VicRoads
- Council facilitated an online event with Paralympian Carol Cooke AM to mark International Day of People with Disability 2020

Actions by Council's **Youth Services Team** to reduce the potential for young people to disengage from education in 2020–2021 include:

- Transferring to various online platforms to support 14 primary schools undertaking Year 6 Transitions programs, delivering more than 48 interactive sessions to 680 young people
- Development of a new Student Connections program that raises awareness of local opportunities, programs, events and support services, enabling young people to pursue goals with ongoing support
- Transitioning school holiday programs online and offering them for free to increase access for vulnerable and isolated young people
- Joining a Critical Friends Network to support students in seven local schools with understanding of respectful relationships

Improving access for those living with disability

During the 2020–2021 year, Council appointed a Diversity and Inclusion Project manager to oversee access and inclusion projects, while Council's Disability Access and Inclusion Committee advocated to ensure disability does not exclude residents from participating in social or economic activities in Frankston City, or reduce visibility of critical issues.

Actions during this time include:

- Community engagement activities to identify local barriers to access and inclusion for people with disability and carers to inform Council plans and strategies
- Incorporating disability considerations into Council's Play Space Strategy, Community Vision 2040, Community Engagement Framework and capital projects
- YouTube videos with clear messaging about what to expect when attending Frankston Arts Centre, Cube 37 and Frankston City Libraries, including information that might be helpful for people on the autism spectrum or experiencing anxiety
- Continued local management of a Commonwealth Health Home Support Program for those aged over 65 and the Home and Community Care Program for Younger People to offer in-home and community-based support
- Inclusion of young people with disability in individual and groupsetting Youth Services programs, with appropriate training provided to the Youth Services Team
- Two traineeships for people with disability through the Work Ready Skills program



These siblings have equal access to the open spaces at Ballam Park

Council's Capital Works projects often include upgrades such as dedicated car parking spaces, gravel pathways being replaced with wider paved surfaces, playground upgrades to include easier access, such as basket swings, modified drink fountains and picnic tables and crossing-juncture ramps featuring contrasting, tactile elements to alert vision-impaired people of a changed environment ahead.

In 2020–2021, Sandfield Reserve Dog Park in Carrum Downs was completed featuring connecting paths suitable for wheelchairs, walking frames, ride-on scooters and wide prams, while new paved ramps and paths were included at the Belvedere Bowls Club, Frankston Centenary Tennis Club and Frankston Lifesaving Club.

COVID-19 recovery efforts supporting local hospitality businesses with outdoor dining amenity have also taken disability into consideration with decking set at the same level as adjacent pathways.

Council's Disability Action Plan 2021–2025 is expected to be adopted in October 2021.

Community engagement shaping policy

Throughout 2020–2021, Council asked residents for their feedback and ideas on issues that matter to them, how Council can best support them in their challenges and aspirations, and to share their vision for the future of Frankston City.

Several significant engagements occurred during the period, including consultations for:

- The Community Engagement Framework, incorporating a Community Engagement Policy to guide Council engagement with residents for informed decision making
- The 2021–2025 Council Plan and Budget, providing closer alignment between projects and funding
- The Community Vision 2040 that will influence the development of four-year Council Plans and both medium and long-term goal setting

Across these engagements, activities included pop-up events, online surveys and polls, stakeholder meetings, workshops, Facebook events and social media posts, telephone surveys with vulnerable residents and submission periods during public exhibition.

While COVID-19 restrictions proved challenging, it is estimated that some 10,000 contact points were achieved in the consultation for the Community Engagement Framework alone.

An independently-selected, representative Community Panel of 46 members was convened following invitations to every Frankston City household, in a deliberative engagement process, as required by the new Local Government Act 2020. The panel led the development of the Community Vision 2040.

Including open community consultation and public exhibition stages, consultations for the Vision took place over 10 months, from August 2020 to May 2021, with all engagement activities designed around COVID-19 safety advice.

Outside of specific engagements, Council has continued to inform the community and receive feedback across a range of platforms.

Our online audience following grew as much as 61 per cent on some social media channels, while content produced was viewed more than 4.4 million times in the reporting period and resulted in over 690,000 engagements, including likes, comments and shares. By early 2021, this engagement placed us in the top four Victorian councils for social media engagement success.

Strong engagement across our online channels was also garnered during Council's campaign to have Frankston voted the state's Top Tourism Town in the newest category in the Victorian Tourism Awards. The topic drew 24,807 likes, shares and comments.

Council's Engagement Promise

Frankston City Council is committed to engaging and collaborating with diverse local communities, to understand and incorporate their different views, experiences and expertise into the decision-making process.

When the community are included in, and influence, decisions that affect them, Council's decisions can be:



Informed advocacy

A renewed focus on advocacy and collaboration has helped Council to amplify its ability to meet goals and aspirations for the community in 2020–2021, with a 33 per cent increase in total grants received compared with 2019–2020.

Council submitted 37 funding applications to Victorian and Australian Government programs during the reporting period (a 68 per cent increase on 2019–2020), with 84 per cent of those applications (totalling \$21.4 million) being successful.

Projects that attracted Victorian

Government funding through advocacy in 2020–2021 include the Ballam Park Northern Precinct Improvement Works (\$1.3 million) and John Coburn Oval Sports Lighting Redevelopment (\$250,000), while the Kevin Collopy Pavilion (\$3 million) and Eric Bell Pavilion (\$6.25 million) projects have been secured through the Community Sports Infrastructure Loans Scheme.

Projects that attracted funding from the Australian Government include the Hall Road rehabilitation (\$4.245 million) and Warrandyte Road safety improvements (\$620,000).

Council's advocacy also resulted in reducing the cost of **LED lighting upgrades** at the Frankston Arts Centre and Frankston Library in October 2020, with support from the Victorian Government's Victorian Energy Upgrades program allowing Council to complete the project for around \$5,000 after estimating its cost to be almost \$30,000.

Relationship building

Collaborations between Council and the Senator for Victoria David Van, the Federal Member for Dunkley, Peta Murphy, and the State Member for Frankston, Paul Edbrooke MP, have also helped Council secure funding critical to providing the additional community supports made necessary by the impacts of COVID-19.

Supports achieved with additional funding during 2020–2021 include:

- Emergency Support for COVID-19 through the Commonwealth Home Support Program
- Engagement activities to encourage priority groups to get vaccinated
- Enhanced capacity for the Community Recovery Call Centre
- Enhanced response to alleviate social isolation
- Jobs Victoria Advocates Program

Relationship building took place on many levels during 2020–2021, including Council

delegations to Canberra to showcase positive plans for Frankston City and raise the potential for them to be included in national agendas.

On 26 June, 2021, Frankston City's inaugural Politicians Barbecue – a local Bunnings Warehouse sausage sizzle – took place, encouraging community members to engage informally with representatives from all levels of government.

The event facilitated important conversations while raising over \$2,000 for Community Support Frankston (CSF) and the Pets in the Park initiative — a free vet clinic in Frankston for pets of those experiencing homelessness.



Mayor Bolam, Senator for Victoria David Van, the State Member for Frankston, Paul Edbrooke, and the Federal Member for Dunkley, Peta Murphy, at the inaugural Politicians Barbecue

Council's advocacy in 2020–2021 also included:

- A submission to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability
- The establishment of the Frankston Job Seeker Alliance, bringing together key organisations with skills in raising employment prospects
- Collaboration within The Greater South East Melbourne group of councils for a regional approach to positive changes
- A commitment to the Cities Power Partnership that allies more than 130 local governments in climate change action overseen by the Climate Council
- Support for a South East Councils
 Climate Change Alliance project
 investigating ways to facilitate
 electric vehicle use across the
 region

On 28 June, 2021, Council adopted the 2021–2025 Future Ready Frankston advocacy priorities following extensive community consultation.

The priorities focus on the following themes:

- Investing in prosperity facilitating new and improved job, education, tourism and recreational opportunities connected by diverse travel options
- Enhancing 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

Our performance

Planning and Accountability Framework

The Planning and Accountability Framework is found in Part 6 of the *Local Government Act 1989* (the Act). The Act requires councils to prepare thefollowing planning and reporting documents:

- A council plan within six months after each general election or by 30 June, whichever is later
- A strategic resource plan for a period of at least four years and include this in the council plan
- A budget for each financial year
- An annual report in respect of each financial year

Figure 1 shows the relationships between the key planning and reporting documents that make up the Planning and Accountability Framework for local government.

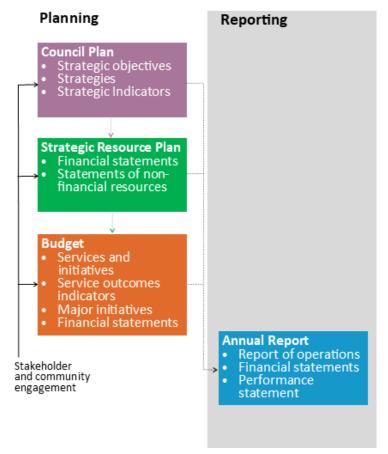


Figure 1: Planning and Accountability Framework for local government

Council Plan

The Council Plan 2017–2021 was the strategic document that guided the planning, development, allocation of resources and provision of services to the Frankston City community.

The Council Plan 2017-2021 included:

- four long-term community outcomes
- strategies for achieving the community outcomes for at least four years
- strategic indicators for monitoring achievement of the strategic objectives
- strategic resource plan

The following are the four long-term community outcomes as detailed in the Council Plan.

Long-term community outcome one: A Planned City

A vibrant city providing housing, stunning beaches, a beautiful natural environment and arts and cultural experiences.

Everything you want at your doorstep — shopping, education, employment, recreation and a lifestyle second to none.

Long-term community outcome two: A Liveable City

Welcoming neighbourhoods, green streets and thoroughfares, parks and natural reserves, an active foreshore and vibrant town centres delivering a living environment that is second to none. An active and healthy community that is

connected through participation in activities at our local and regional sporting facilities, events and festivals.

Long-term community outcome three:
A Well Governed City

An elected Council that is driven by the privilege of serving its community and providing leadership andvision to ensure Frankston City is recognised as the Lifestyle Capital of Victoria.

Long-term community outcome four: A Well Managed City

Proudly delivering services to improve our community's lifestyle. An organisation that is recognised amongst its peers as a leader in the sector and one that is founded upon its engagement and connection to its community.

Performance

In 2020-2021, a year of COVID-19 impacts, Council worked on 72 Council Plan initiatives, as many initiatives as was planned for Year 1 and 2 combined. Council delivered 56 out of 72 actions, with the remaining 16 initiatives to be completed in 2021-2022.

Over the four years Council's 'completed on time' rate averaged 87 per cent, including during 16 months of COVID-19 impacts.

Council's performance for the 2020-2021 year has been reported against each long-term community outcome to demonstrate how Council performed in achieving the 2017-2021 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives and initiatives identified in the Budget
- Description of services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures

A Planned City Long-term Community Outcome One

Strategic indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators for strategies included in the Council Plan.

Table 1

Strategic indicator	Result 2020-2021	Comment
New dwellings in Frankston Metropolitan Activities Centre (FMAC)	15	The annual total for 2020-21, saw 15 commercial dwellings constructed within the FMAC area.
Council's greenhouse gas emissions	10,423 tonnes	Council's greenhouse gas emissions were 10,423 tonnes in 2020-21, which is a decrease of 5,445 tonnes (or 34 per cent), when compared to 15,868 tonnes in 2019-20. This was mainly due to switching to 100 per cent renewable energy for powering five of Council's major facilities and street lights, as well as reduced energy use within Council facilities that were closed and/or had reduced occupancy due to COVID-19.
Kerbside collection waste diverted from landfill	56%	Due to the introduction of Council's Kerbside Food Waste Collection Service we have seen an increase in organic tonnes from last financial year. There has been a slight increase in recyclable tonnes due to COVID-19.

Council Plan Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-2021 Budget.

Table 2

Four Year Priority	Major Initiative 2020-2021	Comment		
Advocate to government for:	Continue advocating for rail	Council has had numerous meetings with Federal Government		
1. Electrification to Baxter	electrification (stage one: Frankston to Langwarrin)	Ministers and Shadow Ministers on an alternative proposal for the electrification of the rail line from Frankston towards the Morningt Peninsula, including a staged approach with delivery to Leawarra a stage one. Additionally, Council has presented the Federal Government with alternative options for the delivery of vital		
2. Funding for regional sporting	Trankston to Langwarmin			
facilities, including:				
- Belvedere Reserve		commuter car parking spaces within Frankston City.		
- Jubilee Park Netball Stadium		Completed.		
- Centenary Park Regional		See Council Plan initiatives on page 67 for updates on funding for regional sporting facilities and the National Broadband Network rollout.		
- Tennis Facility				
3. National Broadband Network (NBN) rollout		Tollout.		

Four Year Priority	Major Initiative 2020-2021	Comment			
Develop a Coast Guard facility and Boat Refuge	Complete accommodation works that would relocate the Frankston Volunteer Coast Guard within the	The Council intends to locate the Coast Guard to the Mechanics Hall rather than the Yacht Club Building to maximize floor area and the likelihood of success of the first floor high-end restaurant.			
	existing Yacht Club building	80 per cent completed. Due to be completed in 2021-2022.			
Work with the Victorian Government to develop a business case for a catalyst development as a further stage of the Frankston Station Precinct Redevelopment	Work with the South East Melbourne Group to support a bid for a City Deal that would see significant investment in community projects to improve the region	Officers have worked with the GSEM (Greater South East Melbourne) to enable a range of proposed projects for a potential City Deal, which have been presented to Councillors. Completed.			
Attract high density residential apartments and commercial office accommodation	Review the Frankston Municipal Activity Centre structure plan with a focus on height controls	FMAC structure plan refresh commenced in March 2021 over a two year timeframe and will be finalised in 2021-2022. 30 per cent completed. Due to be completed in 2021-2022.			

Four Year Priority	Major Initiative 2020-2021	Comment	
Protect the natural and coastal environment whilst maximising the use and enjoyment of the foreshore	Commence implementation of Urban Forest Action plan to increase canopy cover of the urban environment	The development of Urban Forest Precinct Plans for Carrum Downs and Seaford precincts commenced. Banksia study commenced, to be completed in 2021-2022. Council's website was updated to enable the community to identify, on an interactive map, trees they have planted. A program was established to monitor the rate of decline in Eucalyptus scoparia street trees. Council delivered over 3000 Indigenous plants to schools and residents in lieu of the national and school tree planting days - program was altered due to COVID-19 restrictions. A total of 1,800 street trees and 13,200 trees in reserves and open space were planted.	
		Completed.	
Reduce Council's energy use and greenhouse emissions and progress towards carbon neutrality	Progress Council's Climate Emergency response by implementing Council's Towards Zero Emissions Plan (TZEP) through the bulk changeover of street lights on local roads to LED's and engage the community to support climate action	The bulk changeover of street lights on local roads to LEDs commenced in December 2020 following some minor project delays due to COVID-19 restrictions, with over 5,500 street lights now completed. Council undertook a community survey during September 2020 on climate change which was well received, with a significant number of responses from the community. The survey will inform future climate change action by Council, including webinars as well as, education and awareness resources.	
		Completed.	

Four Year Priority	Major Initiative 2020-2021	Comment
	Establish a Climate Change Policy and update Council's Climate Change Impacts and Adaptation Plan	Council updated on Climate Change Policy. Council supported development of a Climate Change Strategy and Action Plan in the 2021-2022 financial year.
		Completed.

Council Plan Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2020-21 Budget.

Table 3

Four Year Priority	Year Four Initiative 2020-2021	Comment			
Advocate to government for:	Build on Council's successful	Jubilee Park Indoor Stadium design is fully completed and the			
1. Electrification to Baxter	advocacy campaign for the recent Victorian and Australian elections	project is currently out to market with construction due to commence in early November 2021.			
2. Funding for regional sporting	and commence delivery of	Centenary Park Regional Tennis Facility has been completed and			
facilities, including:	commitments, including:	competitions are up and running. Landscape enhancement and			
- Belvedere Reserve	 Jubilee Park Netball stadium 	septic upgrade works are due to be undertaken early in the new			
- Jubilee Park Netball Stadium	Centenary Park Regional Tennis	financial year.			
- Centenary Park Regional	Facility	RF Miles Reserve Redevelopment is fully completed and the community is actively utilising the enhanced precinct including			
- Tennis Facility	RF Miles Reserve	state of the art pavilion and oval, cricket nets, netball court and playground all beautifully landscaped to complement the existing			
3. National Broadband Network (NBN) rollout		area's flora and fauna.			
	Develop a new Advocacy Strategy in alignment with development of the 2021-2025 Council Plan	The draft Strategic Partnerships and Advocacy Framework has received a peer review from an external consultant and is currently being revised for Council endorsement.			

Four Year Priority	Year Four Initiative 2020-2021	Comment		
Redevelop the existing Arts Centre and Civic Centre precinct	Commence the roof restoration works at the Civic Centre to extend its life	Civic Centre roof works were successfully completed during March 2021 and have resolved long standing ongoing maintenance issues and enabled upgraded insulation to make the building more sustainable.		
Undertake a feasibility study to relocate Council's Operations Centre and allow for an exemplar urban renewal project	Identify options and funding alternatives for upgrade of the facilities at existing site	Centrum Architects have undertaken assessment on the existing Operation Centre (OC) site along Buna Avenue, Seaford. Consultant has now prepared options for reconfiguration of OC site which includes retaining existing nursery, SES facility and potential residual land for the provision of social housing. Further development of proposal is subject to Councillors' feedback and direction on this matter is expected in late 2021.		
Ensure community infrastructure and services match community need	Integrate long-term asset renewal needs into the 2020-2021 Long Term Infrastructure Plan (LTIP) to ensure assets support delivery of services	Council endorsed \$24.833M of asset renewal expenditure in its 2020-2021 Capital Works Budget to ensure it is meeting its asset needs for the community. Council has reviewed its future asset needs, project priorities and asset renewal programs for the 2021-2022 Capital Works Program and future years of the Long Term Infrastructure Plan (LTIP).		

Four Year Priority	Year Four Initiative 2020-2021	Comment			
Ensure community infrastructure and services match community need	Implement seasonal tenancies software management platform to preserve assets and enhance customer experience using the assets	Implementation completed by 30th of June 2021. Solution will be used for the 2021-2022 season.			
	Redevelop Council's website with a focus on enhanced customer experience	All three public facing websites have been successfully migrated to a new platform and went live during 2021-2022.			
	Council's decision on occupation of the Frankston Health and Wellbeing Hub to be implemented, to maximise community benefit	Planning and discussions progressing well. Draft floor plans and associated lease details for re-purposing the site are nearing completion. This will be completed in 2021-2022.			
Attract investment for new industry	Deliver the Investment Attraction Action Plan to promote interest in relocation and expansion of businesses in Frankston	The investment attraction actions have been included within the Sustainable Economy Strategy.			
Attract high density residential apartments and commercial office accommodation Develop Planning Scheme Amendment to incorporate the Housing Strategy into the Frank Planning Scheme		Housing Strategy and Amendment was developed, however will require further review in 2021-2022 year.			

Four Year Priority	Year Four Initiative 2020-2021	Comment		
Redevelop the existing Frankston Arts Centre and Civic Centre Precinct	Progress Planning Scheme implementation of Neighbourhood Character Review once Housing Strategy amendment is completed	Neighbourhood Character Study has been deferred to be incorporated into the FMAC Structure Plan and Housing Strategy project. This will be completed in 2021-2022.		
	Implement statutory swimming pool audits	An audit of all existing pools established by aerial photography and a process to ensure compliance has been established.		
Redevelop the existing Frankston Arts Centre and Civic Centre Precinct	Continue to work with the Victorian Building Authority to address rectification of illegal building cladding	Council has continued to work with the Victorian Building Authority to establish a process to assess and rectify illegal cladding. This is now a standard compliance obligation to be undertaken on an ongoing basis.		
Improve public car parking options	Identify opportunities and actions to improve parking in Frankston through the Frankston Metropolitan Activity Centre Car Parking Committee	Smart cities technologies have been identified as a great opportunity to improve the parking experience in Frankston Metropolitan Activity Centre. Development of a business case, supported by community feedback and data analysis in occurring with options available in Q1 2021-2022. This will be completed in 2021-2022.		
Protect the natural and coastal environment whilst maximising the use and enjoyment of the foreshore Work with key stakeholders to identify and implement improvements to Kananook Creek under the improved governance model		Kananook Creek Governance Group has continued to meet, buildin relationships and determining to focus on review of Kananook Creek Corridor Management Plan. A trial dredging methodology ha been developed to look for a more efficient dredging regime and will be able to be trialled in the early 2021-2022 boating season. This will be completed in 2021-2022.		

Four Year Priority	Year Four Initiative 2020-2021	Comment			
Deliver a long-term car parking solution for the Peninsula Aquatic Recreation Centre (PARC)	As part of the Frankston Metropolitan Activity Centre Car Parking Committee, identify options for long-term parking at Peninsula Aquatic Recreation Centre (PARC)	Parking improvements in Quality Street were constructed in 2017-2018 for users and staff of Chisholm TAFE and PARC. A success trial of smart parking technology, could inform future efficiency improvements at the centre. This will be completed in 2021-2022.			
Establish the Frankston Regional Recycling and Recovery Centre FRRRC as the south east's regional solution for resource recovery	Work with Metropolitan Waste and Resource Recovery Group and South Eastern councils to secure an alternative solution to landfill for processing of waste	The South East Metropolitan Melbourne Councils progressed with development of the detailed solution for an alternative to landfill from 2025. In addition, a landfill disposal contract has been secured to provide disposal certainty for waste collected from the kerbside collection service through 2025.			
	Reduce the amount of waste to landfill with a focus to increase composting of food waste	The uptake of the Kerbside Food Waste Collection Service has steadily increased to between 15-20 per cent of residents, resulting in an improvement in the diversion of food waste from landfill.			
Protect the values of the Green Wedge and implement a management plan	Prepare Planning Scheme Amendment to enable implementation of the Green Wedge Management Plan	Planning Scheme amendment adopted by Council in 2020-2021.			

Services

The following statement provides information about the services funded in the 2020-2021 Budget and the persons or sections of the community who are provided the service.

Table 4

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Engineering Services	Provides traffic management solutions, strategic transportation planning and road safety programs. Management of public spaces and quality control on subdivisional and commercial developments including protection of Council's assets.	3,309 <u>(385)</u> 2,924
Capital Works Delivery	Delivers project and contract management for the design and construction of infrastructure projects in the capital works program to provide quality services and facilities to the community. The projects include new, upgrades, expansions, renewals and compliance projects.	1,086 <u>(0)</u> 1,086
Statutory Planning	Researches and prepares land use, development and environmental strategies for the municipality. Undertakes timely assessment of development, land use, subdivision and tree removal proposals. Develops and implements integrated nature conservation and biodiversity protection strategies and action plans. Educates and enforces (in close cooperation with Council's Community Safety officers) to ensure that all land use and development within Frankston, fully complies with approvals and relevant legislation.	2,439 (1,449) 990
City Futures	Researches and prepares urban design, social, economic, environment and strategic land use policies and strategies for the municipality.	3,898 <u>(223)</u> 3,675
Community Relations	Provides the first point of contact for our communities, including residents, visitors, businesses, investors, media and internal departments. Manages Frankston City's and the organisation's reputation. Disseminates key messages to our communities and positions the municipality as the preferred place to live, learn, work, visit and invest.	3,961 <u>(9)</u> 3,952

Local Government Performance Reporting Framework

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Table 5

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Roads					
Satisfaction of use Sealed local road requests [Number of sealed local road requests/kilometres of sealed local roads] x100	93	106	109	104	Council received 703 requests from the community related to sealed roads for 2020-2021 which is slightly less than the previous year's result of 733 requests due to the delivery of major road works on Council's road network in 2020-2021
Condition Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council/kilometres of sealed local roads] x100	92%	99%	99%	99%	The performance of this indicator is a result of updated road condition data and various road renewal works undertaken in this financial year.
Service cost Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction/square metres of sealed local roads reconstructed]	N/A	\$109	\$59	\$84	The cost of sealed local road reconstruction increased significantly compared to last year.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Cost of sealed local road resealing [Direct cost of sealed local road resealing/square metres of sealed local roads resealed]	\$22	\$21	\$25	\$25	The cost of sealed local roads resealing is in line with expectations. The cost of resealing varies annually depending on the proportion of residential to industrial roads resealed. This is because industrial areas require specific treatments, whereas residential resurfacing is less costly.
Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	64	66	60	70	Councillors and staff have all worked hard to engage with community to improve the satisfaction with sealed roads. This is reflective in this year's survey results and Council will continue to commit to maintaining the standard in future years.
Statutory Planning					
Timeliness Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	105 days	84 days	60 days	57 Days	Process improvements have reduced the time taken to assess planning applications and resulted in a significant improvement in the median time taken to decide planning applications.
Service standard Planning applications decided within required time frames [(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] x 100	34%	48%	70%	70%	The target of 70 percent of applications determined within statutory time frames was achieved over the whole financial year, with this target being achieved in three of the four quarters. This is consistent with last financial year's performance and a good achievement noting that officers within the Statutory Planning Department have been allocated to business improvement tasks throughout the financial year.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Service cost Cost of statutory planning service [Direct cost of statutory planning service/number of planning applications received]	\$2,264	\$1,966	\$2,618	\$ 2,271	The cost of the service is well within the target range at an average cost of \$2,271 per application. The average cost of the service reduced in comparison to last financial year.
Decision making 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	44%	32%	50%	75%	The number of Council decisions upheld by the VCAT improved significantly from the prior years due to on-going improvements in Council's work processes and systems.
Waste Collection					
Satisfaction Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests/number of kerbside bin collection households] x 1,000	118	117	143	148	Consistent requests for new bin services due to the on-line capabilities. We have seen an increase in additional garbage, recycling and food and garden waste bin requests due to COVID restrictions.
Service standard Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed/number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	2	2	2	2	Continued high level of service provision. The number of bins not presented by residents has increased due to COVID and routine disruptions. The bins not collected by drivers has slightly increased due to a vehicle breakdown experienced in May.
Service cost Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service/number of kerbside garbage collection bins]	\$94	\$97	\$99	\$98	The cost of garbage per service is quite comparable to 2019-2020 due to continuous cost reductions to offset landfill increases. This is a cumulative figure for each quarter.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service/number of kerbside recyclables collection bins]	\$30	\$56	\$63	\$65	Recycling tonnes have increased slightly this year compared to 2019-2020 due to COVID. The processing rates for recyclables has also increased in the last two quarters of this reporting year. This is also a cumulative figure for each quarter
Waste Diversion 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	53%	54%	56%	56%	Council's landfill diversion rate remained consistent at 56 per cent, due to an increase in composting of food and garden waste offsetting an increase in garbage generated throughout COVID-19 restrictions.

A Liveable City Long-term Community Outcome Two

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators for strategies included in the Council Plan.

Table 6

Strategic Indicator	Result 2020-2021	Comment
Jobs in Frankston City	44,934	Overall, Council exceeded its target to increase employment by 5,000 jobs by 2020-2021 (data not updated for this financial year).
Degree courses on offer in Frankston City	19	There has not been an increase or decrease in degree courses currently being offered in Frankston City.
Five star accommodation	0	Currently, Frankston does not have a five star accommodation provider. Work to attract investment continues.
Frankston Arts Centre, festivals and events attendance	32,282	Attendance was significantly lower than expected due to the impacts of COVID-19 and the cancellation of shows, events and festivals.

Strategic Indicator	Result 2020-2021	Comment
0-1 year old infants enrolled in maternal and child health (MCH) service	1,839	Birth notifications and subsequent enrolments are slightly higher this financial year.
Service utilisation per funded hours through Home and Community Care (HACC) and Commonwealth Home and Support Programme (CHSP)	57,329	Number of Assessments and CHSP and HACC-PYP services for the 2020-2021 year have been impacted significantly due to COVID-19. Modification, intermittent reduction and even suspension of services has been undertaken to ensure the safety of clients, staff and the broader community. COVID-safe delivery methods are in place to ensure maximum services and assessments can be undertaken during lockdown periods.

Council Plan Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-21 Budget.

Table 7

Four Year Priority	Major Initiative 2020-2021	Comment
Develop a knowledge, creativity and skills based economy that generates employment opportunities	Develop the Economic Development Policy and review the Economic Development Strategy	The Sustainable Economy Strategy and Policy are currently in development. Due to impacts associated with COVID-19, the finalisation of this Strategy has been delayed. It is expected the Policy and Strategy will be presented to Council in November 2021 for consideration.
		60 per cent completed. Due to be completed in 2021-2022.
Strengthen and promote Frankston City's visitor economy	Deliver a new signature event to be held between April and September,	Delayed due to COVID-19, the first year of 'South Side' (previously known as 'new signature event') to be presented in May 2022.
•	commencing in 2021	50 per cent completed. Due to be completed in 2021-2022.

Council Plan Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2020-21 Budget.

Table 8

Four Year Priority	Year Four Initiative 2020-2021	Comment
Facilitate the development of industry informed education courses that meet employer industry needs	Develop the Learning City Policy and Skilled Workforce Strategy to establish priorities	The draft Sustainable Workforce Strategy is currently in development. Due to impacts associated with the COVID-19 pandemic, this Strategy has been delayed. The Strategy will be presented to Council in November 2021 for consideration. This will be completed in 2021-2022.
Develop a knowledge, creativity and skills based economy that generates employment opportunities	Develop the Frankston and Mornington Peninsula Education Precinct Framework to better connect people to employment options	In partnership with industry stakeholders, the Frankston City Jobseeker Alliance 'Strategic Framework' and MOU was developed and presented to Council in July 2021 for endorsement.
Attract industry and employment in the health and education fields	Continue the partnership with the Department of Education and Training to implement the Frankston North Strategic Education Plan	All school sites are now open and operational. The partnership between Council, Department of Education and Training (DET) and Our Place continues to support positive outcomes for all children and families in Frankston North.

Four Year Priority	Year Four Initiative 2020-2021	Comment
Advocate for the development of five star hotel accommodation	Continue to work with the accommodation sector to identify opportunities for increased high quality overnight accommodation for visitors	Major accommodation development within Frankston's city centre will be reviewed as part of the development of FMAC structure plan in 2021-2022. This will be completed in 2021-2022.
Strengthen and promote Frankston City's visitor economy	Deliver the Tourism Industry Development Program designed to enable businesses to provide an improved visitor experience and dispersal	Tourism Digital Customer Service and Marketing Masterclass was developed offering a three class series of online training to tourism focused businesses to leverage their digital assets and presence. 21 businesses registered to participate in the training. In addition, a Packaging and Experience Grant Program was developed to support tourism focused businesses to create a new package or experience available during winter 2021. Six businesses attended the introduction workshop and networking event. Two \$2,000 grants were awarded through this program.
Build on sculpture and eclectic street art culture	Build the Frankston City Sculpture collection via ongoing investment in iconic gateway sculptures and well placed midscale pieces	Program deferred due to COVID, scheduled to recommence in 2021-2022 financial year. This will be completed in 2021-2022.
Promote Frankston City's reputation as an arts, festivals and events destination	Broaden the promotion of arts, festivals and events	The Big Picture Festival 2021 occurred in March. Nine new artworks have been created, bringing the total in Frankston to over 40. Frankston High School and Monterey Secondary School participated in this year's festival with each school

Four Year Priority	Year Four Initiative 2020-2021	Comment
		completing an artwork in Thompson Lane.
Engage and support Frankston City's local areas and diverse communities to optimise facility usage and enhance equitable access to services	Implement programmes across all facilities to ensure Disability Discrimination Act compliance	Disability Discrimination Act (DDA) compliance is achieved through ongoing implementation of DDA improvements across all council renewal and new building works during 2020-2021.
Engage and support Frankston City's local areas and diverse communities to optimise facility usage and enhance equitable access to services	Develop an equitable and transparent rental model for Council buildings to increase participation for Council consideration	Council proactively engaged with Council tenants on a tiered rental model as part of the public consultation for Council's Property Strategy and Plan. The Property Strategy was adopted by Council in May 2021. An in-depth review of the rental model will now be undertaken, in consultation with internal and external stakeholders, as part of the implementation of the Property Strategy, and will be the subject of a future report to Council. This will be completed in 2021-2022.
	Review the community grants program to enable equitable access to grants opportunities	The review was delayed by COVID-19 impacts but is well progressed. Recommendations will be submitted to Council in October 2021.

Four Year Priority	Year Four Initiative 2020-2021	Comment
	Develop a Diversity, Access and Inclusion Policy	A draft Diversity, Access and Inclusion Policy has been developed and reviewed by internal stakeholders to inform a plan for community engagement.
Develop an education and library hub in Langwarrin	Complete a feasibility study for the preferred location for a new kinder and library	Feasibility options were explored. Construction of the kindergarten is subject to further negotiations with the property owner. Alternative options are being explored for an expanded library service.
Advocate for the development of a health industry centre of excellence	Work with other the South East Melbourne councils to negotiate agreement with the State and Federal governments to deliver long-term investment benefits for the local community and region	Advocacy for drug withdrawal beds at Frankston Hospital was included as part of Council's work with GSEM's focus on health and education. Frankston City Council's advocacy has succeeded in an invitation to submit a business case, which has now been referred to Peninsula Health's service planning unit due to its technical specifications.
Facilitate the delivery of a health services hub in the health precinct	Advocate for a minimum of 10 clinical 'withdrawal' beds in the expansion of Frankston Hospital	Council has had meetings with the Federal Government Minister for Health to progress advocacy for inpatient withdrawal services within Frankston Hospital. The Minister and Federal Department of Health is currently investigating and will provide advice to Council. Furthermore, Council has been liaising with local Member for Frankston seeking Victorian Government support.

Four Year Priority	Year Four Initiative 2020-2021	Comment
Enhance equitable access to sport and leisure opportunities	Co-design and deliver a culture change program for sporting clubs to achieve greater gender equity in participation and board structures	Project has been completed and included the provision of two workshops with sporting club stakeholders to discuss and explore actions that could ensure a sustainable focus on this important issue.
Adopt an approach to delivery of aged services within the state and federal service mode	Deliver aged services in accordance with contractual agreement/s	Frankston Council has provided high quality services to support clients to remain independent in their own homes through a variety of valued programs. The delivery of aged care services has been impacted by the pandemic, requiring modification and intermittent suspension/reduction of service delivery to ensure the safety of clients, staff and the broader community.
Adopt a Health and Wellbeing Plan 2017- 2021	Continue the implementation of the Health and Wellbeing Plan 2017-2021, focusing on: • Reducing homelessness and	The Health and Wellbeing Plan 2017-2021 has been delivered as planned, with a significant focus on the work and advocacy relating to the Housing and Homelessness Alliance.
	increasing affordable housing	The Healthy Choices Policy was adopted by Council in January 2020 following a trial program which offered additional
	 Deliver Healthy Choices program at Council-owned sport and leisure facilities 	healthy menu options at Peninsula Aquatic and Recreation Centre (PARC), Pines Aquatic Centre and Frankston Library's Book and Bean Café.

Four Year Priority	Year Four Initiative 2020-2021	Comment
	Implement the Family Violence Prevention Action Plan	Implementation of the Family Violence Action Plan has been progressed, with a particular focus on the delivery of a Men as Role Models program and to progress the redevelopment of Council's Respect App targeting support to healthy relationships among young people.
	Review and update the Youth Framework to better support young people to transition to adulthood	A revised Youth Framework was completed following consultation with stakeholders which has provided focus/actions being delivered by the Youth Services Team (notwithstanding the challenges associated with the impacts of COVID-19).
	Review and revise the Municipal Early Years Action Plan to identify priorities and optimise services	The Municipal Early Years Plan in now complete in draft form, and was adopted in July.
	Commence implementation of the Reconciliation Action Plan	Activities have been delivered as outlined in the Reconciliation Plan to strengthen recognition of Aboriginal culture and heritage and to progress reconciliation within the Frankston community.

Services

The following statement provides information about the services funded in the 2020-2021 Budget and the persons or sections of the community who are provided the service.

Table 9

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Business area	Description of services provided	Expenditure (<u>Revenue)</u> Net Cost \$'000
Operations	Preserves local amenity and promotes a safe, clean and attractive city through maintaining civil infrastructure. This includes shopping centre precincts, natural resources, and foreshore infrastructure and recreation reserves. Provides services and strategies for emergency management.	25,289 (1,679) 23,610
Community Relations	Provides the first point of contact for our communities, including residents, visitors, businesses, investors, media and internal departments. Manages Frankston City's and the organisation's reputation, disseminates key messages to our communities and positions the municipality as the preferred place to live, learn, work, visit and invest.	728 (15) 713
Arts and Culture	Stimulates activity in the municipality through events, festivals, performing arts, public art, visual arts, libraries, library services and lifelong learning initiatives and community development programs. Provides facilities and services for events and functions.	8,617 (1,881) 6,736
Aquatics	Provision of indoor and outdoor Aquatic Centres to improve health and wellbeing in the community.	5,977 <u>(5,538)</u> 439

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Community Safety	Ensures the safety of the community by managing school crossing supervision, animal registration, parking services, building services, planning enforcement, crime prevention and foreshore patrols. Undertakes local law prosecutions, emergency management and illegal dumping responses.	9,878 <u>(5,043)</u> 4,835
Community Strengthening	Undertakes research and implements policies and programs to enhance community wellbeing, social inclusion, participation, empowerment and resilience. Community planning and engagement of local areas. Develops and implements the Municipal Health and Wellbeing Plan. Manages grants to support charities and community groups.	5,813 <u>(475)</u> 5,338
Waste and Recycling	Frankston Regional Recycling and Recovery Centre (FRRRC) offers the community a quick, easy, affordable and sustainable way to get rid of waste and recyclables. FRRRC is also home to a Treasure Chest shop. It sells recovered furniture, household goods and bric-a-brac for bargain hunters and anyone who has a good eye for items that can be restored/up-cycled. Also provides strategies for the waste management needs of the municipality.	21,051 (4,550) 16,501
Building and Facilities	Delivers, maintains and retires facility buildings in Frankston City. Constructs new or develops old building facilities in the municipality to provide, accommodate and/or house a range of community groups. Provides cleaning, security and maintenance to about 300 Frankston City Council buildings including the Civic Centre, Library, and Art Centre, public toilets, sporting pavilions, pre-schools and other community buildings.	6,972 <u>(7)</u> 6,965
Family Health Support	Supports and enhances the health and wellbeing of families, children and young people through maternal and child health and immunisation services, kindergarten infrastructure and central registration scheme for 3 and 4 year old kindergarten, childcare, youth services and advocacy. Supports other local providers of children's, family and youth services. Provides home and community based services and support to maintain dignity and independence of older people, people with disability and their carers, including supporting positive ageing, volunteering opportunities, meals on wheels, personal and home care, senior citizens, U3A, respite care and activity groups.	15,224 (10,219) 5,005

Local Government Performance Reporting Framework

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Table 10

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Animal Management					
Timeliness Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests/number of animal management requests]	5 days	5 days	4 days	5 days	COVID-19 restrictions have reduced the ability to respond to some animal matters which is reflected in our performance output. Process improvements have been identified for improvement for the next financial year.
Service standard Animals reclaimed [Number of animals reclaimed/number of animals collected] x 100	52%	58%	42%	54%	Council's performance is within the lower end of the set target and delivered significant improvements from last year's results.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Service standard Animals rehomed [Number of animals rehomed/number of animals collected] x 100	NA	NA	10%	13%	COVID restrictions impacted the results of animals to be rehomed. Council has made process improvements and adjustments for when COVID affects outcomes and results. Council anticipates improvements in next year's results once these processes have been implemented. Note: New measure for 2019-2020 financial year.
Service cost Cost of animal management service per population [Direct cost of the animal management service/municipal population]	NA	NA	\$11	\$8	Cost for animal management has decreased in this year's results as Council was adjusted its resourcing and budgets to align with the demands, to include COVID restriction impacts. Note: New measure for 2019-2020 financial year.
Health and safety Animal management prosecutions [Number of successful animal management prosecutions/number of animal management prosecutions] X 100	NA	NA	100%	100%	The number of prosecutions undertaken for the year is driven by the number of offences reported to Council relating to animal management matters. All matters progressed to court had a successful outcome. In 2020 the indicator replaced the previous 'Animal management prosecutions' which was a measure of number, not proportion.
					Note: New measure for 2019-2020 financial year.

2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
1	1	1	1	All Council owned aquatic facilities have been inspected for 2020-2021.
6	7	6	3	The actual result is 3.29 which is lower than expected. The COVID-19 pandemic resulted in closing the facility for 131 days and opening up click and collect services in September 2020 for the community to access the service. When facilities returned to open its facility there was a decrease in density requirements. This has significantly affected, what had been, up to that point, a strong attendance growth year.
NA	NA	\$1.30	\$.90	Costs for Council have decreased throughout the year due to COVID. With the closure of aquatic facilities personnel had to be stood down at the times of closure affecting the bottom line results for cost. Note: New measure for 2019-2020 financial year.
	6	1 1 6 7	1 1 1 6 7 6	1 1 1 1 6 3

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Food Safety					
Timeliness Time taken to action food complaints [Number of days between receipt and first response action for all food complaints/number of food complaints]	2 days	2 days	2 days	2 days	This indicator is reported across a full calendar year. Overall results remain positive with all food complaints consistently actioned in less than two days.
Service standard Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984/number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	100%	100%	94%	73%	There has been significant decrease in assessments to be completed, primarily due to businesses closing during COVID lockdowns, therefore a follow up visit was not able to be completed.
Service cost Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$510	\$537	\$601	\$638	Costs for food safety services have remained stable since last year due to resource adjustments and budgetary adjustments for this financial year for Council.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Health and safety 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 food premises] x100	95%	100%	100%	100%	This measure is reported across a calendar year. All outstanding critical and major notifications are followed up in a timely manner.
Libraries					
Utilisation Physical library collection usage [Number of library collection item loans/number of physical library collection items]	5	5	3	1	Physical collection was tracking well until library closures. The library has re-opened when allowed with limitations and reduced hours throughout the year, allowing physical items to be returned.
Resource standard Recently purchased library collection [Number of library collection items purchased in the last five years/number of library collection items] x100	62%	69%	70%	68%	Further work needs to be completed to ensure that the library collection remains current and responds to the community's needs and requests.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Participation Active library members in municipality [Number of active library members in the last three years/the sum of the population for the last three years] x100	12%	11%	11%	11%	The result is consistent with previous years and is consistent with industry trends. In addition, this measure does not capture the members who are engaged with the library service and accessing digital resources and activities that are not defined as a collection items, such as music streaming services.
Service cost – Cost of library service per population [Direct cost of the library service/population]	NA	NA	\$27	\$27	Usage of the collection was impacted by the COVID-19 pandemic and the resulting closure of the libraries. Note: New measure for 2019-2020 financial year.
Maternal and Child Health (MCH)					·
Service standard Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received)/number of birth notifications received] x100	101%	102%	101%	100%	The percentage of infants enrolled in the MCH service is within the target range
Service cost Cost of the MCH service [Cost of the MCH service/hours worked by MCH nurses]	ı \$62	\$64	\$61	\$68	The cost of the MCH service has remained consistent over the last three years with a slight increase from last year's results.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Participation 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		75%	71%	65%	Participation in the MCH service has dropped since the last financial year. The drop can be attributed to COVID-19 restrictions which reduced accessibility to the traditional MCH service.
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	76%	87%	77%	65%	The percentage of Aboriginal children who participate in the MCH service has dropped this year. Participation in the MCH service by Aboriginal children had increased in Q4 compared to last year, however remains slightly lower than 2019-2020, as anticipated, due to the impact of COVID-19 on service delivery and the ability to proactively engage being restricted.
Participation in four week Key Age and Stage visit [Number of four week Key Age and Stage visits/rumber of birth notifications received] x100	NA	NA	95%	96%	Council has a high engagement with participation in four week Key Age and Stage visits. Note: New measure for 2019-2020 financial year.

A Well Governed City Long-term Community Outcome Three

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators for strategies included in the Council Plan.

Table 11

Strategic Indicators	2020-2021	Comments
Community satisfaction with Council decisions	63%	This is a significant increase on the 2019-2020 total of 54 per cent. A newly elected Council and the improvements in community engagement pursued over the past year may have been contributing factors.
Councillor attendance at Council meetings	100%	Councillor attendance is within the required expectation for Council.
Councillor advocacy priorities	100%	The regional tennis facility (Centenary Frankston Tennis Centre) has been completed. The Coast Guard are finalising their relocation into a permanent facility, with a variation to the Coastal Funding Agreement confirmed with the Federal Government in late July 2021. Council continues to advocate for relocation of government jobs to Frankston City and has already achieved relocation of VCAT services. Council continues to advocate on initiatives that enhance Frankston City as an arts and culture destination, with street art tours and sculpture trails available. High quality NBN has been delivered to Frankston City. All items are considered finalised and completed [AP2] as Council now delivers on its 2021-2025 Advocacy Campaign.

Council Plan Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2020-2021 Budget.

Table 12

Four Year Priority	Major Initiative 2020-2021	Comment
The elected representatives will provide:	Advocate in accordance with	Following extensive community consultation, Council has endorsed a
- Powerful advocacy	current agreed advocacy priorities	range of advocacy priority initiatives within three strategic themes: 1) Investing in our prosperity, 2) Enhancing our environment and
- Meaningful engagement		liveability, 3) Strengthening our community.
- Credible reputation		Completed.

Council Plan Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2020-21 Budget.

Table 13

Four Year Priority	Year Four Initiative 2020-2021	Comment
The elected representatives will provide: - Clear and unified direction - Transparent decision making	Enable contract decisions to be made in Open Council and ensure the protection of commercial-in-confidence information	Council Reports now include awarding contracts as part of the open Council Agenda process. Commercial-in-confidence information is included as a confidential attachment, in accordance with the Local Government Act 2020.
- Good governance	Implement an effective Councillor Induction Program with the new term of Council to enable open, transparent and accountable decision making	The Councillor Induction Program commenced in November 2020 and was underpinned by the mandatory requirements set out in the Local Government Act 2020. Councillors completed the program in May 2021 and made their written declarations to the CEO.

Four Year Priority	Year Four Initiative 2020-2021	Comment
The elected representatives will promote: - Powerful advocacy - Meaningful engagement - Credible reputation	Report on the progress of implementing actions in response to the Municipal Monitor's recommendations to strengthen good governance and engagement outcomes	Progress was reported quarterly to Council on actions to address the Municipal Monitor's recommendations which are improving good governance across Council.
	Develop a policy and strategy framework diagram as part of the Policy and Protocol Framework that identifies gaps, including development of any Councillor policies and protocols, such as the Notice of Motion Protocol and committee representative obligations	A policy and strategy framework diagram was drafted and is ready for consultation with internal stakeholders. The action was deferred to September 2021-2022 to consider alignment with the new Council Plan 2021-2025 and Community Vision, which were adopted by Council in June 2021. This will be completed in 2021-2022.

Services

The following statement provides information about the services funded in the 2020-2021 Budget and the persons or sections of the community who are provided the service.

Table 14

Business area	Description of services provided	Expenditure (<u>Revenue)</u> Net Cost \$'000
Governance and Information	Provides administrative support in areas of Governance including policies, procedures, elections, Local Laws, statutory processes, compliance, delegations, FOI, Privacy, Records and Cemetery management, in addition to working on a number of key organisation projects.	855 <u>(1)</u> 854
Chief Executive Office (CEO)	Build a strong flexible and forward thinking organisation that is ideally positioned to respond to current and future community needs. The CEO department is also striving to build cohesive, trusting partnerships between Councillors, the community and Council staff.	1,205 (<u>0)</u> 1,205

Local Government Performance Reporting Framework

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Table 15

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Transparency Council resolutions at meetings closed to the public [Number of council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of councillors, closed to the public/number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of councillors] x100	17%	28%	19%	13%	Council decisions made to public have decreased from last year's results however remain within the allowed target.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Consultation and engagement Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	53	54	57	63	Community satisfaction with the consultation and engagement process has improved this reporting period due to innovations in the way community views are gathered and the engagement opportunities available.
Attendance Councillor attendance at Council meetings [The sum of the number of councillors who attended each ordinary and special Council Meeting/(number of ordinary and special council meetings) x (Number of councillors selected at the last Council general election)] x100	86%	89%	76%	99%	Councillor attendance has improved from last year's results due to being able to adjust meetings to online format when required.

Service/Indicator/Measure	2017–2018	2018–2019	2019-2020	2020-2021	Material Variations
Service cost Cost of governance [Direct cost of the governance service/number of councillors elected at the last Council general election]	\$54,295	\$52,338	\$51,979	\$55,196	The cost for 2020-2021 financial year is consistent with last year's results with a slight increase.
Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	52	55	54	63	The result for this measure has increased by 9 points to 63 for the financial year. Council attributes this to the new Community Engagement Policy and Guidelines in 2020 which have a strong focus on consulting with the community on major decisions.

A Well Managed City Long-term Community Outcome Four

Strategic Indicators

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators for strategies included in the Council Plan.

Table 16

Strategic Indicator	2020-2021	Comments
Community satisfaction with Council's customer service	74/100	The Community Satisfaction score for Customer Service has steadily increased each year.
Asset renewal funding maintained	106%	Council continues to meet its annual renewal funding requirements. The actual renewal expenditure on renewals in 2020-2021 is \$21.8M which exceeds the 2020-2021 renewal requirement of \$20.6M. This equates to 114 per cent renewal funding ratio.
Adjusted Capital Works Program	92%	At the end of the fourth quarter, actual expenditure against the adjusted budget is 92 per cent
Adjusted underlying surplus (or deficit)	1%	This figure reflects the long-term impact of rate capping, the increase in waste disposal service costs, and increase in depreciation, amortisation and a decrease in revenue streams impacted by COVID-19.
Employee engagement	45%	Employee Engagement fell from 47 per cent in 2020-2021.

Council Plan Initiatives

The following statement reviews the progress of Council in relation to initiatives identified in the 2020-2021 Budget.

Table 17

Four Year Priority	Year Four Initiative 2020-2021	Comment
Identify service assets and service levels required to meet future community needs	Finalise and implement the Service Planning Framework	The Service Planning Framework has been finalised and is embedded within the Integrated Planning and Reporting Framework.
Implement a rolling service review program	Undertake the annual Service planning review	The first cycle of external facing service plans were completed in the last financial year and have been used to inform the Council Plan, Financial Plan and Budget. Service plans and service based budgeting will be utilised to identify financial requirements to deliver service levels and assist with the planning for fit-for-purpose assets. Service plans will be updated to reflect the new 2021-2025 Council Plan and Budget in the first half of the 2021-2022 financial year. This will be completed in 2021-2022.
Ensure a positive customer experience	Establish and deliver customer experience reward and recognition program	This action has been incorporated in a whole of organisation employee recognition program and procedure which was endorsed by Executive Management Team (EMT) in February and launched in May 2021.
	Implement the Community Engagement Policy and	A Framework has been developed, with input from community and staff, and presented to Council for endorsement on 28 June

Four Year Priority	Year Four Initiative 2020-2021	Comment		
	Framework to improve Council's engagement of the community in Council's decision making	2021.		
Optimise the community's ability to access services and information	Plan and commence delivery of an online experience that the customer expects	Website migration completed. Planning applications available online and virtual assistance has gone live to commence delivery of an online experience the customer expects.		
Review and develop a four year Information Technology Strategy to guide Council's efficient use of technology	Implementation of the Information and Communication Technology Strategy with a focus on key initiatives such as:	This activity is completed for the 2020-2021 period with the following items addressed:		
	 Council security review and improvement program 	 Security reviews, audits and penetration testing completed, improvements already commenced and some completed. Communications platform upgrade has been completed, 		
	 Upgrade the unified communications platform 	and requirements for new platform utilising O365 has also commenced for the 2021-2022 period.		
	 Continue review and evolution of business intelligence reporting 	 BI reporting is continually evolving and FCC is in its best space ever to take advantage of this platform with faster 		
	 Continued pilots of Microsoft Office 365 platform 	reporting already being made available and future enhancements identified.		
		 Pilots of Microsoft Office 365 completed and migration is underway 		
Embed a culture of business improvement to improve processes, applications and utilisation	Adopt and implement a rolling business transformation program	Rolling transformation program embedded within Council in the form of Future Ready Frankston.		

Four Year Priority	Year Four Initiative 2020-2021	Comment	
Facilitate informed decision making through informed reporting and data management	Define and deliver service unit customer experience standards defined by customer service charter - including baseline measurement and reporting	The Customer Service Promise has been completed in full and delivered to the organisation.	
Continue to maintain a financially sustainable Council: 1. Advocate for operational grant funding from other tiers of government to deliver services	Regularly review and update long-term financial planning to guide our budget decisions to ensure they are responsible and sustainable	Council's Key Financial Indicators included in the Annual Financial Report confirm Council remains financially sustainable in the short to medium term. The challenges of the current COVID-19 pandemic and continuation of rate capping will place significant pressure of financial sustainability in the long term.	
required by the community 2. Ensure funding decisions are based on Council's priorities 3. Seek alternative revenue sources 4. Ensure the operations of Frankston	Explore alternative revenue sources to reduce Council's reliance on rate revenue	Council adopted the 2021-2025 Revenue and Rating Strategy in June 2021, which includes alternate revenue sources being investigated. The government restrictions relating to the COVID-19 pandemic have hindered Council's ability to raise revenue. Efforts to advocate and secure additional funding from other tiers of government have been successful.	
Regional Recycling and Recovery Centre (FRRRC) are financially sustainable	Implement action from the FRRRC strategic business plan to ensure operational and financial sustainability	FRRRC operational performance for 2020-2021 was impacted by lockdown restrictions for residential customers. Despite this impact, the financial performance for FRRRC exceeded budget.	
Undertake an ongoing review of Council's assets to ensure they meet community needs	Continue to develop and review asset management plans to ensure Council's assets meet	Council completed a condition audit in 2020-2021 to inform the review and update of the Open Space Asset Management Plan. Council has also commenced development of its Asset Plan, which will be adopted by	

Four Year Priority	Year Four Initiative 2020-2021	Comment	
	community needs	June 2022 in accordance with the Local Government Act (2020). The Asset Plan will be developed in consultation with the community to optimise the management of Council assets which support a broad range of community services.	
Create a sustainable workforce	Develop a four year workforce plan	Workforce Planning Work Group established and a structure for the plan has been developed. Currently collecting data to inform the plan.	
Enhance a high performing culture	Implement actions from the People Strategy	The People Strategy actions due this financial year are complete.	
Position Frankston City Council as an employer of choice	Develop an employee value proposition	EVP is completed and uploaded to the new Council website.	
	Continue to add to the positive culture of the organisation through the timely delivery of accurate, accessible, informative and regular internal communications	Internal and external communications continue to support major business initiatives. The communication is timely and essential, including all COVID updates which have been urgent and actioned immediately.	
	Build upon external communications platforms to engage, inform and empower, while instilling pride within our community	Council's communications channels are continually being enhanced to create engaging content. Council continues to develop communications channels and designing specific content for audience sectors is a priority moving forward.	

Services

The following statement provides information about the services funded in the 2020-2021 Budget and the persons or sections of the community who are provided the service.

Table 18

Business area	Description of services provided	Expenditure (<u>Revenue)</u> Net Cost \$'000
Sustainable Assets	Delivers, maintains and manages municipal assets and services for current and future generations. Plans sustainable assets that perform to desired service outcomes. Implements best practice asset management, managing Council's Capital Works Program, managing Council fleet and supporting the efficient and sustainable use of natural resources. Also assists Council and the community to prepare for a changing climate.	1,865 <u>(0)</u> 1,865
Financial and Corporate Planning	Ensures organisational financial sustainability through financial management, accounting services, rates and valuations. Manages corporate planning and performance reporting	3,647 <u>(143)</u> 3,504
Commercial Services	Manages Council's property portfolio and provides business support and regulatory, contractual and policy compliance. Monitoring business-related transactions and risk in all service areas. Ensures the organisation makes informed, transparent, ethical and justified decisions through the procurement of goods and services, Best Value, contract management, risk management, leases and licences, property acquisition and responsible divestment.	2,076 <u>(765)</u> 1,311
Business and Information Technology	Delivers and maintains technology, information systems and management to support Council in delivering services to the community.	6,219 (0) 6,219

Business area	Description of services provided	Expenditure (Revenue) Net Cost \$'000
Business Transformation	Works across Council to improve the customer experience for our services. This is accomplished by fundamentally changing our processes, people, systems and technology across whole of business or business unit to achieve measurable improvements in efficiency, effectiveness and customer satisfaction. As such the department works on any number of change management projects, each focused on an individual process, system, technology, team or department.	1,552 <u>(0)</u> 1,552
People and Culture	Ensure the organisation has the required leadership, people, skills and capabilities and culture and environment available at the right time, in order to achieve and implement Council's priorities, deliver quality services and facilities to our community and meet all relevant statutory obligations and requirements.	2,668 <u>(31)</u> 2,637
Governance and Information	Provides administrative support in areas of Governance including policies, procedures, elections, Local Laws, statutory processes, compliance, delegations, FOI, Privacy, Records and Cemetery management, in addition to working on a number of key organisation projects.	2,447 <u>(143)</u> 2,304
Chief Financial Office	Manage the services and activities of the Chief Financial Officer Directorate. Provide advice and support to the CEO and Councillors on Governance and Financial matters.	2,187 <u>(1,573)</u> 614
Communities Management	Communities Management provides leadership, direction and general management of all departments, as well as community planning and social policy development.	695 <u>(0)</u> 695
Infrastructure and Operations Management	Oversees the operations of the departments within the Infrastructure and Operations Directorate while delivering the Long Term Infrastructure Plan. The division is primarily responsible for the management of Council's assets.	658 <u>(0)</u> 658
Business Innovation and Culture Management	Manages the services and activities of the Business Innovation and Culture directorate.	512 <u>(0)</u> 512

Governance, management and other information

Council operates in an open and transparent manner, and is accountable to the Frankston City community.

Governance

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

Council 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

Council is committed to supporting the overarching governance principles and will 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 Council's decision making processes including community consultation, public forums and the ability to make submissions at Council meetings.

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

Meetings of Council

Council conducts open public meetings every three weeks. Members of the community are welcome to attend these meetings and observe from the public gallery. Council meetings provide the opportunity for community members to submit questions to the Council, make a submission or speak about an item.

Council Meetings have been livestreamed to the community since 2018, with access provided via Council's website. The COVID-19 Omnibus (Emergency Measures) Act 2020 enabled meetings to be held virtually without a public gallery in attendance.

Council have continued to support residents during this time by giving them an option to make their public submission by phone. Once restrictions eased meetings were reopened to the public in February 2021 and public submissions have been made in person and virtually.

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

In 2020–2021 Council held 18 Council meetings, one Statutory Meeting and 46 Councillor Briefings.

Table 20 and 20a provide a summary of Councillor attendance at Council

meetings, Statutory Meetings and Councillor Briefings for 2020-2021 for both terms of Council.

Council reports

During 2020-2021 the following reports were tabled in Council Meetings open to the public:

- 324 Council reports were prepared by Council officers for Council
- 10 items were raised as Urgent Business by councillors
- 13 Notices of Motion were submitted by councillors

The number of reports presented to a Council Meeting closed to the public (confidential items) reduced from July 2020 with the tabling of contracts in open Council Meetings.

During closed meetings, there were:

- 33 Council reports prepared by Council officers for Council
- A single item raised as Urgent Business by councillors
- No Confidential Notices of Motion were submitted by councillors

The public submitted 24 questions with or without notice to Council during the reporting period.

Table 20: Councillor attendance at meetings – July 2020 to September 2020

Councillor	Council Meetings	Statutory Meeting	Councillor Briefings	Total
Cr Glenn Aitken	4		11	15
Cr Kris Bolam	4		11	15
Cr Brian Cunial	3		1	4
Cr Colin Hampton	4		11	15
Cr Sandra Mayer	4		11	15
Cr Quinn McCormack	4		8	12
Cr Lillian O'Connor	4		10	14
Cr Michael O'Reilly	4		2	6
Cr Steve Toms	4		11	15

Table 20a: Councillor attendance at meetings – November 2020 to June 2021*

Councillor	Council Meetings	Statutory Meeting	Councillor Briefings	Total
Cr David Asker	13	1	35	49
Cr Sue Baker	13	1	34	48
Cr Kris Bolam	13	1	32	45
Cr Nathan Conroy	13	1	35	49
Cr Claire Harvey	13	1	34	48
Cr Brad Hill	13	1	35	49
Cr Liam Hughes	13	1	31	45
Cr Steven Hughes	13	1	25	39
Cr Suzette Tayler	13	1	29	43

 $^{^{}st}$ Council Elections were carried out in October 2020 with all Councillors taking their Oath of

Office at the Statutory Meeting held on 16 November 2020.

Internal and external 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.

Tables 21, 21a, 22 and 22a contain all of the committees established by Council that are in operation and the councillor members of each committee. Please note that these have been split into different tables to reflect the different terms of Council.

Table 21: Councillor nominees for internal committees

Councillor internal committees — July	2020 to September 2020
Advocacy Sub-Committee	Mayor (Cr Mayer) and Cr Bolam
Audit and Risk Committee	Mayor (Cr Mayer), Deputy Mayor
	(Cr Hampton) and Cr McCormack
Ballam Park Homestead Advisory Committee and	Mayor (Cr Mayer) and Cr Aitken
Heritage Assets and Promotion Committee	
Chief Executive Officer's Performance Review	Mayor (Cr Mayer), Deputy Mayor (Cr
Sub-Committee	Hampton), Cr McCormack and
	Cr Bolam
Community Grants Committee of Management	Mayor (Cr Mayer) and Cr Toms
Frankston Arts Board	Mayor (Cr Mayer) and Cr Bolam
	Sub: Cr Toms
Frankston Cemetery Trust	Mayor (Cr Mayer), Cr Bolam and
	Cr Cunial
Frankston City News Committee	Mayor (Cr Mayer) and Cr Toms
Golf Liaison Meetings	Deputy Mayor (Cr Hampton)
Kananook Creek Governance Group	Cr Aitken and Cr Toms
Major Community Events Grants	Cr Cunial
Major Projects Advisory Committee	All Councillors
Miscellaneous Grants Program Committee	Mayor (Cr Mayer) and Deputy Mayor
	(Cr Hampton)
Municipal Emergency Management Planning Committee	Cr McCormack
Soccer Liaison Committee	Deputy Mayor (Cr Hampton)

Table 21a: Councillor nominees for external committees

Councillor external committees — July	2020 to September 2020
Association of Bayside Municipalities	Mayor (Cr Mayer) and
	Manager Planning and Environment
Australian Local Government Women's Association	Cr McCormack and Cr O'Connor
Frankston Charitable Fund Committee of Management	Mayor (Cr Mayer) and Cr Aitken
Frankston Revitalisation Board	Mayor (Cr Mayer)
Municipal Association of Victoria	Mayor (Cr Mayer)
	Sub: Deputy Mayor (Cr Hampton)
Metropolitan local Government's Waste Forum	Cr O'Connor and Business Manager
	Recycling
National General Assembly 2020	Cr O'Connor and Cr Bolam
Peninsula Leisure Pty Ltd Board	Cr Bolam
South East Councils Climate Change Alliance	Mayor (Cr Mayer)
	Alt: Cr Toms
South East Melbourne Mayoral Group	Mayor (Cr Mayer)
Western Port Biosphere Reserve Foundation Ltd —	Cr McCormack
Councillor Liaison Committee	
Youth Advisory Council	Cr O'Reilly and Cr O'Connor

Table 22: Councillor nominees for internal committees

Councillor internal committees — Nove	ember 2020 to June 2021
Advocacy Sub-Committee	Mayor (Cr Bolam) and Cr Hill
Audit and Risk Committee	Cr S Hughes and Cr Harvey
	(Change of delegates in March 2021
	onwards due to resignation by Cr
	Hughes)
	Mayor (Cr Bolam) and Cr Harvey
Belvedere Reserve Negotiating Committee	Mayor (Cr Bolam) and Cr Hill
Chief Executive Officer's Performance Review	Mayor (Cr Bolam), Deputy Mayor (Cr
Sub-Committee	Conroy), Cr Tayler and Cr Baker
Community Grants Committee of Management	Cr S Hughes and Cr Baker
	(Change of delegates in March 2021
	onwards due to resignation by Cr
	Hughes)
	Cr Tayler and Cr Baker
Disability Access and Inclusion Committee (DAIC)	CEO or delegate
Frankston Arts Advisory Committee	Mayor (Cr Bolam) and Cr Asker
	Sub: Cr L Hughes
Frankston Cemetery Trust	Mayor (Cr Bolam), Cr Asker and
	Cr Conroy
Frankston City News Committee	Mayor (Cr Bolam) and Cr Asker
Kananook Creek Governance Group	Cr Baker and Cr Harvey
Major Community Events Grants	Cr L Hughes
Major Projects Advisory Committee	All Councillors
Miscellaneous Grants Program Committee	Mayor (Cr Bolam) and Cr S Hughes
	(Change of delegates in March 2021
	onwards due to resignation by
	Cr Hughes)
	Mayor (Cr Bolam) and Cr Tayler
Municipal Emergency Management Planning Committee	Mayor (Cr Bolam)
Sports Liaison Committee	Cr Conroy and Cr L Hughes
Tourism Committee	Cr Tayler and Cr Asker

Table 22a: Councillor nominees for external committees

Councillor External Committees — Nov	ember 2020 to July 2021
Association of Bayside Municipalities	Mayor (Cr Bolam) and Manager
	Planning and Environment
Australian Local Government Women's Association	Cr Baker and Cr Harvey
Committee for Greater Frankston	Cr Hill
Frankston Charitable Fund Committee of Management	Cr Hill and Cr Tayler
Frankston Revitalisation Board	Mayor (Cr Bolam)
Municipal Association of Victoria	Mayor (Cr Bolam)
	Sub: Deputy Mayor (Cr Conroy)
Metropolitan local Government's Waste Forum	Cr Harvey and Business Manager
	Recycling
National General Assembly 2020	Mayor (Cr Bolam), Cr Tayler, Cr Asker
	and Cr Conroy
Peninsula Leisure Pty Ltd Board	Cr Hill
South East Councils Climate Change Alliance	Cr Harvey
	Sub: Mayor (Cr Bolam)
South East Melbourne Group	Mayor (Cr Bolam)
Western Port Biosphere Reserve Foundation Ltd –	Cr Conroy
Councillor Liaison Committee	
Youth Advisory Council	Cr L Hughes

Code of Conduct

The *Local Government Act 2020* requires every council to review and adopt its Councillor Code of Conduct within four months of the general election. The elections were held on 24 October 2020 and the Councillor Code of Conduct was adopted by Council 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

Councillors are elected by residents and ratepayers 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 occurs when a personal or private interest might compromise the ability to act in the public interest. Council has a Conflict of Interest Policy, adopted in December 2020, 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 Council and committee meetings.

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

During 2020-2021 there were two 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 mayor is entitled to receive a higher allowance.

The Victorian Government sets the upper and lower limits for all allowances paid to councillors and mayors. Councils are divided into three categories based on the income and population of each council. In this instance Frankston City Council is recognised as a category three council (as defined by the Act).

For the period of 1 July 2020 to 31 June 2021, the Councillor annual allowance for a category three council was fixed at \$31,444 per year and the allowance for the Mayor was \$100,434 per year.

Table 23: Total allowances paid to Councillors during the 2020–2021 year

Councillor	Allowance (per year, pro rata from 1 July 2020)
Cr Glenn Aitken	\$31,444
Cr Brian Cunial	\$31,444
Cr Colin Hampton	\$31,444
Cr Sandra Mayer	\$100,434
* Mayor from 8 November 2019	
Cr Michael O'Reilly	\$31,444
Cr Steve Toms	\$31,444
Cr Kris Bolam	\$100,434
* Mayor from 16 November 2020	
Cr Quinn McCormack	\$31,444
Cr Lillian O'Connor	\$31,444
Cr Sue Baker	\$31,444
Cr Steven Hughes	\$31,444
Cr Claire Harvey	\$31,444
Cr David Asker	\$31,444
Cr Suzette Tayler	\$31,444
Cr Liam Hughes	\$31,444
Cr Nathan Conroy	\$31,444
Cr Brad Hill	\$31,444

Councillor expenses

In accordance with Section 40 of the *Local Government Act 2020*, Council is required to reimburse a Councillor for expenses incurred while performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The Council Expenses Policy adopted on 31 August 2020 provides guidance for 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.

The details of Councillor expenses for 2020–2021 are set out in Table 24 and 24a. Table 24 reflects the period of Council up to 16 October 2020 (prior to the election) and Table 24a reflects the newly elected Council from 16 November 2020.

Table 24: Councillor Expenses for the Financial Year 1 July 2020 to 16 October 2020

Councillor	iPad	Mobile Phone	Equipment	Conferences & Training	Meals/ Networking	Travel	Courier Costs for Agenda Papers	Office Supplies	Materials	Childcare	Frankston Arts Centre Tickets	Total
Cr Aitken	-	443	-	-	-	(323)						120
Cr Cunial	-	72	-	-	-							72
Cr Hampton	-	162	-	-	-			144				306
Cr Mayer	57	216	-	-	-							273
Cr O'Reilly	46	69	-	-	-							115
Cr O'Connor	42	68	-	-	-							110
Cr Bolam	43	115	-	-	-							158
Cr McCormack	41	78	-	-	-							119
Cr Toms	41	350	-	-	-	(258)						133
Total	269	1,574	-	-	-	(580)		144				1,406

Table 24a: Councillor Expenses for the Financial Year 16 November 2020 to 30 June 2021 (newly elected Councillors)

Councillor	iPad	Mobile Phone	Equipment	Conferences & Training	Meals/ Networkin g	Subscriptions/ Memberships	Travel	Office Supplies	Materials	Frankston Arts Centre Tickets	Childcare	Total
Cr Asker	-	270	-	-	-		-	89	-	-	-	360
Cr Baker	-	270	-	-	-	1,379	-	-	-	-	-	1,649
Cr Bolam	136	327	-	3,896	312	-	1,933	114	211	-	-	6,928
Cr Conroy	-	-	-	1,035	-	-	265	90	-	-	-	1,390
Cr Harvey	-	270	-	-	-	77	-	90	-	-	587	1,024
Cr Hill	-	270	-	-	-	-	-	-	-	-	-	270
Cr L Hughes	-	-	-	-	-	-	-	-	-	-	-	-
Cr S Hughes	-	-	-	-	-	-	-	-	-	-	-	-
Cr Tayler	-	270	-	1,035		-	1197	114	170	-	-	2,786
Total	136	1,676	-	5,967	312	1,456	3395	497	381	-	-	13,821

Management

Council has implemented a number of statutory and better-practice elements to strengthen its management framework. Having strong governance and management frameworks leads to better decision making. The Act requires Council to undertake an assessment against the prescribed Governance and Management Checklist and include this in its report of operations. The following items have been highlighted as important components of the management framework.

Audit and risk committee

The Audit and Risk Committee is an independent advisory committee to Council established under Section 139 of the Local Government Act 1989 and under Section 53 of the *Local Government Act 2020*.

In accordance with Section 54, Council prepared and approved a new Audit and Risk Committee Charter on 17 July 2020.

The Audit and Risk Committee's role is to provide 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

Membership of the Audit and Risk Committee during 2020–2021 was as follows:

Independent members:

- Neil Greenaway (Chairperson)
- David Fraser (Part)
- Lisa Tripodi
- Michael Ulbrick (Part)

Councillor members:

- Cr Sandra Mayer Mayor (from November 2019)
- Cr Colin Hampton Mayor (from November 2019)
- Cr Quinn McCormack (from July 2019)
- Cr Steven Hughes (from November 2020 to March 2021)
- Cr Kris Bolam Mayor (from November 2020)
- Cr Claire Harvey (from November 2020)

The Audit and Risk Committee meets five times a year. The CEO, CFO, Directors and Manager Financial and Corporate Planning attend all Audit and Risk Management Committee meetings. Other management representatives attend as required to present reports.

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

Recommendations from each Audit and Risk Committee meeting are subsequently reported to and considered by Council. Committee member attendance is outlined in Table 25.

Table 25: Audit and Risk Management Committee member attendance

Member	Eligible to attend	Attended
Mayor, Cr Sandra Mayer	2	2
Cr Colin Hampton	2	2
Cr Quinn McCormack	1	0
Cr Steven Hughes	1	1
Cr Claire Harvey	3	3
Mayor, Cr Kris Bolam	2	1
Neil Greenaway	4	4
Lisa Tripodi	4	4
David Fraser	2	2
Michael Ulbrick	2	2

Internal audit

Council's Internal Audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. A risk based three year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's 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 2020-2021 year, representatives from HLB Mann Judd attended each Audit and Risk Committee meeting to report on the status of the SIAP, provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated.

Recommendations are assigned to the responsible manager and tracked in Council's corporate system.

Managers provide quarterly status updates that are reviewed by the Internal Auditor and reported to the Executive Management Team and the Audit and Risk Committee. Quality assurance is measured through client satisfaction surveys for each review, the annual Audit and Risk Committee self-assessment, completion of the SIAP and benchmarking

against other internal audit functions.

The following audits were undertaken during 2020–2021:

- Peninsula Leisure
- Fraud and Corruption Control
- Contract Management
- Purchasing Cards
- Recruitments Controls
- Tender and Procurement (Part 1)
- Risk Management Framework
- Tender and Procurement (Part 2)
- Tree Management
- Reimbursements (Councillors and Executive Management Team expenses)
- Payroll (including Data Analytics)
- Procurement (under \$150,000)

External audit

Council is externally audited by the Victorian Auditor-General. For the 2020–2021 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend Audit and Risk Committee meetings throughout the year as required to present the annual audit plan and Independent Audit Report. The external audit management letter and responses are also provided to the Audit and Risk Committee.

Governance and Management Checklist

Gov	rernance and Management Items	Assessment	
1	Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 26 October 2015 - Reviewed 1 March 2021	X
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current policy: 24 May 2016 - Reviewed 28 June 2021	\boxtimes
3	Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years)	Adopted in accordance with Section 91 Date of adoption: 29 June 2020	X
4	Asset Management Plans (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Adopted in accordance with section 92 of the Act Date of adoption: Building Asset Management Plan 06-2016 Drainage Asset Management Plan 12- 2019 Open Space Asset Management Plan 06- 2017 Pathway Asset Management Plan 06- 2018 Roads Asset Management Plan 01-2020 Road Management Plan 05-2019	X
5	Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges)	Adopted in accordance with section 93 of the Act Date of Adoption: 28 June 2021	X
6	Annual budget (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with Section 130 of the Act Date of adoption: 28 June 2021	X
7	Risk policy	Policy	X

Gov	ernance and Management Items	Assessment	
	(policy outlining Council's commitment and approach to minimising the risks to council's operations)	Date of commencement of current policy: 18 Feb 2019	
8	Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of commencement of current policy: 23 Nov 2018 - Reviewed 18 September 2020	X
		Fraud is incorporated in the Risk Management Policy in operation since 1 April 2000 - Reviewed 18 February 2019	
9	Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency mitigation, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 18 February 2019 Last updated 21 February 2019	X
10	Procurement policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council)	Adopted in accordance with section 108 of the Act Date of adoption: 31 August 2020	\boxtimes
11	Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Reviewed annually. In operation since 11 April 2007 Plan Date of operation of current plan: 27 May 2021	X
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Reviewed annually. In operation since 1 July 2015 Plan Date of operation of current plan: 2 May 2018	X
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of commencement of current framework: May 2018 Reviewed annually. In operation since 01 April 2008	X
14	Audit and Risk Committee (see sections 53 and 54 of the Act)	Established in accordance with section 53 of the Act Date of establishment: 27 October 1997	X
15	Internal Audit	Engaged	X

Gov	ernance and Management Items	Assessment	
	(independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls	Date of engagement of current provider: 14 July 2017	
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Framework Date of adoption of current framework 1 July 2015	\boxtimes
17	Council Plan report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of reports: 22 October 2018 (Annual Report) 19 November 2018 12 March 2019 13 May 2019 23 November 2020 27 January 2021 19 April 2021	\boxtimes
18	Financial reporting (quarterly statements to the Council under section 138(1) of the Local Government Act 1989, comparing actual and budgeted results and an explanation of any material variations)	Reports presented to the Council in accordance with section 138(1) of the Local Government Act 1989 Date reports presented: 22 October 2018 (Annual Report) 19 November 2018 18 February 2019 13 May 2019 23 November 2020 (Annual Report) 27 January 2021 19 April 2021	\boxtimes
19	Risk reporting (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 22 September 2017 23 February 2018 18 September 2020 14 May 2021	X
20	Performance Reporting (Six-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Local Government Act 1989)	Reports 22 October 2018 (Annual Report) 19 November 2018 12 March 2019 13 May 2019 23 November 2020 (Annual Report) 27 January 2021	X

Gov	ernance and Management Items	Assessment	
		19 April 2021	
21	Annual Report (annual report under sections 131, 132 and 133 of the Local Government Act 1989 containing a report of operations and audited financial and performance statements)	Presented at a meeting of the Council in accordance with section 134 of the Act Date statements presented: Date of consideration 16 October 2017 22 October 2018 14 October 2019 23 November 2020	\boxtimes
22	Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters)	Reviewed and adopted in accordance with section 139 of the Act Date reviewed: 15 February 2021	X
23	Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act)	Reviewed in accordance with section 11(7) of the Act and register kept in accordance with sections 11(8) and 47(7) of the Act Date of review: 1 June 2020	X
24	Meeting procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees)	Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 30 August 2020	X

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

Cr. Kris Bolam

Cf. T. Pole

Mayor

Dated:18 November 2021

Phil Cantillon

Chief Executive Officer

Dated:18 November 2021

Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council. Information relating to the *Disability Act 2006* can be found in 'Our Community' while information relating to the *Gender Equality Act 2020* can be found in 'Council workforce – gender equality'.

Documents available for public inspection

Council makes certain information available for viewing by the public, during office hours and by prior arrangement. Below is a list of documents available for public inspection in accordance with Regulation 12 of the *Local Government* (General) Regulations 2015. Inspection of these documents can be arranged by contacting Council. Phone: 1300 322 322

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by a Councillor or any member of Council staff in the previous 12 months
- Agendas for and Minutes of Ordinary and Special Meetings held in the previous 12 months that are kept under Section 93 of the Act, other than those agendas and minutes relating to part of a meeting which was closed to members of the public under

- Section 89 of the Act which are confidential information within the meaning of Section 77(2) of the Act
- The Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act which are confidential information within the meaning of Section 77(2) of the Act
- A register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Act
- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register maintained under Section 224(1A) of the Act of authorised officers appointed under that section
- A list of donations and grants made by Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each.

Recognising and supporting carers

Council is committed to supporting vulnerable people within the municipality and to fulfilling its obligations under the *Carers Recognition Act 2012* (the Act) that strengthens this support.

Council assessment staff 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.

Assessment staff 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, Council staff refer also to the National Screening and Assessment Framework section on carers and sustaining the care relationship.

During 2020–2021, Council also developed a Positive Ageing Action Plan. The plan has a holistic focus on wellbeing, and directly or indirectly supports both carers and care recipients.

A guiding principle of the plan is to "listen to and respect the views and experiences of older people, carers and organisations who support older people, and act on what they tell us wherever possible".

During the reporting period, Council also conducted community engagement activities to seek the views of carers and

people living with disability to identify local barriers to access and inclusion. The responses will inform Council plans and strategies.

Domestic Animal Management Plan

Under the provisions of The Domestic Animals Act 1994 all Councils in Victoria are legislated to have developed a Domestic Animal Management Plan that will be renewed every four years.

This plan outlines the services, programs and policies the Council has established to address the administration of the Act and the management of domestic animal issues in their community.

The Domestic Animal Management Plan sets the strategic direction in terms of animal management within Frankston City for the next four years and will allow review on an annual basis if required. It will reflect what Council does in relation to animal management and develop ways to improve current practices and set future directions and action plans.

The latest Domestic Animal Management Plan (2020-2024) and action plan were endorsed by Council on 10 August 2020.

Key issues raised in the 2020 Domestic Animal Management Plan were:

- 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 Council's Compliance Officers

These issues have been allocated actions within the Domestic Animal Management Plan and are being addressed by officers including a review of the existing Council orders that commenced in May 2021.

Food Act Ministerial Directions

In accordance with Section 7E of the Food Act 1984, Council is required to publish in its Annual Report a summary of any Ministerial Directions received during the financial year. No such Ministerial Directions were received by Council during the financial year.

Freedom of Information

The Freedom of Information Act 1982 provides the public 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 30

applications in 2020-2021.

Privacy

Responsible handling of personal and health information is a key aspect of good governance. Council is committed to complying with the obligations and principles in the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*.

Council will only collect personal, sensitive and health information that is necessary for its functions and activities. Individuals are entitled to access their personal information, except where Council is required by law to withhold it.

If an individual feels aggrieved by Council's handling of their personal, sensitive or health information, they may make a complaint to Council's Privacy Officer. A complaint will be investigated promptly (within five business days) and a written response will be provided.

Council received nine privacy complaints during 2020–2021. Two of the complaints were referred to the Victorian Information Commissioner. No complaints were lodged with the Health Complaints Commissioner.

Further information regarding privacy, including Council's Privacy Policy, is available on Council's website. Council's Privacy Policy is also available upon request by contacting the Privacy Officer on 1300 322 322 or by emailing privacyofficer@frankston.vic.gov.au

Road Management Act Ministerial Directions

In accordance with Section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial Direction in its Annual Report. No such Ministerial Directions were received by Council, in its capacity as a road authority, during 2020–2021.

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.

Council's Public Interest Disclosure Policy (the Policy) was adopted in August 2020 and updated 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 Council's website.

During 2020-2021 there was one public interest disclosure notification to the Independent Broad-based Anti-corruption Commission under the *Public Interest Disclosure Act 2012*.

Complaints received by Council

In the financial year 2020–2021, Council received the following feedback from the

community: 172 instances of negative customer feedback and 156 instances of positive customer feedback.

Glossary A-Z

2020-2021: 1 July 2020 to 30 June 2021

Accrual accounting: An accounting method in which revenue and costs are recognised for the period in which they are incurred rather than as cash received or disbursed.

Accumulated surplus: The value of all net assets accumulated over time.

Actual 2020–2021: Actual performance achieved where this measure was used in the 2020–2021 financial year.

Advocacy: Publicly supporting or recommending programs or services on behalf of the community to other levels of government or service providers for community benefit.

Assets: Everything owned by or owed to Council such as roads, equipment and buildings. Assets are listed in the Financial Report.

Australian Accounting Standard:

Accounting standards issued by the Australian Accounting Standards Board.

Balance Sheet: A quantitative summary of Council's financial condition as at 30 June 2020, including assets, liabilities and net equity.

Best value: An ongoing program of reviews of Council services to ensure they meet the required cost standards and needs of the community to deliver value for money.

Biodiversity: The variety of all living things including plants, animals and microorganisms, their genes and the ecosystems of which they are a part.

Budget: Council's published budget detailing the financial position of Council.

Buildings and improvements: Includes all capital building improvements to any land owned or controlled by Council.

Capital expenditure: The expenditure on items which are expected to produce future economic benefits for Council and have a useful life of more than 12 months.

Capital improved value: The market value of the property at the date of valuation including the value of the land and all improvements built on the land.

Capital works program: Program of scheduled infrastructure works for road, drainage and building assets.

Cashflow statement: Reports all cash movements during the financial year. Cash movements consist of cash inflows (receipts/proceeds) less cash outflows (payments).

Committee: A group that assists Council with the decision-making process and has a Council representative to assist with the consultation process.

Commitment: Commitments represent the key issues for the Frankston City community as identified in the Council Plan. **Community Engagement:** The process through which Council shares information with residents, gathers their views and feedback and involves them in decision-making.

Community Satisfaction Survey: A

Victorian Government requirement whereby councils conduct a survey once a year to obtain community feedback in order to gauge satisfaction levels with Council services.

Councillors: Elected representatives of Frankston City.

Council Plan: Council Plan guides the development and strategic priorities for Frankston City and Council over a four year period. This Plan is reviewed annually.

Cultural diversity: Celebrating the community's many different cultures expressed through languages, tradition, religions, dress, arts, dance and lifestyle.

Depreciation: The process of allocating the value of a non-current physical asset over its useful life having regard to any residual value remaining at the end of that economic life.

FTE: Full Time Equivalent – 1 FTE is equivalent to one person working 38 hours per week for 52 weeks of the year.

Employee entitlements: Benefit entitlements that employees accumulate as a result of their employment as at the reporting date including, but not limited

to, wages and salaries, annual leave, sick leave, long service leave, superannuation benefits and other post-employment benefits.

Equity: The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.

Expense: An outgoing payment made by Council.

Extraordinary items: Items of revenue or expense that are attributable to transaction or other events of a type that are outside the ordinary operations of Council and are not of a recurring nature.

Fair value: The amount an asset could be exchanged between knowledgeable willing parties where available markets exist or the amount of the asset's current replacement cost less accumulated depreciation.

Financial year: This document reports on the financial year 1 July 2020 to 30 June 2021.

Financial statements: Incorporates the income statement, balance sheet, statement of changes in equity, cashflow statement plus the notes to and forming part of the accounts that support these statements.

Fixed assets: Physical assets owned or controlled by Council and that are used for operational requirements.

Frankston City News: Council's newsletter, distributed six times per year, providing residents with information about Council's activities. It is delivered to all residents and businesses within Frankston City.

Frankston City Planning Scheme: Outlines Victorian and local planning policies including zones, overlays and other provisions.

Furniture and fittings: Assets and capital acquisitions relating to computer equipment, electronic equipment, appliances, furniture, fixtures and fittings.

Governance: Governance relates to Council's purpose, objectives, role and functions as set out in the *Local Government Act 2020*.

Grants – non-recurrent income: Grant income received for a 'one-off' specific purpose, generally for a particular project.

Grants – recurrent income: Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.

Green Wedge: A non-urban area of Frankston City defined in the Victorian Government's Planning Strategy. The area is to be maintained as a predominantly green environment.

Heritage assets: Includes antiques, artefacts, artworks, photographs, Mayoral chains and heritage buildings owned by Council.

Inclusion: When all residents have an equal opportunity to participate in the life of their community, regardless of social, economic or physical disadvantage.

Income statement: Identifies all revenues earned and expenses incurred during the financial year.

Indicators: Indicators define what will be measured to show we are meeting our objectives.

Infrastructure: Stock of fixed capital equipment including roads, public buildings and footpaths.

Internal audit: An independent appraisal function which examines and evaluates Frankston City's financial, management and internal control systems.

Key Performance Indicator (KPI): A significant measure used on its own or in combination with other KPIs to monitor how well a business is achieving its quantifiable objectives.

Land: All land owned or controlled by Council.

Land improvements: Includes all capital improvements, other than buildings, to any land owned or controlled by Council.

Liabilities: Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.

Local Law: The laws adopted by Council that prohibit, regulate and control activities, events, practices and behaviours within Frankston City.

Local roads: The municipal road network which is maintained by Council.

Metropolitan Activity Centre:

Metropolitan Activity Centre (MAC) as defined by the Frankston Structure Plan and Victorian Planning Policy.

Master plan: A plan that outlines a preferred future vision for a particular area in Frankston City. It is usually developed for an area being considered for redevelopment or redesign.

Municipal Strategic Statement (MSS): The Municipal Strategic Statement (MSS) is Council's long-term plan to guide development of the City and its urban form. It forms part of the Frankston City Planning Scheme.

Municipal Association of Victoria (MAV):

The industry body which advocates on behalf of Victoria's 79 councils.

Net assets: The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.

Operating leases: A lease under which the lessor effectively retains substantially all the risks and benefits incidental to ownership of the leased asset.

Performance measures: Mechanisms such as unit costs or response times which can be used to measure Council's performance over time.

Plant and equipment: Assets owned by Council including ticket machines, garbage bins, fleet and trailers.

Pre-payments: Payments made to Council in advance of receiving good or services.

Provisions: Includes accrued long service leave, annual leave and rostered days off owing to employees at reporting date.

Rates and charges income: Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.

Rating strategy: The process by which Council's rate structure is established and how the quantum of rate change has been determined taking into consideration long-term issues.

Relief and Recovery Package: Council's financial commitment to addressing the impacts of the COVID-19 pandemic on the community and stimulating recovery.

Reserves: Monies set aside in the statement of financial position for specific purposes in accordance with statutory and discretionary principles.

Revaluation: The process where the fair value of an asset or the useful life of an asset is reassessed.

Revenue: Revenue is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.

Risk management: A policy and process for identifying business risks and controlling the likelihood and/or impact of a risk event occurring.

Roads: Includes road pavements, footpaths, kerb and channel, traffic signals and speed restriction devices.

Statement of changes in equity:Summarises the change in Council's net worth.

Statement of financial position: Reports all assets owned by Council (includes amounts owed to Council) and all liabilities owed by Council.

Strategic Resource Plan: Sets out the long-term financial resources of Council and includes key financial indicators.

Strategy: A plan of action intended to accomplish specific objectives.

Surplus (deficit): Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.

Sustainable: Ability to meet present day needs without compromising the ability of future generations to meet their needs.

Triple bottom line: Measures community wellbeing by assessing economic, social and environmental considerations.

Trust funds and deposits: Monies received by Council for a specific purpose, which are to be refunded upon a specific

event occurring (i.e. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.

User fees: Income received by Council from a variety of fees and charges such as aged and health service fees, animal and local law fines and registrations, building permits and other charges, childcare, children's program fees, debt collection recovery charges, election fines, parking meter fees, ticket machine fees, leisure centre and recreation fees, library fines and other charges.

Values: Values are beliefs that underpin behaviours and processes. The values of an organisation guide its culture.

Victorian Auditor-General: Independent officer of the Victorian Parliament appointed to examine the management of resources within the public sector on behalf of the Parliament and the community.

Vision: A description of the future we aim to achieve for our City and community.

Vulnerable community members: People who are at risk of experiencing prolonged hardship and/or serious harm.

Ward: Defined electoral area to which a representative is elected as a councillor.

Wellbeing: A general term to encompass health, happiness, welfare, security, comfort, quality of life and a sense of belonging.

Appendix

Frankston City Council Performance Statement

Performance Statement

For the year ended 30 June 2021

Description of municipality

Frankston City is located on the eastern shores of Port Phillip Bay approximately 40 kilometres south of Melbourne. The city covers an area of about 131 square kilometres 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 11 kilometres of pristine coastline. The Estimated Resident Population (ERP) is 143,338 and is expected to grow to 163,610 by 2041.

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

The city's main industries include health care and community services, manufacturing, retail trade, education and training. Frankston City is recognised for its parks and natural reserves, vibrant lifestyles, diverse community and growing business, arts, education and health sectors.

Frankston City provides recreation, leisure and entertainment facilities for a population catchment far greater than its municipal boundaries as it hosts a number of popular venues, events and attractions such as the Frankston Arts Centre, McClelland Sculpture Park + Gallery, as well as The Waterfront Festival.

Frankston City is an evolving city that is attracting positive attention as planning and strategies designed to see it become the Lifestyle Capital of Victoria take effect.

As well as being a finalist in the first Top Tourism Town (Victoria) Awards, Frankston City has attracted investment and financial support from the Victorian and Australian governments that will be critical for economic recovery from the impacts of COVID-19.

Council is about to embark on a \$64,850,000 Capital Works program that includes the much anticipated \$34,500,000 Jubilee Park project, while the Victorian Government committed an additional \$43,000,000 toward the makeover of Frankston Hospital in its 2021–2022 Budget announcement. Additionally, significant private investment for apartment living will see further stimulus in the metropolitan activity centre.

Sustainability capacity indicators

		Re	sults		
Indicator / measure	2017–2018	2018-2019	2019-2020	2020-2021	Material Variations
Population					
Expenses per head of municipal population	\$1,089	\$1,216	\$1,229	\$1,245	Expenses have risen due to waste disposal service costs,
[Total expenses / Municipal population]					which includes an increase in the State Government Landfill Levy. Depreciation has also increased due the improved delivery of the capital works program. These increases are expected to continue into the future.
Infrastructure per head of municipal population	\$5,618	\$6,154	\$6,315	\$6,550	Frankston City continues to increase infrastructure
[Value of infrastructure / Municipal population]					delivery to meet community needs.
Population density per length of road [Municipal population / Kilometres of local	211	213	202	203	The population density per km of local road remains largely unchanged from the previous year as both the
roads]					population and road length have seen only minor changes.
Own-source revenue Own-source revenue per head of municipal population	\$1,089	\$1,126	\$1,127	\$1,072	Own source revenue in 2020-2021 was impacted by COVID-19 government restrictions that lead to closure of facilities. However, rates income was favourable as the

Indicator / measure	2017–2018	2018-2019	2019-2020	2020-2021	Material Variations
[Own-source revenue / Municipal population]					rates increased in line with the 2.0 per cent rate cap in 2020-2021. Council will continue to identify and pursue alternative revenue sources.
Recurrent grants Recurrent grants per head of municipal population	\$145	\$128	\$139	\$136	Slight decrease in levels of recurrent grant funding mainly due to a reduction in service delivery impacted by the COVID-19 government restrictions.
[Recurrent grants / Municipal population]					
Disadvantage Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	7	6	6	6	Council ranks in the sixth decile in Victoria. The first decile indicates the most disadvantaged and the tenth decile indicates the least disadvantaged.
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.1%	10.1%	9.2%	11.6%	Council saw a slight increase in staff turnover during the 2020-2021 financial year; however, the results are consistent within the range of the previous three years. The 2019-20 indicator has been restated for this output from 9.4% to 9.2% due to a minor error identified in the prior year's source data.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service performance indicators

		Res	sults		
Service / indicator / measure	2017-2018	2018-2019	2019-2020	2020-2021	Material Variations
Aquatic facilities					
Utilisation Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	6	7	6	3	The actual result is 3.29 which is lower than expected. The COVID-19 pandemic resulted in closing the facility for 131 days and opening up click and collect services in September 2020 for the community to access the service. When facilities returned to open its facility there was a decrease in density requirements. This has significantly affected, what had been up to that point, a strong attendance growth year.
Animal management					
Animal management prosecutions [Number of successful animal management prosecutions/ Total number of animal management prosecutions]	New in 2020	New in 2020	100%	100%	The number of prosecutions undertaken for the year is driven by the number of offences reported to Council relating to animal management matters. All matters progressed to Court had a successful outcome. In 2020 the indicator replaced the previous 'Animal management prosecutions' which was a measure of number, not proportion.

		Res	ults		
Service / indicator / measure	2017-2018	2018-2019	2019-2020	2020-2021	Material Variations
Food safety					
Health and safety 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	95%	100%	100%	100%	This measure is reported on a calendar year. All outstanding critical and major notifications are followed up in a timely manner.
Governance Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	52	55	54	63	The result for this measure has increased by 9 points to 63 for the financial year. Council attributes this to the new Community Engagement Policy and Guidelines in 2020 which has a strong focus on consulting with the community over major decisions.

		Res	ults		
Service / indicator / measure	2017-2018	2018-2019	2019-2020	2020-2021	Material Variations
Libraries Participation 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	12%	11%	11%	11%	The result is consistent with previous years and is consistent with industry trends. In addition, this measure does not capture the members who are engaged with the library service and accessing digital resources and activities that are not defined as a collection item, such as music streaming services.
Maternal and child health Participation 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	74%	75%	71%	65%	Participation in the MCH service has dropped since the last financial year. The drop can be attributed to the restrictions placed due to the COVID-19 pandemic which reduced accessibility to the traditional MCH service.
Participation Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend	76%	87%	77%	65%	The percentage of Aboriginal children enrolled has dropped who participate in the MCH service for the year. Participation in the MCH service by Aboriginal children had increased in Q4 compared to last year, however remains slightly lower than 2019-2020, as anticipated due to the impact of COVID-19 on service

		Res	ults		
Service / indicator / measure	2017-2018	2018-2019	2019-2020	2020-2021	Material Variations
the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100					delivery and restriction in the ability to proactively engage.
Roads Satisfaction Satisfaction with sealed local roads	64	66	60	70	Councillors and staff have all worked hard to engage with community to improve the satisfaction with sealed roads. This is reflective in this year's survey results and Council will continue to commit to maintaining the standard in future years.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					
Decision making 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	44%	32%	50%	75%	The number of Council decisions upheld by the VCAT improved significantly from the prior years due to on-going improvements in Council's work processes and systems.

Results Results											
Service / indicator / measure	2017-2018	2018-2019	2019-2020	2020-2021	Material Variations						
Waste Collection											
Waste diversion	53%	54%	56%	56%							
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					Council's landfill diversion rate remained consistent at 56%, due to an increase in composting of food & garden waste offsetting an increase in garbage generated throughout COVID-19 restrictions.						

Definitions

[&]quot;Aboriginal child" means a child who is an Aboriginal person

[&]quot;Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

[&]quot;active library borrower" means a member of a library who has borrowed a book from the library

[&]quot;annual report" means an annual report prepared by a council under sections 98 of the Act

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

[&]quot;class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

[&]quot;class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

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

[&]quot;food premises" has the same meaning as in the Food Act 1984

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

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

[&]quot;MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age "population" means the resident population estimated by council

Financial Performance Indicators

		Res	ults			Fore	casts		
Dimension / indicator / measure	2017– 2018	2018- 2019	2019- 2020	2020– 2021	2021– 2022	2022– 2023	2023- 2024	2024- 2025	Material Variations
Expenditure level Expenses per property assessment [Total expenses / Number of property assessments]	\$2,471.24	\$2,782.74	\$2,783.40	\$2,787.42	\$3,025.73	\$3,072.95	\$3,153.64	\$3,231.92	Expenses have been impacted slightly by the government restrictions related to facility closures imposed by COVID-19. This result is in line with 2019-2020 figures. Council's forecast includes a return to pre-COVID-19 service delivery.
Revenue level Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	\$1,589.49	\$1,598.80	\$1,639.91	\$1,674.73	\$1,709.53	\$1,744.98	Increase is expected to remain stable over the forecast period due to rate capping.

		Res	ults			Fore			
Dimension / indicator / measure	2017– 2018	2018- 2019	2019- 2020	2020– 2021	2021– 2022	2022– 2023	2023- 2024	2024- 2025	Material Variations
Liquidity									Cash assets are expected to
Working capital Current assets compared to current liabilities	252.72%	299.19%	307.53%	223.69%	256.55%	196.03%	166.85%	114.61%	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 [Unrestricted cash / Current liabilities] x100	50.42%	44.16%	82.26%	68.95%	96.86%	54.73%	45.64%	24.53%	Council's current liabilities are higher in 2020-2021 as it needed to recognise \$19 million as unearned income. This is considered to be fully expended in the future years. 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.

		Res	ults			Fore	casts		
Dimension / indicator / measure	2017– 2018	2018- 2019	2019- 2020	2020– 2021	2021– 2022	2022– 2023	2023- 2024	2024- 2025	Material Variations
Obligations Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	30.13%	23.08%	21.82%	23.20%	24.31%	25.85%	27.57%	25.44%	Expected to increase slightly over the next four years, reflecting Council decision to borrow funds to assist with the delivery of the capital works program.
Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.27%	7.07%	1.41%	1.38%	1.84%	2.14%	2.37%	2.56%	Expected to increase slightly over the next four years, reflecting Council decision to borrow funds to assist with the delivery of the capital works program.
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own	19.45%	18.37%	18.70%	18.95%	19.46%	20.14%	21.20%	11.32%	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

		Res	ults			Fore	casts		
Dimension / indicator / measure	2017– 2018	2018- 2019	2019- 2020	2020– 2021	2021– 2022	2022– 2023	2023- 2024	2024- 2025	Material Variations
source revenue] x100									fees and charges.
Asset renewal and upgrade Asset renewal and upgrade compared to depreciation [Asset renewal and upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	99.13%	88.87%	128.72%	191.53%	133.49%	90.29%	An anticipated decrease of renewal and upgrade expenditure is based on current condition assessments and Council delivering significant new assets as opposed to renewing existing assets.
Operating Position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	13.19%	4.46%	4.54%	-0.58%	-0.10%	1.56%	1.08%	1.05%	This figure reflects the long term impact of rate capping, the increase in waste disposal service costs, and increase in depreciation, amortisation and a decrease in revenue streams impacted by COVID-19.
Stability Rates concentration									Council has a stable dependency on rate revenue, however results

17– 18	2018-	2019-	2020					
	2019	2020	2020– 2021	2021– 2022	2022– 2023	2023- 2024	2024- 2025	Material Variations
99%	67.34%	69.23%	73.71%	69.63%	69.01%	69.19%	69.15%	indicate it should continue to identify and pursue alternative revenue sources.
2%	0.31%	0.34%	0.34%	0.34%	0.34%	0.34%	0.35%	Will remain stable over the next four years.
	12%							

Former Measures

		Results			
Dimension / indicator / measure	20	017- 2018	2018– 2019	2019-2020	2020-2021
Financial Performance Indicators					
Efficiency					
Revenue level					
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]		\$1,166	\$1,221	Retired in 2020	Retired in 2020
Obligations					
Asset renewal					
Asset renewal and upgrade compared to depreciation	Ne	w in 2020	New in 2020	Retired in	Retired in 2020
[Asset renewal expenses / Asset depreciation] x100				2020	
Service performance indicators					
Animal Management					
Health and safety		71	144	Retired in	Retired in 2020
Animal management prosecutions				2020	
[Number of successful animal management prosecutions]					

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population "means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2021

1. Basis of preparation

Council is required to prepare and include a performance statement within its Annual Report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. Council has made a number of comments under 'Material Variations' to assist readers to interpret the results. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and Local Government (Planning and Reporting) Regulations 2014.

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

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

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan which was adopted on 28 June 2021 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.

Certification of the Performance Statement

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

Simone Wickes CA

Sun Wieler

Principal Accounting Officer

Dated: 22 October 2021

In our opinion, the accompanying performance statement of the *Frankston City Council* for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

Cr. Kris Bolam JP

Mayor

Dated: 22 October 2021

f. T. Pole

Cr. Claire Harvey

Councillor

THE

Dated: 22 October 2021

Phil Cantillon

Chief Executive Officer

Dated: 22 October 2021



Independent Auditor's Report

To the Councillors of Frankston City Council

Opinion

I have audited the accompanying performance statement of Frankston City Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2021
- sustainable capacity indicators for the year ended 30 June 2021
- service performance indicators for the year ended 30 June 2021
- financial performance indicators for the year ended 30 June 2021
- other information and
- the certification of the performance statement.

In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement

The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

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.

anchu Chummar

18 November 2021

MELBOURNE

as delegate for the Auditor-General of Victoria

Appendix

Frankston City Council Consolidated Financial Report

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Certification of Financial Statements

In my opinion the accompanying Financial Statements have been prepared in accordance with the *Local Government Act* 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.

Sun Wielen

SIMONE WICKES CA
PRINCIPAL ACCOUNTING OFFICER

22 October 2021

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 2021 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 20 September 2021 and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the Financial Statements in their final form.

Cf. T. Pole

Cr Kris Bolam JP MAYOR

22 October 202130 Davey Street, Frankston Victoria, Australia

Cr Claire Harvey
COUNCILLOR

22 October 2021 30 Davey Street, Frankston Victoria, Australia

Phil Cantillon
CHIEF EXECUTIVE OFFICER

22 October 2021

30 Davey Street, Frankston Victoria, Australia

Independent Auditor's Report



To the Councillors of Frankston City Council

Opinion

I have audited the consolidated financial report of Frankston City Council (the council) and its controlled entity (together the consolidated entity), which comprises the:

- consolidated entity balance sheet as at 30 June 2021
- consolidated entity comprehensive income statement for the year then ended
- consolidated entity statement of changes in equity for the year then ended
- consolidated entity statement of cash flows for the year then ended
- consolidated entity statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of financial statements.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the consolidated entity as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the financial report

The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, 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.

In preparing the financial report, the Councillors are responsible for assessing the consolidated 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.

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 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 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 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 consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the consolidated entity. I remain solely responsible for my audit opinion.

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.

Sanchu Chummai

MELBOURNE 18 November 2021

as delegate for the Auditor-General of Victoria

Consolidated Comprehensive Income Statement

For the year ended 30 June 2021

		2021	2020
	Note	\$'000	\$'000
Income			
Rates and charges	3.1	130,729	128,691
Statutory fees and fines	3.2	4,872	5,651
User fees	3.3	14,536	21,443
Grants - operating	3.4	20,552	19,326
Grants - capital	3.4	6,667	7,743
Contributions - monetary	3.5	1,858	2,521
Contributions - non monetary	3.5	4,400	4,619
Net gain on disposal of property, plant and equipment	3.6	258	649
Share of net profits of joint arrangement	6.2	-	41
Other income	3.7	3,236	4,311
Total income		187,108	194,995
Expenses			
Employee costs	4.1	77,204	73,384
Materials and services	4.2	58,946	60,709
Depreciation	4.3	33,186	32,530
Amortisation - intangible assets	4.4	718	858
Amortisation - right of use assets	4.5	547	558
Bad and doubtful debts	4.6	137	390
Borrowings costs	4.7	1,452	1,479
Finance costs - leases	4.8	59	71
Other expenses	4.9	6,146	5,374
Total expenses	_	178,395	175,353
Surplus for the year		8,713	19,642
Other comprehensive income			
Net asset revaluation increment	6.1	17,215	29,940
Total comprehensive result		25,928	49,582

 $\label{thm:comprehensive} \textit{The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.}$

Consolidated Balance Sheet

As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	82,029	55,444
Other financial assets	5.1	36,517	51,015
Trade and other receivables	5.1	23,522	18,426
Inventories	5.2	154	164
Other assets	5.2	2,838	2,375
Total current assets	_	145,060	127,424
Non-current assets			
Trade and other receivables	5.1	613	794
Other financial assets	5.1	-	1,000
Investments in associates, joint arrangements and subsidiaries	6.2	-	162
Property, infrastructure, plant and equipment	6.1	1,755,953	1,717,068
Right-of-use assets	5.8	982	1,509
Intangible assets	5.2	1,150	1,492
Total non-current assets	_	1,758,698	1,722,025
Total assets	_	1,903,758	1,849,449
Liabilities			
Current liabilities			
Trade and other payables	5.3	19,699	16,800
Trust funds and deposits	5.3	6,705	5,796
Unearned income	5.3	19,094	4,469
Provisions	5.5	15,518	13,445
Interest-bearing liabilities	5.4	3,250	345
Lease liabilities	5.8	584	573
Total current liabilities	_	64,850	41,428
Non-current liabilities			
Provisions	5.5	1,542	1,652
Interest-bearing liabilities	5.4	27,084	27,403
Lease liabilities	5.8	493	1,006
Total non-current liabilities		29,119	30,061
Total liabilities	_	93,969	71,489
Net assets		1,809,789	1,777,960
Equity			
Accumulated surplus		744,754	718,375
Reserves	9.1	1,065,035	1,059,585
Total equity	_	1,809,789	1,777,960

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

2021		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
	Note	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Balance at 1 July 2020		1,777,960	718,375	975,374	84,211
Surplus for the year		8,713	8,713	-	-
Prior year adjustment - found assets		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)
Balance at end of the financial year		1,809,789	744,754	992,589	72,446
2020		Total	Accumulated	Asset	Other
			Surplus	Revaluation	Reserves
		2020	2020	2020	2020
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019		1,728,387	707,742	945,434	75,211
Impact of change in accounting policy - AASB 15					
Revenue from Contracts with Customers		(2,205)	(2,205)	-	-
Adjusted Opening balance	_	1,726,182	705,537	945,434	75,211
Surplus for the year		19,642	19,642	-	-
Prior year adjustment - unexpended grants reserve		-	2,205	-	(2,205)
Prior year adjustment - found asset		2,196	2,196	-	-
Net asset revaluation increment	9.1(a)	29,940	-	29,940	-
Transfers to other reserves	9.1(b)	-	(23,557)	-	23,557
Transfers from other reserves	9.1(b)	-	12,352		(12,352)
Balance at end of the financial year	_	1,777,960	718,375	975,374	84,211

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

Consolidated Statement of Cash Flows

Cash flows from operating activities Inflows/ Stool Inflows/ Stool Receipts 127,295 124,914 Statutory fees and fines 127,295 124,914 Statutory fees and fines 14,691 21,241 Grants - operating 18,896 7,743 Contributions - monetary 1,888 2,521 Contributions - monetary 1,888 2,521 Interest received 818 2,174 Chart crecipts 2,642 3,022 Net GST received and GST receipts 9,045 10,023 Net GST received and GST receipts 7,4614 (72,212) Materials and services (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (55,319) (60,882) Other payments (10,258) (74,614) (72,212) Materials and deposits repaid (13,671) (14,651) (74,614) (72,212) Met cash provided by operating activities 9,2 59,421 52,772 Cash flows from investing activities <t< th=""><th></th><th></th><th>2021</th><th>2020</th></t<>			2021	2020
Cash flows from operating activities Receipts Rates and charges 127,295 124,914 Statutory fees and fines 4,581 5,043 1,0491 21,241 Grants - operating 14,691 21,241 1,0777 <th></th> <th></th> <th>Inflows/</th> <th>Inflows/</th>			Inflows/	Inflows/
Cash flows from operating activities Receipts Statutory fees and fines 127,295 124,914 Statutory fees and fines 4,581 5,043 User fees 14,691 22,510 19,774 Grants - operating 22,510 19,774 Grants - capital 18,896 7,743 Contributions - monetary 1,858 2,521 Interest received 818 2,174 Trust funds and deposits taken 14,776 16,012 Other received 9,045 3,028 Net GST received and GST receipts 9,045 3,028 Payments 217,112 212,280 Payments (74,614) (72,212 Materials and services (74,614) (72,212 Materials and services (74,614) (72,212 Materials and deposits repaid (10,258) (9,644) Trust funds and deposits repaid (10,258) (9,644) Trust funds and deposits repaid (10,258) (9,644) Trust funds and deposits repaid (8,253			(Outflows)	(Outflows)
Rete and charges 127,795 124,914 Statutory fees and fines 4,881 5,04 User fees 14,691 21,21 Grants - operating 22,510 19,777 Grants - operating 1,888 25,21 Contributions - monetary 1,888 2,521 Interest received 8,183 2,521 Interest received 1,476 1,602 Other receipts 2,642 3,082 Net GST received and GST receipts 2,642 3,082 Net GST received and GST receipts 1,746 1,023 Materials and services 1,746 1,722 Materials and services 1,746 1,722 Materials and services 1,033 1,616 Other payments 1,033 1,616 STO nay payments 1,033 1,616 STO nay payments 1,036 1,61 Net ash provided by operating activities 9,2 15,49 1,61 Proceeds from investing activities 1,04 1,62 1,2 1,2		Note	\$'000	\$'000
Rates and charges 127,795 124,914 Statutory fees and fines 4,581 5,043 User fees 16,691 21,214 Grants - operating 22,510 19,777 Grants - capital 18,896 7,743 Contributions - monetary 18,896 7,825 Interest received 818 2,174 Trust funds and deposits taken 14,775 16,101 Other receipts 9,045 10,283 Net GST received and GST receipts 9,045 10,283 Net GST received and GST receipts 19,045 10,283 Net GST received and GST receipts 10,000 10,000 Net GST received and GST receipts 10,000 10,000 Payments 10,000 10,000 Payments 15,511 (60,882 Other payments 13,635 10,618 Other payments 13,600 10,600 Other payments 9,2 5,021 10,600 Turbus funds and deproved repayments 9,2 5,021 10,600	Cash flows from operating activities			
Statutory fees and fines 4,581 5,048 User fees 14,691 21,241 Crants - operating 25,10 19,777 Grants - capital 18,896 7,743 Contributions - monetary 1,858 2,521 Interest received 818 2,174 Trust funds and deposits taken 14,776 16,012 Other receipts 9,042 3,082 Net GST received and GST receipts 2,642 3,082 Payment 12,7112 212,800 Payments 1,746,614 7,72,212 Materials and services 7,746,614 7,72,212 Materials and services 1,746,614 7,72,212 Materials and services 1,746,614 7,72,212 Materials and services 1,746,614 7,72,212 Materials and services 1,13,607 16,063 Other payments 1,13,607 16,063 Tust funds and deposits repaid 1,13,607 16,062 Tust funds and deposits repaid 1,145,00 16,062 Tus	Receipts			
User fees 14,691 21,216 Grants - operating 22,510 19,777 Crants - operating 18,896 7,743 Contributions - monetary 1,858 2,521 Interest received 18,18 2,174 Trust funds and deposits taken 14,76 16,022 Net GST received and GST receipts 2,042 3,082 Net GST received and GST receipts 2,042 3,082 Net GST received and GST receipts 74,614 72,212 Materials and services (55,19) (60,882) Other payments (55,19) (60,882) Other payments (10,258) (9,608) Other payments (12,509) (16,608) Net cash provided by operating activities (49,431) (45,602)	Rates and charges		127,295	124,914
Grants - operating 22,510 19,777 Grants - capital 18,896 7,743 Contributions - monetary 1,858 2,521 Interest received 818 2,174 Trust funds and deposits taken 14,776 16,012 Other receipts 9,045 10,293 Net GST received and GST receipts 9,045 10,293 Payments 10,293 217,112 212,800 Payments (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (3,633) (2,619) GST on payments (13,633) (2,619) Trust funds and deposits repaid (13,687) (146,651) Trust funds and deposits repaid (13,633) (2,619) Net cash provided by operating activities 2 59,421 52,772 Cash flows from investing activities 4 69,431 (45,662) Proceeds from sale of property, plant and equipment 6 533 1,661 Investment in joint venture arrangement	Statutory fees and fines		4,581	5,043
Grants - capital 18,896 7,743 Contributions - monetary 1,858 2,521 Interest received 818 2,74 Trust funds and deposits taken 14,776 16,012 Other receipts 2,642 3,082 Net GST received and GST receipts 20,112 212,800 Payments Employee costs (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (10,258) (60,882) Other payments (10,258) (60,882) Other payments (10,258) (60,882) Trust funds and deposits repaid (10,258) (60,682) Trust funds and deposits repaid (10,569) (14,651) Trust funds and deposits repaid (10,569) (16,0028) Net cash provided by operating activities (20,302) (3,633) (16,0028) Net cash provided by operating activities (49,431) (45,662) Proceeds from investing activities (49,431) (45,662) Proceeds from disinvestmen	User fees		14,691	21,241
Contributions - monetary 1,858 2,521 Interest received 818 2,74 Trust funds and deposits taken 16,072 3,082 Net GST received and GST receipts 9,045 10,293 Net GST received and GST receipts 9,045 10,293 Payments Employee costs (74,614) (72,212) Materials and services (55,319) 60,882 Other payments (3,633) (2,619) Other payments (10,258) (9,646) Trust funds and deposits repaid (10,258) (9,646) Trust funds and deposits repaid (10,258) (16,002) Trust funds and deposits repaid (10,258) (16,002) Trust funds and deposits repaid (9,046) (16,002) Trust funds and deposits repaid (9,046) (16,002) Trust funds and deposits repaid (9,046) (16,002) Trust funds and deposits repaid (9,041) (16,002) Trust funds and deposits repaid (9,041) (16,002) Trust funds funds funds funds funds funds fun	Grants - operating		22,510	19,777
Interest received 818 2,174 Trust funds and deposits taken 14,776 16,012 Other receipts 2,642 3,082 Net GST received and GST receiptes 9,045 10,293 Payment 217,112 212,300 Employee costs (74,641) (72,212) Materials and services (55,319) (60,882) Other payments (3,633) (5,619) GST on payments (13,867) (14,651) Trust funds and deposits repaid (13,867) (14,651) Trust funds and deposits repaid (13,867) (14,651) Net cash provided by operating activities (13,867) (14,652) Net cash provided by operating activities (49,431) (45,662) Proceeds from investing activities (49,431) (45,662) Payments for property, plant and equipment (49,431) (45,662) Proceeds from disinvestment in joint venture arrangement (5 5 1,612 Net proceeds from investing activities 15,498 163 1,612 1,612 Net pro	Grants - capital		18,896	7,743
Trust funds and deposits taken 14,776 16,012 Other receipts 2,642 3,082 Net GST received and GST receipts 9,045 10,293 Payments 217,112 212,800 Employee costs (74,614) (72,121 Materials and services (55,319) (60,882) Other payments (10,258) (56,604) Trust funds and deposits repaid (13,867) (14,602) Trust funds and deposits repaid (13,867) (14,602) Net cash provided by operating activities 92 59,421 52,772 Post flows from investing activities (49,411) (45,662) Payments for property, infrastructure, intragibles, plant and equipment (49,411) (45,662) Proceeds from silve florgoerty, plant and equipment (60,822) (40,211) (40,612) Proceeds from disinvestment in joint venture arrangement (62,602) (51,602) (60,822) Proceeds from investing activities 15,498 161,602 (60,822) (60,822) (60,822) (60,822) (60,822) (60,822) (60,822)	Contributions - monetary		1,858	2,521
Other receipts 2,642 3,082 Net GST received and GST receipts 21,712 21,2800 Payments 2 27,121 22,200 Employee costs (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (10,258) (9,682) ST on payments (10,258) (9,684) Trust funds and deposits repaid (10,258) (14,615) Net cash provided by operating activities 9.2 13,867) (14,615) Pex growing investing activities 9.2 13,867) (14,615) Payments for property, infrastructure, intangibles, plant and equipment 49,431 (45,662) Proceeds from sale of property, plant and equipment 49,431 45,662 Proceeds from disinvestment in joint venture arrangement 3.6 533 1,661 Investment in joint venture arrangement 3.6 533 1,671 Proceeds from disinvestment in joint venture arrangement 15,498 1,632 Ret ash used in joint venture arrangement 6 1,549 1,632	Interest received		818	2,174
Net GST received and GST receipts 9,045 10,203 Payments 217,112 212,200 Employee costs (74,614) (72,212) Materials and services (55,319) (60,828) Other payments (3,633) (2,619) GST on payments (13,867) (14,651) CHORD payments (13,867) (14,651) Trust funds and deposits repaid (13,867) (14,602) Net cash provided by operating activities 9.2 59,421 52,772 Cash flows from investing activities 9.2 59,421 52,772 Proceeds flows from investing activities 40,431 (45,662) Proceeds from property, infrastructure, intangibles, plant and equipment 3.6 59,431 1,610 Investment in joint venture arrangement 3.6 59,431 1,621 Proceeds from disinvestment in joint venture arrangement 6.2 2 6,122 Net cash used in investing activities 1,152 1,152 1,152 Patroceeds from investments in joint venture arrangement 6.2 1,252 1,152	Trust funds and deposits taken		14,776	16,012
Payments 217,112 212,808 Employee costs (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (36,33) (2,619) GST on payments (10,258) (9,664) Trush (unds and begosits repaid) (13,607) (146,021) Net cash provided by operating activities 2 59,421 52,772 Rest flows from investing activities 3 59,421 52,772 Proceeds from sale of property, plant and equipment (49,431) (45,662) Proceeds from sale of property, plant and equipment 6.2 5 43 1,061 Investment in joint venture arrangement 6.2 5 43 1,061 1,062 1 1,052	Other receipts		2,642	3,082
Payments (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (3,633) (2,619) GST on payments (10,258) (9,664) Trust funds and deposits repaid (13,867) (14,651) Net cash provided by operating activities 8,2 59,421 52,772 Net cash flows from investing activities 8,2 59,421 52,772 Proceeds from investing activities 4,9431 (45,662) Payments for property, infrastructure, intangibles, plant and equipment 6,2 533 1,061 Proceeds from investing activities 12 - (121) Proceeds from disinvestment in joint venture arrangement 6,2 - (121) Net proceeds from investments 15,498 163 Net proceeds from investments 15,498 163 Net cash used in investing activities 15,498 164 Ret cash used in investing activities 15,498 164 Proceeds of borrowings 1,452 (1,479) Proceeds of borrowings (3	Net GST received and GST receipts		9,045	10,293
Employee costs (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (36,33) (2,619) GST on payments (10,258) (9,664) Trust funds and deposits repaid (13,867) (14,651) Net cash provided by operating activities 9.2 59,421 52,772 Cash flows from investing activities 49,431 (45,662) Proceeds from sale of property, infrastructure, intangibles, plant and equipment 3.6 533 1,061 Proceeds from sale of property, plant and equipment 3.6 533 1,061 Investment in joint venture arrangement 6.2 2 (121) Proceeds from sale of property, plant and equipment 3.6 533 1,061 Investment in joint venture arrangement 6.2 2 (121) Proceeds from sale of property, plant and equipment 3.6 533 1,061 Investment in joint venture arrangement 3.6 533 1,061 Proceeds from disinvesting activities 15,498 163 Ret proceeds from invest		_	217,112	212,800
Employee costs (74,614) (72,212) Materials and services (55,319) (60,882) Other payments (36,33) (2,619) GST on payments (10,258) (9,664) Trust funds and deposits repaid (13,867) (14,651) Net cash provided by operating activities 9.2 59,421 52,772 Cash flows from investing activities 49,431 (45,662) Proceeds from sale of property, infrastructure, intangibles, plant and equipment 3.6 533 1,061 Proceeds from sale of property, plant and equipment 3.6 533 1,061 Investment in joint venture arrangement 6.2 2 (121) Proceeds from sale of property, plant and equipment 3.6 533 1,061 Investment in joint venture arrangement 6.2 2 (121) Proceeds from sale of property, plant and equipment 3.6 533 1,061 Investment in joint venture arrangement 3.6 533 1,061 Proceeds from disinvesting activities 15,498 163 Ret proceeds from invest	Payments	_		
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Financing arrangements 5.7 Restrictions on cash assets 5.1		9.3		
Restrictions on cash assets 5.1	·	_	-,	
	Restrictions on cash assets The above Statement of Cash Flows should be read in conjunction with the accompanying notes.	5.1		

Consolidated Statement of Capital Works

For the year ended 30 June 2021

	2021	2020
Note	\$'000	\$'000
Property		
Buildings	16,742	15,088
Total buildings	16,742	15,088
Total property	16,742	15,088
Plant and equipment		
Plant, machinery and equipment	2,581	2,938
Fixtures, fittings and furniture	246	325
Computers and telecommunications	3,576	2,506
Library books	435	517
Total plant and equipment	6,838	6,286
Infrastructure		
Roads	4,859	5,016
Bridges	269	396
Footpaths and cycleways	2,680	1,382
Drainage	2,092	849
Recreational, leisure and community facilities	6,251	8,323
Waste management	85	260
Parks, open space and streetscapes	6,284	4,360
Off street car parks	508	1,591
Traffic management devices	2,734	1,959
Total infrastructure	25,762	24,136
Total capital works expenditure	49,342	45,510
Represented by:		
New asset expenditure	19,849	13,262
Asset renewal expenditure	21,763	23,003
Asset upgrade expenditure	7,730	9,245
Total capital works expenditure	49,342	45,510

 $\label{thm:conjunction} \textit{The above Statement of Capital Works should be read in conjunction with the accompanying notes.}$

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 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

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

(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 2020-21 year, Council has noted the following significant impacts on its financial operations:

- Council received additional grant revenue of \$1.756 million to support the community and economy. This came mainly in the form of the Working for Victoria program initiative.
- Council has foregone \$0.442 million in fees waived under its relief and recovery package. Please refer to note 3.3 for further details.
- Council has foregone \$0.203 million in rent waived under its relief and recovery package. Please refer to note 3.7 for further details.
- Council has waived \$0.450 million in rates income and \$0.464 million in interest on rates and charges under its relief and recovery package. Please refer to note 3.1
- Council has waived \$0.117 million in registrations income under its relief and recovery package. Please refer to note 3.2 for further details.

(b) Impact of Covid-19 (cont.)

- COVID-19 also had an impact on Council's expenditure for the year. Materials and Services decreased by \$1.763 million with the following items impacted by COVID-19:
 - Periodic closure of Peninsula Aquatic Recreation Centre lead to a reduction of \$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 \$0.301 million spent on Events compared to the prior year. Events were either cancelled or run in an alternate format which lead to reduced expenditure.
 - Expenditure on the Frankston Arts Centre decreased by \$0.335 million compared to the prior year due to closures of the facility. Items such as cleaning, utilities, royalties and marketing were reduced to due to the reduction in patronage.
 - Debt Collection expenditure decreased by \$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.

Note 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 2014* 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 1 June 2020. 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 1989* and the *Local Government (Planning and Reporting) Regulations 2014.*

1.1 Income and Expenditure

meenic and Expenditure	Budget	Actual	Variance	Variance	
	2021 \$'000	2021 \$'000	2021 \$'000	%	Ref.
Income					
Rates and charges	129,876	130,729	853	0.66%	
Statutory fees and fines	5,725	4,872	(853)	(14.90%)	1.
User fees	20,268	14,536	(5,732)	(28.28%)	2.
Grants - operating	18,584	20,552	1,968	10.59%	3.
Grants - capital	7,054	6,667	(387)	(5.49%)	
Contributions - monetary	2,449	1,858	(591)	(24.13%)	4.
Contributions - non-monetary	800	4,400	3,600	450.00%	5.
Net gain on disposal of property,					
infrastructure, plant and equipment	589	258	(331)	(56.20%)	6.
Other income	3,175	3,236	61	1.92%	
Total income	188,520	187,108	(1,412)	(0.75%)	
Expenses					
Employee costs	78,344	77,204	1,140	1.46%	7.
Materials and services	62,061	58,946	3,115	5.02%	8.
Bad and doubtful debts	220	137	83	37.73%	9.
Depreciation	30,854	33,186	(2,332)	(7.56%)	10.
Amortisation - Intangible assets	1,051	718	333	31.68%	11.
Amortisation - Right of use assets	330	547	(217)	(65.76%)	12.
Borrowing costs	1,487	1,452	35	2.35%	
Finance costs - leases	40	59	(19)	(47.50%)	
Other expenses	4,715	6,146	(1,431)	(30.35%)	13.
Efficiency factor	(500)	-	(500)	100.00%	14.
Total expenses	178,602	178,395	207	0.12%	1
Surplus for the year	9,918	8,713	(1,205)	(12.15%)	

Note 1. Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1.	Statutory fees and fines	Statutory fees and fines had an unfavourable actual to budget variance of \$0.853 million primarily due to a reduction in the expected amount of parking infringements issued of \$1.380 million. This was attributable to Council offering as part of the COVID-19 Relief and Recovery Package additional free car parking within the municipality, which resulted in less fines being issued. Offsetting this, Statutory Planning and Building fees exceeded budget by \$0.577 million due to more planning and building fees being received and processed despite the impacts of COVID-19 than budgeted.
2.	User fees	User fees and charges had an unfavourable actual to budget variance of \$5.732 million due to restrictions imposed by the State Government in relation to the COVID-19 pandemic saw a number of Council facilities close. Those facilities impacted most were the Frankston Arts Centre and the Peninsula Aquatic Recreation Centre (PARC) who suffered fees and charges reductions of \$2.512 million and \$2.355 million compared to the adopted budget. Another impact of COVID-19 on fees and charges was a reduction of \$0.668 million received in car parking revenue, due to the restrictions in place on the community and Council implementing free parking in lieu of charging for parking in some areas.
3.	Grants - operating	Grants – operating had a favourable actual to budget variance of \$1.968 million due to Council receiving grant funding from the state government of \$1.573 million for the Working for Victoria initiative. This initiative assisted local governments to employ jobseekers who lost their jobs as a result of COVID-19. Family Health Support Services experienced an increase in funding of \$0.577 million to continue delivering services that were COVID-19 impacted.
4.	Contributions	Contributions – monetary had an unfavourable actual to budget variance of \$0.591 million due to a reduction in capital contributions of \$1.442 million as a result of timing differences. This was offset by additional cash contributions received of \$0.851 million in excess of budget relating to subdivisions within the municipality.
5.	Contributions - non-monetary	Contributions – non monetary assets had a favourable actual to budget variance of \$3.600 million due to an increase in gifted land, roads and drainage received relating to subdivisions within the municipality.
6.	Net gain on disposal of property, infrastructure, plant and equipment	Net gain on disposal of assets had an unfavourable actual to budget variance of \$0.331 million due to fewer sales of assets and plant than expected for 2020-2021 year.
7.	Employee costs	Employee Costs had a favourable actual to budget variance of \$1.140 million due to a reduction in the level of staff required at Peninsula Aquatic Recreation Centre (PARC) caused by COVID-19 government restrictions of \$1.365 million. There were additional employee costs underspend in Family Health Support Services of \$0.978 million due to reduced hours of in-home care due to a transitioning service to NDIS and a \$0.671 million under spend in Community Strengthening due to vacancies. This was offset by the unbudgeted cost of the Working for Victoria program of \$1.483 million, which was an externally grant funded initiative.

Note 1. Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
8.	Materials and services	Materials and Services had a favourable actual to budget variance of \$3.115 million largely due to areas that were affected by the COVID-19 government restrictions. Arts and Culture under spend was \$0.894 million which is attributable to events not being conducted and Library and Arts Centre closures. \$0.500 million was under spent in Financial and Corporate Planning due to a freeze on debt collection, \$0.551 million under spend in PARC due to reduced maintenance required as a result of facility closure and \$0.987 reduction in Waste Collection due to lower than anticipated costs.
9.	Bad and doubtful debts	Bad and doubtful debts had a favourable actual to budget variance of \$0.083 million due to less parking infringements issued than budgeted for, resulting in a reduced expectation of bad and doubtful debt.
10.	Depreciation	Depreciation had an unfavourable actual to budget variance of \$2.332 million due to a review of the Open Space Asset Class \$1.400 million including changes to unit rates and found assets. In addition, depreciation in roads exceeded budget by \$1.031 million due to the budget being initially understated.
11.	Amortisation - Intangible assets	Amortisatiation – Intangible Assets had a favourable actual to budget variance of \$0.333 million due to actual capital spend on software being less than budgeted.
12.	Amortisation - Right of use assets	Amortisation – Right of use assets had an unfavourable actual to budget variance of \$0.217 million due to amortisation of Peninsula Aquatic Recreation Centre (PARC) software occurring during the year, but not budgeted for.
13.	Other expenses	Other expenses had an unfavourable actual to budget variance of \$1.431 million due to \$2.516 million worth of expenditure being written off that was previously classified as work in progress. A thorough review revealed operating expenditure in capital project handovers, spend on projects after completion, maintenance and expenditure on projects that were abandoned. Offsetting this is under expenditure of \$0.560 million in Community Strengthening due to less community grants paid than budgeted, \$0.278 million in Community Safety due to reduced infringements referred to courts due to COVID-19 and \$0.186 million reduction in learning and development due to the reduction of courses and conferences that staff attended.
14.	Efficiency factor	Efficiencies achieved have been reflected in other categories, but not material enough to have an impact on the budget bottom line.

Note 1. Performance against budget (cont.)

1.2 Capital Works

	Budget	Actual	Variance	Variance	
	2021	2021	2021		
	\$'000	\$'000	\$'000	%	Ref.
Property					
Buildings	27,040	16,742	(10,298)	-38.08%	1.
Total Buildings	27,040	16,742	(10,298)	-38.08%	
Total Property	27,040	16,742	(10,298)	-38.08%	
Plant and equipment					
Plant, machinery and equipment	2,911	2,581	(330)	(11.34%)	2.
Fixtures, fittings and furniture	244	246	2	0.82%	
Computers and telecommunications	2,645	3,576	931	35.20%	3.
Library books	718	435	(283)	(39.42%)	4.
Total plant and equipment	6,518	6,838	320	4.91%	
Infrastructure					
Roads	5,387	4,859	(528)	(9.80%)	5.
Bridges	303	269	(34)	(11.22%)	6.
Footpaths and cycleways	2,105	2,680	575	27.32%	7.
Drainage	3,462	2,092	(1,370)	(39.57%)	8.
Recreational, leisure and community facilities	6,039	6,251	212	3.51%	9.
Waste management	-	85	85	100.00%	10.
Parks, open space and streetscapes	7,051	6,284	(767)	(10.88%)	11.
Off street car parks	496	508	12	2.42%	
Other infrastructure	1,539	2,734	1,195	77.65%	12.
Total infrastructure	26,382	25,762	(620)	(2.35%)	
Total capital works expenditure	59,940	49,342	(10,598)	(17.68%)	
Represented by:					
New asset expenditure	19,940	19,849	(91)	(0.46%)	
Asset renewal expenditure	24,883	21,763	(3,120)	(12.54%)	
Asset expansion expenditure	1,867	-	(1,867)	(100.00%)	
Asset upgrade expenditure	13,250	7,730	(5,520)	(41.66%)	
Total capital works expenditure	59,940	49,342	(10,598)	(17.68%)	

Note 1. Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1.	Buildings	A significant portion of the Capital Works Program expenditure was delivered on buildings & facilities (\$16.742 million). However, adjustments at the Mid-Year Budget Review resulted in reduced expenditure to some major projects, including Jubilee Park Stadium Redevelopment (\$3.60 million), RF Miles Pavilion (\$1.59 million), Monterey Reserve Soccer Pavilion (\$1.0 million) and Centenary Park Tennis Centre Upgrade (\$0.836 million).
2.	Plant, machinery and equipment	Under expenditure of \$0.330 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 some items of heavy plant.
3.	Computers and telecommunications	Computers and telecommunications was overspent by \$0.931 million due to carry forward projects from 2019-20, and additional hardware acquisitions to facilitate working from home requirements during COVID-19 restrictions.
4	Library books	Library resource acquisitions not considered capital expenditure expensed to operating budget.
5.	Roads	Under expenditure of \$0.528 million primarily due to adjustments endorsed at the Mid-Year Budget Review for the deferral of Barretts Road Special Charge Scheme and addition of federal government funded Local Road and Community Infrastructure (LRCI) projects.
6.	Bridges	Priorities in Council's major and minor bridge renewal programs were delivered under budget. Additionally, some minor project overheads and labour chargeback were expensed to the operating budget.
7.	Footpaths and cycleway	Footpaths and cycleways overspent by \$0.575 million due to costs incurred in various projects of the Citywide Pathway Program, Brighton Street upgrade works and Stotts Lane pathway.
8.	Drainage	Drainage was underspent primarily due to further investigations required for multi-year projects scheduled for 2021-2022 and 2022-2023 financial years. In particular, significant stormwater upgrade projects in the Frankston South Drainage Strategy have required further consultation (Frankston South Drainage Strategy - The Esplanade) resulting in under expenditure of \$0.56 million. In addition, Council's Easement Pit Program was withdrawn due to COVID restrictions (\$0.15 million).
9.	Recreational, leisure and community facilities	Recreational, leisure and community facilities were overspent by \$0.212 million primarily due to the completion of the sports lighting at Frankston Park and an unsuccessful grant funding application during the 2020-2021 financial year.
10.	Waste management	Waste management was overspent by \$0.085 million due to carry forward expenditure from the 2019-2020 financial year for landfill aftercare land management.
11.	Parks, open space and streetscapes	Parks, open space and streetscapes were underspent by \$0.767 million across a number of projects, primarily to allow for design development and community consultation which was impacted during COVID-19 restrictions. Additionally, some minor project overheads and labour chargeback were expensed to the operating budget.

Note 1. Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
12.	Other infrastructure	Over expenditure of \$1.195 million in other Infrastructure primarily due to costs incurred in the implementation of local area traffic management precinct works at Sweetwater (\$0.42 million) and Seaford (\$0.10 million) precincts, as well as traffic congestion and safety improvements at Warrandyte Road (\$0.28 million).

Note 2 Analysis of Council results by program

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 2017-2021.

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 Arts and Culture, Community Strengthening, Statutory Planning, Community Safety, Family Health Support Services and Policy, Place and Environmental Strategy.

Chief Financial Officer

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.

Business Innovation and Culture

The Business Innovation and Culture 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, Information Technology and Community Relations.

Other

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

Peninsula Leisure

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

2.1 Summary of revenues, expenses, assets and capital expenses by program

2021	Income	Expenses	Surplus/	Grants	Total assets
			(Deficit)	included in	
				income	
	\$'000	\$'000	\$'000	\$'000	\$'000
CEO and Council	-	881	(881)	-	-
Infrastructure and Operations	2,071	64,916	(62,845)	163	1,511,303
Communities	19,310	60,155	(40,845)	10,757	94,805
Chief Financial Office	138,954	31,358	107,596	1,583	30,519
Business Innovation and Culture	55	9,331	(9,276)	4	8,350
Other	18,822	3,442	15,380	14,602	255,128
Peninsula Leisure	7,896	8,312	(416)	110	3,555
	187,108	178,395	8,713	27,219	1,903,660
2020	Income	Expenses	Surplus/	Grants	Total assets
			(Deficit)	included in	
				income	
	\$'000	\$'000	\$'000	\$'000	\$'000
CEO and Council	-	1,221	(1,221)	-	-
Infrastructure and Operations	1,792	64,540	(62,748)	203	1,498,904
Communities	21,858	57,716	(35,858)	9,842	94,330
Chief Financial Office	134,794	28,152	106,642	289	27,245
Business Innovation and Culture	225	6,383	(6,158)	20	7,511
			-		247 400
Other	25,381	6,247	19,134	15,649	217,489
Other Peninsula Leisure	25,381 10,945	6,247 11,094	19,134 (149)	15,649 1,066	217,489 3,970

Note 3 Funding for the delivery of our services

2021	2020
\$'000	\$'000

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2020-2021 was \$38,320 million (2019-2020 \$37,288 million). The 2020-2021 rate in the capital improved value dollar was 0.2326 (2019-2020 0.2320). The municipal charge is levied at the rate of \$166.40 (2019-2020 163.10) per rateable property.

General rates	91,076	88,267
COVID-19 Rate waiver*	(450)	-
Waste management charge	28,374	26,592
Municipal charge	10,496	10,202
Supplementary rates and rate adjustments	1,201	1,669
Special rates and charges	-	1,509
Interest on rates and charges	496	685
Waive of interest on rates and charges**	(464)	(233)
Total rates and charges	130,729	128,691

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2020 and the valuation was applied to the rating period commencing 1 July 2020.

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.

3.2 Statutory fees and fines

Total statutory fees and fines	4,872	5,651
Court recoveries	79	17
Land information certificates	131	167
Infringements and costs	1,196	2,219
Waiver - permits*	(117)	-
Permits	1,870	1,809
Building and town planning fees	1,713	1,439

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 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.

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

	2021	202
	\$'000	\$'00
3.3 User fees		
Recreation and leisure	5,708	9,824
Waste management	4,443	4,135
Aged and health services	985	915
Parking	917	1,483
Waiver - parking fees*	(50)	
Arts and culture	746	2,264
Waiver - arts and culture fees*	(5)	
Registrations and other permits	719	614
Waiver - registrations and other permits*	(71)	
Other fees and charges	453	773
Library fees and fines	305	119
Waiver - library fees and fines*	(276)	
Building services	456	566
Waiver - building services fees*	(40)	
Legal cost recovery - rates	-	471
Child care/children's programs	246	279
Total user fees	14,536	21,443
User fees by timing of revenue recognition		
User fees recognised over time	3,393	6,902
User fees recognised at a point in time	11,143	14,541
Total user fees	14,536	21,443

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

3.4 Funding from other levels of government

(a)

Grants were received in respect of the following:

153 767 275 163 49 441 4,583	904 118 677 131 210 40 451
153 767 275 163 49	118 677 131 210 40
153 767 275 163	118 677 131 210
153 767 275	118 677 131
153 767	118 677
153	118
	904
926	,
1.809	1,634
13,473	14,313
13	16
901	878
4,535	4,388
8,024	9,031
27,219	27,069
10,260	10,629
16,959	16,440
	10,260 27,219 8,024 4,535 901 13 13,473

^{*} In response to the impacts of the COVID-19 pandemic, Council elected to waive certain fees and charges under its Relief and Recovery Package.

		2021	2020
		\$'000	\$'000
3.4	Funding from other levels of government (cont.)		
	Non-recurrent - State Government		
	Working for Victoria	1,573	-
	Recreation	289	27
	Family, children and youth services	196	217
	Community development	159	178
	Community recovery	149	-
	Maternal and child health	70	64
	Community safety	23	10
	Libraries	22	-
	Environment	10	298
	Aged and community care	5	54
	Non-recurrent State grants	2,496	848
	Total non-recurrent operating grants	2,496	848
	Total operating grants	20,552	19,326
(b)	Capital grants		
()	Recurrent - Commonwealth Government		
	Roads to recovery	1,416	1,397
	Recurrent Commonwealth grants	1,416	1,397
			2,007
	Non-recurrent - Commonwealth Government		
	Buildings	1,560	400
	Recreational, leisure and community facilities	510	330
	Non-recurrent Commonwealth grants	2,070	730
	Non-recurrent - State Government		
	Buildings	1,385	4,625
	Recreational, leisure and community facilities	350	550
	Other infrastructure	630	370
	Parks, open space and streetscapes	551	41
	Fixtures, fittings and furniture	-	30
	Footpaths and cycleways	75	-
	Roads	190	-
	Non-recurrent State grants	3,181	5,616
	Total non-recurrent capital grants	5,251	6,346
	Total capital grants	6,667	7,743
(c)	Unspent grants received on condition that they be spent in a specific ma	nner	
	Operating		
	Balance at start of year	2,621	-
	Received during the financial year and remained unspent at balance date	2,656	2,621
	Received in prior years and spent during the financial year	(704)	-
	Balance at year end	4,573	2,621
	Capital		
	Balance at start of year	-	-
	Received during the financial year and remained unspent at balance date	12,228	-
	Received in prior years and spent during the financial year		-
	Balance at year end	12,228	-

Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.

		2021	2020	
		\$'000	\$'000	
3.5 C	Contributions			
Ν	Monetary	1,858	2,521	
Ν	Non-monetary	4,400	4,619	
Т	Total contributions	6,258	7,140	
C	Contributions of non-monetary assets were received in relation to the following	g asset classes		
R	Roads	1,530	260	
D	Drainage	946	612	
R	Recreational, leisure and community	856	-	
L	and	560	3,488	
	and under roads	275	174	
	ootpath and cycleways	233	85	
Т	Total non-monetary contributions	4,400	4,619	
3.6 N	Contributed asset. Net gain/(loss) on disposal of property, plant and equipment			
Р	Proceeds from sale	533	1,061	
V	Nritten down value of assets disposed	(275)	(412)	
Т	Total net gain/(loss) on disposal of property, plant and equipment	258	649	
Т	The profit or loss on sale of an asset is determined when control of the asset h	as passed to the buyer.		
3.7 (Other income			
S	Sales	994	1,386	
C	Other rent	835	907	
V	Naiver - other rent*	(203)	(132)	
C	Other	631	579	
٧	Naiver - other income**	(7)	-	
lı	nterest	594	1,229	
R	Reimbursements	392	342	
т	Total other income	3,236	4,311	

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 tennets 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 Relief and Recovery Package.

Note 4 The cost of delivering services

		2021	2020
		\$'000	\$'000
4.1	Employee costs		
(a)	Employee costs		
(/	Salaries and wages	64,022	59,932
	Casual and agency staff	4,747	5,660
	Superannuation	6,345	6,017
	Workcover	1,861	1,485
	Fringe benefits tax	156	162
	Other	73	128
	Total employee costs	77,204	73,384
(b)	Superannuation		
(0)	-		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision	100	102
	Super)	190	193
		190	193
	Employer contributions payable at reporting date	-	-
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision		
	Super)	6,155	5,824
		6,155	5,824
			3,024
	Employer contributions payable at reporting date	527	485
	Employer contributions payable at reporting date Refer to note 9.3 for further information relating to Council's superannuation ob	527	
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob	527	
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services	527	485
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services	527 Iligations.	485 18,480
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services	527 digations. 19,238 14,480	18,480 13,986
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials	527 digations. 19,238 14,480 5,422	18,480 13,986 5,175
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised)	527 digations. 19,238 14,480 5,422 2,306	18,480 13,986 5,175 5,499
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities	19,238 14,480 5,422 2,306 3,611	18,480 13,986 5,175 5,499 3,841
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology	19,238 14,480 5,422 2,306 3,611 3,184	18,480 13,986 5,175 5,499 3,841 2,260
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance	527 Iligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967	18,480 13,986 5,175 5,499 3,841 2,260 3,030
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance Consultants	527 ligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967 1,916	18,480 13,986 5,175 5,499 3,841 2,260 3,030 1,450
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance Consultants Plant and equipment	527 ligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967 1,916 1,806	18,480 13,986 5,175 5,499 3,841 2,260 3,030 1,450 2,115
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance Consultants Plant and equipment Insurance and fire services levy	527 Iligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967 1,916 1,806 1,348	18,480 13,986 5,175 5,499 3,841 2,260 3,030 1,450 2,115 1,467
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance Consultants Plant and equipment Insurance and fire services levy Office administration	527 ligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967 1,916 1,806 1,348 1,001	18,480 13,986 5,175 5,499 3,841 2,260 3,030 1,450 2,115 1,467 1,265
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance Consultants Plant and equipment Insurance and fire services levy Office administration Finance and legal	527 ligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967 1,916 1,806 1,348 1,001 974	18,480 13,986 5,175 5,499 3,841 2,260 3,030 1,450 2,115 1,467 1,265 1,088
4.2	Refer to note 9.3 for further information relating to Council's superannuation ob Materials and services Waste collection and disposal services Contract services Materials Works in progress (unable to be capitalised) Utilities Information technology Building maintenance Consultants Plant and equipment Insurance and fire services levy Office administration	527 ligations. 19,238 14,480 5,422 2,306 3,611 3,184 2,967 1,916 1,806 1,348 1,001	18,480 13,986 5,175 5,499 3,841 2,260 3,030 1,450 2,115 1,467 1,265

		2021	2020
		\$'000	\$'000
4.3	Depreciation		
	Infrastructure	21,775	21,586
	Property	7,663	7,436
	Plant and equipment	3,748	3,508
	Total depreciation	33,186	32,530
	Please refer to note 6.1 for a more detailed breakdown of depreciati	on charges and accounting policy.	
4.4	Amortisation - intangible assets		
	Software	718	858
	Total amortisation - intangible assets	718	858
	Please refer to note 5.2(c) for a more detailed breakdown of amortis	ation charges and accounting policy	
	Amortisation - right of use assets		
	Plant and equipment	529	548
	Property	18	10
	Total amortisation - intangible assets	547	558
	Please refer to note 5.8 for a more detailed breakdown of amortisati	on charges and accounting policy.	
	Bad and doubtful debts		
	Parking fine debtors	31	197
	Other debtors	106	193
	Total bad and doubtful debts	137	390
1.7	Borrowing costs		
	Interest - borrowings	1,452	1,479
	Total borrowing costs	1,452	1,479
	Borrowing costs are recognised as an expense in the period in which	they are incurred.	
4.8	Finance costs - leases		
	Interest - lease liability	59	71
	Total finance costs - leases	59	71
4.9	Other expenses		
	Assets written-off / impaired	2,516	2,660
	Grants and contributions*	1,625	617
	Training and professional development	600	548
	Councillors' allowances and expenses	361	371
	Operating lease rentals	319 238	229
	Court lodgement fees Auditor remuneration - Internal	188	356 237
	Director and committee member fees	127	156
	Auditors' remuneration - VAGO - audit of the financial statements,	12,	130
	performance statement and grant acquittals	105	104
	Board costs	67	87
	Legal settlement		9
	Total other expenses	6,146	5,374

^{*} Grants and Contributions increased by \$1.008 million from the prior year due to Council issuing grants to COVID affected groups and organisations that were part of the Relief and Recovery Package. These grants amount to \$0.900 million. Council also increased Business Grants by \$0.114 million compared to the prior year to help attract further business to the municipality.

Note 5 Our Financial Position

		2021	2020
		\$'000	\$'000
5.1	Financial assets		
	(a) Cash and cash equivalents		
	Cash on hand	21	22
	Cash at bank	1,228	2,018
	Term deposits	80,780	53,404
	Total cash and cash equivalents	82,029	55,444
	(b) Other financial assets		
	Term deposits - current	36,517	51,015
	Term deposits - non-current	-	1,000
	Total other financial assets	36,517	52,015
	Total financial assets	118,546	107,459
	- Unearned income (note 5.3c)	19,094	4,469
	- Trust funds and deposits (note 5.3b)	6,705	5,796
	Total restricted funds	25,799	10,265
	Total unrestricted cash and cash equivalents	56,230	45,179
	Intended allocations		
	Although not externally restricted the following amounts have been allocated	for specific future purpos	es by Council:
	- Strategic asset reserve (note 9.1b)	28,952	32,776
	- MAV LGFV Fund (note 9.1b)	12,205	12,205
	- PARC asset management sinking fund (note 9.1b)	11,705	11,114
	- Statutory reserves (note 9.1b)	8,482	7,903
	- Unexpended grants (note 9.1b)	5,796	13,220
	- Cash held to fund carried forward capital works		
		5,330	3,181
	- Capital project reserve (note 9.1b)	5,330 4,459	3,181 5,618
	- Capital project reserve (note 9.1b)- PARC asset management plan reserve (note 9.1b)		
		4,459	5,618
	- PARC asset management plan reserve (note 9.1b)	4,459 473	5,618 1,020

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days 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.

	2021 \$'000	2020 \$'000
5.1 Financial assets (cont.)		
(c) Trade and other receivables		
Current		
Statutory receivables		
Rates debtors	15,804	12,040
Infringement debtors	5,606	5,316
Provision for doubtful debts - infringements	(2,768)	(2,680)
Net GST receivable	2,952	1,751
Special rate scheme	123	123
Non statutory receivables		
Other debtors	1,927	1,956
Provision for doubtful debts - other debtors	(122)	(80)
Total current trade and other receivables	23,522	18,426
Non-current		
Statutory receivables		
Special rate scheme	613	794
Total non-current trade and other receivables	613	794

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 2021 and ceasing debt collection on outstanding rates to 30 June 2021. This has had an impact on the balance of rates receivable as at 30 June 2021, increasing by \$3.679 million over 2020-2021. The deferment provisions provide relief until June 2021 and the rates receivable balance is expected to return to be consistent with previous years.

(d) Ageing of receivables

Total inventories

5.2

The ageing of Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	1,364	1,327
Past due by up to 30 days	89	165
Past due between 181 and 365 days	474	464
Total trade and other receivables	1,927	1,956
Non-financial assets		
(a) Inventories		
Inventories held for distribution	111	117
Inventories held for sale	43	47

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

(b) Other assets		
Prepayments	1,949	1,692
Accrual income	559	603
Other	330	80
Total other assets	2,838	2,375

164

154

	2021	2020
	\$'000	\$'000
5.2 Non-financial assets (cont.)		
(c) Intangible assets		
Software		
At cost	7,346	6,970
Less accumulated amortisation	(6,196)	(5,478)
	1,150	1,492
Gross carrying amount		
Balance at 1 July	6,970	6,066
Acquisitions	151	-
Transfers from property, infrastructure, plant and equipment	225	904
Balance at 30 June	7,346	6,970
Accumulated amortisation and impairment		
Balance at 1 July	5,478	4,620
Amortisation expense	718	858
Balance at 30 June	6,196	5,478
Net book value 30 June	1,150	1,492

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.

5.3 Payables

(a) Trade and other payables

Trade payables	16,838	14,558
Accrued expenses	2,861	2,242
Total trade and other payables	19,699	16,800
(b) Trust funds and deposits		
Refundable deposits and bonds	3,314	2,664
Fire Services Levy	2,877	2,628
Trust deposits	379	369
Unclaimed moneys	135	135
Total trust funds and deposits	6,705	5,796

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.

	2021 \$'000	2020 \$'000
5.3 Payables (cont.) (c) Unearned income		
Grants received in advance - operating	4,573	2,621
Grants received in advance - capital	12,228	-
User fees	2,293	1,848
Total unearned income	19,094	4,469

Amounts received as unearned income are controlled by Council and will be recognised as grant operating income, user fees and charges and rent income when Council has satisfied their performance obligations under the contracts.

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.

5.4 Interest-bearing liabilities

Current		
Bank overdraft	2,880	-
Borrowings - secured	370	345
Total current	3,250	345
Non-current		
Borrowings - secured	27,084	27,403
Total non-current	27,084	27,403
Total interest-bearing liabilities	30,334	27,748
Borrowings are secured over the general rate of Council.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	3,250	345
Later than one year and not later than five years	1,762	1,643
Later than five years	25,322	25,760
	30,334	27,748

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.

5.5 Provisions Employee provisions Balance at beginning of financial year 15,097 13,812 Additional provisions 5,763 5,192 Amounts used (3,602) (3,987) Change in discounted amount arising because of the time and the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Total current provisions expected to be wholly settled within 12 months Total aggregate carrying amount of employee provisions 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Annual leave 331 284 Long service leave 7,510 6,557 Current provisions expected to be wholly settled after 12 months 331 284 Long service leave 7,510 6,541 63 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions: 1,542 1,652 Current 15,518 1			2021 \$'000	2020 \$'000
Employee provisions Balance at beginning of financial year 15,097 13,812 Additional provisions 5,763 5,192 Amounts used (3,602) (3,987) Change in discounted amount arising because of the time and the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Total current provisions expected to be wholly settled within 12 months 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Annual leave 331 284 Long service leave 7,510 6,557 Current provisions expected to be wholly settled after 12 months 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 1,542 1,652			\$ 000	\$ 000
Balance at beginning of financial year 15,097 13,812 Additional provisions 5,763 5,192 Amounts used (3,602) (3,987) Change in discounted amount arising because of the time and the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions T,060 15,097 Current provisions expected to be wholly settled within 12 months T,060 15,097 Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445	5.5			
Additional provisions 5,763 5,192 Amounts used (3,602) (3,987) Change in discounted amount arising because of the time and the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Annual leave 331 284 Long service leave 7,510 6,557 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 <td< td=""><td></td><td></td><td></td><td></td></td<>				
Amounts used (3,602) (3,987) Change in discounted amount arising because of the time and the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Annual leave 331 284 Long service leave 7,510 6,557 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,524 1,652				
Change in discounted amount arising because of the time and the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 15,518 13,445		Additional provisions	,	
the effect of any change in the discount rate (198) 80 Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 3 Current provisions expected to be wholly settled after 12 months 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Current 15,518 13,445 Non-current 1,542 1,552 1,652			(3,602)	(3,987)
Balance at the end of the financial year 17,060 15,097 (a) Employee provisions Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Current provisions expected to be wholly settled after 12 months 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 2,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652				
(a) Employee provisions Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		the effect of any change in the discount rate	(198)	80
Current provisions expected to be wholly settled within 12 months Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Current 15,518 13,445 Non-current 15,518 13,445		Balance at the end of the financial year	17,060	15,097
Annual leave 6,285 5,400 Long service leave 1,325 1,154 Gratuity 3 3 7,613 6,557 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current Long service leave 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		(a) Employee provisions		
Long service leave 1,325 1,154 Gratuity 3 3 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		Current provisions expected to be wholly settled within 12 months		
Gratuity 3 3 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		Annual leave	6,285	5,400
T,613 6,557 Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		Long service leave	1,325	1,154
Current provisions expected to be wholly settled after 12 months Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current Long service leave 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		Gratuity	3	3
Annual leave 331 284 Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current Long service leave 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 1,542 1,652			7,613	6,557
Long service leave 7,510 6,541 Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current Long service leave 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Non-current 15,518 13,445 Non-current 1,542 1,652		Current provisions expected to be wholly settled after 12 months		
Gratuity 64 63 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current Long service leave Long service leave 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Current 15,518 13,445 Non-current 1,542 1,652		Annual leave	331	284
Total current employee provisions 7,905 6,888 Total current employee provisions 15,518 13,445 (b) Non-current 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: 15,518 13,445 Current 15,518 13,445 Non-current 1,542 1,652		Long service leave	7,510	6,541
Total current employee provisions15,51813,445(b) Non-currentLong service leave1,5421,652Total non-current employee provisions1,5421,652Aggregate carrying amount of employee provisions:Current15,51813,445Non-current1,5421,652		Gratuity	64	63
(b) Non-currentLong service leave1,5421,652Total non-current employee provisions1,5421,652Aggregate carrying amount of employee provisions:15,51813,445Current15,51813,445Non-current1,5421,652			7,905	6,888
Long service leave 1,542 1,652 Total non-current employee provisions 1,542 1,652 Aggregate carrying amount of employee provisions: Current 15,518 13,445 Non-current 1,542 1,652		Total current employee provisions	15,518	13,445
Total non-current employee provisions1,5421,652Aggregate carrying amount of employee provisions:15,51813,445Current15,51813,445Non-current1,5421,652		(b) Non-current		
Aggregate carrying amount of employee provisions: Current 15,518 13,445 Non-current 1,542 1,652		Long service leave	1,542	1,652
Current 15,518 13,445 Non-current 1,542 1,652		Total non-current employee provisions	1,542	1,652
Current 15,518 13,445 Non-current 1,542 1,652		Aggregate carrying amount of employee provisions:		
			15,518	13,445
Total aggregate carrying amount of employee provisions 17,060 15,097		Non-current	1,542	1,652
		Total aggregate carrying amount of employee provisions	17,060	15,097

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:

- discount rate	0.883%	0.566%
- inflation rate	2.950%	4.250%

5.6 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.

2021	Not later	Later than 1	Later than 2	Later than 5	Total
	than	year and not	year and not	years	
	1 year	later than	later than		
		2 years	5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling and waste collection	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
Total	12,462	4,923	4,612	4,735	26,732
Conital					
Capital Buildings	2,218	_	_	_	2,218
Infrastructure	2,543	_	_		2,543
Plant and equipment	355	_	_		355
Total	5,116				5,116
Total	3,110				3,110
2020	Not later	Later than 1	Later than 2	Later than 5	Total
2020	than	year and not	year and not	Later than 5 years	Total
2020		year and not later than	year and not later than		Total
2020	than	year and not	year and not		Total
2020	than	year and not later than	year and not later than		Total \$'000
2020 Operating	than 1 year	year and not later than 2 years	year and not later than 5 years	years	
	than 1 year	year and not later than 2 years	year and not later than 5 years	years	
Operating	than 1 year \$'000	year and not later than 2 years \$'000	year and not later than 5 years	years	\$'000
Operating Recycling and waste collection	than 1 year \$'000 6,471	year and not later than 2 years \$'000	year and not later than 5 years	years	\$'000 6,727
Operating Recycling and waste collection Council building maintenance	than 1 year \$'000 6,471 4,000	year and not later than 2 years \$'000 256 667	year and not later than 5 years \$'000	years \$'000 - -	\$'000 6,727 4,667
Operating Recycling and waste collection Council building maintenance Other	than 1 year \$'000 6,471 4,000 1,844	year and not later than 2 years \$'000 256 667 535	year and not later than 5 years \$'000	years \$'000 - -	\$'000 6,727 4,667 2,919
Operating Recycling and waste collection Council building maintenance Other Information technology Total	than 1 year \$'000 6,471 4,000 1,844 1,391	year and not later than 2 years \$'000 256 667 535 42	year and not later than 5 years \$'000 - - 522 29	\$'000 - - 18	\$'000 6,727 4,667 2,919 1,462
Operating Recycling and waste collection Council building maintenance Other Information technology Total Capital	than 1 year \$'000 6,471 4,000 1,844 1,391 13,706	year and not later than 2 years \$'000 256 667 535 42	year and not later than 5 years \$'000 - - 522 29	\$'000 - - 18	\$'000 6,727 4,667 2,919 1,462 15,775
Operating Recycling and waste collection Council building maintenance Other Information technology Total Capital Buildings	than 1 year \$'000 6,471 4,000 1,844 1,391 13,706	year and not later than 2 years \$'000 256 667 535 42	year and not later than 5 years \$'000 - - 522 29	\$'000 - - 18	\$'000 6,727 4,667 2,919 1,462 15,775
Operating Recycling and waste collection Council building maintenance Other Information technology Total Capital Buildings Infrastructure	than 1 year \$'000 6,471 4,000 1,844 1,391 13,706	year and not later than 2 years \$'000 256 667 535 42	year and not later than 5 years \$'000 - - 522 29	\$'000 - - 18	\$'000 6,727 4,667 2,919 1,462 15,775
Operating Recycling and waste collection Council building maintenance Other Information technology Total Capital Buildings	than 1 year \$'000 6,471 4,000 1,844 1,391 13,706	year and not later than 2 years \$'000 256 667 535 42	year and not later than 5 years \$'000 - - 522 29	\$'000 - - 18	\$'000 6,727 4,667 2,919 1,462 15,775

	2021 \$'000	2020 \$'000
5.7 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	28,704	27,748
Total facilities	31,249	30,293
Used facilities	29,954	27,748
Unused facilities	1,295	2,545

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

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.

5.8 Leases (cont.)

Right-of-Use Assets	Property	Plant and equipment	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2020	97	1,412	1,509
Re-measurement arising from lease modifications	-	20	20
Amortisation charge	(18)	(529)	(547)
Balance at 30 June 2021	79	903	982
Lease Liabilities		2021	2020
		\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows			
Less than one year		620	627
One to five years		510	1,060
Total undiscounted lease liabilities as at 30 June:	_	1,130	1,687
Lease liabilities included in the Balance Sheet at 30 June:			
Current		584	573
Non-current		493	1,006
Total lease liabilities	_	1,077	1,579

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.

the lease payments associated with these leases as an expense on a straight-line bas	is over the lease term.	
	2021	2020
	\$'000	\$'000
Expenses relating to:		
Short-term leases	317	-
Leases of low value assets	13	229
Total	330	229
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	320	229
Later than one year but not later than five years	3	-
Total lease commitments	323	229

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Additions	Contributions	Revaluation	Depreciation	Disposals	Write-offs	Found	Transfers	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	1,034,420	160	835	-	(7,663)	(30)	(482)	-	4,821	1,032,061
Plant and equipment	11,763	3,156	-	-	(3,748)	(245)	(4)	6	1,784	12,712
Infrastructure	629,153	3,214	3,565	17,215	(21,775)	-	(2,030)	5,895	17,244	652,481
Work in progress	41,732	42,901	-	-	-	-	(1,860)	-	(24,074)	58,699
	1,717,068	49,431	4,400	17,215	(33,186)	(275)	(4,376)	5,901	(225)	1,755,953

Summary of Work in Progress (WIP)

	Opening WIP	Additions	Write-offs	Reclassification	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	13,320	16,582	(147)	(129)	(4,821)	24,805
Plant and equipment	2,253	3,771	(8)	(117)	(2,009)	3,890
Infrastructure	26,159	22,548	(1,705)	246	(17,244)	30,004
Total	41,732	42,901	(1,860)	-	(24,074)	58,699

(a) Property	Land - specialised	Land - non specialised	Land under roads	Total land	Buildings - specialised	Buildings- non specialised	Total	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	789,594	22,667	4,079	816,340	44,390	310,325	354,715	13,320	1,184,375
Accumulated depreciation 1 July 2020	-	-	-	-	(18,745)	(117,890)	(136,635)	-	(136,635)
	789,594	22,667	4,079	816,340	25,645	192,435	218,080	13,320	1,047,740
Movements in fair value									
Additions	-	-	-	-	-	160	160	16,582	16,742
Contributions	560	-	275	835	-	-	-	-	835
Write-offs	-	-	-	-	(732)	(3,956)	(4,688)	(147)	(4,835)
Disposals	(30)	-	-	(30)	-	-	-		(30)
Work in progress reclassification	-	-	-	-	-	-	-	(129)	(129)
Transfers	-	-	-	-	128	4,693	4,821	(4,821)	-
	530	-	275	805	(604)	897	293	11,485	12,583
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(926)	(6,737)	(7,663)	-	(7,663)
Accumulated depreciation of write-offs	-	-	-	-	624	3,582	4,206	-	4,206
	-	-	-	-	(302)	(3,155)	(3,457)	-	(3,457)
At fair value 30 June 2021	790,124	22,667	4,354	817,145	43,786	311,222	355,008	24,805	1,196,958
Accumulated depreciation 30 June 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) Plant and equipment	Plant machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Library books	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	19,508	1,632	4,791	6,107	2,253	34,291
Accumulated depreciation 1 July 2020	(11,235)	(745)	(3,635)	(4,660)	-	(20,275)
	8,273	887	1,156	1,447	2,253	14,016
Movements in fair value						
Additions	2,218	-	524	414	3,771	6,927
Found	6	-	-	-	-	6
Transfers to intangible assets	-	-	(99)	-	(126)	(225)
Write-offs	(8)	-	-	-	(8)	(16)
Disposals	(900)	-	-	-	-	(900)
Work in progress reclassification	-	-	-	-	(117)	(117)
Transfers	479	52	1,351	1	(1,883)	-
	1,795	52	1,776	415	1,637	5,675
Movements in accumulated depreciation						
Depreciation	(2,333)	(160)	(709)	(546)	-	(3,748)
Accumulated depreciation of write-offs	4	-	-	-	-	4
Accumulated depreciation of disposals	655	-	-	-	-	655
	(1,674)	(160)	(709)	(546)	-	(3,089)
At fair value 30 June 2021	21,303	1,684	6,567	6,522	3,890	39,966
Accumulated depreciation 30 June 2021	(12,909)	(905)	(4,344)	(5,206)	-	(23,364)
	8,394	779	2,223	1,316	3,890	16,602

(c) Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste management	Off-street car parks	Other infrastructure	Work in progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	505,244	25,650	122,350	283,651	121,656	2,950	42,992	16,580	26,159	1,147,232
Accumulated depreciation 1 July 2020	(192,863)	(10,985)	(59,457)	(134,835)	(62,851)	(1,377)	(21,902)	(7,650)	-	(491,920)
	312,381	14,665	62,893	148,816	58,805	1,573	21,090	8,930	26,159	655,312
Movements in fair value										
Additions	45	50	679	-	2,308	-	16	116	22,548	25,762
Contributions	1,530	-	238	946	909	-	-	-	-	3,623
Found	16	-	66	-	5,634	-	73	-	-	5,789
Revaluation	11,930	130	832	6,028	(1,858)	-	433	(881)	-	16,614
Write-offs	(747)	(54)	(180)	-	(3,233)	-	(387)	(74)	(1,705)	(6,380)
Work in progress reclassification	-	-	-	-	-	-	-	-	246	246
Transfers	1,739	471	1,710	870	9,379	-	1,499	1,576	(17,244)	-
	14,513	597	3,345	7,844	13,139	-	1,634	737	3,845	45,654
Movements in accumulated depreciation										
Depreciation	(7,446)	(580)	(2,866)	(3,644)	(5,476)	(295)	(1,050)	(418)	-	(21,775)
Contributions	-	-	(5)	-	(53)	-	-	-	-	(58)
Accumulated depreciation of write-offs	319	42	138	-	1,814	-	290	42	-	2,645
Revaluation	(3,603)	(241)	(760)	(13,834)	19,432	-	(224)	(169)	-	601
Found	(12)	-	(7)	-	127	-	(2)	-	-	106
	(10,742)	(779)	(3,500)	(17,478)	15,844	(295)	(986)	(545)	-	(18,481)
At fair value 30 June 2021	519,757	26,247	125,695	291,495	134,795	2,950	44,626	17,317	30,004	1,192,886
Accumulated depreciation 30 June 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

6.1 Property, infrastructure, plant and equipment (cont.) 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

, ,	Depreciation period	Threshold limit
Property		\$
Buildings	40-60 years	15,000
Infrastructure		
Roads		
Sealed road pavement foundation	No depreciation applied	15,000
Sealed road pavement base	100 years	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 carparks	50 years	15,000
Traffic management devices	50 years	15,000
Plant and equipment		
Plant, machinery and equipment	5-10 years	15,000
Fixtures, fittings and furniture	5-10 years	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.

6.1 Property, infrastructure, plant and equipment (cont.)

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 June 2020 by a qualified independent valuer Rodney Patel AAPI 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 2021 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land – non-specialised	-	22,667	-	June 2020
Land – specialised	-	-	790,124	June 2020
Land under roads	-	-	4,354	June 2020
Buildings – non-specialised	-	190,177	-	June 2020
Buildings – specialised	-	-	24,739	June 2020
Total	-	212,844	819,217	

6.1 Property, infrastructure, plant and equipment (cont.) Valuation of infrastructure

Valuation of infrastructure assets has been undertaken by Council officers (Jack Ellis, 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 –	Scheduled Full	Level 3	Date of Valuation
	30/06/2021	Revaluation	\$'000	
Roads	Indexed valuation	2021-2022	316,152	June 2021
Bridges	Indexed valuation	2021-2022	14,483	June 2021
Footpaths and cycleway	Indexed valuation	2021-2022	62,738	June 2021
Drainage	Indexed valuation	2023-2024	139,182	June 2021
Recreational, leisure and community facilities	Full revaluation	2025-2026	87,788	June 2021
Waste management*	-	-	1,278	
Off-street carparks	Indexed valuation	2022-2023	21,738	June 2021
Other infrastructure	Indexed valuation	2022-2023	9,122	June 2021
Total			652,481	

^{*} 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 2021 are shown in the table above.

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 \$50 and \$2,200 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 \$200 to \$72,000 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 90 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.

	2021	2020
	\$'000	\$'000
Reconciliation of specialised land		
Land	790,124	789,594
Land under roads	4,354	4,079
Total specialised land	794,478	793,673

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.

	2021 \$'000	2020 \$'000
Fair value of Council's investment in Nuclio Pty Ltd	-	162
Movement in carrying value of specific investment Carrying value of investment at start of year	162	-
Acquisition of share capital	-	121
Share of profit for year	-	41
Intellectual property (software) acquired on deregistration	(150)	-
Cash and cash equivalents received on deregistration	(12)	-
Carrying value of investment at end of year	-	162

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 2021, 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)

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.

6.2 Investments in joint arrangements and subsidiaries (cont.)

(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

	2021	2020
	\$'000	\$'000
Total income	7,897	10,945
Total expenses	8,313	11,094
Loss for the year	(416)	(149)
Other comprehensive income	-	-
Total comprehensive result	(416)	(149)
Summarised balance sheet		
Current assets	2,690	2,559
Non-current assets	865	1,355
Total assets	3,555	3,914
Current liabilities	1,242	930
Non-current liabilities	310	566
Total liabilities	1,552	1,496
Net assets	2,003	2,418
Summarised statement of cash flows		
Net cash from/(used in) provided by operating activities	109	(28)
Net cash flows (used in) / from investing activities	(77)	678
Net cash used in financing activities	(180)	(178)
Net (decrease)/increase in cash and cash equivalents	(148)	472

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 \$2,041,328 in 2020-2021 (2019-2020: \$679,834) in financial support to Peninsula Leisure Pty Ltd as a result of the facility closure related to COVID-19 government restrictions.

Note 7 People and relationships

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:

daring the year are.		
Councillors	Councillor Kris Bolam	(22 October 2016 to current. Mayor from 16 November 2020 to current)
	Councillor Sandra Mayer	(22 October 2016 to 21 September 2020. Mayor from 7 November 2019 to 21
		September 2020)
	Councillor David Asker	(16 November 2020 to current)
	Councillor Sue Baker	(16 November 2020 to current)
	Councillor Nathan Conroy	(16 November 2020 to current)
	Councillor Claire Harvey	(16 November 2020 to current)
	Councillor Brad Hill	(16 November 2020 to current)
	Councillor Liam Hughes	(16 November 2020 to current)
	Councillor Steven Hughes	(16 November 2020 to current)
	Councillor Suzette Tayler	(16 November 2020 to current)
	Councillor Glenn Aitken	(22 October 2016 to 21 September 2020)
	Councillor Brian Cunial	(22 October 2016 to 21 September 2020)
	Councillor Colin Hampton	(22 October 2016 to 21 September 2020)
	Councillor Quinn McCormack	(22 October 2016 to 21 September 2020)
	Councillor Lillian O'Connor	(22 October 2016 to 21 September 2020)
	Councillor Michael O'Reilly	(22 October 2016 to 21 September 2020)
	Councillor Steve Toms	(22 October 2016 to 21 September 2020)
Key Management Personnel	Chief Executive Officer:	Phil Cantillon
	Director - Community Development:	Dr Gillian Kay

ncy management croomier	Cilici Executive Officer.	Tim Carrenion
	Director - Community Development:	Dr Gillian Kay
	Director - Infrastructure and Operations:	Cam Arullanantham

Chief Financial Officer: Kim Jaensch
Director - Business Innovation and Culture: Shweta Babbar

	2021 No.	2020 No.
Total Number of Councillors	17	9
Total of Chief Executive Officer and other Key Management Personnel	5	6
Total Number of Key Management Personnel	22	15
(c) Remuneration of Key Management Personnel		
	2021	2020
	\$'000	\$'000

	2021	2020
	\$'000	\$'000
Total remuneration of Key Management Personnel was as follows:		
Short-term benefits	1,815	1,775
Other long-term benefits	171	157
Termination benefits	-	362
Post employment benefits	68	75
Total	2,054	2,369

7.1 Council and key management remuneration (cont.)

	2021	2020
	No.	No.
The numbers of Key Management Personnel whose total remuneration from Co	ouncil and any related ϵ	entities, fall
within the following bands:		
\$ 10,000 - \$ 19,999	7	-
\$ 20,000 - \$ 29,999	8	1
\$ 30,000 - \$ 39,999	1	6
\$ 60,000 - \$ 69,999	-	1
\$ 70,000 - \$ 79,999	1	-
\$ 80,000 - \$ 89,999	-	1
\$110,000 - \$119,999	-	1
\$140,000 - \$149,999	-	1
\$310,000 - \$319,999	1	1
\$320,000 - \$329,999	1	-
\$330,000 - \$339,999	1	-
\$340,000 - \$349,999	1	1
\$370,000 - \$379,999	1	-
\$490,000 - \$499,999*	-	1
\$510,000 - \$519,999*		1
	22	15

^{*} Council calculates the Key Management Personnel total remuneration based on occupants of the position for the financial year. During the financial year a number of personnel occupied these 2 positions. These positions include departed Key Management Personnel termination payments including leave entitlements and payment in lieu of notice.

(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:

	2021 No.	2020 No.
Income Range:		
< \$151,000	-	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	-	2
\$180,000 - \$189,999	1	4
\$190,000 - \$199,999	5	2
\$200,000 - \$209,999	5	3
\$210,000 - \$219,999	1	4
\$220,000 - \$229,999	2	-
\$240,000 - \$249,999	2	1
\$250,000 - \$259,999	2	1
\$270,000 - \$279,999	1	-
	20	19
	2021	2020
	\$'000	\$'000
Total Remuneration for the reporting year for Senior officers included above,		
amounted to:	4,282	3,776

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:

	2021	2020
	Excl GST	Excl GST
	\$'000	\$'000
Received from Peninsula Leisure Pty Ltd		
Other reimbursements	78	143
Total received	78	143
Paid to Peninsula Leisure Pty Ltd		
Management Service Fee	2,041	680
Contract payment	473	386
Total paid	2,514	1,066
(b) Outstanding balances with related parties		
The following transactions were outstanding at 30 June		
Payable to Peninsula Leisure Pty Ltd		
Contract payment	<u> </u>	28
Total payable	-	28
Receivable from Peninsula Leisure Pty Ltd		
Other reimbursements	<u> </u>	44
Total receivable	-	44

During 2020-2021, the Board of Nuclio 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. Nuclio 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 Nuclio Pty Ltd.

During 2019-2020, Council's wholly owned subsidiary, Peninsula Leisure Pty Ltd entered into a joint arrangement, Nuclio Pty Ltd. Peninsula Leisure Pty Ltd contributed equity of \$120,969.

(c) Loans to/from related parties

During 2019-2020, Peninsula Leisure Pty Ltd provided a loan of \$150,000 to Nuclio Pty Ltd. At 30 June 2020 management of Peninsula Leisure Pty Ltd assessed the loan as being impaired.

(d) Commitments to/from related parties

Council has made a cash contribution of \$2,041,259 in 2020-2021 (2019-2020: \$679,834) 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)).

No other commitments have been made, guaranteed or secured by Council to Key Management Personnel or related parties during the reporting year (2019-2020, nil).

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Operating lease receivables

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:

	2021	2020
	\$'000	\$'000
No later than one year	617	691
Later than one year and not later than five years	1,556	2,202
Later than five years	486	1,406
Total	2,659	4,299

Land - Compulsory acquisition

Council compulsorily acquired the property at 39 Wells Road, Seaford on 29 June 2021. Title of the land has passed however Council has not yet taken control of the land until cessation of a lease in mid -September.

(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 \$0.190 million paid during the 2020-2021 year (2019-2020 \$0.193 million). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$0.180 million.

Compensation for land compulsory acquired

Council compulsorily acquired the property at 39 Wells Road, Seaford on 29 June 2021. 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 is currently working with relevant water authority to explore possibilities of the leachate being discharged through their sewerage system. In order for Council to be able to discharge leachate through the sewage system of relevant water authority, Council need to ensure that the discharge material of the leachate meets criteria set outby relevant water authority. Ongoing discussions with relevant water authority continue yet Council still has not received clearance as to whether the leachate could be disposed through their sewage system. The costs associated with the remediation will vary significantly depending on this. Once, Council has more certainty on the costs that are associated with the remediation, a provision for landfill rehabilitation will be recognised in the balance sheet.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

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 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 to the financial statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(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 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment
- benchmarking of returns and comparison with budget

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. 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. Council has exposure to credit risk on some financial assets included in the Balance Sheet.

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).

8.3 Financial instruments (cont.)

(c) Credit risk (cont.)

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
- 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.

(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 +0.25 per cent and -0.25 per cent in market interest rates (AUD) from year-end rates of 0.75 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.

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.

8.4 Fair value measurement (cont.)

Fair value hierarchy (cont.)

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, 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.

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.

8.5 Events occurring after balance date

The COVID-19 pandemic has had a significant impact on the operations of Council. In line with Government restrictions, Council closed many facilities and reduced service delivery. The financial impacts of these closures have been reflected in the results for 2020-2021 and appropriate commentary appears throughout the annual report. Council adopted a COVID-19 relief and recovery package to provide support to the community, included deferral on application for rate payments together with a \$200 waiver for those on genuine hardship cases and jobseeker. Council does not believe that these measures will have a material effect on Council's overall finances going forward. Towards the end of the financial year Government restrictions began to ease and our facilities returned to normal service delivery.

In July 2021 the government announced further restrictions. Those restrictions have again impacted on our service delivery and resulted in the closure of our facilities such as libraries, golf course, arts centre and Council's wholly owned subsidiary Peninsula Leisure (recreation facilities).

Council made a cash contribution of \$2,041,328 in 2020-21 in financial support to Peninsula Leisure as a result of the facilities closure related to COVID-19 government restrictions. The implementation of current restrictions, with an unknown ending date, will pose further financial challenges.

Due to the significant uncertainty surrounding the COVID-19 pandemic and the government's response to this, it is not possible to estimate the full impact on the Council's operations financial position and cash flows at this point in time. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of the ongoing COVID-19 pandemic at this time.

Council will continue to monitor the non-financial and financial impacts of COVID-19 on its operations, and has put in place various mitigation strategies e.g.; discretionary savings and reduction in service levels to ensure we remain an ongoing concern.

The financial statements have been prepared based upon conditions existing as at 30 June 2021. As the ongoing impacts of COVID-19 occurred after 30 June 2021 its impact is considered an event that is indicative of conditions that arose after the reporting period, and as such, no adjustments have been made to the financial statement balances as at 30 June for any further impacts.

Council will continue to gain a better understanding of the financial impacts of ongoing COVID-19 impacts and reflect in the Mid-Year budget review.

Note 9 Other matters

9.1 Reserves

(a) Asset revaluation reserves

	Balance at	Increment/	Balance at
	beginning of	(decrement)	end of
	reporting		reporting
	period \$'000	ćlogo	period
	\$ 000	\$'000	\$'000
2021			
Property			
Land revaluation	688,099	-	688,099
Building revaluation	68,243		68,243
	756,342	-	756,342
Infrastructure			
Drainage revaluation	88,743	(7,806)	80,937
Infrastructure asset revaluation (excluding drainage)	129,675	25,021	154,696
	218,418	17,215	235,633
Plant and equipment			
Plant, machinery and equipment revaluation	614	-	614
	614	-	614
Total asset revaluation reserves	975,374	17,215	992,589
2020			
Property			
Land revaluation	676,931	11,168	688,099
Building revaluation	57,838	10,405	68,243
	734,769	21,573	756,342
Infrastructure			
Drainage revaluation	84,574	4,169	88,743
Infrastructure asset revaluation (excluding drainage)	125,477	4,198	129,675
	210,051	8,367	218,418
Plant and equipment			
Plant, machinery and equipment revaluation	614		614
	614		614
Total asset revaluation reserves	945,434	29,940	975,374

Nature and purpose of reserves

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

9.1 Reserves

(b) Other reserves

	Balance at	Prior year	Transfer	Transfer to	Balance at
	beginning	adjustment	from	accumulated	end of
	of reporting		accumulated	surplus	reporting
	period		surplus		period
	\$'000	\$'000	\$'000	\$'000	\$'000
2021					
Statutory					
Public resort and recreation	7,686	-	1,766	(1,187)	8,265
Subdivision roadworks	133	-	-	-	133
Infrastructure assets	74	-	-	-	74
Car parking	10	-	-	-	10
Total statutory reserves	7,903	-	1,766	(1,187)	8,482
Discretionary					
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
Total discretionary reserves	76,308	-	3,038	(15,382)	63,964
Total other reserves	84,211	-	4,804	(16,569)	72,446
2020					
Statutory					
Public resort and recreation	6,279	-	2,187	(780)	7,686
Subdivision roadworks	133	_	-	-	133
Infrastructure assets	74	-	-	-	74
Car parking	10	-	-	-	10
Total statutory reserves	6,496	-	2,187	(780)	7,903
Discretionary					
Strategic asset reserve	29,606	-	4,107	(937)	32,776
Unexpended grant reserve	14,140	(2,205)	10,419	(9,134)	13,220
MAV LGFV Fund	9,737	-	2,468	-	12,205
PARC asset management sinking fund	9,087	-	3,207	(1,180)	11,114
Capital projects reserve	4,623	-	1,165	(170)	5,618
PARC asset management plan reserve	1,171	-	-	(151)	1,020
PARC strategic reserve	300	-	-	-	300
Resource efficiency reserve	51	-	4	-	55
Total discretionary reserves	68,715	(2,205)	21,370	(11,572)	76,308
Total other reserves	75,211	(2,205)	23,557	(12,352)	84,211

9.1 Reserves (cont.)

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 carparking, 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(s).

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

9.2 Reconciliation of cash flows from operating activities to surplus

	2021	2020
	\$'000	\$'000
Surplus for the year	8,713	19,642
Depreciation/amortisation	34,451	33,946
Net gain on disposal of property, plant and equipment	(258)	(649)
Write-off of property, infrastructure, intangibles, plant and equipment	2,516	2,662
Works in progress unable to be capitalised (expensed)	1,860	2,792
Change in fair value of investment in joint venture	-	(41)
Impairment of Ioan to Nuclio Pty Ltd	-	150
Borrowing costs	1,452	1,479
Finance costs	59	71
Contributions - non-monetary assets	(4,400)	(4,619)
Change in assets and liabilities:		
Increase in receivables	(4,915)	(2,983)
(Increase)/decrease in other operating assets	(463)	711
Decrease/(increase) in inventory	10	(6)
Increase/(decrease) in payables	2,899	(2,858)
Increase in provisions	1,963	1,285
Increase/(decrease) in unearned income	14,625	(171)
Increase in trust funds and deposits	909	1,361
Net Cash provided by operating activities	59,421	52,772
Reconciliation of cash and cash equivalents		
Cash on hand	21	22
Cash at bank	1,228	2,018
Term deposits	80,780	53,404
Bank overdraft	(2,880)	-
Cash and cash equivalents	79,149	55,444

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

Council makes both employer and employee contributions to the Fund's accumulation category, Vision MySuper/Vision Super Saver, on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined benefit

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

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

Funding arrangements

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

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns: 5.60 per cent pa

Salary information: 2.5 per cent pa for two years and 2.75% pa thereafter

Price inflation (CPI): 2.0 per cent pa

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provided lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.70 per cent.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the 30 June 2020 actuarial investigation determined the Defined Benefit Category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019-2020). 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.

9.4 Superannuation (cont.)

Funding calls (cont.)

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 2020 triennial actuarial investigation surplus amounts

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

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

	2020	2019	
	(Triennial) (Inte		
	\$m	\$m	
- A VBI Surplus	100.00	151.30	
- A total service liability surplus	200.00	233.40	
- A discounted accrued benefits surplus	217.80	256.70	

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 2020.

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 2020.

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 2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

			2021	2020
Scheme	Type of Scheme	Rate	\$,000	\$,000
Vision super	Defined benefit	9.50%	190	193
Vision super	Accumulation fund	9.50%	5,781	5,297
Hostplus	Accumulation fund	9.50%	427	527

Council has paid no unfunded liability payments to Vision Super for the 2020-21 year (2019-2020 nil), apart from the contributions above.

There were \$0.527 million contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$0.180 million.

10. Change in accounting policy

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020-2021 for LG Sector)

Council has adopted AASB 1059 Service Concession Arrangements: Grantors, from 1 July 2020. This standard is relevant for public sector agencies that are grantors in a service concession arrangement. Council has not entered into these type of arrangements.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020-2021 for LG Sector)

Council has adopted AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material, from 1 July 2020. This standard principally amends AASB 1010 and AASB 108 and the amendments refine the definition of material in AASB 101.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020-2021 for LG Sector)

Council has adopted AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework from 1 July 2020. This standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting by the AASB.

These standards will have no significant impact on council.



FRANKSTON CITY COUNCIL

30 Davey Street Frankston VIC 3199 Australia PO Box 490

Phone 1300 322 322 frankston.vic.gov.au