



FRANKSTON CITY COUNCIL

COUNCIL MEETING SUPPORTING INFORMATION

2023/CM15

23 OCTOBER 2023

Frankston City

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Consideration of Reports of Officers

FRANKSTON CITY COUNCIL ANNUAL REPORT 2022-2023

Annual Report 2022/23

Meeting Date: 23 October 2023

Attachment: A



Frankston City

Frankston
City Council

Annual Report 2022– 2023



Wominjeka

Welcome to Frankston City

Acknowledgement

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

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

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



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Introduction



Welcome to the report of operations 2022–2023

Frankston City Council is committed to transparent reporting and accountability to the community. The Report of Operations 2022–2023 is the primary means of advising the Frankston City community about Council’s operations, achievements, challenges, strategic direction and performance during the financial year.

Community vision

‘Frankston City 2040 is the place on the bay to learn, live, work and play in a vibrant, safe and culturally inclusive community. Our City is clean, green and environmentally sustainable.’



Our engagement promise

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

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

Values

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



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



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



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Fast facts

247 people attended our Street Art Walking Tours	100,322 attended a theatre performance at the Frankston Arts Centre	192 Theatre Performances at the Frankston Arts Centre	21,013 trees planted	500,000 items borrowed from our libraries
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44,800 people attended events at our libraries	55,559 hours of in-home care	47,016 funded meals prepared and delivered by Meals on Wheels	4,540 Home Maintenance services hours delivered	4,272 Community Transport trips
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13,660 engagements with young people	707 km local roads maintained	\$2M heavy plant, equipment and fleet replacement	763 engagements in 44 school holiday programs	1,034 young people engaged with FReeZA
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3,284 Tonnes of Hard Waste to landfill	17.5K tonnes of waste to landfill with 18.5K tonnes recycled	481 new Australian citizens	1,071 Kindergarten registrations and sessions	1,745 attendees to pop-up playgroup sessions
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\$780,853 in Community grants	28,959 square metres of graffiti cleaned	70 tonnes of litter collected from stormwater pollution traps	3,007 square metres of footpath repaired and replaced	3,680.48 square meters of asphalt patching completed as a result of proactive road patrols
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Highlights of the year

Frankston City Council is committed to making our municipality a great place for people to live, work and play. Over the last year, we have invested heavily in infrastructure that will benefit our community for years to come.

There are new sporting facilities, upgraded parks and gardens, and improved roads and footpaths. We have also made a commitment to providing affordable housing and supporting our local businesses. In addition to our infrastructure investments, we are also dedicated to offering high-quality services to our community and have promoted inclusion, diversity and reconciliation because we put people at the heart of everything we do.

We believe everyone deserves to live in a safe, healthy, and vibrant community. We are committed to working with our community to make Frankston City a great place to live, work, and raise a family.

Our Budget

Frankston City Council's **annual budget 2022-2023** included the **largest investment in capital works** highlighting a commitment to delivering city-shaping projects to drive Frankston as a destination of opportunity, growth and change.

This included **significant investments** in drainage, roads, footpaths, sporting and recreational facilities, with Councillors working together to identify key priorities for Frankston in line with our Community Vision 2040. Some of these projects include a new regional play space at Ballam Park, upgrading pavilions at Jubilee Park (Kevin Collopy) and Lloyd Park (netball pavilion) and Barretts Road construction in Langwarrin.

Advocating for our City

The October 2022 Federal Government Budget delivers on a number of commitments made during the May 2022 election, particularly the following Council flagship advocacy priorities:

- **Frankston Basketball and Gymnastics Stadium** (\$15 million budgeted)
- **Sandfield Reserve Revitalisation** (\$1.3 million budgeted)
- **Frankston Regional Arts Trail** (\$2 million budgeted)



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Election commitments delivered in the Victorian Budget 2023-2024 include a number of projects, including the following Council flagship advocacy priorities:

- **Frankston Basketball and Gymnastics Stadium** (\$15 million budgeted)
- **Sandfield Reserve Revitalisation** (\$1.3 million budgeted)

Greater transparency, with our new Hub

The [Transparency Hub](#) was launched in September 2022, providing the community with unprecedented access to a wide range of insightful data.

A key initiative of the [Council Plan 2021-2025](#), the user-friendly tool helps ratepayers understand how their money is spent. Users can find everything from capital works schedules and awarded contracts to traffic movements and animal registrations. The information is continually updated and added to the Hub in near real-time.

Jubilee Park Stadium, an elite multi-sport complex

When opened, the **Jubilee Park Stadium** will be Frankston’s premier multi-sport complex. It’s the result of a shared vision, passion and strong collaboration across government and sports groups to create a sporting and community hub for the south-east that will bring people together and support the development of opportunities for women in sport.

It features six courts and elite training facilities, a creche, modern café, function rooms and female-friendly facilities. The stadium will also host Victorian Netball League competitions and allow Frankston’s state level competition team, Peninsula Waves, to play at their home base. Alongside netball, the stadium will also host basketball, cricket and volleyball and has change room facilities to service the adjoining sports oval.



Sustainability was top of mind when designing the stadium – its environmentally sensitive features include the use of recycled materials, no gas connections, solar panels and water tanks. The new car park minimises environmental impacts and includes planting trees, shrubs and ground covers to create a habitat for native animals.

The \$36.6-million Stadium is funded from; Council (\$21.84 million), the Victorian Government (\$10 million) and the Federal Government \$4.56 million) and Cricket Victoria (\$200,000), with the FDNA putting in funding through fit out and equipment expenses.

Healthy Futures Hub, a new wellbeing destination

The **Healthy Futures Hub** is a new health and wellbeing destination in Frankston City that brings together industry leaders delivering services related to learning, wellbeing and physical health in one convenient location.

This exciting new Hub, located at **Belvedere Reserve in Seaford**, offers community sports programs, telehealth services, sports physio and sports medical practices, gym and learn to swim programs, community dentistry, NDIS programs and a café – all accessible to the local community. It aims to be a world-leading Hub for health, wellbeing and community connection.

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The \$5.46 million Hub refurbishment works were funded by Council. St Kilda Football Club remain the head tenant and manages the site.

Frankston’s exciting new play spaces

Council opened five new local or regional outdoor play spaces giving families and children a safe, fun and accessible environment to play and create memories. The investment in these play spaces demonstrates a commitment to improving the health, wellbeing and liveability of the community.

Ballam Park was funded with a \$2.15 million low interest loan from the State Government, and includes natural play with water, accessible play equipment, a giant basket swing, a carousel, drinking fountain and extensive natural tree shade and shelters.

The **Carrum Downs Recreation Reserve** funded with \$1.4 million (\$1.2 million from Council and supported through the State Government’s Parks Revitalisation Grants Program), created a much-needed outdoor haven for families to spend the day together playing with sand, sculptural and nature water play, as well as picnic and BBQ facilities along with trampolines.

Other upgraded park and play spaces, fully funded by Council, included **Orwil Reserve** (\$433,000), **Brolga Park** at (\$435,000) and **Lady Emily Reserve** (\$400,000), **Peninsula Reserve** (\$400,000), **Pat Rollo** (\$700,000 and \$90,000 for a fitness hub) and **Witternberg Reserve** (\$120,000).

Seniors Exercise Space at Wingham Park

Wingham Park is Frankston’s first exercise park for seniors. It includes fitness equipment designed to enhance balance, agility and dexterity. This is a \$235,000 initiative financed by Council, the Victorian Government and the National Ageing Research Institute. Council’s Community Programs’ Positive Ageing Team also appointed eight champions trained to help others in the community. Every Friday morning, these volunteers are at the park to assist others in the use of the equipment.

Evelyn Street Park, an oasis in the city

Evelyn Street Park sits on a previously vacant piece of land transformed into a vibrant, sustainable and accessible community space. The oasis in the heart of the city offers a range of amenities, including an amphitheatre, rainforest garden, footpath connections, public lighting, and a grassed recreation area plus accessible barbecues, a drinking fountain, bike hoops, and a mix of native and deciduous trees to support the city’s urban forest tree canopy.

The project was made possible through a \$1.3 million grant from the Victorian Government as part of the Local Parks Program and a \$400,000 contribution from Council.

Monterey Reserve Soccer Pavilion

The **Monterey Reserve Soccer Pavilion** was opened in July 2022 to the delight of the **Frankston Pines Soccer Club**. The new \$3.9 million facility, funded by \$3.3 million from



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Frankston City Council and \$600,000 from the State Government, includes female-friendly facilities, disability access, four change rooms, a multi-purpose community function room, a kitchen/kiosk, umpires’ rooms, a first aid room, a meeting room as well as new public toilets incorporated within the pavilion.

At the official opening of the pavilion, an announcement for sports lighting upgrades to the was also announced thanks to a partnership and commitment of \$315,000 from the State Government and matching funding of \$315,000 from Council. Once completed the upgrades will enable the Frankston Pines Soccer Club to hold more training and competition games both day and night.

Frankston Business Collective achieves independence

The **Frankston Business Collective**, an initiative of Council, was launched to provide a new voice for business and industry in Frankston. It was established to support a thriving local economy and to elevate Frankston City’s identity as an innovation hub and business-friendly city.

The Collective, under the leadership of CEO Jeff Rogut, and a Board of seven members, held 19 events with over 1000 attendees in the 2022-2023 financial year. It has grown to 150 members (45 per cent men, 55 per cent women) and **achieved independence from Council on 1 March, 2023**.

It has been built for the *business community by the business community* with a focus on advocacy, connection and education.

Our public arts strategy

The **Public Arts Strategy** endorsed by Council makes sure the City’s public art reflects the story of people, place and the environment in Frankston City building on community pride.

Council’s commitment is reflected by the commissioning of Sculptor Matt Calvert’s



artwork titled ‘Beacon’ - sited near pedestrian underpass at the former intersection of Eel Race Road and Nepean Highway.

The sculptural glass tower and compass marker incorporates and celebrates the connection of the sea and the land, acting as a marker of the way, a directional pointer in the landscape — a place marker.

Residents and visitors can expect an evolving and thoughtful program of public art that continues to improve our public spaces, highlighting the First Nations people’s connection to Country and nurturing our vibrant, creative community.

Community Engagement

Council has undertaken in-person engagement through pop ups, drop-in sessions, and online workshops for approximately 50 engagement projects. These have been run in all areas of Frankston City, to ensure the inclusion of the many voices of our community members.

Council has expanded our Mini Frankston City community panel to 615 residents, representing the wider community in online engagement activities, discussions, focus groups and deliberative panels, to further help influence and guide our decision-making, policies and planning.

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Our work is aligned with our Community Engagement Policy and Framework, delivering best practice engagement through consistent delivery of our six principles. Our projects are scaled to the level of community interest and influence over the decision.

Engage Frankston continues to bring together all our engagement projects into one digital space - community members are increasingly signing up to receive notifications of projects that interest them via Mini Frankston City.

Beautifying Frankston

In 2022-2023 there were **five new sculptures** installed throughout the City thanks to Council's partnership with the Sculpture by the Sea organisation. Frankston City Council also moved to beautify **21 electrical boxes** in the municipality with artist Melanie Caple drawing on local flora for artistic inspiration when decorating the prominent utility boxes.

Meanwhile, a new fountain at Beauty Park is living up to its name with a special evening light show that can change colours for special occasions. The fountain is more than 'just a pretty face' - it also contributes to improving the water quality in the lake.



Destination Events Attraction Program

The Destination Events Strategy was adopted for 2023-2028. It is designed to support the attraction of events to enliven the community, drive visitation and result in positive creative economic and social outcomes.

The Destination Event Attraction Program is a key outcome of the strategy that supports events across three tiers with funding of up to \$150,000 available for significant events. These events are on top of the extensive festivals already on offer in the City, such as the Waterfront Festival and Pets Day Out.

A year of huge festivals

Over 118,000 visitors were welcomed to our major events, including **Frankston's Christmas Festival of Lights** (45,000) which returned after a two-year hiatus, the **Waterfront Festival** (45,000), **Big Picture Fest** (5,000), **Mayor's Party in the Park** (5,000), **South Side Festival** (12,000) and **Pet's Day Out** (6,000).

The **Frankston Seniors Festival** returned after two years, with 31 events hosted by community clubs/groups and community centres, 16 events by the Frankston City Library, 10 events by the Community Programs Positive Ageing Team and two events at Karingal PLACE. A total of 2,214 attended the 59 events.

Caring for our environment

Frankston City Council is making significant strides towards combatting climate change and promoting sustainability. On the 3rd April 2023 Council adopted the *Climate Change Strategy 2023-2030*, shaped by our community and identifying the risks, opportunities and priorities for Frankston City to reduce greenhouse gas emissions and build resilience to climate change impacts.

Council also made progress towards its target of planting **80,000 trees by 2025**. Last

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financial year, significant progress was made towards that goal with the planting of **20,000**, taking Council past the halfway mark.

Council has launched the **Monterey Recycled Water Scheme** for public recreation sites within Frankston City, providing a climate-resilient water source. Recycled water projects help build resilience into our water systems and strengthen the water supply network.

The **Peninsula Aquatic Recreation Centre** has also made a move to solar power by installing a world-class 523-kilowatt (kW) system. This system is estimated to save 614 tonnes of greenhouse gas emissions every year and promote a sustainable future.

The **SunSPOT Solar Potential Tool** (SunSPOT) has also been launched for residents and businesses to use as a calculator to help them understand the possibilities and benefits of solar on rooftops.

Towards a smarter, more interconnected city

We have teamed up with five other Councils to create the **Regional Smart City Partnership**. This will allow us to explore and increase opportunities for smart technology and infrastructure across the south and eastern Melbourne suburbs.

Frankston City has already made great strides in this area, having successfully completed a trial of **electronic bikes**. Frankston was the first non-state capital city to adopt the Neuron Mobility pedal-assisted e-bikes. Building on this success, there is now a **small-scale e-scooter trial** in the city centre with 75 e-scooters in the central CBD space.

To help parking become more efficient a **smart parking trial** was commenced, including the installation of signage and in-ground sensors. This is supported with two apps to download - Parking at Frankston to find real-time parking information and the Strada Mobile payment app.

Additionally, Frankston City has introduced three **digital wayfinders** to provide accessible information and make navigation in the city easier.

Frankston City is on the move

The **Integrated Transport Strategy** was adopted in February 2023. It addresses Frankston City's growing population and the impact on transport infrastructure and the environment.

The Strategy proposes the creation of walkable neighbourhoods, a greater cycling network, and integrated public transport to reduce car dependency. Planning for the city's future transport supports a healthier, safer, better connected, sustainable, and inclusive community.

Greater gender representation

Council partnered with Strong Sisters, a movement which formed from the "Strong Woman" documentary on ABC iView and embraced the **Strong Sisters Sports Festival** to give more girls a chance to come and try different sports. Council also hosted a **Communication Masterclass for Women in**



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Sport Leadership with Carol Fox, attended by female sports leaders.

Sporting facilities, such as the Monterey Reserve Soccer Pavilion have been revamped to include female-friendly facilities and disability access. Another boost for women's sport came with the \$5.33 million upgrade to Kevin Collopy Pavilion at Jubilee Park to allow the Frankston Peninsula Cricket Club and Frankston YCW Football Netball Club to better support new and existing players and strengthen female participation in sport.

Council has commenced the process of developing a **Fair Access Policy** which is required to be in place by mid-2024.

Creating a safer community

Council's **Rapid Response Team** took to the streets over the summer months to prevent anti-social harmful, destructive and illegal behavior. The three officers are present in public spaces across the municipality and undertake proactive patrols, including joint patrols with Victoria Police.

Since their introduction, the team have engaged with businesses and community members on a range of topics including

responsible pet ownership, permits, and understanding ongoing safety issues. They have also been conducting spray can audits and, as a result, unlawful sales of spray paint products to minors decreased and there was an increase in business compliance with the proper storage of products.

Frankston City's **Municipal Emergency Management Plan (MEMP)** was re-written in March 2022 to align with the Emergency Management Legislation Amendment Act 2018 and the three yearly regional assurance process. Key fire agencies agreed to incorporate relevant Fire Sub-Plan information into the Plan in order to streamline our documentation.

The introduction of the **Emergency Planning Advice Service (EPAS)** in the last year delivers free in-home visits to people who need everyday support to remain in their homes. The Service is a collaboration with the CFA and Red Cross and through a strength-based, person centred approach aims to develop an emergency plan specific to people's individual needs.

Great diversity in our City

Inclusivity is at our core and Frankston City Council is doing all it can to ensure that all groups are represented. A new 12-membered **Culturally and Linguistically Diverse (CALD) Network** was established this year to participate in Community Engagement activities to share their voice on issues which affect the Community. In an effort to be more accessible, Council added 11 languages to its Engage Frankston page.

Within Council, staff members sit in the newly-formed **Diversity and Inclusion Group (DIG)** to explore Council policies and ensure all voices in our community are represented.



Challenges and future outlook

Rising cost of living

The rising cost of living is a major challenge facing Frankston City Council and our community. This is due to a number of factors, including:

- **Increased cost of living:** Increases in the cost of everyday goods and services, coupled with rising interest rates, continue to put pressure on household budgets.
- **Disrupted supply chains:** The COVID-19 pandemic has disrupted global supply chains, which has led to delays alongside higher prices for a range of goods and services.
- **Removal of subsidies:** Government organisations have removed a number of subsidies for low-income earners and businesses, which has also put pressure on household budgets

Increasing property prices and private rental costs resulting in additional housing stress for households is a major challenge for the City. The most recent ABS Census 2021 revealed that 6,918 (12.5 per cent) of households were experiencing housing stress, and 13,457 (34.2 per cent) of households in private rentals were experiencing rental stress – this is higher than the Greater Melbourne average (26.8 per cent).

Frankston City has also been identified by the State Government as a rough sleeper hot spot (2017), with an estimated 785 people experiencing homelessness on Census night in 2021. The Council is working to address this issue through a range of strategies, including participating in the Frankston Zero initiative, advocacy and planning for greater housing diversity.



A growing municipality

The population of Frankston City is set to grow by 17,600 by 2041, which is a projected 20 per cent increase from the current 141,002. This growth brings with it a number of challenges, including:

- **Increased traffic congestion:** As the population grows, so too will the number of cars on the road.
- **Demand for infrastructure:** The growing population will put a strain on existing infrastructure, such as roads, schools and hospitals.
- **Housing affordability:** The growing population will put pressure on housing affordability, putting a strain on people to find affordable housing in Frankston City.

Frankston City Council is committed to addressing the challenges of growth. Council has developed a number of strategies to address these, including:

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The Integrated Transport Strategy (ITS):

This strategy aims to improve transport in Frankston City by reducing traffic congestion, increasing public transport options and making it easier for people to walk and cycle. The ITS will create more walkable neighbourhoods, a great cycling network, and integrated public transport to help Frankston grow more sustainably and protect the liveability that helps make Frankston great.

The Frankston Metropolitan Activity Centre (FMAC):

Councillors voted in June 2023 to request approval for the FMAC Structure Plan from the Victorian Planning Minister. The Plan will enhance Frankston City as a major business and lifestyle hub while also providing investors and businesses certainty when choosing to invest in Frankston. Key elements of the plan include:

- A pedestrian-friendly city centre environment with the opportunity for more outdoor activities, cycling and walking, and reduced through-traffic.
- An iconic Nepean Boulevard with extended outdoor space for dining, retail and events in the city centre, connecting to a world-class visitor look-out at Oliver’s Hill and greater connection to Kananook Creek in the north.
- A thriving Kananook Creek Boulevard between Beach Street and Wells Street, with street scape upgrades, increased connection to the city centre, and greater accessibility

to the creek, linking to McCombs Reserve to create a promenade of activation, outdoor dining and events.

Rising cost of construction

Rising commodity prices, fuel price increases and labour shortages, materials shortages, increased energy/insurance costs, general uncertainty in the market and the challenges caused by the COVID-19 pandemic, are all factors that could impact Council’s ability to deliver its Long Term Infrastructure (LTIP) projects.

To manage the rising costs and continue to deliver vital infrastructure and services to our community, Council has reviewed its 2022-2023 Capital Works Program and delayed the delivery of some projects to the 2023-2024 financial year. As a result, Council reduced the size of its planned to spend to \$79.465 million on capital works in 2022-2023 to set aside funds to manage cost escalation on projects which has allowed Council to successfully progress key projects this financial year.

The Strategy implemented included:

- Staging works to reduce short-term cost pressures without impacting overall timeframes
- Reviewing funding agreements supported by Council’s advocacy framework and priorities
- Bundling contracts to achieve economies of scale
- Reducing projected borrowings following a series of interest rate hikes.

Council also faces a number of other challenges, including:

- The ageing of Council’s assets, which means that there is an increasing demand to fund the maintenance and renewal of these assets.
- The fact that 66 per cent of funding comes from rates which are capped at 1.75 per cent in 2022, lower than the 7.5 per cent inflation rate.



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- Recent interest rate increases, which could impact Council's ability to borrow money to fund its projects.

Overall, Council is confident it can manage the escalating costs in the construction sector and will continue to work with the community and stakeholders to ensure infrastructure investment is delivered in a way that meets the needs of the community and is financially sustainable.

Combatting climate change

Climate change is already being felt in Frankston City. In 2020, a **Climate Change Community Survey** found that 80 per cent of residents were "extremely" or "very concerned" about the impacts of climate change.

In response to concerns, Council adopted the **Climate Change Strategy 2023-2030** in April 2023. The Strategy identifies the risks, opportunities and priorities for Frankston City to reduce greenhouse gas emissions and build resilience to climate change impacts.

The Strategy includes actions to reduce emissions and adapt and build resilience to the impact of climate change. Actions include:

- Accelerate the transition to zero carbon operations, buildings, assets and transport
- Support community climate action
- Protect biodiversity
- Adapt to the impacts of climate change

Council is committed to taking action on climate change and is working with the community to achieve these goals through specific actions outlined in the Climate Change Strategy. These include:

- Investing in renewable energy projects
- Promoting energy efficiency
- Reducing waste
- Protecting native vegetation
- Preparing for sea level rise

Council continues to work with other levels of government and on behalf of the community for broader climate change action, including advocacy for stronger actions.

Changing the way we manage waste

One of the biggest challenges Frankston City faces is the lack of space in our landfills. The current landfill at Hampton Park is expected to reach capacity in the next few years, and we need to find new ways to manage our waste.

In July 2022 Council began engaging with the community to explore a number of initiatives for waste circularity, such as separate glass collection, advanced waste processing and expansion of the food & garden waste (FOGO) collection, to achieve 80 per cent diversion of waste from landfill by 2030.

Through this engagement, Council developed its Waste Circularity Plan, which supports the transition from a linear waste management approach to a more sustainable circular economy. It focuses on services provided by Council for current and future waste, resource recovery and waste education.



Community Inclusion

Councils across Australia have seen an increased activism within the community around a range of themes including smart cities and gender identity.

Frankston City Council is committed to promoting tolerance and understanding and a fact based approach to decision-making.

The **Social Inclusion Action Group** is a flagship program recommended by the Royal Commission into Victoria's Mental Health System. The SIAG will be made up of people from a range of priority groups, including young people, single parents, people who are not in education, training or employment, people from culturally and linguistically diverse communities, Aboriginal and Torres Strait Islander people, people with a disability, LGBTQIA+ communities, and older people.

The SIAG will work with Council to develop a plan to address the social inclusion challenges facing Frankston City. The plan will focus on areas such as housing, employment, education, health and community participation. Council is committed to working with the SIAG to develop a plan that will make Frankston City a more inclusive and welcoming place for everyone.



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Year in review



Message from the Mayor and CEO

It's with great pleasure we present our Annual Report 2022-2023 which provides an overview of our operational performance and audited performance and financial reports.



Cr Nathan Conroy
Frankston City Mayor 2022-2023

Against a backdrop of rising costs and increased economic uncertainty, Council continued to deliver more than 150 key services to the community in a well-managed and financially sustainable way, with strong community satisfaction. We also progressed our large-scale capital works program, transforming our recreation and open space facilities. And we worked with the community on number of forward-looking strategic initiatives that will ensure Frankston continues to grow and transform into one of Victoria's most liveable cities.

Laying the foundations for our city's future

Following extensive community consultation, our Frankston Metropolitan Activity Centre (FMAC) Structure Plan was submitted for ministerial approval in June, key step in providing the planning certainty our city centre needs. The FMAC Structure Plan provides balanced framework that delivers on the



Phil Cantillon
Chief Executive Officer, Frankston City Council

recognised need for residential and business development, protects what we love, and gives Council more control over the city's planning future.

A key input into the Structure plan is the Integrated Transport Strategy, which Council adopted in February 2023. The plan will address Frankston City's growing population and the impact on transport, infrastructure and the environment, through the creation of walkable neighbourhoods, a greater cycling network and integrated public transport to reduce car dependence.

Building a better place to live, work and play

Over the past year, we have made significant investments in infrastructure projects to ensure that our city remains a vibrant and thriving place to live, work and raise a family.

We opened five place spaces, a brand new green open space on Evelyn St, and the brand

new female-friendly Monterey Reserve Soccer Pavilion. When opened, Jubilee Park Stadium will be a premier sporting and community hub in the south-east, while the Healthy Futures Hub in Seaford will bring together industry leaders delivering services related to learning, wellbeing and physical health in one convenient location.

Delivering on community expectations

Our service delivery continues to meet with strong community satisfaction. Overall satisfaction with Council's performance sits above the average for councils in our region, above our long-term average since 2012, and 30 per cent higher than our score in 2018.

Customer service, planning and development, governance and leadership, and services and facilities performed particularly well in terms of satisfaction, a recognition of the hard work and continuous improvement put in by those teams.

An inclusive Council and Community

People are at the core of what we do and who we are. And our commitment to the community is evident in the wide range of initiatives that the Council has undertaken to promote inclusion, diversity and reconciliation.

We established the Culturally and Linguistically Diverse (CALD) Network to guide and inform our community engagement and decision-making, mirrored by our newly formed internal Diversity and Inclusion Group, focused on ensuring our workplace reflects our community's values around equality, inclusion and diversity.

The commitment of our teams is evident in the

number of awards Council has received or been nominated for during 2022-2023 including back-to-back Gold for our much-acclaimed Street Art Walking Tours, a Platinum Pool Award for our Peninsula Aquatic Recreation Centre, and our industry-leading Transparency Hub.

We are proud of all of the achievements of the 2022-2023 year, and the progress we are making in transforming our city, building a future, and creating a community our children will be proud to call home. We commend this Annual Report 2022-2023 as a record of those achievements, and the bright future that lies ahead for our City.

Cr Nathan Conroy

Frankston City Mayor, 2022-2023

Phil Cantillon,

Chief Executive Officer, Frankston City Council

Financial summary

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

Operating position

Council has seen a gradual return to normal business in most areas and has achieved a surplus of \$15.002 million in 2022–2023. This result compares favourably to the surplus of \$13.568 million in 2021–2022.

Our adjusted underlying deficit, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of \$8.216 million or -3.58% when compared to adjusted underlying revenue.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$2.200 billion of community assets under our control.

Operating income 2022-2023

The total operating income for the year was \$231.302 million, derived from a number of sources as shown in Figure 2.

Figure 1.
Adjusted underlying result ratio since 2018–2019

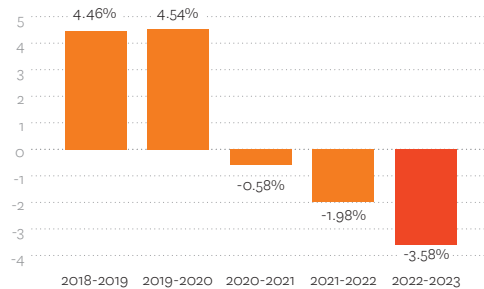
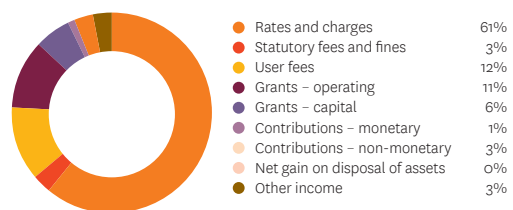


Figure 2.
Sources of operating income 2022-2023



Operating expenditure 2022-2023

The total operating expenditure for the year was \$216.300 million comprised of the main categories as shown in Figure 3.

Liquidity

Cash has decreased by \$17.907 million from 2022-2023 mainly due to an increase in capital works expenditure. The working capital ratio – which assesses our ability to meet current commitments – is calculated by measuring our current assets as a percentage of current liabilities. The result of 184% is an indicator of a satisfactory financial position and above-the-target range of 100-200% as shown in Figure 4.

Obligations

We aim to maintain our infrastructure assets while also continuing to deliver services needed by the community. We invested \$23.761 million in asset renewal works during 2022-2023 funded from operational budgets.

At the end of 2022-2023 our debt ratio – which is measured by comparing interest bearing loans and borrowings to rate revenue – was 20.28%, which is within the target range of 20-60%. This is a slight increase on 2021-2022 as shown in Figure 5.

Our asset renewal and upgrade ratio – measured by comparing asset renewal and upgrade expenditure to depreciation – was 166% which sits well above of the target range of 90-110%. Please see Figure 6.

Figure 3. Categories of operating expenditure

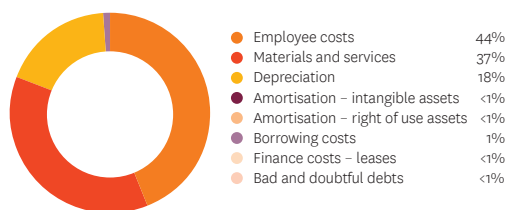


Figure 4. Working capital ratio

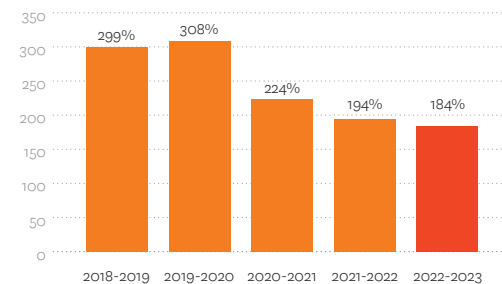


Figure 5. Debt ratio

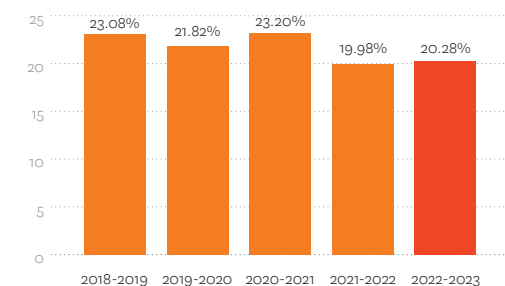
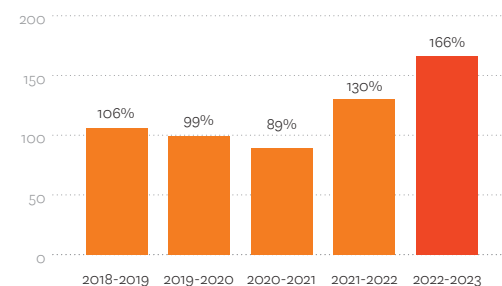


Figure 6. Asset renewal and upgrade ratio



Stability and efficiency

We receive revenue from a wide-range of sources including rates, user fees, fines, grants and contributions. Despite this, our rates concentration – which compares rate revenue to adjusted underlying revenue – was 68% for 2022–2023. This is toward the higher end of the target range of 40–80%.

The decrease in the rates concentration ratio from 2021–2022 was 3% (see Figure 7). The decrease is due to an increase in user fees as visits to some of our facilities such as the Frankston Arts Centre and Peninsula Aquatic Recreation Centre rebound in the post Covid era.

We’ve continued to focus on broadening our revenue base and for 2022–2023 raised our rate revenue by the rate cap of 1.75%. This resulted in an average rate per property assessment of \$1,681 which compares favourably to similar councils in the outer metropolitan area. Figure 8 shows the average rate per assessment over the last four years.

Figure 7.
Rates concentration ratio

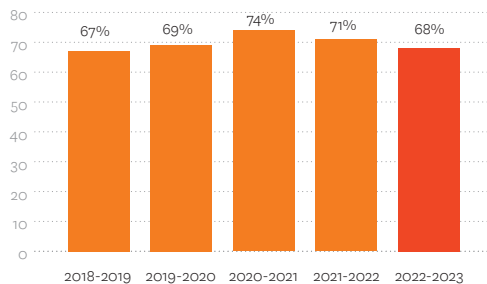
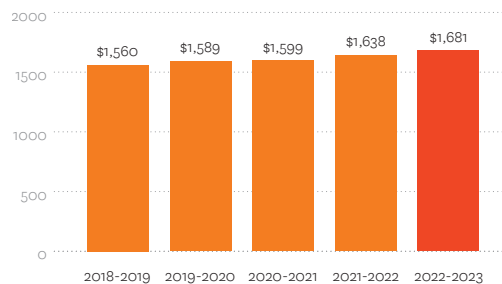


Figure 8.
Average rate per assessment



Description of operations

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

They include:

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

The Council Plan 2021–2025 and the Budget 2022–2023 further describe our vision, strategic objectives and strategies to further improve services and facilities for the period of this Annual Report.

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

Economic factors

Council has seen a gradual return to normal business in most areas and has achieved a surplus of \$15.002 million in 2022–2023. This result compares favourably to the surplus of \$13.568 million in 2021–2022.

For more information see our Financial Statements.

Major capital works

Sandfield Reserve Master Plan Implementation, Carrum Downs

Description: Planning for an upgraded Youth Space and Play space has begun at Sandfield Reserve. Council has undertaken community and stakeholder engagement to inform the concept design for both areas. Council plans to have the final plans by August 2023.

Other improvements will include new outdoor recreation opportunities, path improvements, circuit path lighting, a public toilet and more amenities as identified in the Sandfield Reserve Master Plan.

Status: Planning and scoping, Concept design underway

Start: February 2023

End: Construction to commence in 2024

Cost: \$4M: Funding equally provided by Council, Victorian and Australian Governments.

Carrum Downs Recreation Reserve - New destination Play Space, Carrum Downs

Description: Carrum Downs Recreation Reserve is home to a new district play space. The project was informed by the recommendations in the Council's Play and Open Space Strategies, and the Carrum Downs Recreation Reserve Master Plan.

Key features include accessible play equipment, giant basket swing, traditional swings, trampolines, flying fox, giant play tower with tunnel slide and rock-climbing wall, double mound slide, sand and water play, picnic facilities, BBQ, shelter, drinking fountain, shades sails, landscaping.

Status: Completed

Start: June 2022

End: December 2022

Cost: \$1.5M: \$1.2M funded by Council and \$300,000 through the Victorian Government's Parks Revitalisation Grants Program



Pictured: Student provides feedback at Sandfield Reserve Youth Space and Play Space engagement.

White Street Mall Activation, Frankston

Description: A vibrant and welcoming public space has been created in White Street Mall for the community to enjoy day or night. Creating a more social, active, and open space leads to increased footfall for traders with important flow-on benefits including positive social interactions and improved community safety. The works included:

- New feature lighting and public lighting.
- Integrated flexible seating, activation areas and greening.
- Decked platforms and playful rubber landscape treatments.

Status: Completed

Start: July 2022

End: December 2022

Cost: \$655,000: \$100,000 funded by Council, \$100,000 from the Victorian Government via the Office of Suburban Development's Revitalising Frankston initiative and \$455,000 from the Local Government Victoria COVID Safe Outdoor Activation Fund.

Project name: Kevin Collopy Pavilion Upgrade, Frankston

Description: Council is improving facilities for sports clubs and the community by extending and renovating the pavilion to provide more accessible and female-friendly facilities.

The upgraded two-storey pavilion will include accessible and compliant facilities, new change rooms, umpire's facilities, canteens, storage and first aid rooms, upgraded toilet amenities and a scorer's box. A new groundkeeper's building and public toilet will also be constructed next to the pavilion.

Status: Underway

Start: July 2023

End: May 2024

Cost: \$5.33M: \$2.33M funded by Council and \$3M in partnership with the Victorian Government Community Sport and Infrastructure Loan Scheme.

Kananook Commuter Car Park, Seaford

Description: Located opposite Kananook Railway Station, the Kananook Commuter Car Park will deliver 300+ space car park and bicycle parking for commuters and nearby recreation users in off-peak times.

The project will also include upgrading the intersection of Bardia Avenue and Wells Road to improve road user and pedestrian safety and traffic flow.

Status: Underway

Start: June 2023

End: Expected July 2024

Cost: \$22M: Fully funded by the Australian Government, on land purchased by Council.



Ballam Park Athletics Track, Frankston

Description: The athletics track was in poor condition with worn and cracked sections and declared by Athletics Victoria to be unsuitable for competition by senior athletes. It required resurfacing and some improvements to comply with current World Athletics (WA) Standards to be able to continue to host athletics competitions.

The upgrade included replacement of the athletics track surface suitable for competitions and necessary upgrades to comply with the current World Athletics Certification. Feedback from user groups and the community has been positive.

Status: Completed
Start: June 2022
End: February 2023
Cost: \$1.22M: fully funded by Council.

Barretts Road Upgrade, Langwarrin

Description: Upgrade (sealing) of 1.2km of Barretts Road from Robinsons Road to (and including) number 120 Barretts Road.

The works:

- Enhanced access and road safety for residents, Lawton Reserve users and local businesses.
- Improved the underground drainage system to better cater to storm events.
- Increased visibility and safety at night.
- Reduced mud and dust from the road and lowered ongoing maintenance costs.

Status: Complete
Start: January 2023
End: July 2023
Cost: \$2M: \$512,000 funded by Council and \$1.488 million through the Australian Government's Local Roads and Community Infrastructure Program (LRCIP).

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Evelyn Park, Frankston

Description: Delivery of a new pocket park in the Frankston City Centre including BBQ facilities, public art, park furniture and landscaping. The park has become a green oasis on the periphery of Frankston’s City Centre, with lawns and gardens that provide an opportunity for respite for visitors and residents. A series of sculptures have been installed along the Nepean Highway frontage. It is anticipated that usage will increase significantly upon completion of the new Department of Justice facility on the adjacent site.

Status: Completed

Start: March 2022

End: July 2023

Cost: \$1.3mil: Fully funded through the Victorian Government’s Suburban Parks Program.

Overport Bike Track, Frankston South

Description: The new bike track at Overport Park has been designed to cater for riders and skaters of all abilities. It will include:

- Beginner’s jump section and pump track
- Intermediate jump section
- Advanced jump section

The beginner’s section was completed in May 2023 and has already proven a hit with locals and visitors.

Status: Underway

Start: March 2023

End: Late 2023

Cost: \$651,000: fully funded by Council.





Upgrade of Linen House – Healthy Futures Hub, Belvedere Reserve Seaford

Description: With a vision to be a world leading Hub in facilitating health, wellbeing and community connection, the former elite training facility for St Kilda Football Club has been repurposed to become a community-facing multipurpose facility, delivering numerous benefits for the community. This exciting new model of health and wellbeing services, led by St Kilda Football Club, combines over 12 different groups providing services from a community gym and swimming lessons to aged and disability health support and cutting-edge health research.

The redevelopment included:

- Internal demolition works.
- Construction of new entry airlock, café, and lounge.
- Internal alterations to provide consulting spaces and administration for a range of community, educational and health providers.
- Repurpose existing recovery pool to operate as a new learn to swim and hydrotherapy pool.
- Renewal works to existing gym, basketball hall and construction of new program room.
- New community dentistry area.

Status: Completed.

Start: September 2023.

End: August 2023

Cost: \$5.46M: fully funded by Council.

PARC Solar Installations, Frankston

Description: Supply and installation of a 523kw solar photovoltaic (PV) system.

Status: Completed

Start: September 2022

End: February 2023

Cost: \$859,027.00: \$140,231 funded by Victorian Energy Efficiency Certificates (VEECs) and \$718,796 funded by Council.

Civic Centre Solar Installations, Frankston

Description: Supply and installation of an 89kw solar photovoltaic (PV) system.
Status: Completed
Start: November 2022
End: January 2023
Cost: \$100,041.40 – funded by Council.

Fletcher Road Gateway Revitalisation, Frankston

Description: The Fletcher Road Gateway Revitalisation Project has significantly enhanced the street appeal and has created a welcoming entrance to the Frankston Municipal Activity Centre for train commuters, drivers, pedestrians, and cyclists. The improvements included tree planting, landscaping, public art, and lighting.

As part of the City Greening Program, significant tree planting and landscape improvements have also been completed at the Fletcher Road overpass to enhance Frankston’s urban forest and biodiversity.

Status: Completed
Start: September 2022
End: December 2022
Cost: \$675,513: \$125,513 funded by Council and \$550,000 funded by the Victorian Government through the Office of Suburban Development.





Major changes

Last year, we made the following changes:

- The **CX Strategy** was launched to complement our Future Ready Frankston Corporate Strategy, allowing us to deeply examine our customer service and shape how we move to deliver positive customer experiences in consistent and contemporary ways.
- The Community Safety team was renamed to **Safer Communities**.
- The restructure of **Community Relations** into four teams: Strategic Communications; Branding and Content; Community Engagement; and Advocacy.
- The **Frankston Business Collective** achieved independence from Council on 1 March, 2023.
- Coinciding with National Volunteer Week, Council launched its new volunteer application portal, **Better Impact**, which provides a volunteer management system for over 20 Council volunteer programs with 300 active volunteers.
- We combined **Citizen** and **Senior Citizen of the Year** categories to provide a larger pool of nominations a re-categorised the Community Event to Community Group to provide recognition to groups in the community.

Major achievements

Frankston City Council's **annual budget 2022-2023** included the largest investment in capital works to date (\$91.6 million) signalling a commitment to delivering city-shaping projects to drive Frankston as a destination of

opportunity, growth and change.

The **Frankston Metropolitan Activity Centre (FMAC)** Structure Plan was endorsed by Councillors on 14 June 2023, and went to the State Government's Planning Minister for review and authorisation.

Proactive grant funding applications continue to be an important source of external income towards capital and operational projects, with \$11.1 million in funding secured in 2022-23. Of the 37 grant applications submitted in the 2022-23 financial year, Council has achieved a success rate of 78 per cent, up from 71 per cent in the previous year.

Grant report data is accurate at the time of reporting and is subject to change as additional outcomes are known.

We adopted the following major strategies and plans:

- Risk Management Policy
- Integrated Transport Strategy
- Draft Integrated Transport Strategy
- Formal Naming of Evelyn Reserve to Evelyn Park
- Peninsula Leisure P/L - Strategic Plan 2023-2025
- Centenary Park Golf Course Draft Master Plan
- Establish a Housing Advisory Committee and Adopt the Terms of Reference
- Revenue Hardship Policy
- 2023 Annual Facilities Operational Plan
- Frankston Youth Action Plan 2022-2026
- Child Safety and Wellbeing Policy
- Draft Community Needs Assessment and Community Infrastructure Plan
- Integrated Transport Strategy 2022-2042
- Climate Change Strategy and Action Plan
- Draft Footpath Trading and Parklet Guidelines
- Public Arts Strategy 2023-2028
- Climate Change Strategy 2023-2030
- Destination Event Strategy 2023-2028
- Monterey Reserve Landscape Master Plan
- Footpath Training and Parklet Guidelines
- Frankston Metropolitan Activity Centre Structure Plan

Awards

Arts and tourism: Frankston City's street art tours were awarded **Best Street Art Tour** in the **2022 Australian Street Art Awards** for the second year in a row, making Frankston the first City to win Gold back-to-back. Frankston's outdoor street art gallery grew by nine new artworks, now featuring over 70 artworks, and include dozens of murals by local, national and international artists. The new murals were created during the Big Picture Fest in March. Following a Bronze win in the **Top Tourism Town category** Frankston City again became a finalist in **2023 Top Tourism Town Awards**.

Sport: Frankston City's aquatic centres were honoured in the **ARV Industry Gala Awards** with the **Peninsula Aquatic Recreation Centre (PARC)** receiving **Facility Management of the Year – Large**, and **Pines Forest Aquatic Centre** receiving the **Best Outdoor Pool Facility Management of the Year – Seasonal**. On top of that, two long-standing Peninsula Leisure employees were also recognized: Nicole Ross (**Customer Service Officer of the Year**) and Mary Albert (**Group Exercise Instructor of the Year**).

PARC was also reaccredited with Life Saving Victoria's Platinum Pool Award given to facilities that meet outstanding safety standards. PARC received a 100 per cent compliance score, and continues to hold its exclusive position among just 40 Victorian aquatic centres currently holding the accreditation in the leisure centre category.

Industry: There were three nominations for Council during the LGPro VIC (Local Government Professionals) Annual Awards for Excellence in 2023. These were for the Service Delivery category for the Transparency Hub project and for the Young Achiever's category. Continuous Improvement Coordinator Chrissy Anastasopoulos received a High Commendation in the Young Achiever's category.

MAVTech: Council was also shortlisted for a Technology Awards for Excellence 2022 under the 'Collaboration and Partnership' category, recognising innovation during Council's e-bike trial after becoming the first regional city to trial the Neuron eBikes.



Our journey towards reconciliation

Reconciliation Action Plan

Council's Reconciliation Action Plan (RAP) has received official accreditation from Reconciliation Australia, positioning the Council as a member of the RAP network.

To ensure the successful implementation of the RAP, we have established a RAP Advisory Committee, which includes Cr Sue Baker and Cr Kris Bolam and community representatives. This committee meets quarterly to address the relevant actions outlined in the RAP across various Council departments.

We are also conducting a recruitment review as part of our commitment to Gender Equality, with an emphasis on applying a gender and intersectional lens to the process, aligning with the intent of the RAP.

Collaboration with the Bunurong Land Council

We hold quarterly meetings with delegates from Bunurong Land Council and Council staff to discuss cultural ideas, projects, events and provide feedback on Council requirements. These meetings have strengthened our relationships and facilitated collaborative activities.

Work Ready Program

As part of our Work Ready Program, we are actively identifying Aboriginal and Torres Strait Islander young people for participation. This program aims to provide skills training and employment opportunities to individuals from these groups.



Cultural Awareness Training

To foster a greater understanding of our cultural identity and promote productive and responsive relationships with Aboriginal communities, we have conducted Cultural Awareness Training sessions for council staff. These sessions enable staff to gain insight into local Aboriginal issues, culture, and ways of doing business. So far, over 120 staff members from multiple Council departments have attended these training sessions, including the Council Executive team and Mayor Nathan Conroy. Four additional sessions are scheduled for 2023.

NAIDOC Week

Council continues to support NAIDOC week by sponsoring an award and community table at the Nairm Marr Djambana NAIDOC Dinner Dance Awards held on the first Saturday of the NAIDOC Week.

Council youth staff actively participate in NAIDOC family day activities, conducting various activities and building relationships with young Aboriginal and Torres Strait Islander individuals.

Nairm Marr Djambana Master Plan

Council staff, along with Nairm Marr Djambana and specialist consultants, are collaboratively developing a concept master plan for the Nairm Marr Djambana site and its surrounding area.

Promoting collaboration

To facilitate information sharing and partnerships, Council coordinated a meeting between representatives from Nairm Marr Djambana and the House of Peace mosque in Langwarrin. The meeting allowed the two groups to discuss their communities, programs and explore potential partnership opportunities.

Incorporating Aboriginal Culture in design

Council is incorporating Aboriginal artworks into its architectural designs. An example of this can be seen in the façade screen of the soon-to-be-opened Jubilee Park Stadium, which showcases Bunurong Country's changing waterways and reflects the traditional culture of the Aboriginal people. The design, based on the artwork by Bunurong man John Winch, highlights the historical and current state of the waterways in the region.

Council has also introduced new wayfinding signs along the Nepean Highway near Seaford, incorporating local Indigenous language and design elements to promote Frankston City's unique identity.

Art and culture

Council is actively promoting Aboriginal art and culture through various initiatives. In June, we unveiled a public art installation called "Spirit Dreaming" outside the Frankston Arts Centre. This installation includes nine light pillars adorned with unique artworks created by members of the Gathering Place, showcasing Indigenous spirituality, storytelling, and connection to land and community.

Flag-raising and Acknowledgement

To recognise and honour the traditional owners of the land, Council raises the Aboriginal and Torres Strait Islander flags outside the Frankston Civic Centre every day. In 2023, flags flew half-mast in honour of the late elder Aunt Roseina. Furthermore, at our events and meetings, we acknowledge the Bunurong People of the Kulin nation as the traditional owners of this land.

Engaging young people

Council youth staff partner with Nairm Marr Djambana and Living Culture to organise six events throughout the year, aimed at enhancing young people's knowledge and understanding of Aboriginal and Torres Strait Islander culture.

Frankston Youth Service staff and Frankston South Community and Recreation Centre actively engaged with Nairm Marr Djambana through consultations, community lunches and cultural events. Partnerships for NAIDOC

Frankston South Community and Recreation Centre, Frankston Youth Services and Nairm Marr Djambana partnered up for the NAIDOC Week Youth Cultural Event in July 2022 which included a smoking ceremony from Bunurong Land Council as well as a cultural and dance

workshop by Living Culture. Another event held in July 2022, included Wurundjeri and Dja Wurrung woman Samantha Roberts presentation of traditional and modern Indigenous culture to students from childcare to high school at the Carrum Downs Library. Furthermore, to engage children in Aboriginal culture, Council collaborated with Yimba Yumba to deliver an interactive program at Frankston City Libraries which promoted an understanding of Aboriginal Culture.

Council also facilitates the Victorian Aboriginal Child Care Agency's (VACCA) Koorie Kids Playgroup which offers a culturally safe, fun and empowering environment for families of children five years and under.



Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Our Council



Frankston City profile

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

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

The city is currently home to an estimated 141,002 residents, which is expected to grow to 161,660 by 2041. Frankston City is recognised

for its natural reserves, vibrant lifestyle, diverse community and growing business, arts, education and health sectors.

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

21.4%

Of Frankston City residents were born overseas

22.5%

Are aged over 60 years

6

Industrial precincts (Seaford, Seaford North, Carrum Downs, Langwarrin, Frankston East, Frankston)

11.3%

Speak a language other than English at home

42

Public and private schools

54.6K

Jobs in Frankston

1,803

Aboriginal and Torres Strait Islanders

13

Degree courses offered on campus in Frankston City

\$8.1B

in total Gross Regional Product for Frankston City

22%

Are aged under 17 years

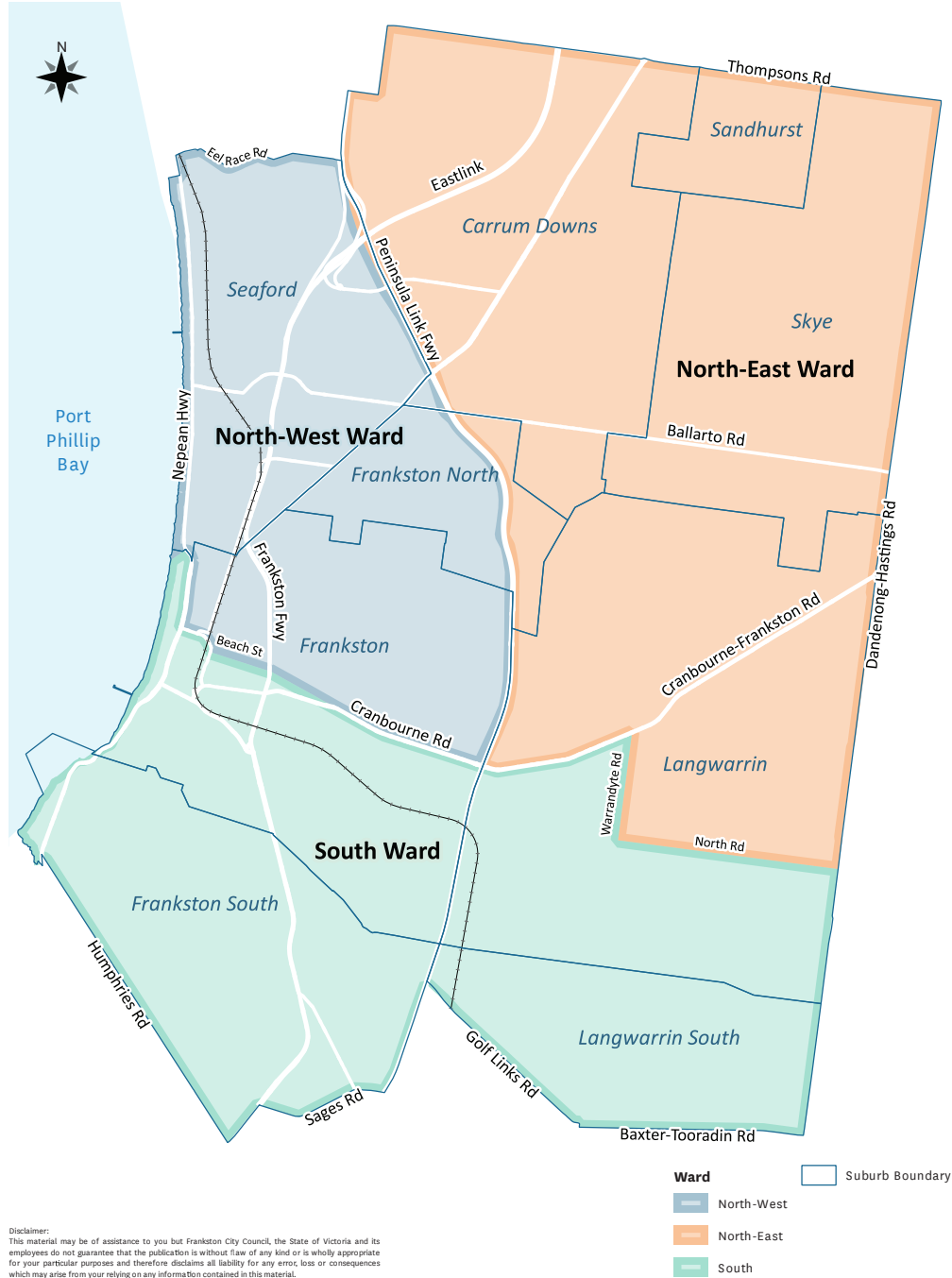
10.5%

Of residents volunteer

46.6%

Of workforce living in Frankston City

Electoral Ward Boundaries



Councillors

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

North-East Ward



Mayor Cr Nathan Conroy
0424 515 930
cconroy@frankston.vic.gov.au



Deputy Mayor Cr Suzette Tayler
0438 179 515
crtayler@frankston.vic.gov.au



Cr David Asker
0438 175 560
crasker@frankston.vic.gov.au

North-West Ward



Cr Kris Bolam JP
0417 921 644
crbolam@frankston.vic.gov.au



Cr Steven Hughes
0402 729 150
crshughes@frankston.vic.gov.au



Cr Sue Baker
0438 145 842
crbaker@frankston.vic.gov.au

South Ward



Cr Brad Hill
0438 212 426
crhill@frankston.vic.gov.au



Cr Claire Harvey
0438 267 778
crharvey@frankston.vic.gov.au



Cr Liam Hughes
0434 703 239
crlhughes@frankston.vic.gov.au

Council offices

Frankston Civic Centre

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

Langwarrin Customer Service Centre

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

Seaford Customer Service Centre

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

Frankston Visitor Information Centre

7N Pier Promenade, Frankston Waterfront

Telephone: 1300 322 842

Website:
discoverfrankston.com

Libraries

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

Carrum Downs Library
Lyrebird Community Centre,
203 Lyrebird Drive, Carrum Downs

Telephone: 03 8773 9539

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

Telephone: 03 9784 1048

For up-to-date information, visit frankston.vic.gov.au

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Our people

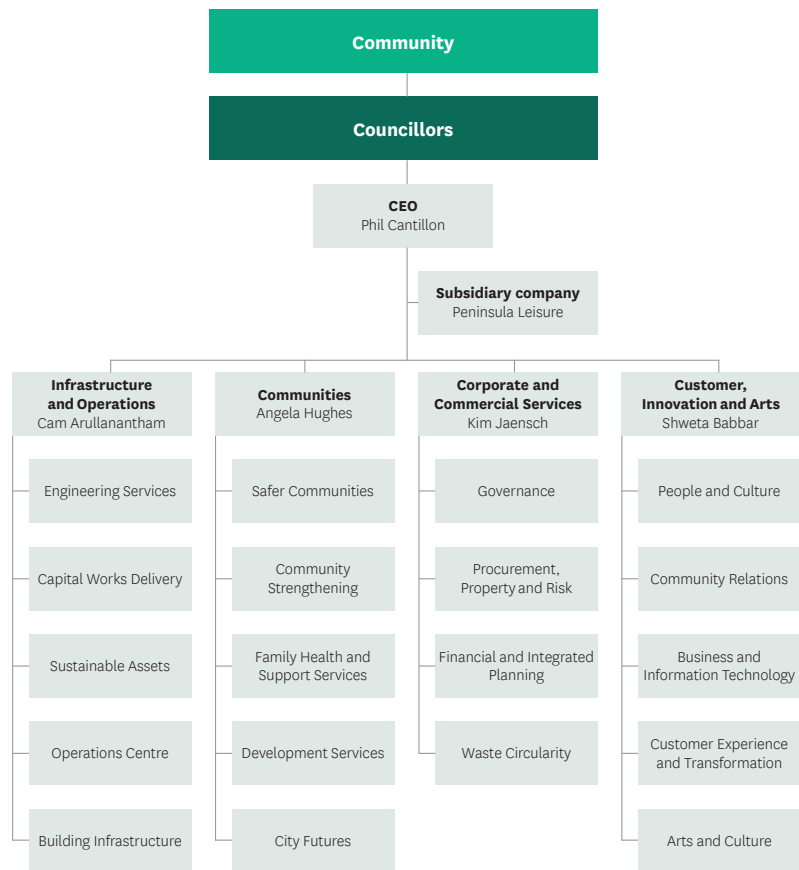


Organisational structure

Frankston City Council is the governing body that appoints the Chief Executive Officer (CEO).

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

Details of our organisation structure at 30 June 2023 are set out below.



Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Council staff

As at 30 June 2023, Frankston City Council employed 1058 employees comprising full-time, part-time, temporary and casual employees.

In 2022-2023, the turnover of permanent employees was 14.30 per cent, which is 3.83 per cent lower than the 2021-2022 figure of 18.13 per cent and 2.63 per cent higher than the 2020-2021 figure of 11.67 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 X.

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

Employee type/gender	CEO Office	Comm-unities	Corporate & Commercial Services	Customer Innovation & Arts	Infrastructure & Operations	Peninsula Leisure	Total
Casual Female	0	1.74	0.03	2.11	0.03		3.91
Casual Male	0	0.32	0.03	1.21	0.03		1.59
Casual Self - Described Gender	0	0.03	0.00	0.03	0.00		0.06
Permanent FT Female	1	88.00	39.00	69.00	37.00		234
Permanent FT Male	1	56.00	13.00	29.00	148.00		247
Permanent FT Self - Described Gender	0	0.00	0.00	0.00	0.00		0
Permanent PT Female	0	89.41	3.64	35.02	2.93		131
Permanent PT Male	0	10.54	0.80	3.36	1.30		16
Permanent PT Self - Described Gender	0	0	0	0	0		0
Temporary FT Female	0	16	2	10	3		31
Temporary FT Male	0	3	0	5	7		15
Temporary FT Self - Described Gender	0	0	0	0	0		0
Temporary PT Female	0	6.82	1.7	9.09	0.68		18.29
Temporary PT Male	0	2.18	0.7	2.3	0		5.18
Temporary PT Self - Described Gender	0	0	0	0.73	0		0.73
PL Permanent						34.92	34.92
PL Casual						57.23	57.23
Total	2	274.04	60.9	166.85	199.97	92.15	795.91

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

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

Classification	Female FTE	Male FTE	Self-Described Gender FTE	Total FTE
Band 1	7.78	6.87	0.00	14.65
Band 2	12.20	32.29	0.03	44.52
Band 3	28.50	44.25	0.03	72.78
Band 4	73.75	32.35	0.73	106.83
Band 5	92.51	41.76	0.00	134.27
Band 6	99.75	53.60	0.00	153.35
Band 7	41.34	41.63	0.00	82.97
Band 8	28.23	16.00	0.00	44.23
Other	34.16	16.00	0.00	50.16
PL	58.56	35.09	0.27	93.92
Total	476.78	319.84	1.06	797.68

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

Equal opportunity employment program

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

Employee diversity and inclusion

Council is dedicated to creating an inclusive workplace, and has taken several actions to address gender equity and inclusive practices this year:

- Under the Gender Equality Act 2020 (Victoria), a gender equality audit was conducted in October 2021.
- Council has commenced the process of developing a **Fair Access Policy** which will be required to be in place by mid-2024.
- The Diversity and Inclusion Group (DIG), previously known as the Gender Equality Advisory Committee, was created to focus on furthering diversity and inclusion within the organisation through workshops and discussions. A recent workshop focused on creating a more inclusive recruitment process.

- Council is committed to implementing the Respect@Work recommendations which place a positive duty on employers to take “all reasonable and proportionate measures” to eliminate sex discrimination, sexual harassment and victimisation (as far as possible) at the workplace.
- Pronoun training was offered to staff to learn more about what pronouns are, why they matter and how to be an active ally to people who are trans and gender diverse.
- The Gender Equality Inclusive Leadership training program presented by Women’s Health in the South East (WHISE) in late 2022 and online webinars were created for future leaders joining Council.
- More than 100 direct care staff, team leaders, Community Care service providers, including Meals on Wheels, Home Maintenance and the Community Transport team attended four Federal-funded workshops by Transgender Victoria aimed at training staff to make a positive difference in the lives of LGBTI elders.
- To make Council’s Aged Care services more efficient, Council rolled out Galaxy devices for all Direct Care Workers. The devices have put an end to fiddly rosters, resulting in a more seamless service.
- Council brought together staff from across Council and the community to celebrate International Women’s Day, IDAHOBIT, 16 Days of Activism, and a Strong Sistas sports day to encourage women to participate in sports.



Other staff matters

Reward and recognition

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

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

See **‘Year in review’** section for external awards and recognition.

- New EMT Q&A sessions,
- improving our meeting spaces and providing modern IT facilities, screen sharing and video conferencing
- Enhancing the impact and outcomes of our induction and onboarding processes.
- Improving, sharing and celebrating our OHS culture to keep our employees safe against physical and psychological injuries
- Strengthening our leadership capability and leading with our values
- More consistent recognition of our front facing and lesser-known parts of the organisation that do a great job every day for our community

Employee Engagement

The results of the Staff Survey – Your Voice- Your Workplace 2022 guided the culture improvement work over the last twelve months. The survey reflected the feedback of 640 staff, with a response rate of 74 per cent. The organisation improved its engagement score from 45 to 54 per cent which was a 9 per cent improvement in employee engagement which now places the organisation in a Culture of Ambition.

Each Department has developed a Culture Improvement Plan to identify the key areas of focus for each team to work on over the next 2 years to improve culture at the local level. New initiatives that have been implemented organisationally in response to the 2022 staff survey results have been:

The positive engagement results were strengthened as the organisations “Truly Great” score also improved by 3 per cent from 65 per cent in 2021 to 68 per cent in 2022. 431 staff of the 634 staff that completed the survey responded that Frankston City Council is a Truly Great organisation to work for.

Health, Safety and Wellbeing

The year also brought a change to our Employee Assistance Provider to Converge International. The service assists employees in resolving personal problems that may negatively impact their day-to-day life and workplace performance.

Other initiatives included:

- Workshop sessions for our people leaders in creating a psychologically safe and thriving workplace
- Another 14 Mental Health first aid training sessions with two webinars, three half-day workshops and nine Mental Health First Aid accredited two-day courses resulted in another 214 community members learning how to support someone suffering poor mental health.
- Council facilitated free suicide prevention training with the South East Peninsula Health Network to increase staff members' understanding of suicidal behaviour.
- The staff flu vaccination program continued
- Virtual and in-person ergonomic assessments to support hybrid working.

Learning and development

Through our Learning and Development program, we offered a range of learning and development opportunities for all employees throughout 2022-2023:

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



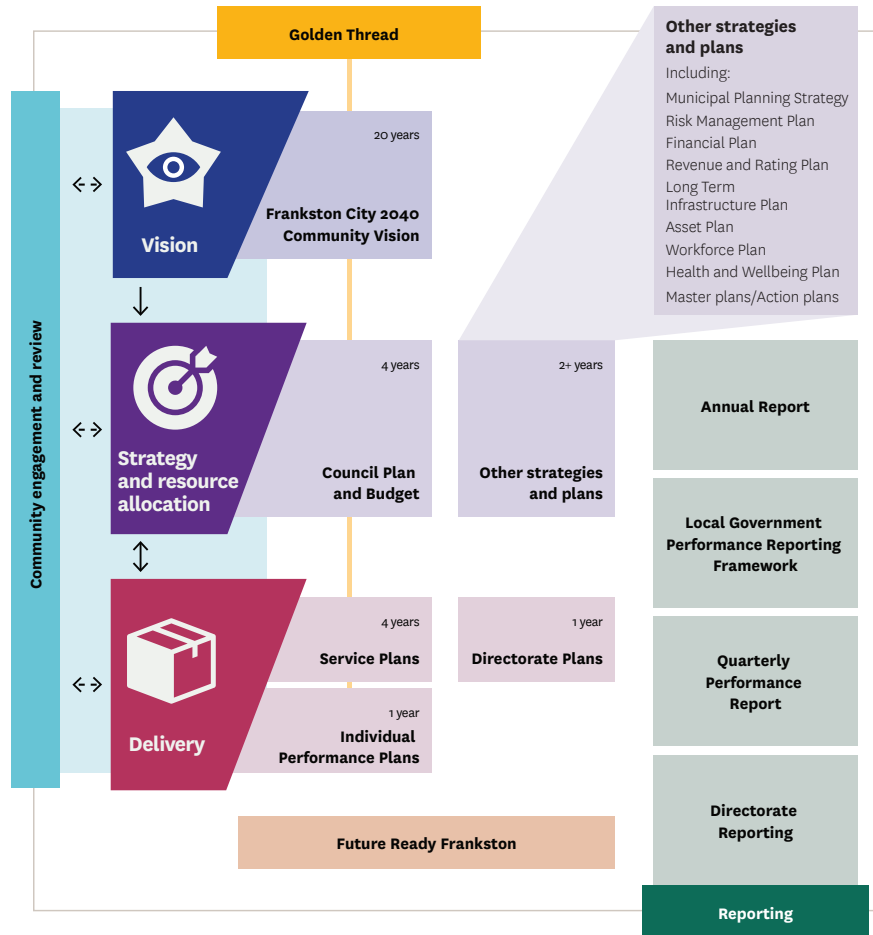
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Our performance



Integrated strategic planning and reporting framework

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



Council Plan

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

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

- 1. Healthy and safe communities p47
- 2. Community strength p60
- 3. Sustainable environment p70
- 4. Well planned and liveable city p82
- 5. Thriving economy p91
- 6. Progressive and engaged city p99




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

Reporting across the four years of the 2021-2025 Council Plan and Budget is summarised below and includes 2022-2023 results showing 95% of planned initiatives were completed by June 30.




How to read this section

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

Status key:

-  Initiative completed
-  Initiative completion has been deferred to 2023-2024
-  Initiative will not be completed

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

	2021-2022	2022-2023	2023-2024	2024-2025
 Initiatives completed	123	115	-	-
 Completion deferred to 2022-2023	11	6	-	-
 Initiative will not be completed	1	0	-	-

1. Healthy and safe communities

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

Priorities

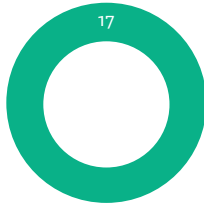
- Active and healthy lifestyles that support residents living independently longer
- Long-term health and learning outcomes established in early childhood
- Reduction of harms from family violence, gambling, alcohol and other drugs
- Value and support young people

The following provides information about the service funding in 2022-2023.

Community health	Enhancing the health of families and the community by supporting them to develop and thrive, through enabling independent living.	Net cost	\$'000
		Budget	3,718
		Actual	3,410
		Variance	308
Sport and recreation	Encouraging people to be active by supporting access to a diverse range of sport and leisure activities.	Net cost	\$'000
		Budget	2,881
		Actual	2,337
		Variance	544
		PARC	
		Net cost	\$'000
		Budget	981
Actual	608		
Variance	373		
Community safety	Supporting people to feel protected and safe in the community regarding animal management, building services, environmental and public health, city safety and the enforcement of local laws.	Net cost	\$'000
		Budget	5,599
		Actual	5,158
Variance	441		
Community development	Delivering inclusive and accessible support, programs and community spaces to build resilience and community strength in the community.	Net cost	\$'000
		Budget	1,868
		Actual	1,402
Variance	466		

How we performed

100% of Council Plan initiatives completed (17/17)



- ✓ Completed
- Deferred completion to 23-24
- ✗ Not proceeding

Highlights




The 'Men as Role Models' Forum was rolled out and the project now consists of 15 trained mentors.
Frankston Park hosted three AFL Women's (AFLW) games.
Commencement of the Rapid Response Team.
Launch of the Wingham Park older adults exercise equipment volunteer trainers.
Adoption of Council's Integrated Transport Strategy.

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2022-2023 Council Plan Initiatives



Four-year Initiatives	What we planned for 2022-2023	Comment	Status
Engage families to promote the importance of early childhood education and health	Deliver Maternal and Child Health (MCH) and early childhood services and programs, including immunisation and supported playgroups	<p>Increased staff capacity in the MCH service has enabled a more flexible and innovative service delivery. The focus has been on actively engaging families that have missed Key Age and Stage (KAS) visits due to the pandemic, targeting developmental delay, outreach opportunities and community strengthening activities.</p> <p>The MCH Service has seen a significant increase in the number of clients experiencing vulnerability with significant complexities. In particular, the enhanced MCH program has seen an increase in referrals and significantly higher acuity, resulting in the demand and workload of the service exceeding the service capacity and staffing resources.</p> <p>Babies Pop Up commenced at local indoor venues, offering a safe play environment for parents of children under 12 months. The program aims to build social networks and discover other services that families and children can access. Both MCH and kindergarten are actively working to ensure that children living in out-of-home care are engaged in MCH and kindergarten services.</p>	✔
	Coordinate central registration of enrolments for community kindergartens	<p>Kindergarten Registration has been promoted to the community to ensure families are aware of the importance of registration and important dates for on-time registration. This promotion occurred through billboard signage across local areas, social media posts, Frankston City News and promotion through Maternal and Child Health Centres.</p> <p>As a result, the number of registrations received for 2024 has increased to 1381 for three and four-year-old kindergarten. This is an increase of 245 registrations compared to the same time in 2022.</p>	✔
	Implement Council's year two initiatives for Council's Early Years Plan	<p>Early Years services have successfully re-engaged many children and families back to face-to-face service delivery post COVID-19. A pilot project to reduce barriers to participation in health and wellbeing programs for young parents commenced in collaboration between Children's Services and Peninsula Aquatic Recreation Centre (PARC).</p> <p>The young parents attending the Supported Playgroup program in Frankston North assisted in the co-design of the four week program which included yoga, self-care and water familiarisation. A critical component for the parents was having their children participate with them and making the location easily accessible.</p> <p>Maternal and Child Health have been attending Council facilitated playgroups, including the young parent playgroup. Maternal Child Health has collaborated with Mums Matter Psychology to deliver counselling services for parents of children aged 0-6 in Frankston City. Mums Matter Psychology is currently recruiting for this role.</p>	✔






Four-year

Initiatives	What we planned for 2022-2023	Comment	Status
Maintain systems and capacity to manage and respond to emergency events	Monitor and mitigate key emergency risks to the community	Ongoing action - undertaken whereby key emergency risks are monitored and preparedness and mitigation strategies are reviewed. A Flood and Storm collaborative engagement with Melbourne Water and VicSES is in progress so Frankston City Council can ensure consistent messaging and promote areas of targeted support. The internal fire prevention manual rewrite is due for completion in the next financial year. The Bushfire Strategy update for all Council owned parks and reserves has been contracted to a third party for completion in late 2023 and will be project managed by the Emergency Management team.	
	Maintain up-to-date emergency management plans and test them to identify and mitigate capability and capacity gaps through training and awareness	The Frankston Municipal Emergency Management Plan was assured via the formal regional process and signed off as compliant in both March 2022 and May 2023 (when the fire content was added to supersede the 10-year fire plan). New, one-off funding acquired for the 2023/2024 financial year will focus on Frankston City internal emergency management support staff training to address capacity gaps and raise awareness of functional emergency management roles to support the community. The Frankston Flood and Storm Plan maintained primarily by Vic SES is a complementary plan to the Municipal Emergency Management Plan. The Emergency Management team contributed to the update of this document.	
	Leverage partnerships with key agencies and community groups to improve planning for response to and recovery from emergency events. This will include the development and implementation of an annual training program	Relationships with key agencies, community and business partners are consistently developed and maintained to ensure identified actions during times of emergency are transparent, collaborative and agreed upon. Externally, training occurs during the meeting space with key speakers attending to inform the Municipal Emergency Management Planning Committee and Subcommittees' planning. Internally, work has commenced on developing a comprehensive suite of online training resources and a facilitated Emergency Management Exercise for the latter half of 2023 for Emergency Management support volunteers.	

Four-year

Initiatives	What we planned for 2022-2023	Comment	Status
Encourage active and healthy lifestyles for people of all ages and abilities	Improve the amenity and perceptions of safety across the municipality	Another year of success with Beach Patrol, Victoria Police and the Rapid Response Team combining forces to make the beach safe during the summer months. Variable Message Signs were also incorporated this season to notify people that drinking alcohol on the foreshore is prohibited.	
	Promote and deliver more diverse play and leisure opportunities for residents of all ages to encourage active lifestyles	This is important ongoing work to assist the community in being active and enjoying Frankston's play and leisure opportunities. Initiatives include planning for a unique science and education-based learning playground in Seaford, and drafting a Skate and BMX Strategy that will assist in the future provision of facilities and ensuring that they meet the community's needs. Many opportunities continue to be promoted through the Frankston City News and other relevant publications.	
	Work in partnership with health, education and community organisations including sporting clubs and community gardens to enhance opportunities for improved primary health and participation in passive and active recreation	Work has continued supporting 10 Community Gardens in Frankston, with Orwil Street Neighbourhood House recently joining the Community Garden network. Network meetings are held monthly to keep the gardens connected and supporting each other and the community. There has been continued work with 'The Community Plate', an initiative using a collective impact approach to strengthen the local food system and improve healthy eating outcomes in the region.	
	Deliver second year actions for Council's Health and Wellbeing Plan	The Year Two Action Plan has progressed, and will be finalised through an annual report submitted to the Department of Health in Q2 2023-2024. Key Council initiatives identified in the Action Plan as having co-health benefits have been adopted, including the Integrated Transport Strategy and Climate Change Strategy, with the Safer Communities Strategy underway and due for adoption in Q2 2023-24 (December).	

Four-year Initiatives	What we planned for 2022-2023	Comment	Status
Advocate for programs and support to reduce harms from family violence, gambling, alcohol and other drugs	Embed Council's Stronger Families Policy and implement year four actions for Council's Family Violence Action Plan	Action has progressed well against targets in the Family Violence Action Plan. The Men As Role Models mentoring project in partnership with White Lion has been achieving very positive outcomes, and the development of the Respect App to support young people in developing healthy relationships has now been completed.	
	Partner with Monash University, Peninsula Health and other key advocacy organisations to raise awareness of risks associated with gambling and Alcohol and Other Drug (AOD) use and improve access to support services	This action has been largely facilitated through external organisation, RAD-FMP (Responding to Alcohol and Drugs - Frankston Mornington Peninsula). Due to a change in the funding of this organisation, the focus of RAD-FMP has moved from AOD to strengthening employment pathways for young people. Council remains a member of the reference group and is supporting the establishment of this new project being led by Peninsula Health. Council has continued to provide a partnership grant to the Anti-Gambling Alliance to support their ongoing advocacy work to reduce the impacts of problem gambling. Council remains a project partner in Monash University's study into enhancing pharmacist involvement in opioid dependence.	

Four-year Initiatives	What we planned for 2022-2023	Comment	Status
Engage young people to support their educational outcomes	Partner with the Department of Education and Training on Frankston North Strategic Education Plan	<p>Council continues to collaborate with key stakeholders, playing a key role in contributing to the objectives of the Frankston North Education Plan (FNEP). The Partnership has a strong focus on sharing resources and information between services, further enabling positive outcomes for the children and community.</p> <p>The Site Implementation Progress Report highlights the increased uptake of free groceries within the community. A collaboration between partners and organisations such as the local Church Group, Foodbank and Aldi, ensures that fresh food is readily available to families accessing MCH, supported playgroups and early learning. This initiative is significant in supporting learning opportunities for children and improving their educational outcomes.</p>	
	Deliver Youth Services outreach, in-reach and engagement programs	Youth Services' engagement with young people through in-reach and outreach activities has offered guidance towards a path that will allow them to pursue their goals, including education. The WHAT Bus has also been in high demand by schools and community groups. Project-Y assertive outreach continues to be provided with delivery partners, offering positive connections, support and education pathways to 'at-risk' young people. Frankston Youth Services had a strong presence at various employment expos throughout the year, engaging with local young people and services to promote pre-employment educational opportunities.	
	Enable young people to have a voice through Youth Council and youth events	Youth Council, NexGen Advisory, and Fresh Entertainment (FReeZA) are just three of the numerous programs that have received young people's views and ideas 1,623 times throughout the year, which has translated into a range of initiatives, inputs to Council projects and changes to program delivery.	
	Increase work experience, traineeships and student placement opportunities	During the financial year, Council were able to increase the number of participants, particularly in the student placement category. Throughout the pandemic, it was difficult to accommodate placements and ensure that the appropriate supervision and mentoring was available. This element has improved in this financial year and is expected to continue the trend of growth into the upcoming year.	
	Provide grants to support students in participating in formal education and recreational programs	The Child Youth and Inclusion grant has supported students in formal education and recreational programs by expending its financial year grant funds. Council's Community Grants have supported a number of young people to access recreational activities by addressing administrative hurdles.	

Strategic indicators

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

If we are successful we will see

	Outcome measures	Level of influence	Result	Comment
Increased active and healthy lifestyles that support residents living independently for longer	Proportion of adults who are sufficiently physically active compared to the Victorian state benchmark (Victorian Population Health Survey)	M	N/A	This data has not been released since 2017. The survey was conducted in 2022 and is due for release in 2023.
	Chronic disease levels compared to the Victorian state benchmark (Victorian Population Health Survey)		N/A	The Victorian Population Health Survey has not released the results from the 2022 survey. It is recommended that this measure is changed to "Proportion of residents reporting long-term health conditions" from the ABS Census for future reports.
	Proportion of residents satisfied with sport and recreation facilities (Community Satisfaction Survey)		84.00%	This result was measurably higher than the metropolitan Melbourne satisfaction with 'sports ovals' of 7.9, as recorded in the 2023 Governing Melbourne. The score remains at an excellent level, up by 3% from last year.
Improved long-term health and learning outcomes established in early childhood	Proportion of year three, five, seven and nine students achieving literacy benchmarks (Victorian Child and Adolescent Monitoring System)	M	N/A	The Victorian Government has not released this data since 2019. It is recommended that this measure is removed from future reporting.
	Proportion of children fully immunised by school age compared to the Victorian state benchmark (LGPRF) (Local Government Performance Reporting Framework)		95.28%	Data is collected quarterly, with quarter 4 not available to date. This year actual is reporting on quarter 3 which is above the Victorian state benchmark at 95.0%.

If we are successful we will see	Outcome measures	Level of influence	Result	Comment
Reduction of harms from family violence, gambling, alcohol and other drugs	Proportion of residents who feel a safe in public areas in Frankston City (Community Satisfaction Survey)	M	100%	Crime rates for Frankston continue to decrease and recent surveys indicate that people are feeling safer within the municipality.
	Rate of hospital admissions due to alcohol and other drugs (Turning Point)		N/A	This data has not been updated since 2019. This is two separate measures: Alcohol - 2019 - Rate of 856 admissions per 100,000 Illicit drugs - 2019 - Rate of 481.6 per 100,000 Ambulance call-out data is updated more regularly, so consider changing this measure for future reports.
	Rate of reported family violence incidents (Crimes Statistics Agency)		1,859.37	2021-22 - Rate of 1859.37 per 100,000
Improved education outcomes through better engagement of young people	Proportion of people attending TAFE or University (Australian Bureau Statistics)	M	5.80%	ABS Census 2021 - Proportion of people attending university and TAFE/Vocational - 5.8%

Level of influence over the result

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

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Performance indicators (LGPRF)

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

No	Service Indicator	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Animal Management							
Timeliness							
AM1	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	4.22 days	4.65 days	3.82 days	3.54 days	-7.41%	Council officers continue to work with the community to provide a high level of customer service while reducing response times to requests. Council has a strong enforcement policy that may increase the length of response times while matters are pending Court action.
Service Standard							
AM2	Animals reclaimed Number of animals reclaimed / Number of animals collected x100	41.69%	54.35%	63.77%	51.57%	-19.14%	Council officers have a strong focus of reuniting pets with their owners. Council is implementing processes to make it easier for owners to be reunited with their pets in a timely manner. This includes returning some pets directly to their owners rather than taking them to the animal shelter.
AM5	Animals rehomed Number of animals rehomed / Number of animals collected x100	10.17%	13.41%	16.80%	18.20%	8.30%	The uptake of people adopting pets reflects the current economical constraints, however an increase has been observed and this is due to providing discounts for adopted animals through the animal shelter and pet registration.
AM6	Cost of animal management service per population Direct cost of the animal management service / Population	\$10.87	\$8.25	\$12.47	\$15.66	25.59%	Council has invested in additional programs and resources to improve animal management services; the result is within target and as expected.
Health and safety							
AM7	Animal management prosecutions Number of successful animal management prosecutions / Number of animal management prosecutions x 100	100.00%	100.00%	100.00%	100%	0.00%	Council undertakes prosecutions in relation to the more serious provisions of the Domestic Animals Act or repeat offenders. This action is taken to reduce the risk of injury to the community. All 167 matters progressed to Court had a successful outcome.

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No	Service Indicator	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Aquatic Facilities							
Service Standard							
AF2	Health inspections of aquatic facilities Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities	1.00	1.00	1.00	1.00	0.00%	All Council aquatic facilities were inspected during the 2022-2023 period.
Utilisation							
AF6	Utilisation of aquatic facilities Number of visits to aquatic facilities / Municipal population	5.78	3.29	4.59	7.26	58.23%	Membership numbers continue to grow and are back to pre-COVID levels and casual entries have outperformed expectations.
Service Cost							
AF7	Cost of aquatic facilities Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities	\$1.34	\$0.88	\$1.19	-\$0.35	-129.15%	Strong membership numbers and better than expected casual entries combined with tight cost control have contributed to a positive result for aquatic facilities.
Food Safety							
Timeliness							
FS1	Time taken to action food complaints Number of days between receipt and first response action for all food complaints / Number of food complaints	1.53	1.51	1.31	1.78	36.42%	To ensure food safety risks are effectively managed, the Environmental Health team continues to prioritise all food safety complaints. These results demonstrate Frankston City Council's ongoing commitment to food safety and maintaining the target of actioning complaints within two days.

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No	Service Indicator	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Service standard							
FS2	Food safety assessments						The Environmental Health team ensured all Class 1 and Class 2 food premises received an annual food safety assessment, reinforcing Frankston City Council's ongoing commitment to food safety. A number of food premises underwent a change of ownership during the year, causing some food premises to receive multiple 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	93.44%	72.69%	104.33%	105.27%	0.91%	
Service cost							
FS3	Cost of food safety service	\$601.37	\$637.52	\$489.68	\$540.27	10.33%	Frankston City Council's cost of food service delivery remains aligned with the Local Government Better Practice Guide, with the cost increasing slightly on the previous year due to vacant positions being filled within the Environmental Health team.
	Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984						
Health and safety							
FS4	Critical and major non-compliance outcome notifications	100.00%	100.00%	95.51%	97.09	1.64%	Frankston City Council has seen an increase from the previous year to the percentage of critical and major non-compliance follow-ups completed. This reflects the ongoing efforts by the Environmental Health team to prioritise food safety. Any remaining follow-ups that were not completed received alternative food safety actions to close out any food safety risks identified. The total number of critical and major non-compliance follow ups for the year was 167.
	Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises x100						

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No	Service Indicator	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Maternal and Child Health							
Service standard							
MC2	Infant enrolments in the MCH service Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received x100	100.87%	100.88%	101.17%	100.75%	-0.42%	Engagement of the MCH service remains high, demonstrating the importance of the MCH service for families with children 0-6 years living within the municipality.
Service cost							
MC3	Cost of the MCH service Cost of the MCH service / Hours worked by MCH nurses	\$61.20	\$67.95	\$65.25	\$87.79	34.55%	The cost of MCH service has increased this year as a result of compliance adjustments required to calculations, however, remains within target range.
Participation							
MC4	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	70.81%	64.75%	67.94%	74.01%	8.92%	Participation in the MCH service has increased since the last financial year. This demonstrates the COVID-19 pandemic recovery phase which is seeing a gradual return to increased accessibility and participation in the MCH service.
MC5	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	76.67%	64.85%	63.71%	70.86%	11.21%	The percentage of Aboriginal children enrolled, who participate in the MCH service, has increased since last financial year. This is attributed to strengthened relationships with local Aboriginal services and the Aboriginal community. The total number of Aboriginal children enrolled in the MCH service for the year was 187.
Satisfaction							
MC6	Participation in four week Key Age and Stage visit Number of 4-week key age and stage visits / Number of birth notifications received x100	95.24%	96.00%	96.96%	95.04%	-1.98%	Council has a high engagement with participation in 4-week Key Age and Stage visit, which is consistent with the previous year. Council's MCH Service offers appointments to all newborns to attend a 4-week Key Age and Stage visit and actively follows-up with families if they do not attend this visit.

2. Community strength

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

Priorities

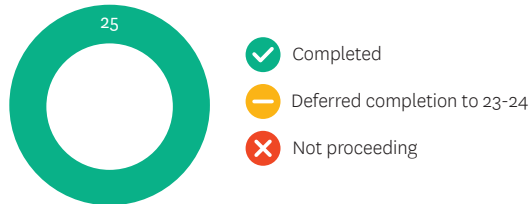
- Accessibility of services to enhance social inclusion and mental wellbeing
- Volunteering to build connections and resilience within the community
- Frankston City's arts and cultural identity

The following provides information about the service funding in 2022-2023.

Community health	Enhancing the health of families and the community by supporting them to develop and thrive, through enabling independent living.	Net cost	\$'000
		Budget	2,373
		Actual	2,986
		Variance	(613)
Community development	Delivering inclusive and accessible support, programs and community spaces to build resilience and community strength in the community.	Net cost	\$'000
		Budget	3,709
		Actual	4,057
		Variance	(348)
Arts and culture	Building Frankston's cultural landscape by supporting the production and delivery of arts programs, events and library facilities providing opportunities to create, learn and connect.	Net cost	\$'000
		Budget	3,495
		Actual	4,547
		Variance	(1,052)

How we performed

100% of Council Plan initiatives completed (25/25)



Highlights






Beacon by Matt Calvert was installed at Eel Race Road underpass in Seaford.
Council's Job Advocates provided support to 435 community members seeking assistance to overcome employment barriers.
Christmas Festival of Lights returned to a crowd of 45,000.
New Library website launched.
Waterfront Festival (45,000 attendees).
Adoption of the Public Art Strategy 2023-2028 will continue to build on Frankston's identity as an arts and culture destination.
The South Side Festival featured the contributions of 230 artists, both events boosting tourism and earning Frankston a finalist spot in the Bronze category 2022 Victorian Top Tourism Town Awards.





2022-2023 Council Plan Initiatives

Four Year





Initiatives	What we planned for 2022-2023	Comment	Status
Build Frankston City's reputation as an arts, culture and tourism destination	Deliver Arts and Culture Strategic Plan	<p>Southside #2 was delivered, offering a wide range of family friendly activities that were greatly received with additional sessions of Sea of Light added due to demand. The opening night performance of Silence was a powerful piece. Melbourne Symphony Orchestra, Hard Quiz (Tom Gleeson), Darren Coggan and Steve-O delivered sold out performances with healthy attendance to Stephen K. Amos, Teeny Tiny Stevies, Rolling Thunder Vietnam and Celtic Illusion. Libraries continued to deliver multiple activities that were especially well attended over the school holidays. Storytime audiences continue to grow. Destination Event Attraction Program has finalised five grant recipients for the 2023/24 Season.</p>	✓
	Build capacity and partner with creatives and the community to deliver high quality events and art experiences	<p>The move to incorporate Ventana as part of Waterfront Festival has proven successful. Council have had a number of local artists present exhibitions throughout the precinct with a record number of entries into the Open Exhibition. Through Programming and Commercials hires, Council have had a large and diverse range of product onstage - from indigenous stories to modern dance - while also keeping true to our community and supporting their end-of-year celebrations and awards evenings. Hot Art Sessions are more popular than ever during the school holidays.</p>	✓
	Deliver festivals and events that build upon Frankston as an Arts and Culture destination	<p>All Major Events completed for 2022-23. The Mayors Family Picnic was rescheduled due to inclement weather, which may have contributed to slightly lower attendances than expected. Christmas Festival of Lights saw a record turnout. We have found high level of engagement by members of the community as cost of living pressure increases.</p>	✓
	Develop sculpture and eclectic street art culture	<p>Two sculptures from Sculpture by the Sea have been installed at Frankston Dandenong Road East and West, with landscaping and lighting. One more is due to be installed in the coming months once the site for installation has been approved. Five fibreglass sculptures will be installed in the next month in the Frankston Library Forecourt. The EOI for the Offshore Sculpture has successfully received two high calibre submissions which will be evaluated and a shortlist selected to further develop their ideas. The sixth Big Picture Fest was delivered with nine new artworks for FMAC and a projection artwork which was a highlight. We received record numbers of attendance for the street art festival and the street celebration, the Block Party.</p>	✓

Four Year





Initiatives	What we planned for 2022-2023	Comment	Status
Enrich the lives of older residents and people with disabilities with opportunities to enable participation and independent living	Deliver Council's annual Seniors Festival, programs and activities to enhance participation and social inclusion	Continued activity planning and finalising Senior's Festival for 2023. The program has been designed to enable and enhance participation by having a cross-section of subjects, access and activities for our senior community.	
	Support organisations that are providing valued services to older residents	Council has supported senior-led organisations with Council's Community Grants to enrich the lives of older residents. Council has included an additional 11 new groups to be recipients of Council's Community Grants to enable participation in the community.	
	Deliver year two actions Council's Disability Action Plan	Key deliverables have included: <ul style="list-style-type: none"> • Sponsored uniforms for six teams for the launch of the Frankston and District Basketball Association All Abilities Basketball Competition on April 2023. • Disability Access and Inclusion Committee recruitment process for six community representative and four organisation representative positions. • Planning for installation of accessible beach matting in Seaford • Support for Disability Access and Inclusion Committee (DAIC) members to apply to join Peninsula Health's Consumer Advisory Committee. • Facilitated community engagements with people with a disability and carers in relation to the Draft Public Toilet Action Plan. 	
	Facilitate improved access for people with disabilities to services and transport options	Some key actions delivered: <ul style="list-style-type: none"> • Maternal Child Health Services consulted with the DAIC on how they could make their services more accessible and welcoming, with a range of outcomes arising. • Youth Services used feedback from the DAIC to help them plan accessible service provision and to design their Youth Hangouts. • Provided accessible feedback for Frankston City Council's Coastal and Marine Management Plan. • Facilitated community engagements with people with a disability and carers in regards to the Draft Public Toilet Action Plan. 	
	Support and promote Culturally and Linguistically Diverse (CALD) seniors groups	Council launched the Culturally Linguistically Diverse Network and has senior citizen representation within the network. This allows senior subject matter perspectives to be considered for current council plans and provided insight and community ownership in the planning of Council's during Harmony Day.	





Four Year			
Initiatives	What we planned for 2022-2023	Comment	Status
Work with community organisations and groups to develop our future leaders and evolve a diverse culture and gender equality	Deliver an online seasonal tenancy system to ease the burden on club volunteers	This project has been completed and the online system is working great for both the customer experience and in supporting competent service provision Council staff.	
	Continue to build volunteering diversity in community organisations	Impact Volunteering continues to support, promote and advocate for diverse cultures and gender equality through various council publications with the community.	
	Expand participation in the culture change program for sporting clubs to achieve greater gender equity in participation and board membership	A recent Women In Sport master class was delivered to 10 key women in sport in Frankston. They will be offered an additional four mentor sessions and will progress to being mentors themselves. This initiative was highly valued and contributes to ongoing work with sports clubs to help them become more inclusive.	
	Work with schools and disengaged young people to build relationships awareness and enable them to choose respectful relationships	Frankton Youth Service continues to work as a Critical Friend partner to local schools, supporting them and their students in strengthening the Respectful Relationships initiative. Choose Respect/Respectful Relationships module/learning tool has been developed by Information Multimedia Communication (IMC). The tool is currently with the Frankston City Council Business Transformation team for incorporation into the Frankston Youth Services website.	

Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Targeting community needs through development programs and grants	Design community development programs to meet resident needs	<p>A broad range of initiatives have been delivered, a few examples being:</p> <ul style="list-style-type: none"> • Mental health training for the community continued through 2023. In total, 673 people have received training over the full period of the course (approx. 400 in 2021/2022) who are now equipped to identify and support emerging mental health needs within the community. • A Food Action Plan has been in development to outline how Council will collaborate with community, service delivery partners and key stakeholders and guide our actions and decision making to improve access to an affordable healthy food system. • Governance training has been implemented for local not-for-profit community groups and organisations attended by 23 people. • Planning and collaboration with 'Women's Health in the South East' to deliver education sessions on menopause. 	
	Deliver Council's grants program	Council has concluded the end of the financial year by delivering all Council's Community Grants funding to the community. All funding pools have been expended.	
	Build connections between volunteers and volunteer organisations through Impact Volunteering	Impact Volunteering commenced with delivering National Volunteer Week, undertaking training sessions for organisations and volunteers. Impact Volunteering had representation from a number of community services. Training sessions were designed to enhance volunteering participation.	
	Deliver year two actions from Council's Library Action Plan	<p>Post-renovation updates occurred at Carrum Downs Library with layout updated plus new shelving installed. This has allowed for more space for events and storytime sessions. The renovations have been well received by the community.</p> <p>The library launched Ebsco Bibliograph in May, creating visibility to the library catalogue via Google. This search tool has the potential to reach a wider audience and encourage non-library users into our library branches, as well as increasing library usage.</p> <p>As part of the Digital Literacy for seniors, eight iPads are now available for loan, supporting access to information for seniors within the community.</p> <p>The children's program attendance has increased quite significantly, with 11,993 attendees. Digital loans have also seen a good increase with 36,653 eBook and eAudio book loans.</p>	

Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Deliver essential advocacy, support and referral services for residents in need	Monitor demographic data trends to inform service plans that meet the future needs of the local community	The Online Demographic Resources have continued to be available to Council staff and the community to monitor demographic data trends. An additional demographic briefing was held for the homelessness and community housing sector on the use of the Housing Monitor.	
	Deliver the funded job advocacy program including provision of employment support, training and referrals to improve employment outcomes	Council's Job Advocates provided support to people seeking assistance to overcome employment barriers, with 2,097 community members receiving individual support during the year. The Job Advocate program ceased on 30 June 2023 at Frankston City Council.	
	Provide financial support for material aid through eligible emergency relief and recovery organisations	The Community Support Frankston (CSF) team continued to deliver essential advocacy, support, referral, and Emergency Relief (ER) to residents in Frankston. There were more than 3,000 referrals made and 5,300 unique cases or ER assistance provided to individuals and families. Both increased throughout the year. This increase is due to a rise in the cost of living and housing pressures being faced by already disadvantaged community members. CSF commenced new outreach initiatives with both the Victorian Public Tenants Association (VPTA) and the Mental Health Legal Centre (MHLC). Both initiatives have had positive housing and legal related outcomes for Frankston residents. CSF has also seen an increase in local residents of all ages accessing the free hot lunches program that continued to operate.	
	Deliver Home and Community Care (HACC) and Commonwealth Home Support Program (CHSP) in home services to older residents to enable them to live safely and independently	<p>Progress continues in readiness for the Aged Care Reforms. The new Support at Home program has been deferred until July 2025.</p> <p>The transition to paperless rosters for Direct Care Workers has successfully been embedded into work practices. The client base remains stable, with additional Direct Care Workers having been recruited to meet in-home service demand. An additional 200 referrals are awaiting processing across all service types.</p> <p>The Meals on Wheels team continues to experience volunteer shortages for meal deliveries and kitchen duties. The new volunteer management system, Better Impact, has commenced implementation, streamlining the onboarding of volunteers.</p> <p>Results from the annual customer satisfaction surveys provided excellent feedback across all program types. 98 per cent of respondents stated that the service they receive helps them to maintain independence and/or live a better life.</p>	

Four Year Initiatives	What we planned for 2022-2023	Comment	Status
	Partner with the housing and homelessness sector to support the Frankston City Strategic Housing and Homelessness Alliance Five-Year Strategic Plan	The Strategic Housing and Homelessness Alliance met four times over the past year and most recently in May for a workshop facilitated by an independent consultant to review its vision, objectives and structure and make recommendations for future work. A report was received providing the Alliance with a blueprint for activities to be undertaken in 2023-24. The Alliance continues to support the Frankston Zero initiative, which supported six rough sleepers into long-term secure housing.	
	Provide referral services through our Neighbourhood House programs and youth services	The past year has seen 1,333 referrals made and received through Frankston Youth Services. Many of these referrals have been associated with specialist mental health support providers, homelessness assistance providers, NDIS support, educational institutions, and financial services. Youth Central is a popular location for locals of all ages to drop in and request assistance on a range of support needs, and the team at Youth Services are always available to meet this need.	
Build acknowledgement and respect for Aboriginal and Torres Strait Islander cultural heritage and history	Deliver year one initiatives for Council's Reconciliation Action Plan (RAP)	Cultural training was successfully delivered to over 130 Council staff. Council has also supported NAIDOC week events, including sponsorship and attendance at events. Other areas of Council, including Family Health Services, are continuing to work closely with Nairn Marr Djambana and the general Aboriginal community in the provision of services. Regular meetings have taken place with the Bunurong Land Council, further strengthening this important relationship. An updated RAP was adopted by Council and endorsed by Reconciliation Australia. Some actions will carry into the next financial year for completion, such as the 'cultural bus tour', due to scheduling challenges.	
	Project manage the redevelopment of the Nairn Marr Djambana (NMD) gathering place	Council has also continued project management of a masterplan, concepts and engagement process in collaboration with NMD for a purpose-built building and cultural trail for the site. The design work and costings will continue until the end of December 2023 as per the project plan.	

Strategic indicators

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

If we are successful

we will see	Outcome measures	Level of influence	Result	Comment
Improved accessibility of services to enhance social inclusion and mental wellbeing	Percentage of participation rates of gender diversity, disability and Aboriginal and Torres Strait Islander communities in structured sport (sporting clubs)	M	N/A	There is limited data being collected by sports clubs. We hope to have this data collected in future, but this will require a significant change by sports club volunteers
	Proportion of people who have ever been diagnosed with depression or anxiety (Victorian Population Health Survey)		N/A	This data has not been released since 2017. Recommend that this is changed to ABS Census data for future reports - Proportion of residents reporting a mental health long-term health condition.
	Proportion of residents who agree Frankston City is responsive to local community needs (Community Satisfaction Survey)		77.00%	A survey was undertaken with all key stakeholders and partners in the Community Development Projects team.
Increased volunteering to build connections and resilience within the community	Percentage of residents who volunteer ‘sometimes’ or ‘regularly’ (Victorian Population Health Survey)	L	N/A	The 2022 survey data has not been released and is due for release in 2023.
Increased enjoyment of Frankston City’s arts and cultural experiences	Proportion of residents who are satisfied with Arts and cultural events, programs and activities (Community Satisfaction Survey)	H	82.00%	Result is up three points to 8.2 out of 10, which remains an ‘excellent’ level of satisfaction. This is the second consecutive increase in satisfaction with arts and cultural events, programs, and activities, from the low point of 7.9 back in 2021 during the pandemic. This may well reflect a return to a long-term result for Frankston City in a new post-pandemic environment. The result was measurably higher than the metropolitan Melbourne average satisfaction with ‘provision of public art’ and ‘Council’s festivals and events’ of 7.6 out of 10.

Level of influence over the result

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

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Performance indicators (LGPRF)

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

No	Service Indicator	2019-2020	2020-2021	2021-2022	2022-2023	Variance	Comment
Libraries							
Utilisation							
LB1	Physical library collection usage Number of physical library collection item loans / Number of physical library collection items	3.06	2.06	2.97	4.06	36.55%	The 130,955 items within the libraries physical collection were loaned 531,222 times in the last year, with an increase of 36.55% in usage from the previous year. This is due to the increase in access to the physical library spaces following COVID restrictions, work to refresh the library collections and new shelving at Frankston to visually merchandise the collection.
Resource standard							
LB2	Recently purchased library collection Number of library collection items purchased in the last 5 years / Number of library collection items x100	70.43%	67.47%	73.74%	67.24%	-8.81%	The collection has aged slightly this year, with 67.24% of the library collection purchased within the last five years.
Participation							
LB4	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	11.43%	11.27%	9.83%	9.75%	0.77%	9.75 per cent of the population have borrowed an item from the library in the last three years. This figure is impacted by the restrictions during COVID in years one and two. In the last year, 16,000 people have been an active member of the library. This does not include computer usage or attendance to programs.
Service cost							
LB5	Cost of library service per population Direct cost of the library service / Population	\$27.17	\$27.36	\$30.41	\$32.06	5.42%	Frankston City Libraries direct cost are well within the target, with the delivery of collections, spaces, public computers and free WIFI, plus a diverse range of events and programs offered to the community in the last year.

3. Sustainable environment

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

Priorities

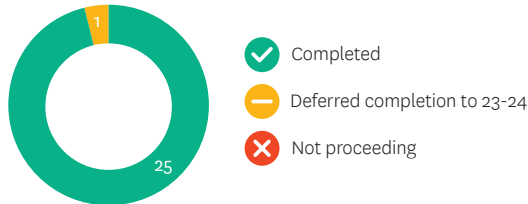
- Climate emergency response and leadership
- Green canopy cover to reduce urban heat
- Diversion of waste from landfill
- Protection, access and connection to the natural environment

The following provides information about the service funding in 2022-2023.

Biodiversity and open space	Ensuring the natural environment is protected and enhanced to provide safe, diverse and engaging open space for the community.	Net cost	\$'000
		Budget	14,834
		Actual	14,620
		Variance	214
Climate change action	Managing climate change response and supporting the community to mitigate impacts and manage vulnerabilities.	Net cost	\$'000
		Budget	1,723
		Actual	1,769
		Variance	(46)
Integrated water	Providing storm water protection for properties and ensuring healthy waterways for the community.	Net cost	\$'000
		Budget	2,855
		Actual	2,023
		Variance	832
Waste and recycling	Facilitating the collection of waste, recovery of resources and delivery of waste reduction and diversion programs.	Net cost	\$'000
		Budget	22,294
		Actual	19,864
		Variance	2,430

How we performed

96% of Council Plan initiatives completed (25/26)



Highlights

Rooftop solar systems on the Peninsula Aquatic & Recreation Centre (PARC) and the Civic Centre have been completed.

Monterey Reserve Master Plan was finalised.

Frankston City Council finished in third position out of nine participating Councils in Biodiversity Blitz to celebrate Biodiversity month.

The standardisation of bin lid colours for the current three bin system was completed (Red, Yellow and Green). An education program was implemented to increase community awareness of acceptable materials for recycling using the standardised bin system.





Adoption of the Frankston Metropolitan Activity Centre (FMAC) Structure Plan.

Significant energy efficiency upgrades achieved.





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2022-2023 Council Plan Initiatives

Four Year





Initiatives	What we planned for 2022-2023	Comments	Status
Increase urban forest and canopy coverage to create a greener and cooler city	Implement year three actions for Council's Urban Forest Action Plan	National Tree Day was held at Jubilee Park where 1,400 trees were planted. 22 schools registered to receive 50 plants for School Tree Day with two schools, Rowellyn preschool and Kananook Primary, receiving 500 plants and a talk from the Westernport Biosphere's Biodiversity in Schools program. Residents were encouraged to plant trees through the plant voucher included in Frankston City News September edition and 'request a street tree' function was included in rates notice. A Councilor briefing was held to provide an update on the progress of the Urban Forest Action Plan and the 20,000 tree planting initiative. Council is halfway through achieving the 80,000 trees planted in four years.	
	Develop precinct planting plans to identify opportunities for planting in high priority areas	Canopy tree mapping across three years (2017 to 2022) was completed for Frankston, Frankston Heights, Karingal and the Frankston Metropolitan Activity Centre (FMAC). Consultants were engaged to review data to determine opportunities for increasing canopy cover and develop a 10 year planting plan. The draft Urban Forest Precinct Plans for Frankston, Frankston Heights, Karingal and the Frankston Metropolitan Activity Centre (FMAC) was reviewed. Final plans to be available Q1 2023-2024.	
	Implement the tree protection local law	The Tree Protection Local Law and relevant planning scheme controls have been implemented to protect trees throughout the municipality. 233 local law applications were received and completed during the 2022-23 financial year and 23 application received and completed for Council tree removal.	
	Planting 20,000 additional trees as part of the annual municipal wide planning program	The planting program is on track to achieve the 20,000 trees target for the 2023 winter planting program. A majority of planting will occur on schedule in July-August. Over 110,000 indigenous plants (trees, shrubs, ground flora) will be planted as part of the 2023 winter planting program. Tree Planting locations: Natural reserves 34 per cent, parks and gardens 24 per cent, street trees 24 per cent, Capital works projects 14 per cent, Jubilee Park 4 per cent.	

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Four Year Initiatives	What we planned for 2022-2023	Comments	Status
Protect and enhance the natural and coastal environments	Review and update the Coastal Management Plan	Targeted stakeholder consultation commenced on Council's Coastal and Marine Management Plan (CMMP). Seven workshops were held with state agencies, community groups and the Foreshore Advisory Committee in quarter one, which informed the Values, Issues and Opportunities report (VIO). The report and main findings were presented to Councillors at the 28 November briefing and went onto community consultation. The precinct plans, vision statements and precinct-based actions were developed and are being reviewed with internal stakeholders. Bunurong Land Council has been engaged to develop a Coastal Cultural Values report to inform the final development of the management plan. The draft plan has been prepared and work will continue in 2023-2024.	
	Implement year two actions for Council's Biodiversity Action Plan	Council officers worked towards several actions in the delivery of year two of the Biodiversity Action Plan. Major projects included; Community Grants Program, where \$10,000 was distributed for 2022-23 financial year to six applicants. The Environment Significance Overlay mapping update on-ground field work was completed. Consultants were engaged to deliver the Ecological Restoration Plan for Seaford Wetland. Council partnered with Mornington Peninsula Shire Council and the Mornington Peninsula Koala Conservation group to install Koala Activity signs in locations throughout Langwarrin and Frankston South. The potential for a virtual fencing (Capital Works project- fauna crossing) to be installed along McClelland Drive and Robinsons Road to protect local fauna such as the Black Wallaby and reduce risk of collision was investigated with Units purchased for installation in Quarter one 2023-2024.	
	Deliver the native vegetation offset program	Consultant prepared a due diligence study at Witternberg Reserve. A report was prepared for the 20th February Council meeting to update the Councillors and request to go to community consultation on the proposed fencing of the reserve. Preparation for community engagement was completed. Community engagement on the proposed fencing of the reserve commenced in August 2023. A report will be presented to Council in Q2 2023-2024 at the conclusion of the community consultation.	
	Review and update management plans for natural reserves	An audit of existing management plans was undertaken to determine which reserves have current management plans. This is a multi-year project, with the 2022-23 project completed. The development of the Natural Reserve Management templates and a framework for management plan preparation and review will continue into 2023/2024.	

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Four Year

Initiatives	What we planned for 2022-2023	Comments	Status
	Maintain natural and coastal reserves	All natural reserves maintenance is on track and achieving annual weed control and re-vegetation targets. Rehabilitation projects at Olivers Hill, Seaford Wetlands, Jubilee Park and Seaford Foreshore achieved significant improvement in conservation value as part of long-term projects to restore natural values in degraded sites.	
	Review and update priority master plans for Open Space	The final Baxter Park Master Plan and Frankston Equestrian Master Plan are underway following a final round of club stakeholder consultation in May and June during Q4. The final plan is scheduled for Council endorsement in 2023/2024 Q2. Monterey Reserve Master Plan was finalised based on stakeholder and community feedback and was endorsed by Council in quarter four. Ballam Park Master Plan has progressed with preliminary traffic, stakeholders and landscape issues and opportunities complete. The Plan is scheduled to be completed in 2023-2024.	
Lessen the severity of climate change through action that enable Council and the community to reduce greenhouse gas emissions	Develop Climate Change Strategy and implement year one Action Plan projects	Community consultation was undertaken on the Climate Change Strategy. The draft Climate Change Strategy and Action Plan was presented at the 22nd November Council Meeting and endorsed for community consultation. Submissions received from staff and the public informed changes to prioritisation and refinement of several actions. The Climate Change Strategy and Action Plan was adopted at a Council meeting on the 3rd April 2023.	
	Ensure Environmentally Sustainable Design (ESD) principles are achieved for new developments, buildings, public realm and places	Pre-application ESD meetings continued for major development proposals to help applicants consider ESD initiatives in their design. ESD principles are achieved for new developments, buildings, public realm and places. ESD reports and assessments, in accordance with Council's ESD policy, are applicable for developments across Frankston City and are being assessed by the Council.	




Four Year

Initiatives	What we planned for 2022-2023	Comments	Status
Protect and enhance the natural and coastal environments	Work with local and regional partners to deliver environmental and climate action projects, including the uptake of electric vehicles across Frankston City	<p>The South East Council's Climate Change Alliance (SECCCA) has updated its environmentally sustainable design assessment tool for facilities, and it is now in use by Council for building and facility projects. Other SECCCA projects completed this year include the Electric Vehicle Charging Roadmap, Blue Carbon project (in partnership with the Biosphere Foundation), Asset Vulnerability Assessment, Small Business Climate Adaptation Toolkit, Community Resilience project and Carbon Sink project.</p> <p>Additionally, Council co-signed various letters of support and a joint statements during 2022-23 for initiatives on fuel efficiency standards and renewable energy in the municipality.</p> <p>Council continues its advocacy efforts through its regional partnerships and alliances to deliver environmental and climate change action.</p>	
Implement energy efficient upgrades to Council assets		<p>Council led a number of key energy efficiency initiatives in 2022-23, in particular the conversion of street lighting to LED in Sandarra and Sandhurst Estates, as well as the implementation of rooftop solar systems on the Peninsula Aquatic & Recreation Centre (PARC) and the Civic Centre. Lighting efficiency upgrades of the Frankston Arts Centre, Frankston Library, Youth Central, Cube 37, Frankston South Recreation Centre, and Council's Operations Centre were also completed in 2022-23.</p>	
Introduce and support programs to enable the community to upgrade their buildings to be more sustainable and climate resilient		<p>Council has promoted various grants and funding opportunities, including the Port Phillip Bay Fund, Environmental Upgrade Finance, Victorian Energy Upgrades Program and the Small Business Climate Adaptation Toolkit, to community groups and businesses.</p> <p>In addition, Council promoted Global Earth Hour event, launched the online SunSPOT Solar Tool and will soon launch Home Energy Saver Toolkits developed in 2022-23 and will be available from Frankston City Libraries for community use to enhance climate resilience.</p>	

Four Year



Initiatives	What we planned for 2022-2023	Comments	Status
Improve the quality of recycling, minimise the generation of waste and establish alternatives to landfill disposal	Progress collaborative procurement for an advanced waste processing solution for household rubbish for the South East Melbourne region to deliver a vital alternative to landfill	The procurement of an advanced waste processing solution was progressed through a request for tender to select a development partner.	
	Deliver a waste and recycling system to all households by providing standardised bin lid colours and a consistent understanding of acceptable materials for recycling	The standardised bin lid colours for the current three bin system was completed. Education program implemented to increase community awareness of acceptable materials for recycling using the standardised bin system.	
	Develop, set the direction and engage with the community on the Waste Circularity Plan	The Waste Circularity Plan has been developed after extensive engagement with the community through surveys, face to face sessions and online feedback. The plan sets the direction for the Frankston City for diversion of 80 per cent of waste from landfill by 2030.	
	Increase uptake of the kerbside food waste collection service in single-unit developments and develop a plan to extend this service to multi-unit developments	The uptake of the kerbside food waste collection service is still below target. Increased awareness programs continued throughout the year. Additional community engagement sessions and bin audits were conducted to illustrate the ability to place food waste in the FOGO bins.	
	Progress the implementation plan for the kerbside separate glass collection service	The implementation plan is progressing to scheduled timelines with separate glass collection bins purchased for 80 per cent of the community.	
	Progress the implementation of food waste minimisation initiatives	Community engagement sessions on food waste minimisation were conducted, along with additional bin audits, to support the messaging for the need to continue to divert food waste from the garbage bin.	

Four Year

Initiatives	What we planned for 2022-2023	Comments	Status
Increase opportunities to experience native flora and fauna	Support Frankston Environmental Friends Network	Officers continued to support the Frankston Environmental Friends Network through distribution of relevant information, attendance at monthly meetings, provision of tools and equipment and training. A review and update of the Environmental Friends Network Manual commenced and will continue into 2023-2024 with the establishment of a working group.	
	Develop and deliver environmental programs that promote behavioural change and positive environmental outcomes	Two online iNaturalist workshops formed part of the Bio Blitz for Biodiversity Month. The Role of Garden Soil In Climate Action - Community Workshop was held in November at Joy Street Community garden. Council teamed up with over 27 Councils across Melbourne to represent Greater Melbourne on the global stage in the City Nature Challenge. Two ranger walk events were held in collaboration with Parks Victoria, at the Frankston Nature Conservation and Pines Flora and Fauna Reserve. Volunteers completed over 40 Gardens for Wildlife visits to help residents support local wildlife. The Indigenous Nursery Open Day was held on the 6th of May. There were guest speaker talks, plant sales and giveaways, nursery and propagation tours, coffee, a sausage sizzle and interactive displays from Living with Wildlife, AWARE Wildlife Rescue, Frankston's Natural Reserve Friends groups and Gardens for Wildlife volunteers. 1,349 plants were sold and 120 plants collected as part of the Gardens for Wildlife Program.	
	Ensure reserves are accessible while still protected	Track 22 works combined with other similar works at Keast Park to achieve best value. A re-opening in August 2023 is anticipated.	

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Four Year

Initiatives	What we planned for 2022-2023	Comments	Status
Improve the management of water including flooding risk, water quality of creeks and waterways and the efficient use of water	Advocate to State Government and negotiate improvements to Kananook Creek Management Plan	Council was successful in securing \$120k of Better Boating Victoria funding for maintenance dredging at Kananook Creek mouth. While the Kananook Creek governance group meeting has been delayed, it is still expected that the project plan for dredging will be presented to the next governance group meeting for feedback, and its use for further advocacy. Successful advocacy to include Kananook Creek in the statewide dredging program (mainly the mouth of the creek) is waiting for the agreements to be formalised.	
	Progress Council's recycled water projects in partnership with key stakeholders	Further to the successful funding from the State Government for Monterey Recycled Water Scheme, Frankston City Council and Southeast Water, along with Long Island Golf Club, have signed an in-principal memorandum of understanding on the contributions and are now waiting for the implementation plan for the project. Council officers have now nominated the other two recycled water projects, the Frankston Recycled Water Scheme and Tyabb-Somerville Recycled Water Scheme, through the DEECA Dandenong and Westernport Integrated Water Management Forums respectively.	

Strategic indicators

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

If we are successful we will see

we will see	Outcome measures	Level of influence	Result	Comment
Increased climate emergency response and leadership	Council greenhouse gas emissions (Emissions register)	M	8,363 Tonnes	Council’s total tonnes of greenhouse gas emissions for 2022-23 was 8,363 tonnes which is a 7.2% ^{9.5} per cent decrease or 649 tonnes less when compared to the 2021-22 year.
	Community greenhouse gas emissions per capita (Emissions register)		9.32 Tonnes	Community emissions for the Frankston municipality were 9.32 tonnes per capita. The majority of emissions (56%) from electricity use (‘Snapshot Climate – Australian Emissions Profiles’ developed by Beyond Zero Emissions and Ironbark Sustainability).
	Community satisfaction with Council meeting its responsibilities towards the environment (Community Satisfaction Survey)		75.00%	Satisfaction with Council’s performance in meeting its responsibilities towards the environment increased marginally but not measurably this year, up one per cent to 7.5, which remains a ‘very good’ level of satisfaction.

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If we are successful we will see	Outcome measures	Level of influence	Result	Comment
Increased protection, access and connection to the natural environment	Proportion of beach water quality samples at acceptable Environmental Protection Authority levels (EPA)	M	N/A	Beach water quality is monitored by EPA Victoria. Data for 2022-23 is not yet available. However, data for 2021-22 concludes that most of the sampling results for the 2021-22 summer were below State Environment Protection Policy (Waters) short-term microbial water objectives. Confirming the water at Council beaches were suitable for recreation. Higher microbial levels were mostly associated with rainfall, with no swim advisories issued for Frankston beaches in the 2021-22 period.
	Proportion of local biodiversity that is thriving and safeguarded (Flora and Fauna Surveys)		N/A	No further data available and no change in proportion of local biodiversity that is thriving and safeguarded.
	Proportion of community satisfied with Open space, natural reserves and foreshore (Community Satisfaction Survey)		77.00%	Satisfaction with Council's performance with the provision and maintenance of our open spaces remained stable at 7.7, which remains at a 'very good' level of satisfaction.
Increased diversion of waste from landfill	Proportion of collection waste diverted from landfill (LGPRF)	M	51.88%	Council's landfill diversion rate has increased as a result of a reduction in waste tonnes overall, which is reflective of residents returning to pre-pandemic lifestyles.
Increased tree canopy cover and reduced urban heat	Percentage of tree canopy cover (DELWP)	M	N/A	DEECA has not released any further data. Council has planted 20,000 canopy trees annually.
	Urban temperature (DWELP)		N/A	DEECA has not released any further data.

Level of influence over the result

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

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Performance indicators (LGPRF)

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

No	Service Indicator	2019- 2020	2020- 2021	2021- 2022	2022- 2023	Variance	
Waste Collection							
Satisfaction							
WC1	Kerbside bin collection requests Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households x1000	142.55	148.25	166.06	140.23	-15.56%	A reduced number of additional garbage bin requests, bin replacements and bin repairs has resulted in a reduction in overall requests.
Service standard							
WC2	Kerbside collection bins missed Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	1.97	1.87	1.94	1.23	-36.77%	High level of service provision throughout the municipality, with the new fleet technology capabilities improving efficiency and providing more accurate reporting.
Service cost							
WC3	Cost of kerbside garbage collection service Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins	\$99.56	\$98.36	\$119.64	\$130.16	8.79%	The cost of the garbage service per collection has increased due to increased landfill levy charges.
WC4	Cost of kerbside recyclables collection service Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins	\$62.78	\$65.58	\$66.77	\$56.39	-15.54%	Recycling tonnes collected have decreased slightly and improved rates received in new recyclables processing contract have resulted in a reduced cost of service.
Waste diversion							
WC5	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	55.61%	55.71%	51.64%	51.88%	0.46%	Council's landfill diversion rate has increased as a result of a reduction in overall waste tonnes collected.

4. Well planned and liveable city

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

Priorities

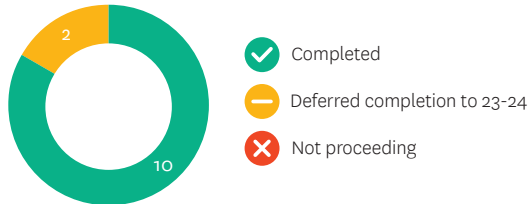
- Urban design renewal of public places and spaces
- Connected, accessible, smart and safe travel options
- Frankston City’s identity as a liveable city

The following provides information about the service funding in 2022-2023.

Transport connectivity	Facilitating safe movement into, around and out of Frankston City.	Net cost	\$'000
		Budget	8,874
		Actual	9,097
		Variance	(223)
Parking	Providing on and off street parking to manage the road environment and ensure appropriate car parking options are available for the community.	Net cost	\$'000
		Budget	(2,429)
		Actual	(1,591)
		Variance	(838)
City planning	Building, maintaining and improving a liveable city in line with the Frankston City Planning Scheme.	Net cost	\$'000
		Budget	2,865
		Actual	3,392
		Variance	(527)

How we performed

83% of Council Plan initiatives completed (10/12)







Highlights

Frankston Pier Lighting Project was completed.
Fletcher Road Gateway Revitalisation project was completed.
Carrum Downs Recreation Reserve Playspace was completed.
Two additional sites were installed with smart parking.





2022-2023 Council Plan Initiatives

Four Year





Initiatives	What planned for in 2022-2023	Comment	Status
Integrate land use planning and revitalise and protect the identity and character of the City	Advocate for the delivery of the Frankston City Centre Revitalisation Action Plan	The Nepean Boulevard Vision is a priority strategic revitalisation action identified in the Frankston Metropolitan Activity Centre (FMAC) Structure Plan Action Plan. Council is taking the next step to deliver its bold city-shaping vision to transform Nepean Highway as a boulevard through development of a Master Plan to guide prioritisation and advocacy. Advocacy activities are underway to generate support and develop partnerships with all tiers of government and state agencies to maximise potential delivery outcomes. Phase 1 community engagement on the Nepean Boulevard Vision was completed and community feedback will be considered as part of the Nepean Boulevard Master Plan.	
	Develop the Frankston Housing Strategy and commence year one implementation	The Frankston City Housing Strategy Discussion Paper has been finalised and a report seeking approval to commence community consultation will be taken to the July Council Meeting with a minimum six (6) week engagement program to follow.	
	Develop the Frankston Metropolitan Activity Centre (FMAC) Structure Plan and commence year one implementation	On 14 June Council resolved to adopt the Frankston Metropolitan Activity Centre Structure Plan (June 2023) and request authorisation from the Minister for Planning for Council to prepare and exhibit Planning Scheme Amendment C16ofran which will implement the Structure Plan into the Frankston Planning Scheme. On 22 June officers requested authorisation from the Minister for Planning.	
Improve connectivity and movement and provide transport choices to the community, including walking trails and bike paths	Develop an Integrated Transport Strategy including review of Bicycle Strategy to improve transport choices and make walking, cycling and public transport easy, safe and accessible. Advocate and implement year one strategy actions	Implementation of action plan items of the approved Integrated Transport Strategy have been prioritised to be implemented in 2023/24 budget. Review of the bicycle strategy has started with the formation of Project Control Group and development of the Engagement plan with strategy approved by Council by June 2024.	

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Four Year

Initiatives	What planned for in 2022-2023	Comment	Status
Provide well designed, fit for purpose, multi-use open spaces and infrastructure for the community to connect, engage and participate	Deliver the Open Space Strategy to optimise accessibility and activation of open space through a priority program of development and renewals for open space and play spaces	Progress continued on the Final Baxter Park Master Plan and the Frankston Equestrian Master Plan for Council endorsement in October 2023. The Play Strategy Implementation Program is underway for 2022-2023. Playspace construction was completed at Yarralumla Reserve - Langwarrin and Rosemary Reserve - Frankston North. Playspace design has progressed for Willow Park - Karingal, Kareela Reserve Playspace - Karingal and East Seaford Reserve - Seaford, Austin Road Reserve - Seaford and Monique Reserve - Langwarrin and a multi-court upgrade at Pratt Reserve - Frankston South. Two rounds of community engagement were completed for the Sandfield Reserve, Carrum Downs 'Safety through Diversity' project funded through the Victorian Governments Creating Safer Places grant.	
	Deliver annual capital works program including key major projects	The 2022-23 Capital Works Program is complete with 82% of the total adjusted program budget of \$92.01M spent in the program. This is a sound result in a challenging year, which included a Council endorsed revision of 2022-23 Capital Works Program as part of Council's strategy to manage cost escalations and unfavourable market conditions. Major projects are progressing well in light of the significant challenges faced with contractor insolvency, which impacted some key major projects. The Healthy Futures Hub, Monterey Reserve Soccer Pavilion and Ballam Park Regional Playspace are now complete. The Jubilee Park Stadium Redevelopment is near completion, with Lloyd Park Pavilion and Eric Bell Pavilion well progressed and expected to be complete in 2023/24.	
Implement year one actions for Council's Public Toilet Action Plan		Phase 1 community engagement was completed on the Public Toilet Action Plan and feedback will be considered in the Final plan for Council endorsement in September 2023.	
Review maintenance and asset renewal programs to enhance safety and presentation of the City		City Works inspectors have proactively been undertaking Road Management Plan inspections with over 1200 inspections being undertaken every month resulting in over 860 reportable issues found and resolved. Anzac Day was an outstanding success for the Operations Department in 2023 with positive feedback received from the community in relation to the Beauty Park and Seaford RSL functions.	

Four Year

Initiatives	What planned for in 2022-2023	Comment	Status
Innovate with smart technology and initiatives to increase the liveability of the city	Capture real time data to gather insights into liveability	We have built a strong and robust Transparency Hub information sharing platform and built on our data gathering to ensure it informs strategic decisions. We have now included data on e-scooters and along with e-bikes represented on the Transparency Hub.	
	Analyse Frankston Metropolitan Activity Centre (FMAC) smart parking trial to identify benefits for further implementation of smart parking technology	Data is now being collected on the use of parking within the trial area including the additional two car parking sites being Beach Street shops and Norman Avenue shops. Integration of Arts Centre Parking with the trial smart parking system is being explored.	
	Support the installation of Electric Vehicle (EV) charging infrastructure in Frankston City including the delivery of the Regional EV Charging Roadmap	The 12-month pedal assisted e-bike trial was reviewed in January and following positive community feedback, has been extended until April 2024. Following the State Government's extension of shared e-scooter trials across Victoria, Council is now also undertaking a small-scale e-scooter trial in the City Centre and continues to provide free charging stations to support e-bikes in the community. Council continues to liaise with EV charging providers for the implementation of the Regional Electric Vehicle Charging Roadmap, developed with partnering Councils, and its promotion to the community.	
	Smart Cities data collection, reporting and insights	Under the smart cities program, Council have begun collecting parking data on high demand areas. Council is also collecting extensive data on its e-bike trial and foot traffic along Wells Street and Stiebel Place.	

Strategic indicators

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

If we are successful we will see

	Outcome measures	Level of influence	Result	Comment
Urban design renewal of places and spaces	Proportion of open space and infrastructure that is fit for purpose (Internal report)	H	N/A	Data is not collected that annually audits the proportion of fit-for-purpose open space and infrastructure.
	Proportion of residents who are satisfied with the design of places and spaces (Community Satisfaction Survey)		77.00%	Satisfaction with Council's performance meeting its responsibilities towards the design of public spaces was up 3 per cent to 7.7 which remains a very good level of satisfaction. It is noted that satisfaction was higher in Frankston City than the metropolitan Melbourne average and average for southeastern region councils.
Increased travel options that are connected, accessible, smart and safe	Proportion of residents who are satisfied with travel options around the municipality (Community Satisfaction Survey)	M	N/A	Based on the customer requests data, it is inferred that travel options have not been an issue for residents indicating that comparative to 2021-22 nothing has changed in 2022-23.
	Proportion of residents living within 400m of public transport		N/A	While the data is not available, council officers have not been informed of any new bus routes from the Department of Transport and Planning indicating the proportion of residents living within 400m of public transport in 2022-23 is similar to 2021-22
Frankston City's identity as a liveable city	Proportion of residents who are proud and enjoy living in their local area (Community Satisfaction Survey)	M	80.00%	In the 2023 Frankston City Council annual Community Satisfaction Survey, the average agreement that respondents are proud of and enjoy living in the local area increased marginally this year, up one percent to 8.0 out of 10, which was consistent with the 2021 result, and which is an "extremely strong" agreement, with just two percent of respondents "disagreeing" with the statement.

Level of influence over the result

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Performance indicators (LGPRF)

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

No	Service Indicator	2019 -2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Roads							
Satisfaction of use							
R1	Sealed local road requests Number of sealed local road requests / Kilometres of sealed local roads x100	109.14	104.36	110.67	59.08	-46.61%	The result is within the target range however it is lower than last year, as operational requests such as line-marking have been omitted from the results.
Condition							
R2	Sealed local roads maintained to condition standards Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads x100	99.46%	99.27%	97.88%	98.57%	0.71%	The standard of the road network has remained consistent with the previous year's result and falls within the target range.
Service cost							
R3	Cost of sealed local road reconstruction Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed	\$59.23	\$84.35	\$144.81	\$193.49	33.62%	Cost escalations in road construction materials, unfavourable market conditions and night works associated with the projects delivered in 2022-23 has resulted in increase to the square metre rate. The cost of sealed local road reconstruction remains in the target range.
R4	Cost of sealed local road resealing Direct cost of sealed local road resealing / Square metres of sealed local roads resealed	\$25.40	\$25.33	\$31.81	\$44.18	38.87%	Cost escalations in road construction materials and unfavourable market conditions has resulted in an increase in square metre rate. Additionally, the type of treatments applied during the year for road resurfacing works has also contributed to the increase in the rate, which is outside of the target range for 2022-23.
Satisfaction							
R5	Satisfaction with sealed local roads Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads	60.00	70.05	73.00	69	-5.48%	Community satisfaction with sealed local roads has decreased to 69 per cent in 2022-23. This result remains above the Victorian South Eastern Council average and is within the target range.

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No	Service Indicator	2019 -2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Statutory Planning							
Timeliness							
SP1	Time taken to decide planning applications The median number of days between receipt of a planning application and a decision on the application	60.00 days	57.00 days	76.00 days	78.00 days	2.63%	Whilst there was a small increase on the previous financial year, the 78-day median between application receipt and decision is still within an acceptable range. The time taken to decide planning application has progressively decreased over the financial year.
Service standard							
SP2	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 x100	69.52%	70.10%	58.15%	62.41%	7.34%	Whilst the performance is below the Council's target of 70 percent, there was a small improvement on the previous financial year. Timeframes have progressively improved over the financial year as accumulated volumes of undetermined applications were reduced as vacant roles were filled and contractor support utilised. Council's timeframe target was achieved in quarter four.

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No	Service Indicator	2019 -2020	2020- 2021	2021- 2022	2022- 2023	Variance	Comments
Service cost							
SP3	Cost of statutory planning service Direct cost of the statutory planning service / Number of planning applications received	\$2,618.24	\$2,271.09	\$1,811.25	\$3,091.99	70.71%	Whilst the cost of the service increased, the degree of year-on-year variance is also exaggerated following the very low cost of the service in 2021-22 due to staff shortages during the COVID-19 pandemic. Higher volumes of applications were received in 2021-22, the cost of which to process was incurred during 2022-23. The higher cost was still within the expected target range and was necessary to improve service delivery. The increase related to contractor support utilised to process applications, and the deployment of new resources to a major developments service.
Decision making							
SP4	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	50.00%	75.00%	75.00%	76.92	2.56%	The number of matters progressed to review at the VCAT was relatively low over the financial year. Council was successful in improving VCAT outcomes, with a small increase to the percentage of decisions upheld. This reflects effective decision making and engagement with parties where disputes arise, so as to reach agreements and consent matters where possible. The total number of VCAT decisions for the year was 13.

5. Thriving economy

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

Priorities

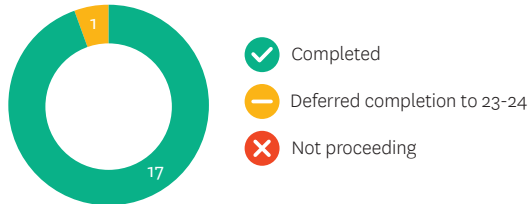
- Business and industry investment attraction
- Activity centre precincts
- Local employment, education and training opportunities for all people

The following provides information about the service funding in 2022-2023.

Economic development	Fostering the development of a sustainable and prosperous local economy.	Net cost	\$'000
		Budget	2,643
		Actual	2,524
		Variance	119
Arts and culture	Building Frankston's cultural landscape by supporting the production and delivery of arts programs, events and library facilities providing opportunities to create, learn and connect.	Net cost	\$'000
		Budget	3,340
		Actual	3,119
		Variance	221
City planning	Building, maintaining and improving a liveable city in line with the Frankston City Planning Scheme.	Net cost	\$'000
		Budget	487
		Actual	505
		Variance	(18)

How we performed

94% of Council Plan initiatives completed (17/18)







Highlights

Frankston won bronze in the 2022 Victorian Top Tourism Town Awards.
The Frankston Business Collective launched.
Nepean Boulevard Vision was completed for advocacy.
The Frankston Business Collective (FBC) has now become an independent entity with over 120 members
One hundred and seventy two (172) businesses were assisted to set-up and/or relocate within the municipality this year, via Council's Business Concierge.

2022-2023 Council Plan Initiatives

Four Year





Initiatives	What we planned for 2022-2023	Comment	Status
Activate vacant commercial spaces and underutilised Council assets	Strategically consider and deliver place activation through the municipality	<p>A Draft Place Activation Plan has been developed, and with Place Activation focus shifting towards Economic Activations, the Plan will need to be revised. The purpose of Economic Activation will be to focus any activation activities on economic benefit, along with supporting local businesses to enhance economic prosperity.</p> <p>The next phase of this work relating to the Draft Plan will be completed in 2023-2024.</p>	
Remove complexity and provide planning certainty to attract economic investment	Expand Council's Business Investment Attraction Program	Work has continued to review and update Council's Economic Scorecard and Economic Prospectus documents to ensure that Frankston can be promoted to potential business operators and investors both accurately and positively. A revised Economic Prospectus was promoted at the CommBank Small Business Expo 2023 and made available online.	
	Promote Invest Frankston and precinct opportunities	Proactive communications to promote Invest Frankston and other precinct opportunities were regularly provided through Council's Economy, Invest and Activation's monthly Invest Frankston Business eNewsletter which had 2418 active subscribers as at the end quarter four with an average open rate of 36.5 per cent. Other promotional activities via social media platforms; Facebook and Instagram reached 36,000 social media accounts and had a 38 per cent engagement rate.	
	Complete the Statutory Planning Business Improvement Program projects related to the streamlining of planning permit applications to improve the time it takes to decide a planning application	<p>Progress with remaining Statutory Planning Business Improvement projects has been delayed due to core application system and unplanned resource issues. Notwithstanding, various improvements have been achieved to date.</p> <p>In quarter four, statutory planning was able to deliver more online forms. Specifically, in addition to online forms delivered previously, customers can now request an extension of time, secondary consent, demolition consent (Section 29A), condition signoff and pre-application meeting via the Council website. These improvements result in timeframe efficiencies in loading these request types into our system and therefore enable prompter allocation to an assessing or actioning officer.</p> <p>Significant progress has been made toward refreshing and streamlining all system workflows and the development of an online application tracking system for customers.</p>	

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Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
	Maintain and promote Councils business concierge service	Council's Business Concierge service continues to provide existing and new business operators with valuable information and support. 172 businesses were supported this year including home-based business operators and commercial and industrial businesses.	
	Foster and maintain relationships that assist, signpost and guide investors and businesses, providing excellent customer service and building Frankston City's reputation as a place to invest and do business	Council's 2022-23 Invest Frankston Business Grants had 16 successful applicants sharing in \$180,000 of grant funding. Council also reviewed and launched the 2022-23 Invest Frankston Façade Grants which had 12 successful applicants sharing in \$100,000 worth of grant funding.	
	Proactively engage with industry, investors and the commercial sector to develop relationships, unlock opportunities and realise integrated economic outcomes for Frankston City	Engagement with both existing and potential Frankston City business operators continued, with a range of new and interested business operators holding discussions with, and supported by, Council officers.	





Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Strengthen Frankston City as a destination for events and creative arts industries	Expand and deliver a reputation for engaging major and seasonal events	Successful recipients of 5 grants from the Destination Events Program have been selected by the Panel for 2023-24. These Events cover a wide range of genres and age groups with a major one potentially to provide a link/bridge the gap between Big Picture Fest Bloc Party & Southside Festival.	
	Research and develop opportunities for a vibrant night time economy	Council completed the first 'After Dark Activation Grants Program'. This was developed to support Frankston City's transformation into a vibrant, diverse, inclusive and safe destination after dark. The grants covered up to 50 per cent of the total project cost to a maximum of \$30,000 for a night-time program. This work will continue in 2023-2024 with a Night Time Activation Grants Program.	
	Engage local and international creatives to enhance Frankston as an arts hub	The 2022-23 Artist Grant Cycle concluded with five artists presenting a wide diversity of work: a musical, three art exhibitions (one of which will be exhibited in Frankston City Library as a semi-permanent installation) and an All Abilities Cabaret. The range of offerings meant that many audiences were able to engage with the outcomes. It also meant that the artists were able to deliver and extend their artistic practice and look to further opportunities for presentation of their works. The wider Frankston Arts Centre Season Program is 75% completed for 2023 and has seen artists present from local, national and international backgrounds.	
	Highlight Frankston as destination city through a robust marketing campaign that highlights the importance of events, the development, investment in a city on the move	Positioning of Frankston is well under way with a number of communication and marketing strategies for major Council initiatives such as the Frankston Metropolitan Activity Centre (FMAC). There has also been a full campaign featuring the uniqueness of Frankston City suburbs and Council services in those areas. This is ongoing work which will continue into future years.	

Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Elevate Frankston City's identity as an innovation hub and business-friendly city	Develop the Sustainable Economy and Skilled Community strategies and implement year one actions	Work has continued to analyse the most recently available economic and social demographic data to inform the review and development of the Draft Sustainable Economy and Skilled Community Strategy. This work will continue in 2023-2024.	
	Develop the Frankston Industrial Strategy and commence year one implementation	The draft Frankston City Industrial Strategy and the draft Frankston City Industrial Design Guidelines were consulted on with the community during April and May with seven submissions received. A report summarising the submissions and next steps will be presented to Council in early 2023-24.	
	Establish the Frankston Business Collective and pursue partnership and innovation opportunities	The Frankston Business Collective (FBC) is now an independent entity which will continue to work alongside Frankston Council and be financially supported for 2023-24. The Frankston Business Collective continues its success with 130 registered members and a number of Strategic Partner members, including new businesses such as the Lona Hotel. The Board of the Business Collective continues to liaise with Council officers to stay informed on major Council projects, such as Kerbside Trading and the Industrial Strategy.	

Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Leverage the emerging connection between Frankston City's café and dining culture through the revitalisation of public spaces	Improve the urban design, pedestrian appeal and activation of the Nepean Highway	The Nepean Boulevard Vision was completed for advocacy purposes. Regular meetings were undertaken with Department of Transport to progress a Movement and Place assessment of Nepean Highway and the broader Frankston Metropolitan Activity Centre in order to inform the future functional design. Councillors were updated at the 31 May Councillor briefing. The procurement process is underway for development of a Master Plan in association with broad community and stakeholder engagement. Advocacy activities are underway to generate support and develop partnerships with all tiers of government and state agencies to maximise potential delivery outcomes.	
	Explore support for permanency of outdoor dining initiatives	A review was undertaken of the outdoor dining program, which included thorough stakeholder and community engagement. The new Footpath Trading and Parklet Guidelines were adopted. The Guidelines will assist businesses to apply for extended, outdoor dining and trading areas.	
	Embed place-making and activation programs in key precincts	The 2022-23 Do It Outdoors Destination Expression of Interest (EOI) process was undertaken in August 2022, with successful applicants informed in late September and early October 2022. This program was reviewed and the new draft Mobile Food Van Procurement Guidelines were out for consultation in May 2023, resulting in 143 contributions from the community and mobile food van operators. Council Officers contacted 12 Sporting Groups who access the proposed new locations, to obtain more direct feedback around their canteen operation. All feedback is in the process of being reviewed for potential inclusion in the final guidelines. This work will be finalised in 2023-2024.	
	Program improvements to precinct streetscapes	The public realm upgrade concepts and consultation for Fairways Street Local Shops (Frankston) continued. Planning for Kareela Rd Local Shopping Strip upgrade commenced. Minor improvements, including Tactile Ground Surface Indicators and Disability Discrimination Act compliant car park, were planned at various local shopping strips across the municipality.	

Strategic indicators

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

If we are successful

we will see	Outcome measures	Level of influence	Result	Comment
Increased business and industry investment	Number of commercial building approvals (ABS)	L	65.00	This is a reduction from the last financial year of 33%.
Rejuvenated activity centre precincts	Gross local product of the municipality (\$m) (.id)	M	\$8.10m	This is an overall increase of \$1.8B from the last financial year.
	Percentage of retail vacancy rates (Economic Development Scorecard)		20.00%	This is a reduction from the last financial year of 7%.
Enhanced local employment, education and training opportunities for all people	Proportion of residents who are unemployed (.id)	H	3.60%	Unemployment has reduced by 0.014%
	Proportion of residents who are underemployed (ABS)		5.90%	This is a State figure showing a reduction of 0.3%. No local data is available for Frankston City.
	Proportion of residents who hold either a vocational qualification, diploma/ advanced diploma, bachelor degree or higher degree (.id)		53.30%	53.3% (ABS Census 2021 -)
	Proportion of residents employed locally in Frankston City (.id)		44.20%	This is a reduction from the last financial year of 0.064%

Level of influence over the result

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

6. Progressive and engaged city

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

Priorities

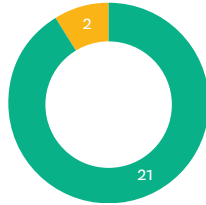
- Engagement with our community in communication and decision making
- Future ready service delivery through changes to culture, capability, connectivity and customer experience
- Sound governance to build trust in the integrity and transparency of Council

The following provides information about the service funding in 2022-2023.

Financial management	Providing leadership and support in financial planning, processing and reporting to ensure Council's long term financial position is sustainable.	Net cost	\$'000
		Budget	3,275
		Actual	3,009
		Variance	266
Asset management	Ensuring Council assets adequately support current and future service delivery.	Net cost	\$'000
		Budget	13,878
		Actual	13,766
		Variance	112
Governance	Enabling sound governance through transparency, accountability, risk management and compliance	Net cost	\$'000
		Budget	3,731
		Actual	4,075
		Variance	(344)
Customer service and experience	Enabling future ready service delivery, communications and engagement that meet community expectations.	Net cost	\$'000
		Budget	4,854
		Actual	5,094
		Variance	(240)
Technology and information	Supporting the delivery and management of technology and information management.	Net cost	\$'000
		Budget	7,113
		Actual	7,383
		Variance	(270)
People, culture and workforce	Enabling a high performing workforce and ensuring a safe workplace.	Net cost	\$'000
		Budget	3,413
		Actual	2,737
		Variance	676
Council strategy and performance	Supporting sound decision making through the development of council strategy and performance reporting.	Net cost	\$'000
		Budget	7,486
		Actual	6,194
		Variance	1,292

How we performed

91% of Council Plan initiatives completed (21/23)



- ✓ Completed
- Deferred completion to 23-24
- ✗ Not proceeding

Highlights

Transparency Hub was launched to inform the public about Council's datasets.

Enhancements were made to Council's financial management system.

Gender Equality Inclusive Leadership training was rolled out to People Leaders in the organisation.

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2022-2023 Council Plan Initiatives

Four Year







Initiatives	What we planned for 2022-2023	Comment	Status
Ensure sustainable financial management and the strategic allocation of resources to deliver planned infrastructure and services	Review and update Council's 10 year Financial Plan to guide budget decisions to ensure they are responsible and sustainable	Council's 10-year financial plan has been updated and included as part of the 2023-2027 Budget and 2021-2025 Council Plan Year 3 Initiatives which was adopted by Council in May 2023.	✔
	Seek alternative revenue sources through service planning and engagement with relevant stakeholders	Service budget initiatives were included in the budget for 2023-2024 which was adopted by Council in May 2023.	✔
	Continue implementation of the Property Strategy including asset rationalisation and leveraging investment of Council's assets, particularly in the FMAC precinct	Council endorsed community consultation on the Road Discontinuance Policy in May 2023. The draft Bathing Box Policy was finalised after engagement with various stakeholder groups. Work continued on the suite of new template agreements, and the draft Fees and Charges modelling progressed for community agreements.	✔
	Enhance procurement processes and practices that support collaboration, innovation, efficiency and agility	Council's Contract Management System (Open Windows) was successfully upgraded and integrated with Council's Financial Management System, Technology One. Officers are actively managing the integrity of data to inform decisions and progress Council's overall maturity in procurement. Work with Southern Metropolitan Councils continues, having successfully awarded a collaborative contract for the management of Abandoned Vehicles.	✔
	Oversee the reporting and governance of Council's subsidiary Peninsula Leisure Propriety Limited to ensure recovery and future growth	Council's Director Corporate and Commercial Services is represented on the Peninsula Leisure Board and has direct oversight of the operations of the subsidiary. The financial challenges experienced over the last three years have turned the corner with healthy membership numbers and attendance at both PARC and Pines Aquatic facilities. The Board continue to regularly brief Councillors, the Executive Management Team and the Audit and Risk Committee, advising that operations are recovering better than anticipated.	✔

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Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Enhance strategy, policy and plan development and identify alignment to allow for prioritisation of services that are efficient, well planned, accessible and meet community needs	Enhance integrated planning and strategy alignment across the organisation through the establishment of a Service Governance approach	This year we established Service Governance Groups which have assisted in the 2023-2024 budget initiatives, and in the prioritisation and streamlining of corporate initiatives. The 2021-2025 Service Plans, through the service governance groups, were used to better inform the 2023-2024 planning cycle.	✔
	Review Council's assets to ensure they meet community needs	Council's works plan for development and renewal of its assets is detailed in the 2022-2032 Long Term Infrastructure Plan (LTIP) which was adopted by Council in December 2022. Work on the development of the 2023-2033 LTIP is complete with the 2023/24 Capital Works Program adopted in the 2023/24 Annual Budget. A review of future project priorities and costings over the 10-year LTIP is well progressed, taking into account recent cost escalations on construction and materials. The LTIP is scheduled to be presented to Council in October 2023.	✔
	Continue to enhance the organisations risk maturity through embedding effective risk management and opportunity awareness	Risk reports were tabled with the Audit and Risk Committee at the meeting held in May 2023. Operational risk reviews with respective departments continue and are near completion. Council's Critical Incident Response Team participated in a test exercise of the Master Business Continuity Plan in June, which was reviewed by external consultants. The insurance renewal program for 2023-2024 was finalised and instructions issued to renew existing policies.	✔
	Develop and embed a Governance and Integrity Framework to enhance community trust and transparency	The Governance and Integrity Framework has been developed. It was presented to the Managers and Coordinators Forum and the Executive Management Team in June 2023 and was well received. The Framework is expected to be embedded in 2023-2024.	—
	Implement an ongoing program to review Council's policies and ensure their effectiveness	Policies from each Directorate were selected to review effectiveness. A survey was rolled out in June 2023. The review is in progress and expected to be completed in 2023-24.	—
	Ongoing implementation the People and Culture Strategy and Workforce Plan to encourage a high performing, inclusive and engaged workforce	Progress in 2022-23 exceeded expectations with two large tasks commencing and being worked through in the final two years of the workforce plan. The tasks assigned to 2022-23 of the plan are fully implemented.	✔
	Implement the new child safe standards action plan	The initial Child Safety Action Plan has been completed which was heavily focused on education, process development and implementation of the Child Safe Standards. An action plan for year two and beyond is currently in development and will aim to further strengthen Council's commitment to being a Child Safe Organisation.	✔
	Implement year one actions from Council's Gender Equality Action Plan	The first-year actions within the Gender Equality Action Plan were focused on process development, cultural change and education. The progress of all tasks are completed or ongoing. The outstanding first-year actions have been deferred to years two, three and four based on the available resource or organisation capability and readiness. Overall the current position is positive and the plan is expected to meet the desired outcomes by the end of year four.	✔

Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Lead advocacy engagement and enhance relationships with all tiers of government and key stakeholders	Deliver ongoing implementation of 2021-2025 Advocacy Campaign Plan and build the profile of advocacy priorities through implementation of a communication and engagement plan	Advocacy work has centered around the Frankston Metropolitan Activity Centre draft structure plan and the redevelopment of Nepean Hwy in the more recent months. Work also continues on major election commitments such as the Frankston Basketball and Gymnastics Stadium. There has been an excellent response from the community in recognition of the election commitments received.	
	Implement a diverse range of communication methods to engage with key stakeholders and people in our community	We have developed the Transparency Hub with the intent of informing advocacy priorities. The easy-to-use data segments have benefit for both the organisation and the broader community, and support Council's official engagement platform.	
Enhance customer experience through the transformation of our services to ensure they are easy to access, and provide seamless transactional and interactional experiences	Transformation of our digital platforms, ensuring that they are fully accessible for people of all abilities and cultures	Launching our new corporate website, along with Libraries and the Arts Centre saw a successful year. We continue to enhance and develop areas of opportunities on our Website to ensure a good customer experience. Adding to our digital offerings will be a goal for the next financial year.	
	Implement phase one of the Customer Experience Strategy to make it as simple and convenient for customers to access information and services	Phase 1 of the CX Strategy delivery has been completed. The first year objectives have been met- Including Complaints Handling review, Discovery and Socialization of the CRM. The System register has also been completed. We have also seen a dramatic improvement in performance with the call centre, due to an ongoing program identifying finding efficiencies and process enhancements.	
	Enhance opportunities for community participation in decision making through the Community Engagement Framework	Community Engagement is now a clear strategic pillar for all Council initiatives and projects. There was excellent engagement for the 2023-24 Council Budget with the community able to voice their opinions about inclusions in the Budget prior to the Draft Budget being released. Other major projects have included the Integrated Transport Strategy and the planning stages of many of the playspaces delivered this year.	
	Implement year one actions from the IT Strategy to support customer experience and the transformation of processes	The systems review initiative has now been completed. The findings, and the developed roadmap is expected to form the systems architecture and replacement strategy for Council.	

Four Year

Initiatives	What we planned for 2022-2023	Comment	Status
Support transparent and evidenced based decision making through sharing council data and clear reporting on our measures of success to the community	Monitor and report on Council's Council Plan and Financial performance in a way that is meaningful and easy to understand	The quarter three report on Council performance was received by Council and adopted on 22 May 2023.	
	Enhance the transparency hub system to improve customer experience, trust and confidence in Council	We successfully delivered and maintained strong data sets on the Transparency Hub. Councillor data has been added with success, showcasing transparency and increasing our customer experiences.	
	Proactively increase access to Council's open data to maximise new opportunities for release of records	We successfully delivered a range of useful data and stories on the Transparency Hub. We will continue to uplift and enhance the tool to ensure our community are aware of Council's success.	
	Progress the data protection and security plan	The IT team and the working group continue to progress on the recommendations from the Data Protection and Security Plan, particularly those recommendations related to cyber security.	

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Strategic indicators

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

If we are successful we will see

	Outcome measures	Level of influence	Result	Comment
Increased engagement with our community	Community satisfaction with Council's community consultation and engagement (Community Satisfaction Survey)	M	70.00%	Community satisfaction with the consultation and engagement efforts of Council continues to improve, reaching 7.0 this year - up from 6.9 last year and reaching the average for councils in Melbourne's south east.
	Customer satisfaction with Council's representation, lobbying and advocacy on behalf of the community with other levels of government and private organisations on key issues (Community Satisfaction Survey)		72.00%	Satisfaction with 'representation, lobbying and advocacy' continues to increase each year. Currently rated as 7.2 out of 10, an increase from 7.1 in 2022 and 6.1 in 2021.
Service delivery that frequently meets the needs and expectations of the community	Proportion of residents satisfaction with the overall Council performance (Community Satisfaction Survey)	M	70.00%	Overall community satisfaction with Council performance of 70% continues to be well above the long-term average and is on par with the Metro average of 70.0% and above the average for councils in Melbourne's south east of 69.0%.
	Proportion of residents satisfaction that Council provides important services that meet the needs of the whole community (Community Satisfaction Survey)		73.00%	Council is working to ensure the services being delivered provide value and achieve the best outcomes for the community. The result is in line with the 2021-2022 result of 73.30%.
	Percentage of capital works program delivered (Capital Works Delivery Program) (target 90 per cent)		82.00%	The annual capital works program was delivered this year with an overall delivery rate of 82%. This result is slightly below the target of 90% due to cost escalations and unfavourable market conditions resulting in delays in delivery, caused by lack of available contractors, shortages in materials and labour, and contractor insolvency responsible for some of Council's major projects.

If we are successful we will see	Outcome measures	Level of influence	Result	Comment
Increased satisfaction with the integrity and transparency of Council	Community satisfaction with Council implementing decisions in the best interests of the Community (Community Satisfaction Survey)	M	72.00%	We are providing information to ensure Council are making informed decisions. This has increased from 70.70% in 2021-2022.
	Community satisfaction with Council's performance in maintaining the trust and confidence of the local community (Community Satisfaction Survey)		72.00%	Council is engaging with our community to ensure it has confidence in our integrity. This has increased from 70.50% in 2021-2022.

Level of influence over the result

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Performance indicators (LGPRF)

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

No	Service Indicator	2019-2020	2020-2021	2021-2022	2022-2023	Variance	Comment
Governance							
Transparency							
G1	Council decisions made at meetings closed to the public Number of Council resolutions made at meetings of Council, or at meetings of a delegated committee consisting only of Councillors, closed to the public / Number of Council resolutions made at meetings of Council or at meetings of a delegated committee consisting only of Councillors x100	18.84%	8.92%	5.86%	2.34%	-60.11%	Council continues to reduce the decisions being made at meetings closed to the public, with an overall reduction from 2021-2022
Consultation and engagement							
G2	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	57.00	63.00	69.30	70.00	1.45%	Community satisfaction with the consultation and engagement efforts of Council continues to improve, reaching 70 this year - up from 69 last year and reaching the average for councils in Melbourne's southeast.
Attendance							
G3	Councillor attendance at Council meetings The sum of the number of Councillors who attended each Council meeting / (Number of Council meetings) x (Number of Councillors elected at the last Council general election) x100	76.30%	98.15%	99.42%	93.21%	-6.24%	Councillor attendance was at the expected standard.
Service cost							
G4	Cost of elected representation Direct cost of the governance service / Number of Councillors elected at the last Council general election	\$51,978.56	\$55,196.67	\$62,708.33	\$67,988.11	8.42%	Councillor Allowance values increased during 2022-2023 as a result of the Remuneration tribunal's determination, along with an increase in the cost to Council meetings, both resulting in an increase in expenditure.
Satisfaction							
G5	Satisfaction with council decisions Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community	54.00	63.00	71.00	72	1.41%	Council has performed well, having made decisions to achieve the best outcomes for the community.

Governance, management and other information



Governance

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

We must give effect to the following overarching governance principles:

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

We're committed to supporting these principles and take into account the community engagement, public transparency, strategic planning, financial management and service performance principles when responding to the community's priorities. The community has many opportunities to provide input into our decision making processes including community consultation, public forums and the ability to make submissions at Council meetings.

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

Council meetings

In 2022–2023, 18 Council meetings and 41 Councillor Briefings were held.

A total of 214 reports were presented to Council for consideration in 2022–2023. Out of these reports, 209 Reports were considered in a meeting open to the public and only 5 reports were considered in a meeting closed to the public, which represented 2.34%.

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Table 3. Councillor Attendance at Meetings – July 2022 – June 2023

Councillor	Council Meetings Attended	Councillor Briefings	Total Attended	Attendance
Cr David Asker	17	39	56	95%
Cr Sue Baker	18	40	58	98%
Cr Kris Bolam	18	39	57	97%
Cr Nathan Conroy	18	41	59	100%
Cr Claire Harvey	18	41	59	100%
Cr Brad Hill	18	39	57	97%
Cr Liam Hughes	15	32	47	80%
Cr Steven Hughes	14	7	21	36%
Cr Suzette Tayler	14	40	54	92%

Delegated committees

Council can establish committees consisting of:

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

Council may also participate in other external committees. The tables below contain all committees established by Council that are in operation and where a Councillor is a delegate.

Table 4. Councillor nominees for external committees 2022-2023

Committee	Councillor Delegate(s)
Association of Bayside Municipalities	Cr Kris Bolam (until June 2023)
Australian Local Government Women's Association	Cr Sue Baker and Cr Claire Harvey
Frankston Charitable Fund Committee of Management	Mayor Cr Nathan Conroy and Cr Suzette Tayler
Frankston Revitalisation Board	Mayor Cr Nathan Conroy
Greater South East Melbourne Group	Mayor Cr Nathan Conroy
Municipal Association of Victoria	Mayor Cr Nathan Conroy Sub: Deputy Mayor Cr Liam Hughes
National General Assembly	Mayor Cr Nathan Conroy
Peninsula Leisure Pty Ltd Board	Cr Claire Harvey
South East Councils Climate Change Alliance (SECCCA)	Cr Claire Harvey
Youth Advisory Council	Deputy Mayor Cr Liam Hughes

Table 5. Councillor nominees for internal committees 2022-2023

Committee'	Councillor Delegate(s)
Audit and Risk Committee	Mayor Cr Nathan Conroy Cr Sue Baker
Chief Executive Officer's Performance Review Committee	Mayor Cr Nathan Conroy Cr Kris Bolam Cr Suzette Tayler Cr Claire Harvey
Disability Access and Inclusion Committee	Cr Sue Baker
Foreshore Advisory Committee	Cr Brad Hill
Frankston Arts Advisory Committee	Cr David Asker Cr Kris Bolam Sub: Deputy Mayor Cr Liam Hughes
Frankston Cemetery Trust Committee	Mayor Cr Nathan Conroy Cr Kris Bolam Cr David Asker Cr Suzette Tayler
Housing Advisory Committee	Mayor Cr Nathan Conroy Cr Sue Baker (Chair) Cr Claire Harvey
Kananook Creek Governance Group	Cr Brad Hill Cr Suzette Tayler
Major Projects Advisory Committee	All Councillors
Reconciliation Action Plan Advisory Committee	Cr Kris Bolam Cr Sue Baker
Sport and Recreation Advisory Committee (renamed from Sports Liaison Committee)	Mayor Cr Nathan Conroy Deputy Mayor Cr Liam Hughes



Councillor code of conduct

The Local Government Act 2020 requires Council to adopt a Councillor Code of Conduct and provides for Council to review and amend its Councillor Code of Conduct at any time. Council adopted its Councillor Code of Conduct on 15 February 2021 and resolved to amend it on 24 October 2022, in accordance with the requirements of the Act.

The Councillor Code of Conduct is binding on all councillors to:

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

Conflict of interest

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

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

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

While the procedures vary depending on the circumstances, in general they involve disclosing the relevant interests and stepping aside from the decision-making process or

from exercising public duty. We maintain a register to record all conflicts of interest made by councillors and Council staff.

During 2022–2023 there was one (1) instance when a conflict of interest was declared by a Councillor at a Council meeting.

Councillor allowances

In accordance with Section 39 of the Local Government Act 2020, councillors are entitled to receive an allowance while performing their duty as a councillor. The Victorian Independent Remuneration Tribunal made its first determination on the payment of Mayoral, Deputy Mayor and Councillor Allowances on 18 March 2022. The new allowances applied retrospectively from 18 December 2021 and councils were required to pay their council members in accordance with the Tribunal's determination. The determination saw a further increase to allowances on 18 December 2022 with the annual allowances payable being a maximum of \$35,972 for councillors, \$59,659 for the Deputy Mayor and a maximum of \$119,316 for the Mayor.

Councillor Steven Hughes chose not to receive the increase and will remain at the maximum allowance rate of \$31,444, the amount resolved by Council in January 2021. Deputy Mayor Liam Hughes chose not to receive the increase and remained on the Deputy Mayor allowance of \$54,235.44 from 19 November 2022 until 30 June 2023.

On 30 June 2023 Local Government Victoria released the Victorian Independent Remuneration Tribunal's Determination of an annual adjustment to the values of allowances for Mayors, Deputy Mayors and Councillors. This includes a 2% increase which in effect going forward for 1 July 2023 to 17 December 2023, and a 2% increase to the allowance values that apply from 18 December 2023 for Mayors, Deputy Mayors and Councillors, and 2024 & 2025 for Mayor and Deputy Mayor only.

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Table 6. Total allowances paid to Councillors during the 2022-2023 year

Councillor	Allowance (per year, pro-rata from 1 July 2022)	Allowance (per year, pro-rata from 18 December 2022)
Cr David Asker	\$35,972	\$37,010
Cr Sue Baker	\$35,972	\$37,010
Cr Kris Bolam	\$35,972	\$37,010
Cr Nathan Conroy (Mayor)	\$119,316	\$122,630
Cr Claire Harvey	\$35,972	\$37,010
Cr Brad Hill	\$35,972	\$37,010
Cr Liam Hughes (Deputy Mayor from 18 November 2022)	\$31,444	\$61,315
Cr Steven Hughes	\$31,444	\$31,444
Cr Suzette Tayler (Deputy Mayor from 1 July 2022 to 18 November 2022)	\$59,658	\$37,010

Councillor expenses

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

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

Table 7. Councillor expenses 2022-2023

Councillor	IC	CT	T	CM	C	M	FAC tickets	Total
Cr David Asker	381.72	-	-	-	-	123.00	-	504.72
Cr Sue Baker	381.72	1,007.16	221.36	-	-	26.46	-	1,636.70
Cr Kris Bolam	381.72	1,888.44	-	-	-	-	565.80	2,835.96
Mayor Nathan Conroy* <i>Re-elected as Mayor from 17 November 2022</i>	-	(1,035.00)	(265.00)	-	-	(14.76)	-	(1,314.76)
Cr Claire Harvey	381.72	653.64	-	-	164.30	-	119.80	1,319.46
Cr Brad Hill	381.72	563.64	-	-	-	-	-	945.36
Cr Liam Hughes	-	-	-	-	-	-	-	-
Cr Steven Hughes	-	-	-	-	-	-	-	-
Cr Suzette Tayler	381.72	200.00	-	-	-	21.82	-	603.54
Total	2,290.32	3,277.88	(43.64)	-	164.30	156.52	685.60	6,530.98

* Mayor Cr Nathan Conroy elected to repay back to Council, allowable expenses totalling \$1,314.76 which were incurred in 2020-2021.

IC = Information and Communication

Includes equipment such as mobiles, laptops, stationery, and associated operating costs.

CT = Conferences and Training

Covers attendance costs for conferences, training, and/or events, including booking/entry fees, meals, accommodation, and membership fees for approved organizations.

T = Travel

Encompasses costs for travel by taxi, bus, train, tram, or air related to approved Council business.

CM = Car Mileage

Allows for a claim for car mileage when using a Councillor's private vehicle for Council business.

C = Childcare

Permits reimbursement of bona fide out-of-pocket expenses, such as childcare, incurred while performing Councillor duties.

M = Materials

Allows reimbursement of out-of-pocket expenses, like protective clothing, name badges, and business cards.

FAC Tickets

Frankston Arts Centre Tickets: The Councillor Expense Reimbursement Policy provides for Councillors to receive 8 complimentary double house seat tickets per year for performances at the Frankston Arts Centre.

Management

Audit and Risk Committee

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

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

Independent members

- Lisa Tripodi (Chairperson)
- Michael Ulbrick
- Trudy Ararat

Councillor members

- Mayor Cr Nathan Conroy
- Councillor Claire Harvey
- Councillor Sue Baker

The committee met five times a year in 2022-2023. The CEO, Directors and Manager Financial and Integrated Planning attend all the committee meetings. Other management representatives attend as required to present reports.

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

Council reports to and considers recommendations from each committee meeting.

Table 8. Audit and risk management committee member attendance

Member	Eligible to attend	Attended
Mayor Cr Nathan Conroy	5	3
Cr Claire Harvey	2	2
Cr Sue Baker	3	2
Lisa Tripodi	5	5
Michael Ulbrick	5	5
Trudy Ararat	5	4

Internal audit

Our Internal Audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. We revise a risk-based three-year Internal Audit Plan annually to ensure the audit resources remain focused on the appropriate areas.

The review process considers our risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input.

During 2022–2023 year, representatives from HLB Mann Judd attended each Audit and Risk Committee meeting to report on the status of the Internal Audit Plan, provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated. Our corporate system tracks the recommendations

assigned to the responsible manager. They provide quarterly status updates which the Internal Auditor reviews and report to the Executive Management Team and the Audit and Risk Committee. Client satisfaction surveys for each review, the annual Audit and Risk Committee self assessment, completion of the Internal Audit Plan and benchmarking against other internal audit functions measure quality assurance.

Audits undertaken during 2022–2023 include:

- Review of Investigations and Appeals
- Review of Business Grants Management Process
- Review of Occupational Health and Safety
- Review of Information Technology General Controls
- Review of Integrated Planning and Service Planning Frameworks
- Review of Purchasing cards (credit cards, fuel cards, cab charge and Coles cards)
- Review of Contract Management
- Review of Asset Management
- Review of Building Services
- Review of IT Disaster Recovery Audit

External audit

The Victorian Auditor-General externally audits Council. A Victorian Auditor-General’s representative conducted the annual external audit of Council’s Financial Statements and Performance Statement for 2022–2023.

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

Risk management

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

During 2021–2022 we reviewed our Risk Management Policy which underwent community consultation during April 2021 and was subsequent adopted by Council in July 2022.

We undertook a significant review of the organisation’s strategic risks through a facilitated workshop in September 2022 which was reported to both Council and the Audit and Risk Committee

We continue to capture and review operational risks.

We also undertook a business continuity testing exercise in June 2023 in order to practice using business continuity plans, process and procedures, to ensure staff are familiarise with such procedures and practices and to build awareness of vulnerabilities and critical dependencies to strengthen response and recovery capabilities.

A detailed risk report was tabled with the Audit and Risk Committee at each of its scheduled meetings throughout the course of the year.

Governance and management checklist

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

No	Governance and management item	Assessment
1	Community Engagement Policy Policy outlining council's commitment to engaging with the community on matters of public interest	Adopted in accordance with section 55 of the Act. Date of adoption: 1 March 2021
2	Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community	Current guidelines in operation Date of adoption: 28 June 2021
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 of the Act: Date of adoption: 11 October 2021
4	Asset Plan Plans that set 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: Asset Plan – 6 June 2022 Roads – 28 January 2020 Drainage – 16 December 2019 Pathways – 4 June 2018 Open Space – 13 June 2017 Buildings – 27 June 2016
5	Revenue and Rating Plan Plan 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
6	Annual Budget Plan setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required	Adopted in accordance with section 94 of the Act Date of adoption: 22 May 2023
7	Risk Policy Policy outlining council's commitment and approach to minimising the risks to council's operations	Current policy in operation Date of commencement: 18 February 2019 Revised policy adopted: 14 July 2022
8	Fraud Policy Policy outlining council's commitment and approach to minimising the risk of fraud	Current policy in operation Revised policy adopted: 14 July 2022 (as part of the Risk Policy)
9	Municipal Emergency Management Plan Plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery	Prepared and maintained in accordance with section 60ADB of the Emergency Management Act 2013 Date of preparation: 23 May 2023

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No	Governance and management item	Assessment
10	Procurement Policy Policy outlining the principles, processes and procedures that will apply to all purchases of goods and services by the Council	Adopted in accordance with section 108 of the Act. Date of adoption: 11 October 2021
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	Current plan in operation Date of adoption: 27 May 2021 Date updated: 22 June 2022
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	Current plan in operation Date of commencement: 15 January 2021 Date updated: 14 July 2023
13	Risk Management Framework Framework outlining council's approach to managing risks to the council's operations	Current framework in operation Date of adoption: 1 April 2008 Reviewed annually. Currently under review.
14	Audit and Risk Committee Advisory committee of council under section 53 and 54 of the Act	Established in accordance with section 53 of the Act Date of establishment: 27 October 1997
15	Internal Audit Independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls	Internal auditor engaged Date of engagement of current provider: Initial three-year period from 1 October 2019 to 30 September 2022 and option exercised to extend contract to 30 September 2024.
16	Performance reporting framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act	Current framework in operation Date of adoption: 21 June 2021
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	Current report Reports presented, (Q2) 20 February 2023
18	Quarterly budget reports Quarterly statements to council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations	Quarterly reports presented to the Council in accordance with Section 97(1) of the Act Date reports presented: Reports presented (Q1) 21 November 2022, (Q2) 20 February 2023, (Q3) 22 May 2023
19	Risk Reporting Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Risk reports prepared and presented Date of reports: 20 September 2022, 24 February 2023
20	Performance Reporting Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 98 of the Act	Performance reports prepared Date of report: 20 February 2023

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No	Governance and management item	Assessment
21	Annual Report* Annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements	Report considered by Council in accordance with section 100 of the Act Presented: 24 October 2022
22	Councillor Code of Conduct Code setting out of 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: September 2022 Revised Code of Conduct date of adoption: 24 October 2022
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	Council and CEO have delegated powers through following Instruments of Delegations: S5 Instrument of Delegation by Council to CEO - updated: 21 November 2022 S6 Instrument of Delegation by Council to Members of Council Staff - updated: 1 May 2023 S7 Instrument of Delegation by CEO to Members of Council Staff - Updated: 30 September 2021 (under review) S13 Instrument of Delegation - List of CEO Powers, duties and functions Updated: 15 July 2021 (under review) S14 Instrument of Delegation by CEO for VicSmart Applications under the Planning and Environmental Act 1987 Updated: 18 June 2021 (under review) S16 Instrument of Delegation by CEO for Bushfire Reconstruction Applications under the Planning and Environment Act 1987 Updated: 18 June 2021 S18 Instrument of Sub-Delegation under Environment Protection Act 2017 Updated: 24 October 2022
24	Meeting procedures Governance Rules 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 Date amended: 5 September 2022.

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

Phil Cantillon
Chief Executive Officer
2 October 2023

Cr Nathan Conroy
Mayor
2 October 2023

Documents available for public inspection

The Local Government Act 2020 requires various documents to be made publicly available. Council has also resolved to publish a range of additional information about the activities and responsibilities of Councillors and the Council administration. Facilitating access to these documents supports good governance through openness and accountability and aligns with Council’s Public Transparency Policy. The following documents are currently available on Council’s website:

- Council meeting agendas
- Minutes of Council meetings
- Travel register - Councillors and Council officers
- Councillor Attendance and Expenses
- Election Campaign Donation Returns
- Councillors Gift Register
- Summary of Personal Interest Returns
- List of donations and grants
- Conflict of interest register
- Public lease register
- S5 Instrument of Delegation – Council to CEO
- S6 Instrument of Delegation – Council to Staff
- S18 Instrument of Sub-Delegation under the Environment Protection Act 2017

Contracts

In accordance with the Local Government Act 2020, we continue to abide by the Procurement Policy. During this period, we did not enter into any contracts valued at \$300,000 or more for either goods or services without engaging in a competitive process.

Freedom of Information Act

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

Certain exemptions exist to protect interests such as the personal privacy of individuals and commercially sensitive information of businesses. Applications for access to documents must be in writing and be as specific as possible about the documents being sought. Council received 42 Freedom of Information applications in 2022-2023.

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

Public Interest Disclosures

The *Public Interest Disclosure Act 2012* enables anyone to make a disclosure about improper conduct within the public sector without fear of reprisal and aims to ensure protection for any person who makes such a report. We adopted our Public Interest Disclosure Policy in August 2020 and updated it in January 2021 to include an option for making disclosures to an independent disclosure management service, run by Stopleveline. The policy outlines the procedure for how to make disclosures and is available under the Governance section on our website.

During 2022–2023 there were nine (9) public interest disclosures made anonymously to Stopleveline. None of these met the threshold for making a notification to the Independent Broad-based Anti-Corruption Commission (IBAC) under the Public Interest Disclosure Act 2012 for further assessment and investigation to be made a PID complaint. These disclosures were dealt with according to complaint handling procedures.

Privacy and Data Protection Act 2014 and Health Records Act 2001

Council is committed to complying with the obligations and principles in the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*. Personal, sensitive and health information is only collected when necessary for Council's functions and activities and is handled and stored securely. Customers are entitled to access their personal information, except where there is a requirement in law to withhold it.

Concerns about Council's handling of personal, sensitive or health information may be directed to Council's Privacy Officer. Complaints are investigated promptly and a written response provided.

Council received 14 privacy complaints during 2022-2023. No complaints were referred to the Victorian Information Commissioner or the Health Complaints Commissioner.

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

Food Act Ministerial directions

In accordance with Section 7E of the Food Act 1984 (Vic), no Ministerial directions were received during 2022-2023.

Road Management Act ministerial directions

In accordance with section 22 of the Road Management Act (2004), no ministerial directions were received during 2022-23.

Local laws

Local laws current at the time of 30 June 2023 were:

- Community Local Law 2020
- Governance Local Law 2020
- Tree Protection LocalLaw2016
- Short Stay Rental Accommodation Local Law 2020

Disability Action Plan 2021-2025

In accordance with section 38 of the Disability Act 2006, Council's Disability Action Plan 2021-2025 outlines how we will work over the next four years to improve access and inclusion for people with disability and recognise and support the role of carers.

Priority 1: Increase Active Participation in the Community

- Infrastructure across Frankston City continues to be upgraded to promote accessibility and inclusion for all. The following projects had a specific focus on improving accessibility:
 - Carrum Downs Recreation Reserve
 - Pathways and new play space with accessible basket swing, in ground trampolines, BBQ & picnic tables
 - Ballam Park Playground - Pathways and disabled access to basket swing, BBQ & picnic tables
 - Evelyn Park - Pathways and disabled access to BBQ & picnic tables
 - George Pentland Botanic Gardens - New pathways through western side
 - Peninsula Reserve - New pathways & accessible car parking bays
 - Yarralumla Reserve - New pathways and accessible basket swing, BBQ & picnic tables
 - Brolga Reserve - New pathways and accessible basket swing, BBQ & picnic tables

- Orwill Reserve – New pathways and accessible BBQ & picnic tables
- Rosemary Reserve – New pathways and accessible to basket swing, BBQ & picnic
- Frankston Park – Grandstand & Oval interface, accessible paving
- Kananook Creek Arboretum – New pathways and board walk

As these upgrades occur more access information is being added to our website to help the community plan their visits to these locations.

- FCC’s Draft Public Toilet Action Plan is currently (June 2023) out for Community Engagement. A Universal Design approach was used to develop this plan, which includes a new standard of public toilets that FCC will deliver in order to improve accessibility and safety in our community. The Plan also creates a guideline for Council as to what size of the toilet block should be located in different locations, which includes a guide as to where Changing Places should be located. View the draft Public Toilet Action Plan here: <https://engage.frankston.vic.gov.au/public-toilets>
- Council has begun working with Life Saving Victoria, Accessible Beaches Australia and neighbouring Councils to explore options to improve Beach Accessibility.
- To help encourage active participation in our community, our recreation team have updated our list of local Sport and Recreation Clubs welcoming All Abilities players on Council’s website. In addition, Council encouraged clubs to also promote themselves on www.aaaplay.org.au - Australian’s only dedicated referral and connection service for people with disability to sports and recreational opportunities in Victoria operated by Reclink Victoria – this encouragement from Council has seen a significant rise Frankston City clubs represented on the site.

- Our Recreation Team has also developed Case Studies of local clubs leading the way in disability access and inclusion to help inspire other local clubs to do the same. Case studies of Carrum Downs Cricket Club, Frankston District Basketball Association, and Mornington Frankston Table Tennis Association can be found on our website and have also been sent to clubs directly.
- For International Day of People with Disability in 2022, Frankston City Council helped Frankston Vision Impaired Table Tennis and Centenary Park Golf Club attract new members by promoting their All Abilities “Come and Try Days” to the local community. In addition, Youth Services hosted a popular Wheelchair Basketball afternoon which was open to all local young people wanting to learn about and experience this adapted version of the sport.
- In their quest for continuous improvement, teams all across Council continue to seek advice from the Disability Access and Inclusion Committee (DAIC) on how they can make their services and projects more accessible, welcoming and inclusive in order to encourage active participation.
 - Youth Services recently used feedback from the DAIC about what information community members may need to help them plan their outing to develop videos that inform and encourage people to visit their Youth Hang Outs. The videos include information about transport options, accessible features of the building, cost and what to expect when you visit. Watch the videos on You-Tube: <https://www.youtube.com/playlist?list=PLIK4jRcoZlVrj8TC-RVNxkZoYDVYp7oJa>
 - Maternal Child Health Services ensure they have a range of books and toys that reflect diversity of our community member’s lived-experience and are developing a frequently asked questions page to help new services users know what to expect at their appointments.

Priority 2: Increase Social inclusion, engagement and Mental Wellbeing

- Our Community Relations Teams have been working to improve accessibility of Council communications by:
 - Simplifying language and avoiding the use of jargon in all communications.
 - Ensuring the production of printed collateral in addition to our digital communications, to ensure residents without digital access and those who may not be confident on digital platforms still have access to Council information.
 - Providing Media Releases and Media Statements are sent to local radio (and metro as appropriate).
 - Adding closed captions to all videos on social media, YouTube, the corporate website and all digital screens displayed at Customer Service Centres.
 - Ensuring the diverse demographics of our community is visually represented within all communication mediums.
 - Providing a Council website that complies with World Wide Web Consortium Web Content Accessibility Guidelines 2.1 (W3C's and WCAG2.1). Website content is regularly reviewed to ensure it aligns with our website Content Strategy.
- Information specific to locals with disability and carers is shared across a number of our Council Communication mediums, including:
 - Social Media posts on the following accounts: Frankston City Council, Frankston City Libraries, Frankston youth Services and Frankston Arts Centre
 - Articles in Frankston City News publications and Frankston City eNews and other Council newsletters including Let's Be Frank and Positive Ageing Together
 - Posters and flier displays within Frankston City Library and local Community Centres
 - Information sharing across a variety of Council and professional networks and service user groups.
- Frankston City's Municipal Emergency Management Planning Committee has had a strong focus on improving outcomes for people with disability in emergency situations.
 - In November 2022, Council's Disability Access and Inclusion Committee was invited to join a range of local emergency service personnel at Disability Inclusive Emergency Preparedness Workshop, to explore barriers people with disability face as well as identify useful support available. The workshop was hosted by University of Sydney as part of a research projects and was an invaluable information sharing opportunity that will guide future work in this space.
 - A community member with experience of disability has been invited to join the Municipal Emergency Management Planning Committee to ensure their planning and risk assessment work is examined through a disability lens.
 - Council is working with Red Cross and country Fire Authority to deliver the Emergency Preparedness Planning Service (EPAS) to locals at increased risk during emergencies across Frankston City. Once an individual registers for the free service via Council, the CFA and Red Cross will service will visit them in their home to help them assess their risks and requirements in order to develop a personalised Emergency Preparation Action Plan.
- Council has been promoting EPAS to a range of stakeholders via presentations and also mass mails outs of "Are you Prepared?" booklets with EPAS access information to "The Community register" participants, and home maintenance and community transport service participants.

- The Disability Access and Inclusion Committee (DAIC) continue to provide advice to Council on a range of projects. In the past year the DAIC have been engaged on the following during our regular meetings:
 - Disability Access and Inclusion at Maternal & Child Health and Immunisation Services (August 2022)
 - International day of People with Disability 2022 Planning (August and November 2022)
 - Youth Services Hangout Access Videos (October 2022)
 - Volunteering at Frankston City (November 2022)
 - Council Budget and Council Engagement Processes (March 2023)
 - Draft Footpath and Trading Parklet Guidelines (May 2023)
 - Draft Public Toilet Action Plan (June 2023)

In addition the DAIC were invited to Additional Activities:

- Frankston City Emergency Preparedness Workshop (11.11.2022)
- Frankston Metropolitan Activity Centre (FMAC) Structure Plan Engagement (29.11.2022)
- Peninsula Health's Disability Action Plan Engagement (5/4/2023)
- DAIC Outdoor Trading Photoshoot (22/05/2023)

Council is currently undergoing recruitment for new 10 volunteers for the DAIC (6 community members with lived experience and 4 organisational from local disability services) for a tenure of 2 years. The new members will join our 2 other members and our Councillor delegate Cr Sue Baker for their first meeting in August 2023.

- In addition to the DAIC, other opportunities for people with disability to participate in civic work include:
 - Other Council advisory committees or networks including: Youth Council, Age Friendly Frankston Ambassadors, CALD network and Frankston City and Mornington Peninsula LGBTQIA+ Collaborative.
 - Our Mini Frankston City Panel, which currently 615 participants with numbers growing each week. The number of people on the panel who identify as having a disability is currently at 53 which is an over-representation compared to percentage target as per 2021 census data (38 people).
 - Community members can also provide feedback via our Engage Frankston website. Participation on this website continues to grow each year, with new accessibility methods are being added on a regular basis, such as translation tool, plain text surveys, accessible tools and content.
- Council continues to champion diversity and disability in the Arts through the Frankston Art Centre:
 - The Frankston Arts Centre (FAC) season continues to implement a range of accessible platforms to assist patrons in attending live theatre.
 - Our ongoing relationship with BAM Arts is proving positive and the BAM Musical Theatre Classes for All Abilities continues to sell out.
 - Artwell – our community mental health wellness program continues with positive participation.
 - DialysArt, an arts program run out of Frankston Hospital, continues to engage patients undergoing haemodialysis treatment, and provide engagement and wellness support.

- A successful pilot of the Art for Dementia program was run, with participants reporting and increase in positive improvement to mental health and wellbeing.
- The Frankston City Council Artists Grants for the 2022-23 were promoted to specific arts organisations for artists with disability.
- Artists with disability have been engaged via this program to present exhibitions at the FAC.
- Council's Major Events support disability inclusion via the implementation of Chill Out Zones and the preparation of social scripts and accessibility guides displayed on the website for all events. The events team meet with the Disability Access and Inclusion Committee to explore other opportunities to further support accessibility at events, and review current implementation of activations/documentation.
- Council Celebrated International Day of People with Disability in 2022 by partnering with local services to promote their work/ activities in Frankston City to encourage people with disability to link back in with their local community, after disruptions due to the Covid Pandemic. The suite of activities offered included:
 - Statewide Autistic Services (SASI) Art Show and Competition at Cube 37
 - Phil Cleary talks 16 Days of Activism
 - Frankston Vision Impaired Table Tennis Team - Come and Try Day.
 - All Abilities Art Workshop with BAM Arts at Cube 37
 - All Abilities Musical Theatre and Drama at Cube 37
 - Youth Wheelchair Basketball
 - All Abilities Golf Come and Try Day at Centenary Park Golf Course
 - Auslan Interpreted Street Art Walking tour
 - Strong Sisters Sports Fest.
- Council celebrated Carers Week in 2022 by:
 - Hosting a Carer Information Expo bringing together a range of services available to support carers to present to all participants, followed by a morning tea where carers could chat to service providers 1:1 at their stall. Provided Wellbeing Door Prizes for all Participants.
 - Orwil Street Community House invited the Frankston Pathways for Carers group to participate in a Card Making workshop. This led to carers learning more about other programs offered at the House and making new links with the community.
- Council awarded a Community Grant to Orwil Street Community House to continue to deliver the Frankston Pathways for Carers program. The program offers unpaid carers of people with disability, mental illness or who is ageing an requires additional support the opportunity to connect with other carers during a monthly, stroll along the Frankston Foreshore boardwalk, before sitting down for a complimentary morning tea and hearing from a guest speaker to offer information on support for carers.
- Council sponsored uniforms for 6 teams, to help players participate in a new local All Abilities Basketball Competition, an initiative of Frankston District Basketball Association (FDDBA). The grass roots competition which developed from an afternoon skills workshop, is attracting people with disabilities from Frankston City and beyond; with many families stating they happily travel to give their loved ones the opportunity to experience the sport they love, within the supportive team environment that FDDBA provides.

Priority 3: Support Respectful Relationships

- The Disability Access and Inclusion Committee (DAIC) have been supporting the development of Council’s upcoming Community Safety Strategy by providing advice and feedback at each stage of Engagement.
- Council acknowledged World Elder Abuse Awareness day by hosting a Financial Knowledge information session which highlighted what options and supports are available to you if your circumstances change in regards to disability, illness or becoming a carer.
- Council is currently procuring contractor to develop our Prevention of Violence against Women (PVAW) Action Plan. The plan will consider the impact of disability and other intersections such as age, race and culture and will require actions to be inclusive and accessible.
- Council’s Child Safety and Wellbeing Policy which includes specific references to the needs of children with a disability, Aboriginal and/or Torres Strait Islander children, children from non-dominant culture backgrounds and children who identify as LGBTIQ+ was endorsed in December 2022.
- Child Safe Training has been delivered to approx. 80% of child related work positions that includes strategies to keep children and young people safe with specific reference to the needs of children with a disability, Aboriginal and/or Torres Strait Islander children, children from non-dominant culture backgrounds and children who identify as LGBTIQ+.
- Council staff have access to There are a number of diversity and disability related courses available for staff to access within MyLearning Portal. People leaders are encouraged to identify any further development that staff require and access the technical training budget in each Directorate

- Council are working to build disability awareness amongst local business. During the month of May 2023, Council had the Kerbside Trading and Parklet Guideline out for consultation. Council officers met with the DAIC to ensure the document and proposed updates are inclusive and cater for the needs of people with disability. Feedback from the DAIC resulted in an all-inclusive photoshoot to include representation of people with different needs in the document. The document was also edited to ensure that it included relevant information to support people with varied needs.
- Council has been developing regular articles and social media posts on social media with stories highlighting the positive impact people with disability and carers have in our community.

Priority 4: Reduce Barriers to Education and Employment

- Council has continued to fund The Work Ready Program, offering 3 traineeships and 1 apprenticeship to community members from disadvantaged groups.
- A staff Diversity and Inclusion Group (DIG) has been formed, with representation from all departments across Council.
 - The DIG met 5 times in the last year. Meetings have included capacity building sessions to increase participant understanding of applying an intersectional gender lens, with a specific session on applying a disability lens and improving inclusive language. A session on child safe standards was also delivered to participants.
 - The DIG progressed the implementation of the use of Pronouns at Council, delivering an information page on our intranet and an online training session followed by a pronoun badge making workshop.
 - DIG members also contributed to advancing our recruitment processes through a focus group consultation.
 - DIG members supported promotion and participation in Council run events across Council, including the 16 Days of Activism against gender-based violence including International Day of People with Disability and International Women’s Day.

- Council has officers that staff participate in a Universal Design Network. Council has implemented Gender Impact Assessments that require staff to apply an intersectional gender lens to the services and programs Council provide in the community. This assessment will assist officers to applying a Universal Design Approach to our work.
- Building an inclusive workforce is embedded into Council's Workforce Plan. We continue to refine our branding to attract a broad range of talent for our advertised roles.
- The new volunteer management system allows Council to collect demographic data of volunteers which will enable Council to create, analyse and track its position on targets relating to diversity and equity in the workplace.
- Council are having ongoing conversations with local businesses that want to include employment opportunities for people with disability and also provide ongoing support to questions and queries by local businesses.
- Council supported DAIC member Henryk to join the Kinetic (a local bus service provider) Disability Advocacy Committee.

Domestic animal management plan

In accordance with the Domestic Animals Act 1994, we prepare a Domestic Animal Management Plan every 4 years and evaluate its implementation in the annual report. We adopted our Domestic Animal Management Plan 2020–2024 in August 2020 which identifies the following key issues:

- Dog waste not being picked up by owners in public areas
- Dogs being walked off lead and irresponsible owners
- Cats roaming during the day and night
- Dog regulations in foreshore areas
- Not enough fenced dog free-roam parks and dogs being walked on sports ovals
- Dog regulations in the Frankston City centre
- Dog attacks and public safety
- Stronger enforcement from our Compliance Officers. Implementation of the plan has included:
 - We have completed an audit of all dog waste bins and reviewed the locations and installation of additional bins in key locations
 - Safer Communities Officers are distributing dog waste bags when undertaking proactive patrols
 - We undertook a review of the cat curfew in late 2021 and after extensive community consultation, Council reaffirmed the dusk till dawn curfew
 - We established free-roam dog beach at Keast Park in late 2021
 - We completed free-roam fenced area in Carrum Downs
 - Dogs now allowed in the city centre following community consultation to lift the ban
 - We have implemented a Rapid Response Team to increase patrols and a visual presence in parks, reserves and business areas

Performance Statement



Description of municipality

Frankston City is a vibrant and diverse community located on the stunning eastern shores of Port Phillip Bay. As part of the metropolitan Melbourne area, it is strategically positioned as the regional centre for the Mornington Peninsula and the south-east growth corridor of Melbourne.

The city encompasses several suburbs including Frankston, Frankston South, Frankston North, Seaford, Carrum Downs, Langwarrin, Langwarrin South, Sandhurst and Skye. With a current population of approximately 140,809 residents, Frankston City is expected to experience continued growth, reaching an estimated 163,610 residents by 2041.

One of the highlights of Frankston City is its natural reserves. From the scenic Seaford Wetlands in the north to the beautiful coastline stretching over 11km along the western

boundary, residents and visitors alike can enjoy the pristine beauty of the area. These natural assets provide ample opportunities for outdoor activities, such as hiking, cycling and beachcombing.

In addition to its natural beauty, Frankston City offers a great lifestyle with many amenities and attractions. The city boasts a diverse community, with a strong focus on inclusivity and cultural diversity. This is reflected in the various events and festivals that take place throughout the year.

Frankston City is also home to a thriving business community with opportunities for entrepreneurship and growth. The City's economic landscape is supported by a strong arts, education and health sector.



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Sustainable Capacity Indicators

For the year ended 30 June 2023

Indicator / Measure	Results				Comment
	2019-2020	2020-2021	2021-2022	2022-2023	
Population					
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,229.32	\$1,244.58	\$1,379.39	\$1,534.02	Expenses have risen due to Council operations returning to pre-COVID-19 levels combined with inflationary pressure on materials and services.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$6,314.56	\$6,549.61	\$7,115.10	\$7,533.22	Frankston City continues to increase infrastructure delivery to meet community needs. During 2022-23 Council also revalued its infrastructure assets which resulted in an increase of \$24.77M to its infrastructure asset base.
Population density per length of road [Municipal population / Kilometres of local roads]	202.33	203.32	199.45	199.41	The result is slightly lower than last year due to a slight decrease in the municipal population and an increase in the length of the road network, resulting in a reduction in the population per kilometre of local road.
Own-source revenue					
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,127.20	\$1,071.81	\$1,171.22	\$1,299.37	Own source revenue has improved compared to the previous year, with Council operations returning to pre-COVID-19 levels in the latter part of the financial year. Rates income was also favourable as the increase is in line with the 3.5 per cent rate cap in 2022-23. Council will continue to identify and pursue alternative revenue sources.
Recurrent grants					
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$139.33	\$135.85	\$159.90	\$161.78	Recurrent grants have improved compared to the previous year, with Council operations returning to pre-COVID-19 levels in the latter part of the financial year and early receipt of 100% of the Financial Assistance Grant funding allocated for 2023-24.

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Indicator / Measure	Results				Comment
	2019-2020	2020-2021	2021-2022	2022-2023	
Disadvantage					
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	6.00	6.00	6.00	6.00	Council ranks in the sixth decile in Victoria. The first decile indicates the most disadvantaged and the tenth decile indicates the least disadvantaged.
Workforce turnover					
Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year x100]	9.4%	11.6%	18.2%	14.29%	Stabilisation for the organisation's workforce has commenced following the disruption and challenges associated with the Pandemic. The People and Culture team have placed focus on retention and attraction via a range of focused projects in areas including onboarding, induction, professional development and mental health. The annual turnover has decreased based on the previous year and is expected to continue this trend moving into the new year.

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2023

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

Service / indicator / measure	Results				Comment
	2019-2020	2020-2021	2021-2022	2022-2023	
Aquatic facilities					
Utilisation	5.78	3.29	4.59	7.26	Membership numbers continue to grow and are back to pre-COVID levels and casual entries have outperformed expectations.
Utilisation of aquatic facilities Number of visits to aquatic facilities / Municipal population					
Animal management					
Health and safety	100%	100%	100%	100%	Council undertakes prosecutions in relation to the more serious provisions of the Domestic Animals Act or repeat offenders. This action is taken to reduce the risk of injury to the community. All 167 matters progressed to Court had a successful outcome.
Animal management prosecutions Number of successful animal management prosecutions / Number of animal management prosecutions x100					
Food safety					
Health and safety	100%	100%	95.51%	97.09%	Frankston City Council has seen an increase from the previous year to the percentage of critical and major non-compliance follow ups completed. This reflects the ongoing efforts by the Environmental Health team to prioritise food safety. Any remaining follow ups that were not completed received alternative food safety actions to close out any food safety risks identified. The total number of critical and major non-compliance follow ups for the year was 167.
Critical and major non-compliance outcome notifications Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises x100					

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Results

Service / indicator / measure	2019-2020	2020-2021	2021-2022	2022-2023	Comment
Governance					
Satisfaction	54	63	71	72	Council has performed well having made decisions to achieve the best outcomes for the community.
Satisfaction with council decisions					
Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community					
Libraries					
Participation	11.43%	11.27%	9.83%	9.75%	9.75 percent of the population have borrowed an item for the library in the last three years. This figure is impacted by the restrictions during COVID in years one and two. In the last year 16,000 people have been an active member of the library. This does not include computer usage or attendance to programs.
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					
Maternal and child health					
Participation	70.81%	64.75%	67.94%	74.01%	Participation in the MCH service has increased since the last financial year. This demonstrates the COVID-19 pandemic recovery phase which is seeing a gradual return to increased accessibility and participation in the MCH service.
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					
Participation	76.67%	64.85%	63.71%	70.86%	The percentage of Aboriginal children enrolled, who participate in the MCH service has increased since last financial year. This is attributed to strengthened relationships with local Aboriginal services and the Aboriginal community. The total number of Aboriginal children enrolled in the MCH service for the year was 187.
Participation in the MCH service by Aboriginal children					
Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service x100					

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Results					
Service / indicator / measure	2019-2020	2020-2021	2021-2022	2022-2023	Comment
Roads					
Satisfaction	60	70	73	69	Community satisfaction with sealed local roads has decreased to 69% in 2022/23. This result remains above the Victorian South Eastern Council average and is within the target range.
Satisfaction with sealed local roads					
Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads					
Statutory Planning					
Decision making	50.00%	75.00%	75.00%	76.92%	The number of matters progressed to review at the VCAT was relatively low over the financial year, and Council was successful in improving VCAT outcomes, with a small increase to the percentage of decisions upheld. This reflects effective decision making and engagement with parties where disputes arise, so as to reach agreements and consent matters where possible. The total number of VCAT decisions for the year was 13.
Council planning decisions upheld at VCAT					
Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications x100					
Waste Collection					
Waste diversion	55.61%	55.71%	51.64%	51.88%	Council's landfill diversion has increased slightly, due to residual waste disposed by households into the red lidded bin reducing by 5% in 2022/23 compared to previous years. This significant reduction is the result of diversion of food waste into the food and garden waste (FOGO) service and a reduction in the total waste generated from households.
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					

Financial Performance Indicators

For the year ended 30 June 2023

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

Dimension / Indicator / measure	Results					Forecasts					Comment
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027			
Efficiency											
Expenditure level											
Expenses per property assessment	\$2,783.40	\$2,787.42	\$3,034.84	\$3,379.69	\$3,329.70	\$3,370.45	\$3,410.91	\$3,434.13	Expenses have risen due to Council operations returning to pre-COVID levels combined with inflationary impacts across the business.		
Total expenses / Number of property assessments											
Revenue level											
Average rate per property assessment	\$1,589.49	\$1,598.80	\$1,638.00	\$1,680.80	\$1,755.95	\$1,781.15	\$1,801.65	\$1,821.75	Council's general rate income has been increased in line with the rate cap set by the State Government and Waste Charges have been set at full cost recovery. In 2020-21 and 2021-22, the increase had been offset by the COVID-19 rate waiver offered. There was no COVID-19 rate waiver offered in 2022-23. The increase is expected to remain stable over the forecast period due to rate capping.		
General rates and Municipal charges / Number of property assessments											
Liquidity											
Working capital											
Current assets compared to current liabilities	307.53%	223.69%	194.28%	184.06%	172.84%	132.62%	130.46%	118.75%	Cash assets are expected to decrease over the next four years as Council delivers on its strategic priorities.		
Current assets / Current liabilities x100											

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Dimension / indicator / measure	Results						Forecasts				Comment	
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027				
Unrestricted cash												
Unrestricted cash compared to current liabilities	82.26%	68.95%	30.14%	0.60%	38.80%	32.57%	12.59%	7.79%				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 few years as Council continues to deliver on its strategic priorities and the large repayment of a loan in 2025-26.
Unrestricted cash / Current liabilities x100												
Obligations												
Loans and borrowings												
Loans and borrowings compared to rates	21.82%	23.20%	19.98%	20.28%	30.30%	38.85%	31.38%	34.82%				The indicator has increased from 2021-22 to 2022-23 as Council borrowed \$2.150m in funds to assist in delivery of its capital works program and repaid \$392k of its borrowings. Expected to increase in the next four years, reflecting Council's decision to borrow funds to assist with the delivery of the capital works program.
Interest bearing loans and borrowings / Rate revenue x100												
Loans and borrowings												
Loans and borrowings repayments compared to rates	1.41%	1.38%	3.45%	1.27%	1.95%	2.97%	14.30%	4.69%				The ratio has returned to normal levels after a spike in 2021-22 and is forecast to increase in the future years, reflecting Council's decision to borrow funds to assist with the delivery of the capital works program. The ratio is high in 2025-26 due to the repayment of the interest only loan borrowed through the Local Government funding vehicle.
Interest and principal repayments on interest bearing loans and borrowings / Rate revenue x100												

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Dimension / indicator / measure	Results										Forecasts				Comment
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027							
Indebtedness															
Non-current liabilities compared to own source revenue	18.70%	18.95%	17.05%	16.38%	23.07%	20.73%	22.62%	24.76%	Council has a prudent level of long term liabilities, however the level of own source revenue continues to be restricted through rate capping and user fees and charges.						
Non-current liabilities / Own source revenue x100															
Asset renewal and upgrade															
Asset renewal and upgrade compared to depreciation	99.13%	88.87%	129.94%	166.00%	117.26%	104.53%	164.32%	164.85%	Council is focused on closing its asset renewal gap, and has planned a robust capital works program that will achieve this outcome.						
Asset renewal and upgrade expense / Asset depreciation x100															
Operating position															
Adjusted underlying result															
Adjusted underlying surplus (or deficit)	4.54%	-0.58%	-1.98%	-3.58%	-1.80%	-2.72%	-2.50%	-3.04%	This figure reflects the long-term impact of rate capping, inflationary pressure on materials and services, and a slow recovery in revenue streams impacted by COVID-19. Financial performance is expected to slightly improve over the next four years.						
Adjusted underlying surplus (deficit) / Adjusted underlying revenue x100															
Stability															
Rates concentration															
Rates compared to adjusted underlying revenue	69.23%	73.71%	71.19%	68.11%	69.95%	69.42%	69.23%	69.72%	Council has a stable dependency on rate revenue, however results indicate it should continue to identify and pursue alternative revenue sources.						
Rate revenue / Adjusted underlying revenue x100															

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Dimension / indicator / measure	Results					Forecasts					Comment	
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2026-2027			
Rates effort												
Rates compared to property values	0.34%	0.34%	0.34%	0.28%	0.30%	0.30%	0.31%	0.31%	0.31%	0.31%		Council's Capital Improved Property Values (CIV) increased by 24.3% from 2021-22 to 2022-23. This valuation base has been used in the calculation 2022-23 forecast. A conservative 1% increase in valuations have been factored into the calculation of the following years.
Rate revenue / Capital improved value of rateable properties in the municipality x100												
Definitions												
"adjusted underlying revenue" means total income other than:												
(a) non-recurrent grants used to fund capital expenditure; and												
(b) non-monetary asset contributions; and												
(c) contributions to fund capital expenditure from sources other than those referred to above												
"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure												
"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability												
"current assets" has the same meaning as in the AAS												
"current liabilities" has the same meaning as in the AAS												
"non-current assets" means all assets other than current assets												
"non-current liabilities" means all liabilities other than current liabilities												
"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan												
"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)												
"population" means the resident population estimated by council												
"rate revenue" means revenue from general rates, municipal charges, service rates and service charges												
"recurrent grant" means a grant other than a non-recurrent grant												
"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties												
"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year												
"unrestricted cash" means all cash and cash equivalents other than restricted cash.												

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Other Information

For the year ended 30 June 2023

Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council on 22 May 2023 in its 2023-2027 Budget and which forms part of the council plan. The financial plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The financial plan can be obtained by contacting council.

Certification of the Performance Statement

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

Caroline Reidy CPA

Principal Accounting Officer

Dated: 2 October 2023

In our opinion, the accompanying performance statement of Frankston City Council for the year ended 30 June 2023 presents fairly the results of council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

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

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

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.

Cr Nathan Conroy

Mayor

Dated: 2 October 2023

Cr Sue Baker

Councillor


Dated: 2 October 2023

Phil Cantillon

Chief Executive Officer

Dated: 2 October 2023

Independent Auditor’s Report (VAGO)



Independent Auditor’s Report

To the Councillors of Frankston City Council

Opinion	<p>I have audited the accompanying performance statement of Frankston City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2023 • sustainable capacity indicators for the year ended 30 June 2023 • service performance indicators for the year ended 30 June 2023 • financial performance indicators for the year ended 30 June 2023 • other information and • certification of the performance statement. <p>In my opinion, the performance statement of Frankston City Council in respect of the year ended 30 June 2023 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020</i> and <i>Local Government (Planning and Reporting) Regulations 2020</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors’ responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement that is free from material misstatement, whether due to fraud or error.</p>

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 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the performance statement

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

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

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

MELBOURNE
 9 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

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Financial Statements



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Understanding the Financial Report

Introduction

Frankston City Council is committed to accountability and transparency. This guide has been prepared to assist readers understand and analyse the Financial Report as particular terminology and disclosure requirements required by the Accounting Standards and Local Government legislation may not be familiar to all readers as they vary compared to the private sector financial reports.

The Financial statements are prepared in accordance with the requirements of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements. Victorian Local Government authorities are required to follow the prescribed format of the model financial report issued by Local Government Victoria to ensure standardised financial reporting across the sector.

What is included in the Financial Report?

The Financial Report is a key report prepared by Frankston City Council. It includes the Consolidated Financial Statements of Council and those entities over which Council has the power to govern the financial and operating policies so as to obtain the benefits from their activities. This represents the consolidated performance of Frankston City Council and Peninsula Leisure Pty Ltd.

Council's financial report contains two sets of statements:

- Financial statements and accompanying explanatory notes that show how Council performed financially during the financial year and the overall position as at 30 June 2023; and
- Performance statements that contain a mix of service and financial indicators that are prescribed for Local Government authorities to show how Council performed in relation to key strategic activities.

These statements are prepared by Council officers and audited by the Victorian Auditor-General. The statements are subsequently reviewed by Council's Audit and Risk Management Committee who makes a recommendation to Council for adoption in principle.

Financial statements

The Financial statements are made up of five key financial statements. Each statement has a purpose and provides the reader with information in relation to an aspect of Council's financial operation. When the statements are read in conjunction with each other, it assists in the overall understanding of Council's financial position.

The five statements are as follows:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works

The accompanying explanatory notes to the statements disclose Council's accounting policies and provide greater detail on the values contained in the statements.

The statements are prepared on an 'accrual' basis which requires Council to recognise income and expenses as they are incurred (services or goods exchanged) at a particular point in time where payment may not yet have changed hands. By recognising debts owed and owing Council is able to more accurately present the income and expenses and their related assets and liabilities (matching principle).

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Comprehensive Income Statement

This statement was once known as the 'Profit and Loss Statement'. The Statement measures Council's financial performance over the year and shows if a surplus or a deficit has resulted from delivering Council services. The statement lists:

- The sources of Council's revenue under various income headings such as rates and charges
- The expenses incurred in the day-to-day running of Council over the financial year. These expenses relate only to the daily operations and do not include the cost associated with capital purchases or the construction of assets. While capital purchase costs are not included in the expenses there is an item for 'depreciation'. This value is the value of the assets "used up" during the year
- Other Comprehensive Income which demonstrates the movement in the value of Council's net assets as a result of asset revaluations and impairments as at 30 June 2023.

The key figure in this statement is the surplus for the reporting period, which is the best measure of Council's financial performance. This figure is determined by deducting total expenses from total income. The figure indicates whether Council operated at a surplus or a deficit (a figure inside brackets reflects a deficit).

Why do Councils need a surplus?

Whilst Council is a not-for-profit organisation, it should on average generate a surplus in order to ensure that Council has the ability to fund current and future capital works programs and invest in initiatives to achieve its Council Plan outcomes.

It is important to note however, that the surplus result is not a "cash" surplus due to the recognition of non-cash items such as depreciation and statements being prepared based on accrual accounting as explained above.

Balance Sheet

The Balance Sheet is a one page summary, presenting a snapshot of the financial position of Council as at 30 June. It outlines what Council owns (its assets) and what it owes (liabilities). Council's net worth (net assets or equity) is determined by deducting total liabilities from total assets –

the larger the net equity, the stronger the financial position. Council's financial position at 30 June 2023 is sound, reflecting its commitment to financial and infrastructure sustainability.

The assets and liabilities are separated into current and non-current. Current assets are realisable or convertible to cash within the next 12 months. Current liabilities are those which the Council must pay or settle within the next 12 months.

Components of the Balance Sheet include:

Current and non-current assets

Council's assets are as follows:

- **Cash and cash equivalents** includes cash and investments, i.e. cash held in the bank and in petty cash and a maturity term of no greater than three months
- **Other financial assets** includes the value of Council's longer-term financial investments (maturity greater than three months) such as bank bills, term deposits and floating rate notes
- **Trade and other receivables** are monies owed to Council for rates, parking, fines, home support and other services provided by Council
- **Inventories include the stock held for sale** or consumption in Council services
- **Non-current assets** classified as held for sale represents the value of assets and related liabilities less costs to sell that are earmarked for a highly probable sale in the coming financial period
- **Other assets** Includes prepayments which are expenses that Council has paid in advance of service delivery and 'accrued income' which represents revenue due to Council, but not yet paid or billed
- **Property, infrastructure, plant and equipment** is the largest component of Council's worth and represents the value of all the land, buildings, roads, vehicles, equipment, etc. which has been built up by Council over many years. It also includes those assets which Council does not own but has significant control over, and responsibility for, such as foreshore pavilions, parks and Crown land
- **Right of use assets** is the net present value of Council's right to use its leased financial assets
- **Intangibles** represent non-current assets held by Council that are not physical assets, for example computer software and licences

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Current and non-current liabilities

Council's liabilities are as follows:

- **Trade and other payables** are suppliers to whom the Council owes money as at 30 June 2023
- **Trust funds and deposits** represent monies held in trust or deposits received and held by Council
- **Unearned income / revenue** represent monies received in advance by Council and yet to complete the performance obligation associated with the revenue as at 30 June 2023
- **Provisions** include long service and annual leave entitlements owing to employees at the end of the financial year
- **Lease Liabilities** is the net present value of all Council's outstanding financial lease obligations
- **Interest bearing loans and borrowings** are the outstanding balance Council owes on bank loans

Net assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June 2023.

The net value of Council is also described as total equity.

Total equity

Total equity always equals the net assets. It is made up of the following components:

- **Accumulated surplus** is the profit or loss results of all financial years totalled and carried forward
- **Asset revaluation reserve** is the difference between the previously recorded value of property and infrastructure assets and their current valuations
- **Other reserves** are allocations of the accumulated surplus to specific projects or obligations such as unspent funds from developer contributions and the sale of open space land

Statement of Changes in Equity

The Statement of Changes in Equity summarises the increase (or decrease) in Council's net worth for the year ended 30 June 2023. Council's net worth can only change as a result of:

- A surplus or deficit as recorded in the Comprehensive Income Statement
- An increase or decrease in the value of non-current assets resulting from a revaluation of those assets. The value of all non-current assets are reviewed and assessed each year to ensure that they reflect their true value in the Balance Sheet
- Transfer of monies to or from Council's reserves

Cash Flow Statement

The Cash Flow Statement shows all the cash received and paid during the financial year. Figures without brackets are inflows (receipts) and figures inside brackets are outflows (payments). This statement shows how much cash Council had at the beginning of the financial year, the inflows and outflows during the financial year and the cash balance at the end of the financial year. It differs from the Income Statement in that:

- It excludes non-cash expenses, such as depreciation
- It excludes the accruals taken into account by the Comprehensive Income Statement
- It includes payments or receipts in relation to capital items
- It includes any 'financing' activities, such as any additional cash that Council may hold as a result of holding increased trust deposits

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted into cash.

Council's cash arises from, and is used, in three main areas as follows:

- **Cash flows from operating activities:** this section shows the cash related to the general operation of Council. It includes receipts from rates, user fees and charges, grants and subsidies, interest received, and other income. This is offset by payments for employee benefits, materials and services and other expenses
- **Cash flows from investing activities:** this section shows the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets and the cash received from the sale of these assets.

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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- **Cash flows from financing activities:** this section shows the transactions associated with loans and borrowings and leases and includes repayments and interest payments (finance costs).

Statement of Capital Works

The Statement of Capital Works details Council’s capital works expenditure for the financial year. It sets out the expenditure on creating or buying property, plant, equipment and infrastructure by each category of asset. It also shows how much has been spent on renewing, upgrading, expanding or creating new assets of this type. This is important because each of these categories has a different impact on Council’s future costs. Council’s capital works occur in three main areas:

- **Property:** includes land and buildings purchased and built during the year
- **Plant and equipment:** includes non-infrastructure assets like computers, artworks, furniture and fixtures
- **Infrastructure:** this is where the bulk of the Capital Works Program is allocated. It includes roads, bridges, footpaths and cycle ways, drainage, recreational, leisure and community facilities, waste management, parks, open space and streetscapes and off-street car parks.

The last section of the statement provides a breakdown of the total capital expenditures into:

- **New:** represents in the creation or acquisition of a new asset to meet current or additional service level requirements
- **Renewal:** is expenditure on an existing asset that returns the service potential or the life of the asset up to that which it had originally
- **Expansion:** extends the capacity of an existing asset to provide an additional level of service and benefits to new users while maintaining the same standard for existing users
- **Upgrade:** enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally

Notes to the Financial Statements

The notes are an important and informative section of the report. The Accounting Standards are not prescriptive of all issues, and so to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to detail Council’s accounting policies.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the

statements. The note numbers are shown beside the relevant items in the statements.

The notes have been grouped thematically to improve the accessibility of Council’s financial statements. The notes are grouped under the following headings:

- Performance against budget
- Analysis of Council results by program
- Funding for the delivery of our services
- The cost of delivering services
- Our financial position
- Assets we manage
- People and relationships
- Managing uncertainties
- Other matters

The statements should be read in conjunction with the notes to get a clearer picture of Council’s finances.

Certification of the Financial Statements

The Certification of the Financial Report is made by the Principal Accounting Officer, the Chief Executive Officer and two Councillors on behalf of Council who are members of Council’s Audit and Risk Management Committee.

The certification by the Principal Accounting Officer is made by the person responsible for the financial management of Council. They are responsible for certifying that the Financial Report, in their professional opinion, meet all statutory and professional reporting requirements.

The certification by the representative Councillors and the Chief Executive Officer certifies that in their opinion, the Financial Report is presented fairly and is not misleading.

Independent Auditors Report

The Independent Auditor’s Report provides the reader with an external, independent opinion on Council’s Financial Report. It confirms that the Financial Report fairly presents the results in all material respects of Council and complies with the statutory and professional standards. The Victorian Auditor-General is Councils auditor.

Council received a clear audit for 2022-23 with no high or moderate risks identified.

Certification of Financial Statements

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

Caroline Reidy CPA

Principal Accounting Office

Dated: 2 October 2023

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 2023 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 2 October 2023 and by the Local Government (Planning and Reporting) Regulations 2020 to certify the Financial Statements in their final form.

Cr Nathan Conroy

Mayor

Dated: 2 October 2023

30 Davey Street, Frankston Victoria, Australia

Cr Sue Baker

Councillor

Dated: 2 October 2023

30 Davey Street, Frankston Victoria, Australia

Phil Cantillon

Chief Executive Officer

Dated: 2 October 2023

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 entities (together the consolidated entity), which comprises the:

- consolidated balance sheet as at 30 June 2023
- consolidated comprehensive income statement for the year then ended
- consolidated statement of changes in equity for the year then ended
- consolidated statement of cash flows for the year then ended
- consolidated 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 2023 and the consolidated entity's financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020* 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 council and 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, the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*, 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 council's and the consolidation entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor’s responsibilities for the audit of the financial report

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

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

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

Auditor's responsibilities for the audit of the financial report (continued) I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
9 October 2023

Travis Derricott
as delegate for the Auditor-General of Victoria

Consolidated Comprehensive Income Statement

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income / Revenue			
Rates and charges	3.1	142,227	135,581
Statutory fees and fines	3.2	6,051	5,234
User fees	3.3	28,396	19,580
Grants – operating	3.4	24,867	23,264
Grants – capital	3.4	14,294	17,261
Contributions – monetary	3.5	1,824	2,103
Contributions – non monetary	3.5	7,103	251
Net gain on disposal of property, plant and equipment	3.6	377	566
Other income	3.7	6,163	3,958
Total income / revenue		231,302	207,978
Expenses			
Employee costs	4.1	90,825	82,900
Materials and services	4.2	76,900	68,728
Depreciation	4.3	36,838	34,735
Amortisation – intangible assets	4.4	1,075	707
Amortisation – right of use assets	4.5	372	558
Bad and doubtful debts – allowance for impairment losses	4.6	209	141
Borrowings costs	4.7	1,415	1,427
Finance costs – leases	4.8	20	36
Other expenses	4.9	8,646	4,998
Total expenses		216,300	194,230
Surplus for the year		15,002	13,568
Other comprehensive income			
Net asset revaluation increment	6.1	24,769	311,609
Total other comprehensive income		24,769	311,609
Total comprehensive result		39,771	325,177

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

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Consolidated Balance Sheet

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	38,293	56,200
Other financial assets	5.1	32,049	45,507
Trade and other receivables	5.1	27,148	29,428
Inventories	5.2	191	169
Other assets	5.2	2,393	1,009
Prepayments	5.2	2,389	1,882
Total current assets		102,463	134,195
Non-current assets			
Trade and other receivables	5.1	471	560
Other financial assets	5.1	3,507	3,507
Property, infrastructure, plant and equipment	6.1	2,154,516	2,093,600
Right-of-use assets	5.8	212	443
Intangible assets	5.2	3,121	1,849
Total non-current assets		2,161,827	2,099,959
Total assets		2,264,290	2,234,154
Liabilities			
Current liabilities			
Trade and other payables	5.3	19,095	33,227
Trust funds and deposits	5.3	6,637	5,896
Unearned income/revenue	5.3	13,206	13,472
Provisions	5.5	16,201	15,689
Interest-bearing liabilities	5.4	427	392
Lease liabilities	5.8	103	398
Total current liabilities		55,669	69,074
Non-current liabilities			
Provisions	5.5	1,463	1,318
Interest-bearing liabilities	5.4	28,415	26,692
Lease liabilities	5.8	136	112
Total non-current liabilities		30,014	28,122
Total liabilities		85,683	97,196
Net assets		2,178,607	2,136,958
Equity			
Accumulated surplus		800,831	765,364
Reserves	9.1	1,377,776	1,371,594
Total equity		2,178,607	2,136,958

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

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2023	Note				
Balance at beginning of financial year		2,136,958	765,364	1,304,198	67,396
Surplus for the year		15,002	15,002	-	-
Prior year adjustment - found assets		1,878	1,878	-	-
Net asset revaluation increment	9.1(a)	24,769	-	24,769	-
Transfers to other reserves	9.1(b)	-	(15,820)	-	15,820
Transfers from other reserves	9.1(b)	-	34,407	-	(34,407)
Balance at end of the financial year		2,178,607	800,831	1,328,967	48,809
2022	Note				
Balance at beginning of financial year		1,809,789	744,754	992,589	72,446
Surplus for the year		13,568	13,568	-	-
Prior year adjustment - found asset		1,992	1,992	-	-
Net asset revaluation increment	9.1(a)	311,609	-	311,609	-
Transfers to other reserves	9.1(b)	-	(14,048)	-	14,048
Transfers from other reserves	9.1(b)	-	19,098	-	(19,098)
Balance at end of the financial year		2,136,958	765,364	1,304,198	67,396

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

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Rates and charges		140,748	133,565
Statutory fees and fines		5,404	4,881
User fees		28,953	18,878
Grants - operating		26,061	23,100
Grants - capital		12,132	11,508
Contributions - monetary		1,825	2,103
Interest received		1,510	416
Trust funds and deposits taken		16,836	13,760
Other receipts		4,051	3,458
Net GST receipt/(payment)		3,648	(2,666)
Employee costs		(90,164)	(81,966)
Materials and services		(88,113)	(53,035)
Short-term, low value and variable lease payments		(482)	(360)
Trust funds and deposits repaid		(16,095)	(14,565)
Other payments		(3,205)	(2,513)
Net cash provided by operating activities	9.2	43,109	56,564
Cash flows from investing activities			
Payments for property, infrastructure, intangibles, plant and equipment		(75,015)	(65,346)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	623	754
Net proceeds/(payments) for investments		13,458	(12,497)
Net cash used in investing activities		(60,934)	(77,089)
Cash flows from financing activities			
Finance costs		(1,409)	(1,430)
Proceeds of borrowings		2,150	-
Repayment of borrowings		(392)	(370)
Interest paid - lease liabilities		(19)	(36)
Repayment of lease liabilities		(412)	(588)
Net cash used in financing activities		(82)	(2,424)
Net (decrease)/increase in cash and cash equivalents		(17,907)	(22,949)
Cash and cash equivalents at the beginning of the financial year		56,200	79,149
Cash and cash equivalents at the end of the financial year	9.3	38,293	56,200
Financing arrangements	5.6		

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

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Consolidated Statement of Capital Works

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Property			
Land		387	3,348
Total land		387	3,348
Buildings		35,940	25,192
Total buildings		35,940	25,192
Total property		36,327	28,540
Plant and equipment			
Plant, machinery and equipment		3,856	2,504
Fixtures, fittings and furniture		575	566
Computers and telecommunications		3,105	3,373
Library books		789	699
Total plant and equipment		8,325	7,142
Infrastructure			
Roads		6,400	8,797
Bridges		198	196
Footpaths and cycleways		2,790	3,018
Drainage		1,206	1,204
Recreational, leisure and community facilities		10,077	6,536
Waste management		260	431
Parks, open space and streetscapes		8,191	7,243
Off street car parks		1,049	343
Other infrastructure		-	1,747
Total infrastructure		30,171	29,515
Total capital works expenditure		74,823	65,197
Represented by:			
New asset expenditure		12,978	15,496
Asset renewal expenditure		23,761	23,107
Asset expansion expenditure		695	4,566
Asset upgrade expenditure		37,389	22,028
Total capital works expenditure		74,823	65,197

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 1 Overview

Introduction

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

Statement of compliance

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

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 1 Overview (continued)

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)*.

Goods and Services Tax (GST)

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

1.2 Impact of Covid-19

Council continued to provide support as part of its relief and recovery package with \$1.067 million spent in 2022-23 across a number of areas including the Frankston Business Collective \$0.234 million, expansion of the Invest Frankston business grant funding pool \$0.176 million, Community Support Frankston \$0.174 million, free carparking at selected car parks \$0.142 million, mental health support programs to community groups \$0.090 million and a positioning Frankston program \$0.100 million.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2 Analysis of our results

Note 2.1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its Annual Budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$1 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 6 June 2022. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

Note 2.1.1 Income / Revenue and Expenditure

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Income / Revenue					
Rates and charges	142,135	142,227	92	0.06%	
Statutory fees and fines	6,287	6,051	(236)	(3.75%)	
User fees	28,028	28,396	368	1.31%	
Grants – operating	19,530	24,867	5,337	27.33%	1.
Grants – capital	21,444	14,294	(7,150)	(33.34%)	2.
Contributions – monetary	2,994	1,824	(1,170)	(39.08%)	3.
Contributions – non-monetary	800	7,103	6,303	787.88%	4.
Net gain on disposal of property, infrastructure, plant and equipment	605	377	(228)	(37.69%)	5.
Other income	4,093	6,163	2,070	50.57%	6.
Total income / revenue	225,916	231,302	5,386	2.38%	
Expenses					
Employee costs	90,855	90,825	30	0.03%	
Materials and services	73,802	76,900	(3,098)	(4.20%)	
Depreciation	33,154	36,838	(3,684)	(11.11%)	7.
Amortisation – Intangible assets	1,013	1,075	(62)	(6.12%)	
Amortisation – Right of use assets	365	372	(7)	(1.92%)	
Bad and doubtful debts – allowance for impairment losses	225	209	16	7.11%	
Borrowing costs	1,431	1,415	16	1.12%	
Finance costs – leases	14	20	(6)	(42.86%)	8.
Other expenses	3,402	8,646	(5,244)	(154.14%)	9.
Efficiency factor	(500)	-	(500)	100.00%	10.
Total expenses	203,761	216,300	(12,539)	(6.15%)	
Surplus for the year	22,155	15,002	(7,153)	(32.29%)	

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

Note 2.1.1 Income / Revenue and Expenditure (continued)

(i) Explanation of material variations

Ref Explanation

1. Grants – operating

Grants- operating had a favourable actual to budget variance of \$5.337 million primarily due to receipt of additional non-recurrent grants relating to waste diversion projects \$1.658 million and environment \$0.105 million. These grants did have associated expenditure to enable delivery of programs and outcomes. Also received was \$3.610 million income above budget due to a payment brought forward in relation to the Financial Assistance Grants for 2023-2024.

2. Grants – capital

Grants- capital had an unfavourable actual to budget variance of \$7.150 million primarily due to the deferral of project expenditure to 2023/24 for projects including Kananook Commuter Car Park \$2.862m, Seaford Wetlands Improvements \$1.155m, Sandfield Reserve Improvements \$1.100m, Seaford Wetlands – Signage \$0.796m, Seaford Wetlands – Facilities \$0.618m and LXP Community Assets Improvements \$0.617m. Grant application was unsuccessful for Seaford Local Area Traffic Management \$0.950m offset by an unbudgeted grant received for Barrett's Road construction \$0.871m due to a change in funding sources.

3. Contributions – monetary

Contributions – monetary had an unfavourable actual to budget variance of \$1.170 million due to a decrease in capital contributions of \$1.242 million as a result of realignment to project funding sources. There were also additional cash contributions received of \$0.072 million in excess of budget relating to subdivisions within the municipality.

4. Contributions – non-monetary

Contributions – non monetary assets had a favourable actual to budget variance of \$6.303 million due to an increase in gifted land, roads, footpaths and drainage received relating to subdivisions within the municipality and Major Roads Projects Victoria upgrade to Golf Links Road, Langwarrin South.

5. Net gain on disposal of property, infrastructure, plant and equipment

Net gain on disposal of assets had an unfavourable actual to budget variance of \$0.228 million due to fewer sales of assets and plant than expected for the 2022–2023 year.

6. Other income

Other income had a favourable actual to budget variance of \$2.070 million due to higher interest received from investments \$1.111m, Victorian energy efficiency certificate rebates \$0.245m, higher plant sales at the Indigenous Nursery \$0.102m, insurance settlements \$0.105m and various reimbursements \$0.183m.

7. Depreciation

Depreciation had an unfavourable actual to budget variance of \$3.684 million due to increased revaluation of drainage assets and indexation of other asset classes in 2021-22 after the budget was set for 2022-23. In addition, unbudgeted depreciation on gifted and found assets totalled \$0.303 million.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

Note 2.1.1 Income / Revenue and Expenditure (continued)

(i) Explanation of material variations (continued)

Ref Explanation

8. Finance costs – leases

Finance costs – leases had an unfavourable actual to budget variance due to an increase in leases across the organisation.

9. Other expenses

Other expenditure had an unfavourable actual to budget variance of \$5.244 million due to write off of the carrying amount of assets mainly in Infrastructure \$3.808m and Buildings \$0.757m . A review revealed \$0.603m of operating expenditure in capital project handovers that could not be capitalised, while learning & development costs were over by \$0.274 million due to additional in person training post COVID-19.

10. Efficiency factor

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

2.1.2 Capital Works

	Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000	Variance %	Ref
Property					
Land	-	387	387	100.00%	1.
Total Land	-	387	387	100.00%	
Buildings	40,384	35,940	(4,444)	-11.00%	2.
Total Buildings	40,384	35,940	(4,444)	-11.00%	
Total Property	40,384	36,327	(4,057)	-10.05%	
Plant and equipment					
Plant, machinery and equipment	2,872	3,856	984	34.26%	3.
Fixtures, fittings and furniture	670	575	(95)	(14.18%)	4.
Computers and telecommunications	3,947	3,105	(842)	(21.33%)	5.
Library books	750	789	39	5.20%	
Total plant and equipment	8,239	8,325	86	1.04%	
Infrastructure					
Roads	8,677	6,400	(2,277)	(26.24%)	6.
Bridges	1,450	198	(1,252)	(86.34%)	7.
Footpaths and cycleways	3,562	2,790	(772)	(21.67%)	8.
Drainage	3,505	1,206	(2,299)	(65.59%)	9.
Recreational, leisure and community facilities	9,237	10,077	840	9.09%	
Waste management	567	260	(307)	(54.14%)	10.
Parks, open space and streetscapes	11,177	8,191	(2,986)	(26.72%)	11.
Off street car parks	4,808	1,049	(3,759)	(78.18%)	12.
Total infrastructure	42,983	30,171	(12,812)	(29.81%)	
Total capital works expenditure	91,606	74,823	(16,783)	(18.32%)	
Represented by:					
New asset expenditure	18,678	12,978	(5,700)	(43.92%)	
Asset renewal expenditure	29,272	23,761	(5,511)	(23.19%)	
Asset expansion expenditure	1,762	695	(1,067)	(153.53%)	
Asset upgrade expenditure	41,894	37,389	(4,505)	(12.05%)	
Total capital works expenditure	91,606	74,823	(16,783)	(18.32%)	

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

2.1.2 Capital Works (continued)

(i) Explanation of material variations

Ref	Explanation
1.	Land
	Compulsory land acquisition by Council.
2.	Buildings
	A significant portion of the Capital Works Program expenditure was delivered on buildings & facilities (\$35.940 million). A number of budget adjustments and project deferrals were endorsed at the Mid-Year Budget Review as a strategy to manage cost escalation impacts. Reduced expenditure to some major projects was caused by contractor insolvency requiring Council to cease works and award new contracts to complete the works. Projects affected include Lloyd Park Football Pavilion (\$2.463 million), Kevin Collopy Pavilion Upgrade at Jubilee Park (\$1.976 million) and Eric Bell Pavilion Upgrade (\$1.010 million).
3.	Plant, machinery and equipment
	Over expenditure of \$0.984 million in plant, machinery and equipment is primarily due to the delivery of a backlog of heavy plant and light vehicles that were planned for replacement in 2021-2022 and improved delivery times.
4.	Fixtures, fittings and furniture
	Under expenditure of \$95,000 was primarily due to supply delays of CCTV camera units, delaying planned CCTV camera installations.
5.	Computers and telecommunications
	Computers and telecommunications resulted in under expenditure of \$0.842 million due to delays with system implementations including new systems for Finance and Human Resources, and supply delays to hardware acquisitions.
6.	Roads
	Roads were under spent by \$2.277 million, primarily due to contractor availability, utility works, planning approvals with external agencies and project deferrals. Major projects affected were Seaford Local Area Traffic Management (\$0.772 million), Barretts Road Construction (\$0.667 million) and McCormicks Precinct Local Area Traffic Management (0.368 million).
7.	Bridges
	Bridges resulted in under expenditure of \$1.252 million, primarily due to approvals from external agencies. Project affected was Seaford Wetlands Improvements (\$1.155 million).
8.	Footpaths and cycleways
	Footpaths and cycleways were under spent by \$0.772 million due to project deferrals. Projects primarily affected included pathway improvements funded via the Level Crossing Removal Authority (\$0.617 million).
9.	Drainage
	Drainage was under spent by \$2.299 million, primarily due to project planning matters including liaison with external agencies, affecting the timing and delivery of works. Projects affected include Ballam Park Storm Water Treatment & Park Improvements (\$1.095 million) and Frankston South Drainage Strategy - Williams Street Stage 2 Drainage Upgrade (\$0.488 million). The delivery model for the Monterey Recycled Water Scheme was amended to be funded through water usage charges, reducing capital expenditure by \$0.440 million.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.1 Performance against budget (continued)

2.1.2 Capital Works (continued)

(i) Explanation of material variations

Ref Explanation

10. Waste management

Waste management was under spent by \$0.307 million, primarily due to deferral of expenditure and project savings.

11. Parks, open space and streetscapes

Under expenditure of \$2.986 million was primarily due to project planning matters including liaison with external agencies, affecting delivery timing of projects. Projects affected include Sandfield Reserve Improvements (\$1.100 million), Seaford Wetlands Rejuvenation - Interpretive and Wayfinding Signage (\$0.796 million) and Seaford Wetlands Rejuvenation - Facilities Upgrades (\$0.618 million).

12. Off street car parks

Off street car parks were under spent by \$3.759 million due to project planning delays and project deferrals. Projects affected include Kananook Commuter Car Park (\$2.862 million), Belvedere Precinct Overflow Carparking (\$0.400 million) and Carrum Downs Recreation Reserve - Carpark & Traffic Management Improvements (\$0.489 million).

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Chief Executive Officer (CEO) and Council

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

Infrastructure and Operations

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

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

Communities

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

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

Corporate and Commercial Services

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

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

Customer Innovation and Arts

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

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

Other

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

Peninsula Leisure

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 2.2 Analysis of Council results by program (continued)

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

	Income / Revenue \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income / revenue \$'000	Total assets \$'000
2023					
CEO and Council	-	775	(775)	-	-
Infrastructure and Operations	2,917	79,879	(76,962)	424	1,943,634
Communities	19,291	44,168	(24,877)	9,702	32,562
Corporate and commercial services	154,239	38,237	116,002	1,658	37,532
Customer innovation and arts	5,623	34,768	(29,145)	1,018	63,988
Other	35,548	5,144	30,404	25,396	183,394
Peninsula Leisure	13,684	13,329	355	963	3,180
Total	231,302	216,300	15,002	39,161	2,264,290

	Income / Revenue \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income / revenue \$'000	Total assets \$'000
2022					
CEO and Council	-	1,021	(1,021)	-	-
Infrastructure and Operations	2,226	74,262	(72,036)	211	1,910,583
Communities	18,427	41,349	(22,922)	10,438	32,145
Corporate and commercial services	144,604	34,868	109,736	286	36,472
Customer innovation and arts	3,213	30,841	(27,628)	1,038	63,658
Other	30,428	2,039	28,389	26,921	188,465
Peninsula Leisure	9,080	9,850	(770)	1,631	2,831
Total	207,978	194,230	13,748	40,525	2,234,154

Notes to the Financial Statements

For the year ended 30 June 2023

Note 3 Funding for the delivery of our services

	2023 \$'000	2022 \$'000
Note 3.1 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its site value inclusive of land, buildings and other improvements.		
The valuation base used to calculate general rates for 2022-2023 was \$50,147 million (2021-2022 \$40,044 million). The 2022-2023 general rate in the dollar was 0.00187066 (2021-2022 0.00227971). The municipal charge is levied at the rate of \$171.86 (2020-2021 \$168.90) per rateable property.		
General rates	96,082	92,832
COVID-19 Rate waiver*	(1)	(322)
Waste management charge	33,823	29,969
Municipal charge	11,005	10,738
Supplementary rates and rate adjustments	484	1,584
Interest on rates and charges	834	780
Total rates and charges	142,227	135,581

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2022 and the valuation was applied to the rating period commencing 1 July 2022.

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

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

*In the 2021-2022 rating period Council provided a one off \$200 waiver to ratepayers experiencing financial hardship under its Relief and Recovery Package. Council received five applications dated 30 June 2022, these were approved and processed retrospectively in the 2022-2023 financial year.

Note 3.2 Statutory fees and fines

Infringements and costs	2,068	1,439
Permits	1,939	2,010
Waiver - permits*	-	(179)
Building and town planning fees	1,827	1,715
Land information certificates	142	177
Court recoveries	75	72
Total statutory fees and fines	6,051	5,234

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 3 Funding for the delivery of our services (continued)

	2023	2022
	\$'000	\$'000
Note 3.3 User fees		
Recreation and leisure	12,546	7,822
Waste management	6,749	5,944
Arts and culture	3,985	1,791
Parking	1,470	1,084
Waiver - parking fees*	(142)	(102)
Aged and health services	1,159	972
Registrations and other permits	890	822
Waiver - registrations and other permits*	-	(89)
Other fees and charges	814	685
Child care/children's programs	349	265
Building services	286	356
Legal cost recovery - rates	232	-
Library services	58	30
Total user fees	28,396	19,580
User fees by timing of revenue recognition		
User fees recognised over time	9,049	5,064
User fees recognised at a point in time	19,347	14,516
Total user fees	28,396	19,580

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

* In response to the impacts of the COVID-19 pandemic, Council has elected to waive certain fees and charges under its Relief and Recovery Package. Waivers to certain fees relating to registrations and other permits were only offered in 2021-2022 and not 2022-2023.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 3 Funding for the delivery of our services (continued)

	2023	2022
	\$'000	\$'000
Note 3.4 Funding from other levels of government		
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	24,452	22,800
State funded grants	14,709	17,725
Total grants received	39,161	40,525
(a) Operating grants		
Recurrent – Commonwealth Government		
Financial Assistance Grants	12,252	11,519
Aged and community care	3,286	4,271
Family, children and youth services	976	946
Maternal and child health	25	11
Recurrent Commonwealth grants	16,539	16,747
Recurrent – State Government		
Maternal and child health	2,214	2,225
Libraries	972	958
Aged and community care	823	623
School crossing supervisors	532	429
Family, children and youth services	422	332
Community development	300	224
Recreation	181	168
Community safety	89	40
Recurrent State grants	5,533	4,999
Total recurrent operating grants	22,072	21,746

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Notes to the Financial Statements

For the year ended 30 June 2023

Note 3 Funding for the delivery of our services (continued)

	2023 \$'000	2022 \$'000
Note 3.4 Funding from other levels of government (continued)		
Recurrent – Commonwealth Government		
Environment	1,677	150
Community development	575	668
Aged and community care	173	264
Family, children and youth services	130	121
Recreation	104	45
Maternal and child health	85	90
Libraries	28	31
Community safety	23	21
Working for Victoria	-	128
Non-recurrent State grants	2,795	1,518
Total non-recurrent operating grants	2,795	1,518
Total operating grants	24,867	23,264
(b) Capital grants		
Recurrent – Commonwealth Government		
Roads to recovery	740	769
Recurrent Commonwealth grants	740	769
Non-recurrent – Commonwealth Government		
Buildings	5,073	2,202
Roads	1,162	2,225
Off-street car parks	938	197
Recreational, leisure and community facilities	-	660
Non-recurrent Commonwealth grants	7,173	5,284
Non-recurrent – State Government		
Parks, open space and streetscapes	1,810	2,269
Buildings	1,728	7,960
Recreational, leisure and community facilities	1,871	477
Bridges	195	194
Footpaths and cycleways	656	253
Drainage	121	55
Non-recurrent State grants	6,381	11,208
Total non-recurrent capital grants	13,554	16,492
Total capital grants	14,294	17,261

Notes to the Financial Statements

For the year ended 30 June 2023

Note 3 Funding for the delivery of our services (continued)

2023	2022
\$'000	\$'000

Note 3.4 Funding from other levels of government (continued)

(c) Recognition of grant income / revenue

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

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, Council applies AASB 1058 *Income for Not-for-Profit Entities*.

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

Income recognised under AASB 1058 *Income of Not-for-Profit Entities*

General purpose	12,252	11,519
Other specific purpose grants	7,530	5,905

Revenue recognised under AASB 15 *Revenue from Contracts with Customers*

Specific purpose grants	19,379	23,101
Total Grants	39,161	40,525

(d) Unspent grants received on condition that they be spent in a specific manner

Operating

Balance at start of year	4,409	4,573
Received during the financial year and remained unspent at balance date	3,135	1,667
Received in prior years and spent during the financial year	(1,940)	(1,831)
Balance at year end	5,604	4,409

Capital

Balance at start of year	6,474	12,228
Received during the financial year and remained unspent at balance date	1,649	4,581
Received in prior years and spent during the financial year	(3,811)	(10,335)
Balance at year end	4,312	6,474

Unspent grants are determined and disclosed on a cash basis.

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Notes to the Financial Statements

For the year ended 30 June 2023

Note 3 Funding for the delivery of our services (continued)

	2023 \$'000	2022 \$'000
Note 3.5 Contributions		
Monetary	1,824	2,103
Non-monetary	7,103	251
Total contributions	8,927	2,354
<i>Contributions of non-monetary assets were received in relation to the following asset classes</i>		
Roads	6,182	251
Drainage	559	-
Recreational, leisure and community	124	-
Land under roads	103	-
Footpath and cycleways	98	-
Other infrastructure	37	-
Total non-monetary contributions	7,103	251

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

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

Proceeds from sale	623	754
Written down value of assets disposed	(246)	(188)
Total net gain on disposal of property, plant and equipment	377	566

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

Note 3.7 Other income

Interest	2,112	500
Sales	1,972	1,314
Other rent	1,158	765
Waiver – other rent*	-	(179)
Other	589	222
Reimbursements	208	246
Insurance settlements	124	1,090
Total other income	6,163	3,958

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

* In response to the impacts of the COVID-19 pandemic, Council elected to waive rental charges for commercial and community tenants under its Relief and Recovery Package in 2021-2022.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 4 The cost of delivering services

	2023	2022
	\$'000	\$'000
Note 4.1 Employee costs		
(a) Employee costs		
Salaries and wages	72,670	67,732
Casual and agency staff	7,218	5,830
Superannuation	8,226	7,239
WorkCover	2,352	1,808
Fringe benefits tax	158	164
Other	201	127
Total employee costs	90,825	82,900

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	119	192
	119	192

Employer contributions payable at reporting date	-	-
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	7,645	6,585
Employer contributions – other funds	462	462
	8,107	7,047

Employer contributions payable at reporting date	40	588
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Contributions made exclude amounts accrued at balance date. Refer to note 9.4 for further information relating to Council's superannuation obligations.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 4 The cost of delivering services (continued)

	2023	2022
	\$'000	\$'000
Note 4.2 Materials and services		
Waste collection and disposal services	23,672	22,352
Contract services	19,172	17,453
Materials	7,516	6,372
Plant and equipment	4,131	1,877
Utilities	4,134	4,124
Building maintenance	3,382	3,040
Information technology	3,157	2,564
Works in progress (unable to be capitalised)	3,453	3,103
Consultants	2,251	2,453
Insurance and fire services levy	1,804	1,872
Finance and legal	1,502	1,134
Office administration	1,159	1,227
Marketing and promotion	838	704
Cost of goods sold	729	453
Total materials and services	76,900	68,728

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

Note 4.3 Depreciation

Infrastructure	24,620	23,249
Property	8,137	7,692
Plant and equipment	4,081	3,794
Total depreciation	36,838	34,735

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

Note 4.4 Amortisation - intangible assets

Software	1,075	707
Total amortisation - intangible assets	1,075	707

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 4 The cost of delivering services (continued)

	2023	2022
	\$'000	\$'000
Note 4.5 Amortisation – right of use assets		
Plant and equipment	344	533
Motor Vehicles	10	3
Property	18	22
Total amortisation - intangible assets	372	558

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

Note 4.6 Bad and doubtful debts – allowance for impairment losses

Other debtors	35	60
Parking fine debtors	174	81
Total bad and doubtful debts - allowance for impairment losses	209	141

An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

Note 4.7 Borrowing costs

Interest – borrowings	1,415	1,427
Total borrowing costs	1,415	1,427

Note 4.8 Finance costs – leases

Interest – lease liability	20	36
Total finance costs – leases	20	36

Note 4.9 Other expenses

Assets written-off / impaired	4,958	2,124
Grants and contributions	1,069	856
Training and professional development	797	636
Operating lease rentals	482	361
Councillors' allowances and expenses	432	418
Court lodgement fees	386	138
Auditor remuneration – Internal	238	173
Director and committee member fees	121	117
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	99	111
Board costs	64	64
Total other expenses	8,646	4,998

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position

	2023 \$'000	2022 \$'000
Note 5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	20	23
Cash at bank	4,868	2,653
Term deposits	33,405	53,524
Total cash and cash equivalents	38,293	56,200
(b) Other financial assets		
Current		
Term deposits - current	32,049	45,507
Total Current other financial assets	32,049	45,507
Non-current		
Term deposits - non-current	3,507	3,507
Total non-current other financial assets	3,507	3,507
Total other financial assets	35,556	49,014
Total financial assets	73,849	105,214

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023 \$'000	2022 \$'000
Note 5.1 Financial assets (continued)		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	19,580	18,010
Infringement debtors	6,580	5,933
Provision for doubtful debts – infringements	(3,081)	(2,872)
Net GST receivable	1,972	5,618
Special rate scheme	217	225
<i>Non statutory receivables</i>		
Other debtors	1,952	2,646
Provision for doubtful debts – other debtors	(72)	(132)
Total current trade and other receivables	27,148	29,428
Non-current		
Statutory receivables		
Special rate scheme	471	560
Total non-current trade and other receivables	471	560

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.

(d) Ageing of receivables

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

Current (not yet due)	1,521	1,987
Past due between 31 and 180 days	209	52
Past due between 181 and 365 days	222	607
Total trade and other receivables	1,952	2,646

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023	2022
	\$'000	\$'000
Note 5.2 Non-Financial assets		
(a) Inventories		
Current		
Inventories held for distribution	129	128
Inventories held for sale	62	41
Total inventories	191	169
<p>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.</p>		
(b) Other assets		
Current		
Prepayments	2,389	1,882
Accrual income	2,063	679
Other	330	330
Total other assets	4,782	2,891

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023	2022
	\$'000	\$'000
Note 5.2 Non-Financial assets		
(c) Intangible assets		
Software		
At cost	10,334	8,748
Less accumulated amortisation	(7,213)	(6,899)
	3,121	1,849
Gross carrying amount		
Balance at 1 July	8,748	7,346
Acquisitions	-	17
Write-off	(793)	(6)
Transfers from property, infrastructure, plant and equipment	2,379	1,391
Balance at 30 June	10,334	8,748
Accumulated amortisation and impairment		
Balance at 1 July	6,899	6,196
Amortisation expense	1,075	707
Write-off	(761)	(4)
Balance at 30 June	7,213	6,899
Net book value 30 June	3,121	1,849

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023 \$'000	2022 \$'000
Note 5.3 Payables, trust funds and deposits and unearned income/revenue		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	14,445	27,584
Accrued expenses	4,650	5,643
Total current trade and other payables	19,095	33,227
(b) Trust funds and deposits		
Current		
Refundable deposits and bonds	3,805	3,305
Fire Services Levy	2,643	2,065
Trust deposits	105	391
Unclaimed moneys	84	135
Total current trust funds and deposits	6,637	5,896

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeiture.

Purpose and nature of items

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

Fire Services Levy – Council is the collection agent for the Fire Services Levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023	2022
	\$'000	\$'000
Note 5.3 Payables, trust funds and deposits and unearned income/revenue		
(c) Unearned income/revenue		
Current		
Grants received in advance – operating	5,604	4,409
Grants received in advance – capital	4,312	6,474
User fees	3,290	2,589
Total current unearned income/revenue	13,206	13,472

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023	2022
	\$'000	\$'000
Note 5.4 Interest-bearing liabilities		
Current		
Other borrowings - secured	427	392
Total current	427	392
Non-current		
Treasury Corporation of Victoria borrowings - secured	2,200	50
Other borrowings - secured	26,215	26,642
Total non-current	28,415	26,692
Total interest-bearing liabilities	28,842	27,084

Borrowings are secured over the general rates of Council.

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

Not later than one year	427	392
Later than one year and not later than five years	17,562	17,434
Later than five years	10,853	9,258
Total interest-bearing liabilities	28,842	27,084

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.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	Employee \$'000	Total \$'000
Note 5.5 Provisions		
2023		
Balance at beginning of financial year	17,007	17,007
Additional provisions	7,675	7,675
Amounts used	(6,977)	(6,977)
Change in discounted amount arising because of the time and the effect of any change in the discount rate	(41)	(41)
Balance at the end of the financial year	17,664	17,664
Provisions current	16,201	16,201
Provisions non-current	1,463	1,463
2022		
Balance at beginning of financial year	17,060	17,060
Additional provisions	7,540	7,540
Amounts used	(7,186)	(7,186)
Change in discounted amount arising because of the time and the effect of any change in the discount rate	(407)	(407)
	17,007	17,007
Provisions current	15,689	15,689
Provisions non-current	1,318	1,318

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023	2022
	\$'000	\$'000
Note 5.5 Provisions (continued)		
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	6,318	6,329
Long service leave	1,429	1,347
Gratuity	2	2
	7,749	7,678
Current provisions expected to be wholly settled after 12 months		
Annual leave	333	333
Long service leave	8,095	7,636
Gratuity	24	42
	8,452	8,011
Total current employee provisions	16,201	15,689
Non-current		
Long service leave	1,463	1,318
Total non-current employee provisions	1,463	1,318
Aggregate carrying amount of employee provisions:		
Current	16,201	15,689
Non-current	1,463	1,318
Total aggregate carrying amount of employee provisions	17,664	17,007

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

	2023	2022
	\$'000	\$'000

Note 5.5 Provisions (continued)

Annual leave

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

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

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

Long service leave

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

Key assumptions:

- | | | |
|------------------|--------|--------|
| • discount rate | 4.060% | 3.330% |
| • inflation rate | 4.350% | 3.850% |

Note 5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June:

Bank overdraft	2,500	2,500
Credit card facilities	70	45
Treasury Corporation of Victoria facilities	13,550	3,000
Interest-bearing loans and borrowings – secured	26,642	27,134
Total facilities	42,762	32,679

Used facilities	28,842	27,084
Unused facilities	13,920	5,595

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

Note 5.7 Commitments

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

(a) Commitments for expenditure

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 year and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2023					
Operating					
Recycling and waste collection	14,628	14,613	24,104	35,609	88,954
Council building maintenance	9,159	9,192	10,378	-	28,729
Other	3,606	2,501	1,754	-	7,861
Energy	856	732	376	376	2,340
Information technology	2,591	1,155	516	-	4,262
Total	30,840	28,193	37,128	35,985	132,146
Capital					
Buildings	21,027	4,199	-	-	25,226
Infrastructure	6,189	-	-	-	6,189
Plant and equipment	2,022	59	-	-	2,081
Total	29,238	4,258	-	-	33,496
2022					
Operating					
Recycling and waste collection	13,796	11,321	27,732	37,192	90,041
Council building maintenance	461	-	-	-	461
Other	1,987	379	310	-	2,676
Energy	188	188	564	419	1,359
Valuations	236	-	-	-	236
Information technology	1,585	1,062	401	-	3,048
Total	18,253	12,950	29,007	37,611	97,821
Capital					
Buildings	27,832	-	-	-	27,832
Infrastructure	3,119	-	-	-	3,119
Plant and equipment	12,995	-	-	-	12,995
Total	43,946	-	-	-	43,946

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

Note 5.8 Leases

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

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

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

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

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

Under *AASB 16 Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

Note 5.8 Leases (continued)

Right-of-Use Assets	Property \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Total \$'000
2023				
Balance at beginning of financial year	57	370	16	443
Additions	-	141	-	141
Re-measurement arising from lease modifications	-	-	-	-
Amortisation charge	(18)	(344)	(10)	(372)
Balance at end of the financial year	39	167	6	212
2022				
Balance at beginning of financial year	79	903	-	982
Additions	-	-	19	19
Re-measurement arising from lease modifications	-	-	-	-
Amortisation charge	(22)	(533)	(3)	(558)
Balance at end of the financial year	57	370	16	443
			2023	2022\$
			\$'000	'000
Lease Liabilities				
Maturity analysis - contractual undiscounted cash flows				
Less than one year			86	400
One to five years			138	103
Total undiscounted lease liabilities as at 30 June:			224	503
Lease liabilities included in the Balance Sheet at 30 June:				
Current			103	398
Non-current			136	112
Total lease liabilities			239	510

Notes to the Financial Statements

For the year ended 30 June 2023

Note 5 Our Financial Position (continued)

Note 5.8 Leases (continue)

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.

	2023	2022\$
	\$'000	'000
Expenses relating to:		
Short-term leases	416	330
Leases of low value assets	66	31
Total	482	361

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

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

Payable:

Within one year	1	1
Later than one year but not later than five years	1	2
Total lease commitments	2	3

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage

Note 6.1 Property, infrastructure, plant and equipment

	Carrying amount 30 June 2022 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposals \$'000	Write-offs \$'000	Found \$'000	Transfers \$'000	Carrying amount 30 June 2023 \$'000
Property	1,328,268	626	103	-	(8,137)	-	(757)	-	7,789	1,327,892
Plant and equipment	11,789	3,194	-	-	(4,081)	(246)	(1)	4	1,555	12,214
Infrastructure	680,754	2,574	7,000	24,769	(24,620)	-	(3,803)	1,874	23,812	712,360
Work in progress	72,789	68,621	-	-	-	-	(3,824)	-	(35,536)	102,050
	2,093,600	75,015	7,103	24,769	(36,838)	(246)	(8,385)	1,878	(2,380)	2,154,516

Summary of Work in Progress (WIP)

	Opening WIP \$'000	Additions \$'000	Write-offs \$'000	Reclassification \$'000	Transfers \$'000	Closing WIP \$'000
Property	29,904	35,701	(65)	(1,130)	(7,789)	56,621
Plant and equipment	5,267	5,323	(788)	465	(3,934)	6,333
Infrastructure	37,618	27,597	(2,971)	665	(23,813)	39,096
Total	72,789	68,621	(3,824)	-	(35,536)	102,050

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

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

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land under roads \$'000	Total land \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2022	1,060,140	27,236	4,354	1,091,730	46,050	327,228	373,278	29,904	1,494,912
Accumulated depreciation 1 July 2022	-	-	-	-	(20,232)	(116,508)	(136,740)	-	(136,740)
	1,060,140	27,236	4,354	1,091,730	25,818	210,720	236,538	29,904	1,358,172
Movements in fair value									
Additions	387	-	-	387	-	239	239	35,701	36,327
Contributions	-	-	103	103	-	-	-	-	103
Write-offs	-	-	-	-	(101)	(1,106)	(1,207)	(65)	(1,272)
Work in progress reclassification	-	-	-	-	-	-	-	(1,130)	(1,130)
Transfers	-	-	-	-	839	6,950	7,789	(7,789)	-
	387	-	103	490	738	6,083	6,821	26,717	34,028
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(975)	(7,162)	(8,137)	-	(8,137)
Accumulated depreciation of write-offs	-	-	-	-	97	353	450	-	450
	-	-	-	-	(878)	(6,809)	(7,687)	-	(7,687)
At fair value 30 June 2023	1,060,527	27,236	4,457	1,092,220	46,788	333,311	380,099	56,621	1,528,940
Accumulated depreciation 30 June 2023	-	-	-	-	(21,110)	(123,317)	(144,427)	-	(144,427)
Carrying amount	1,060,527	27,236	4,457	1,092,220	25,678	209,994	235,672	56,621	1,384,513

Introduction	Year in review	Our Council	Our people	Performance	Governance	Performance statement	Financials
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Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage

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

(b) Plant and equipment	Plant machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2022	21,571	1,999	6,869	6,921	5,267	42,627
Accumulated depreciation 1 July 2022	(13,776)	(1,090)	(4,985)	(5,720)	-	(25,571)
	7,795	909	1,884	1,201	5,267	17,056
Movements in fair value						
Additions	2,241	25	507	421	5,323	8,517
Transfers to intangible assets	-	-	-	-	(2,379)	(2,379)
Write-offs	(3)	-	-	-	(788)	(791)
Disposals	(1,109)	-	-	-	-	(1,109)
Work in progress reclassification	-	-	-	-	465	465
Transfers	590	306	660	-	(1,555)	1
	1,723	331	1,167	421	1,066	4,708
Movements in accumulated depreciation						
Depreciation	(2,450)	(207)	(924)	(500)	-	(4,081)
Disposals	863	-	-	-	-	863
Accumulated depreciation of write-offs	2	-	-	-	-	2
	(1,585)	(207)	(924)	(500)	-	(3,216)
At fair value 30 June 2023	23,294	2,330	8,036	7,342	6,333	47,335
Accumulated depreciation 30 June 2023	(15,361)	(1,297)	(5,909)	(6,220)	-	(28,787)
Carrying amount	7,933	1,033	2,127	1,122	6,333	18,548

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage community \$'000	Recrea- tional, leisure and community \$'000	Waste manag- ement \$'000	Off-street car parks \$'000	Other infras- tructure \$'000	Work in progress \$'000	Total infras- tructure \$'000
(c) Infrastructure										
At fair value 1 July 2022	544,614	27,372	131,526	292,008	146,342	2,950	47,302	19,222	37,618	1,248,954
Accumulated depreciation 1 July 2022	(214,155)	(12,671)	(68,524)	(145,077)	(54,520)	(1,967)	(24,570)	(9,098)	-	(530,582)
	330,459	14,701	63,002	146,931	91,822	983	22,732	10,124	37,618	718,372
Movements in fair value										
Additions	530	-	685	121	1,207	-	-	31	27,597	30,171
Transfers to intangible assets	6,182	-	100	568	138	-	-	38	-	7,026
Write-offs	-	-	-	843	259	-	135	914	-	2,151
Disposals	39,654	896	2,574	8,995	58	-	7,954	(674)	-	59,457
Work in progress reclassification	(4,582)	(230)	(174)	(813)	(1,218)	-	-	(260)	(2,971)	(10,248)
Transfers	-	-	-	-	-	-	-	-	665	665
	9,327	452	2,585	3,139	6,613	-	463	1,233	(23,813)	(1)
	51,111	1,118	5,770	12,853	7,057	-	8,552	1,282	1,478	89,221
Movements in accumulated depreciation										
Depreciation	(8,309)	(622)	(3,120)	(3,815)	(6,664)	(295)	(1,289)	(506)	-	(24,620)
Accumulated depreciation of write-offs	2,052	150	110	449	567	-	-	146	-	3,474
Revaluation	(23,026)	(493)	(2,656)	(5,653)	(1,124)	-	(1,554)	(182)	-	(34,688)
Contributions	-	-	(2)	(9)	(14)	-	-	(1)	-	(26)
Found	-	-	-	(96)	(22)	-	(3)	(156)	-	(277)
	(29,283)	(965)	(5,668)	(9,124)	(7,257)	(295)	(2,846)	(699)	-	(56,137)
At fair value 30 June 2023	595,725	28,490	137,296	304,861	153,399	2,950	55,854	20,504	39,096	1,338,175
Accumulated depreciation 30 June 2023	(243,438)	(13,636)	(74,192)	(154,201)	(61,777)	(2,262)	(27,416)	(9,797)	-	(586,719)
Carrying amount	352,287	14,854	63,104	150,660	91,622	688	28,438	10,707	39,096	751,456

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

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

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods

Asset category	Depreciation period	Threshold limit \$
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 years	15,000
Computers and telecoms	5 years	15,000
Library books	5 years	Nil

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

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

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.

Depreciation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken in March 2022 by a qualified independent valuer Sarah Singleton (AAPI 108105) of Patel Dore Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

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

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

The date and type of the current valuation is detailed in the following table. A full revaluation of these assets will be conducted in 2023-2024.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

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

Details of Council's land and buildings and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Scheduled Full Revaluation	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation	Scheduled Full Revaluation
Land – non-specialised	March 2024	-	27,236	-	March 2022	
Land – specialised	March 2024	-	-	1,060,527	March 2022	Full revaluation
Land under roads	March 2024	-	-	4,457	March 2022	Full revaluation
Buildings – non-specialised	March 2024	-	209,994	-	March 2022	Full revaluation
Buildings – specialised	March 2024	-	-	25,678	March 2022	Full revaluation
Total		-	237,230	1,090,662		

Valuation of infrastructure

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

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

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2023 are as follows:

	Scheduled Full Revaluation	Level 3 \$'000	Date of Valuation	Valuation – 30 June 2023
Roads	2023-2024	352,287	June 2023	Indexed valuation
Bridges	2023-2024	14,854	June 2023	Indexed valuation
Footpaths and cycleway	2023-2024	63,104	June 2023	Indexed valuation
Drainage	2025-2026	150,660	June 2023	Indexed valuation
Recreational, leisure and community facilities	2024-2025	91,622	June 2023	Indexed valuation
Waste management*	-	688		-
Off-street carparks	2026-2027	28,438	June 2023	Full revaluation
Other infrastructure	2026-2027	10,707	June 2023	Full revaluation
Total		712,360		

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

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

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5 per cent and 95 per cent. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$10 and \$2,885 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$210 to \$75,600 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 88 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2023	2022
	\$'000	\$'000
Reconciliation of specialised land		
Land	1,060,527	1,060,140
Land under roads	4,457	4,354
Total specialised land	1,064,984	1,064,494

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

Note 6.2 Investments in subsidiaries

Subsidiary

Peninsula Leisure Pty Ltd (ACN: 160 239 770)

Background

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

	2023 \$'000	2022 \$'000
Total income	13,674	9,080
Total expenses	13,318	9,850
Loss for the year	356	(770)
Other comprehensive income	-	-
Total comprehensive result	356	(770)

Summarised balance sheet

Current assets	2,662	2,248
Non-current assets	521	583
Total assets	3,183	2,831
Current liabilities	1,439	1,498
Non-current liabilities	156	100
Total liabilities	1,595	1,598
Net assets	1,588	1,233

Summarised statement of cash flows

Net cash from operating activities	781	162
Net cash flows used in investing activities	(185)	(158)
Net cash used in financing activities	(184)	(220)
Net increase / (decrease) in cash and cash equivalents	412	(216)

Notes to the Financial Statements

For the year ended 30 June 2023

Note 6 Assets we manage (continued)

Note 6.2 Investments in subsidiaries

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 \$500,000 in 2022-2023 (2021-2022: \$1,140,000) in financial support to Peninsula Leisure Pty Ltd as a result of the facility closure related to COVID-19 government restrictions.

Council has committed \$271,000 of funding to Peninsula Leisure Pty Ltd under the MSA for 2023-2024.

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2023, and their income and expenses for that part of the reporting period in which control existed.

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

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

Entities consolidated into Council include:

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 7 People and relationships

Note 7.1 Council and Key management remuneration

(a) Related Parties

Parent entity

Frankston City Council is the parent entity.

Subsidiaries and joint arrangements

Interests in subsidiaries are detailed in note 6.2.

(b) Key Management Personnel

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

Details of KMP at any time during the year are:

Councillors

Councillor Nathan Conroy	(16 November 2020 to 30 June 2022. Mayor from 18 November 2021 to 30 June 2023)
Councillor Kris Bolam	(22 October 2016 to 30 June 2023)
Councillor David Asker	(16 November 2020 to 30 June 2023)
Councillor Sue Baker	(16 November 2020 to 30 June 2023)
Councillor Claire Harvey	(16 November 2020 to 30 June 2023)
Councillor Brad Hill	(16 November 2020 to 30 June 2023)
Councillor Liam Hughes	(16 November 2020 to 30 June 2023)
Councillor Steven Hughes	(16 November 2020 to 30 June 2023)
Councillor Suzette Tayler	(16 November 2020 to 30 June 2023)

Key Management Personnel

Chief Executive Officer:	Phil Cantillon
Director – Communities	Angela Hughes
Director – Corporate and Commercial Services	Kim Jaensch
Director – Infrastructure and Operations	Cam Arullanantham
Director – Customer Innovation and Arts	Shweta Babbar

Notes to the Financial Statements

For the year ended 30 June 2023

Note 7 People and relationships (continued)

Note 7.1 Council and Key management remuneration (continued)

	2023	2022
	No	No
Total Number of Councillors	9	9
Total of Chief Executive Officer and other Key Management Personnel	5	6
Total Number of Key Management Personnel	14	15

(c) Remuneration of Key Management Personnel

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

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

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

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

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

	2023	2022
	\$'000	\$'000
Total remuneration of Key Management Personnel was as follows:		
Short-term employee benefits	1,860	1,921
Other long-term employee benefits	46	27
Post-employment employee benefits	200	183
Total	2,106	2,131

Notes to the Financial Statements

For the year ended 30 June 2023

Note 7 People and relationships (continued)

Note 7.1 Council and Key management remuneration (continued)

(c) Remuneration of Key Management Personnel (continued)

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

	2023	2022
	No	No
\$30,000 - \$39,999	6	6
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	-	1
\$110,000 - \$119,999	-	1
\$120,000 - \$129,999	1	-
\$280,000 - \$289,999	-	1
\$290,000 - \$299,999	1	-
\$300,000 - \$309,999	-	2
\$310,000 - \$319,999	2	1
\$320,000 - \$329,999	1	-
\$380,000 - \$389,999	-	1
\$420,000 - \$429,999	1	-
	14	15

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 7 People and relationships (continued)

Note 7.1 Council and Key management remuneration (continued)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$160,000 and who report directly to a member of the KMP. *

	2023	2022
	\$'000	\$'000
Total remuneration of Senior Officers was as follows:		
Short-term employee benefits	3,616	3,782
Other long-term employee benefits	114	(111)
Post-employment employee benefits	378	451
Termination benefits	31	41
Total	4,139	4,163

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

	2023	2022
	No	No
\$151,000 - \$159,999	-	1
\$190,000 - \$199,999	2	1
\$200,000 - \$209,999	7	6
\$210,000 - \$219,999	4	2
\$220,000 - \$229,999	3	4
\$230,000 - \$239,999	-	2
\$240,000 - \$249,999	1	1
\$260,000 - \$269,999	1	-
\$270,000 - \$279,999	1	1
\$280,000 - \$289,999	-	1
	19	19

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 7 People and relationships (continued)

Note 7.2 Related party disclosure

(a) Transactions with related parties

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

	2023 Excl GST \$'000	2022 Excl GST \$'000
Received from Peninsula Leisure Pty Ltd		
Other reimbursements	105	78
Total received	105	78
Paid to Peninsula Leisure Pty Ltd		
Management Service Fee	500	1,140
Contract payment	510	447
Grant	11	-
Total paid	1,021	1,587

(b) Outstanding balances with related parties

Nil

(c) Loans to/from related parties

Nil

(d) Commitments to/from related parties

Council has made a cash contribution of \$500,000 in 2022-2023 (2020-2021: \$1,140,000) in financial support to Peninsula Leisure Pty Ltd as a result of the facility closure related to COVID-19 government restrictions. Under the Management Service Agreement Council provides (if required by the Company) a management service fee (refer to note 6.2(b)).

Council has committed \$271,000 of funding to Peninsula Leisure Pty Ltd under the MSA for 2023-2024.

No other commitments have been made, guaranteed or secured by Council to Key Management Personnel or related parties during the reporting year (2021-2022, nil).

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties

Note 8.1 Contingent assets and liabilities

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

(a) Contingent assets

Council has entered into leases on its property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 38 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2023	2022
	Excl GST	Excl GST
	\$'000	\$'000
No later than one year	794	628
Later than one year and not later than five years	1,102	1,247
Later than five years	419	335
Total	2,315	2,210

Gifted assets – Sandhurst

Due to unexpected delays in road surveying and the preparation of Section 35 Plans of Subdivision, a process that is a key requirement of the Asset Transfer Deed; the anticipated 16km of roads to be transferred to Council did not occur in the 2022-2023 financial year. The transfer of assets will now transpire during 2023-2024.

(b) Contingent liabilities

Superannuation

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

Future superannuation contributions

In addition to the disclosed contributions, Frankston City Council has paid unfunded liability payments to Vision Super totalling \$0.119 million paid during the 2022-2023 year (2021-2022 \$0.192 million). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 are \$0.123 million.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties (continued)

Note 8.1 Contingent assets and liabilities (continued)

(b) Contingent liabilities (continued)

Liability Mutual Insurance

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

Landfill restoration

Council has been directed by the Environmental Protection Authority to undergo work to rehabilitate the closed landfill site at McClelland Road, Frankston North. The work that needs to be done involves extraction, storage and disposal of leachate. Council has recently completed a leachate extraction trial to determine the method and amount of leachate to be disposed from the closed landfill on an annual basis. A final proposal, which will determine the on-going costs, has been delayed and will be forwarded to the EPA in early 2023-2024. Following the acceptance of the proposal, the costs will be determined and a provision for landfill rehabilitation will be recognised in the balance sheet as appropriate.

Note 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council assesses the impact of these new standards. As at 30 June 2023 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2024 that are expected to impact Council.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties (continued)

Note 8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

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

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

- diversification of investment product
- monitoring of return on investment
- benchmarking of returns and comparison with budget.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year end result.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties (continued)

Note 8.3 Financial instruments (continued)

(c) Credit risk

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

- Council have a policy for establishing credit limits for the entities Council deals with
- Council may require collateral where appropriate
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property. There are no material financial assets which are individually determined to be impaired.

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties (continued)

Note 8.3 Financial instruments (continued)

(d) Liquidity risk

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

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at note 5.4.

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 +2.00 per cent and -0.25 per cent in market interest rates (AUD) from year-end rates of 4.35 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.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties (continued)

Note 8.4 Fair value measurement

Fair value hierarchy

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

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. *AASB 13 Fair value measurement*, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

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.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 8 Managing uncertainties (continued)

Note 8.4 Fair value measurement (continued)

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

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

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

Impairment of assets

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

Note 8.5 Events occurring after balance date

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 9 Other matters

Note 9.1 Reserves

(a) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment/ (decrement) \$'000	Balance at end of reporting period \$'000
2023			
Property			
Land revaluation	958,853	-	958,853
Building revaluation	83,959	-	83,959
	1,042,812	-	1,042,812
Infrastructure			
Drainage revaluation	89,508	3,342	92,850
Infrastructure asset revaluation (excluding drainage)	171,264	21,427	192,691
	260,772	24,769	285,541
Plant and equipment			
Plant, machinery and equipment revaluation	614	-	614
	614	-	614
Total asset revaluation reserves	1,304,198	24,769	1,328,967
2022			
Property			
Land revaluation	688,099	270,754	958,853
Building revaluation	68,243	15,716	83,959
	756,342	286,470	1,042,812
Infrastructure			
Drainage revaluation	80,937	8,571	89,508
Infrastructure asset revaluation (excluding drainage)	154,696	16,568	171,264
	235,633	25,139	260,772
Plant and equipment			
Plant, machinery and equipment revaluation	614	-	614
	614	-	614
Total asset revaluation reserves	992,589	311,609	1,304,198

Nature and purpose of reserves

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 9 Other matters (continued)

Note 9.1 Reserves (continued)

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2023				
Statutory				
Public resort and recreation	7,230	1,783	(4,896)	4,117
Subdivision roadworks	133	-	-	133
Infrastructure assets	74	-	-	74
Car parking	10	-	-	10
Total statutory reserves	7,447	1,783	(4,896)	4,334
Discretionary				
Strategic asset reserve	23,403	417	(20,335)	3,485
MAV LGFV Fund	12,708	830	-	13,538
PARC asset management sinking fund	11,048	750	(1,216)	10,582
Unexpended grant reserve	8,482	9,966	(7,309)	11,139
Capital projects reserve	3,931	2,070	(651)	5,350
PARC strategic reserve	300	-	-	300
Resource efficiency reserve	77	4	-	81
Total discretionary reserves	59,949	14,037	(29,511)	44,475
Total other reserves	67,396	15,820	(34,407)	48,809
2022				
Statutory				
Public resort and recreation	8,265	1,503	(2,538)	7,230
Subdivision roadworks	133	-	-	133
Infrastructure assets	74	-	-	74
Car parking	10	-	-	10
Total statutory reserves	8,482	1,503	(2,538)	7,447
Discretionary				
Strategic asset reserve	28,952	4,143	(9,692)	23,403
MAV LGFV Fund	12,205	503	-	12,708
PARC asset management sinking fund	11,705	750	(1,407)	11,048
Unexpended grant reserve	5,796	6,976	(4,290)	8,482
Capital projects reserve	4,459	170	(698)	3,931
PARC asset management plan reserve	473	-	(473)	-
PARC strategic reserve	300	-	-	300
Resource efficiency reserve	74	3	-	77
Total discretionary reserves	63,964	12,545	(16,560)	59,949
Total other reserves	72,446	14,048	(19,098)	67,396

Notes to the Financial Statements

For the year ended 30 June 2023

Note 9 Other matters (continued)

Note 9.1 Reserves (continued)

Nature and purpose of reserves

Capital projects reserve – has been established to quarantine specific purpose funding for the delivery of capital projects.

MAV LGFV Fund – has been established to provide for the \$15.542 million principal repayment required on the maturity of the interest-only Local Government Funding Vehicle in 2025-2026.

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

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2023

Note 9 Other matters (continued)

Note 9.2 Reconciliation of cash flows from operating activities to surplus

	2023	2022
	\$'000	\$'000
Surplus for the year	15,002	13,568
Depreciation/amortisation	38,285	36,000
Net gain on disposal of property, plant and equipment	(377)	(566)
Write-off of property, infrastructure, intangibles, plant and equipment	4,958	2,124
Works in progress unable to be capitalised (expensed)	3,453	3,103
Borrowing costs	1,415	1,427
Finance costs	20	36
Contributions - non-monetary assets	(7,103)	(251)
Change in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	2,369	(5,853)
(Increase)/decrease in prepayments	(507)	67
Increase in accrued income	(1,384)	(120)
(Increase)/decrease in inventory	(22)	(15)
(Decrease)/increase in trade and other payables	(14,132)	13,528
Increase/(decrease) in provisions	657	(53)
Increase/(decrease) in unearned income/revenue	(266)	(5,622)
Increase/(decrease) in trust funds and deposits	741	(809)
Net Cash provided by operating activities	43,109	56,564

Note 9.3 Reconciliation of cash and cash equivalents

Cash on hand	20	23
Cash at bank	4,868	2,653
Term deposits	33,405	53,524
Cash and cash equivalents	38,293	56,200

Notes to the Financial Statements

For the year ended 30 June 2023

Note 1 Overview

Note 9.4 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2023, this was 10.5% as required under Superannuation Guarantee (SG) legislation (2022: 10.0%)).

Defined benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation is currently underway for the Defined Benefit category which is expected to be completed by 31 December 2023. Council was notified of the 30 June 2023 VBI during August 2023 (2022: August 2022). The financial assumptions used to calculate the 30 June 2023 VBI were:

Net investment returns: 5.70% pa
 Salary information: 3.50% pa
 Price inflation (CPI): 2.80% pa

As at 30 June 2022, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.2%. The financial assumptions used to calculate the VBI were:

Net investment returns: 5.50% pa
 Salary information: 2.50% to 30 June 2023, and 3.5% pa thereafter
 Price inflation (CPI): 3.00% pa

Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). Vision Super has advised that the estimated VBI at June 2023 was 104.10%.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 1 Overview

Note 9.4 Superannuation (continued)

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2022 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2022 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2023, this rate was 10.5% of members' salaries (10.0% in 2021-2022). 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 2022 interim 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.

(b) Funding calls

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

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

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

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

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 9 Other matters (continued)

Note 9.4 Superannuation (continued)

The 2022 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2022 and the last full investigation was conducted as at 30 June 2020.

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

	2023 (Interim) \$m	2022 (Interim) \$m
• A VBI Surplus	44.60	214.70
• A total service liability surplus	105.80	270.30
• A discounted accrued benefits surplus	112.90	285.20

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 2022.

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 2022.

The discounted accrued benefits 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 2022.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 9 Other matters (continued)

Note 9.4 Superannuation (continued)

The 2023 triennial actuarial investigation

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

	2022 Triennial investigation	2020 Triennial investigation
Net investment return	5.70% pa	5.60% pa
Salary inflation	3.50% pa	2.50% pa for the first two years and 2.75%pa thereafter
Price inflation	2.80% pa	2.00% pa

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2023 are detailed below:

Scheme	Type of Scheme	Rate	2023 \$m	2022 \$m
Vision super	Defined benefit	10.5% (2022:10.0%)	119	192
Vision super	Accumulation fund	10.5% (2022:10.0%)	7,645	6,585
Hostplus	Accumulation fund	10.5% (2022:10.0%)	462	462

Council has paid no unfunded liability payments to Vision Super for the 2022-2023 year (2021-2022 nil), apart from the contributions above.

There were nil contributions outstanding and no loans issued from or to the above schemes as at 30 June 2023.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2024 is \$0.180 million.

Note 10. Change in accounting policy

There have been no changes to accounting policies in the 2022-2023 year.

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



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