



*City of*  
**KINGSTON**

# 2020-21

## ANNUAL REPORT





## ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The City of Kingston recognises the Bunurong people as the Traditional Custodians of the land on which the municipality is a part. We pay our respect to their Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander peoples who call Kingston home.

Their enriched knowledge and wisdom of our land and waterways is an essential part of the culture of our community.

# CONTENTS

## overview

welcome	1
our city	2
a message from your Mayor	3
a message from the Interim CEO	4
council wards	5
Kingston councillors	6
our organisation	8
our people	9
financial performance	10
strategic planning and reporting framework	13
operational performance	14

## council plan reporting

goal 1: our well-planned, liveable city supported by infrastructure to meet future needs	16
goal 2: our sustainable green environment with accessible open spaces	21
goal 3: our connected, inclusive, healthy and learning community	26
goal 4: our free-moving, safe, prosperous and dynamic city	33
goal 5: our well-governed and responsive organisation	39

governance	43
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## financial reporting

performance statement	56
financial report	72

appendices	129
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## WELCOME

The City of Kingston is proud to present the 2020/21 Annual Report to our community. The Annual Report describes Council's operations, accomplishments and challenges over the past financial year.

Council measures its performance in compliance with the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

The report also benchmarks performance against strategic objectives set out in the *Council Plan 2017-2021*, our long-term financial plan, and our five strategic goals.

For further information and to provide your feedback, contact Customer Care on 1300 653 356.

# Kingston at a glance



91km<sup>2</sup>  
Total municipal area

Industrial areas

Moorabbin Airport

World-class golf courses

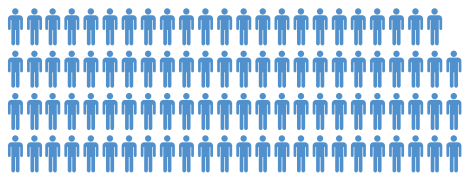
Edithvale wetlands

Green wedge

13km of coastline



17,343 businesses



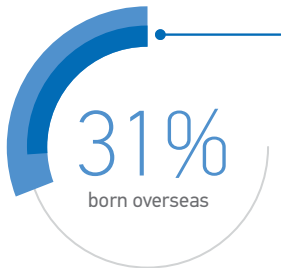
97,176 local jobs



167,293  
population

↑198,340  
by 2041

63,795  
dwellings occupied



26% non-English speaking background

# A MESSAGE FROM YOUR MAYOR



On behalf of my fellow Councillors, I am pleased to present the City of Kingston's *2020/21 Annual Report*.

COVID-19 has completely transformed the way we live and work, and with that, new needs and opportunities have emerged. I am proud to have witnessed first-hand the strength, compassion and support our Kingston community has shown to each other. This resilience demonstrates the incredible people that make up our beautiful and diverse city – a city that I am proud to serve.

Our solid financial position provided Council with the ability to move swiftly to help alleviate some of the economic impacts of COVID-19. Our \$12 million Community Support Package aided local businesses, community groups and vulnerable residents. Council provided an additional \$50,000 in grants to our Local Emergency Relief Services above their normal allocation; a \$118 reduction on rates for residents with a bin service; extended the \$112.20 Pensioner Rebate to people on JobSeeker and to businesses on JobKeeper; waived rents for local sporting and community groups and other tenants; and invested an extra \$15,000 in Arts grants to help stimulate and assist Kingston's local artists and creatives.

We also launched two exciting programs to help people feel connected and reduce loneliness: a new pen pal initiative that connected people across the country, and free digital literacy classes for older residents and multicultural communities. The classes built their skills and confidence to participate in video calls with friends and family, join online events, listen to music or access government services.

Despite the changing environment, delivering a broad range of high-quality services, maintaining vital infrastructure and delivering new projects to strengthen our community remained a priority for Council. It's been great to see so many multi-year projects completed, including major investment in sporting facilities to keep our community active, including the new Roy Dore Pavilion in Carrum, Mentone Reserve Pavilion, Jack Grut Pavilion in Mordialloc and the Dales Park netball centre in Oakleigh South.

The Parkdale Yacht Club received a \$2.9 million upgrade which completely transformed the aging building and opened it up for use by the Kingston District Girl Guides and Beach Patrol Australia. We also finished the final stage of the Bay Trail, a project that has been truly embraced by the community, and began works on a new Mentone Life Saving Club, Bonbeach Life Saving Club and Chelsea Yacht Club refurbishment, with more investment to protect and enhance our foreshore scheduled for next financial year.

We took positive action in tackling the Climate and Ecological Emergency, working with the community to draft the Climate and Ecological Emergency Response Plan. 100% of Kingston's electricity consumption is now drawn from green energy and approximately 57% of household waste is now diverted away from landfill, due in part by introducing food organics waste recycling. Congratulations to our community for embracing this great initiative. I'm looking forward to continuing to make great strides in this space in future.

This year also saw us work closely with our community to develop a new Community Vision. A vision that focusses on inclusiveness, diversity, resilience, protecting our natural environment, helping businesses thrive and embracing innovation. We are committed to partnering with our community to deliver their vision, building a more liveable and sustainable Kingston.

Following the introduction of the *Local Government Act 2020*, a new ward system came into effect with Kingston's three wards, North, Central and South Wards, replaced with 11 single-member wards. We also welcomed six first-time Councillors and five re-elected Councillors in the 2020 Kingston Council elections.

I would like to thank my fellow Councillors and all Council staff for their commitment and hard work, and look forward to continuing to deliver important projects, services and initiatives to serve our community well.

A stylized, handwritten signature in black ink, reading 'Steve Staikos'.

**Cr Steve Staikos**  
Mayor



# A MESSAGE FROM THE INTERIM CEO

As Interim CEO, I am proud to have contributed to leading a dynamic and responsive organisation through one of the most extraordinary periods we have ever faced.

COVID-19 had a profound impact on our community. Our focus was to support the people of Kingston through the pandemic while continuing to deliver major projects, essential services, and maintain vital infrastructure.

In 2020/21, Council achieved a net operating surplus of \$18.9 million, which helped us to move quickly and provide vital financial assistance to our community when they needed it, offering a \$12 million COVID-19 Community Support Package.

We maximised technology and the skills of our staff to find innovative ways to improve customer service, engage with the community and drive efficiencies to reduce costs while maintaining service levels. We reallocated people and resources into priority areas, such as supporting the elderly, the vulnerable and people in need, and we leveraged technology to keep our community connected, informed and, most importantly, safe.

Despite the turbulence, a highlight of the past year has been the delivery of a number of large multi-year projects that have helped create jobs and support the construction industry.

With a \$55.4 million capital works program in 2020/21, we completed the Roy Dore Reserve redevelopment; and finalised the Mentone Reserve Pavilion redevelopment, the Jack Grut Pavilion redevelopment, netball facilities at Dales Park; and a range of upgrades to existing sportsgrounds and lighting. We also began new sporting facility works at Dingley's Chadwick Reserve and Aspendale Gardens Sports Ground.

We completed the final stage of the long-awaited Bay Trail shared path and invested in maintaining our high-quality public infrastructure, including road reconstruction and resurfacing, and flood mitigation programs.

Kingston also made significant strides in tackling environmental challenges, declaring a Climate Emergency and developing a Climate and Ecological Emergency Response Plan in consultation with the community, which we will continue to roll-out in coming years.

While the Annual Report reflects on Council's activities over the past year, we continue to have our sights firmly set on the future, with the recent development of the new 2021-2025 Council Plan, supporting Budget and identified Priority Projects for election advocacy to support our new Community Vision. This vision will see us striving to build a more liveable and sustainable Kingston in partnership with our community.

There has never been a better time to shape the City of Kingston's future. This is due to the Chain of Parks Project, planning for the new aquatic facility, Suburban Rail Loop project, Level Crossing Removal Project, Mordialloc Freeway project, St Kilda and Hawthorn Football Club projects, and the redevelopment of the Kingston City Hall to name a few.

I thank our Councillors and applaud our dedicated staff for their exceptional work during a challenging year. We look forward to continuing to deliver for our community.



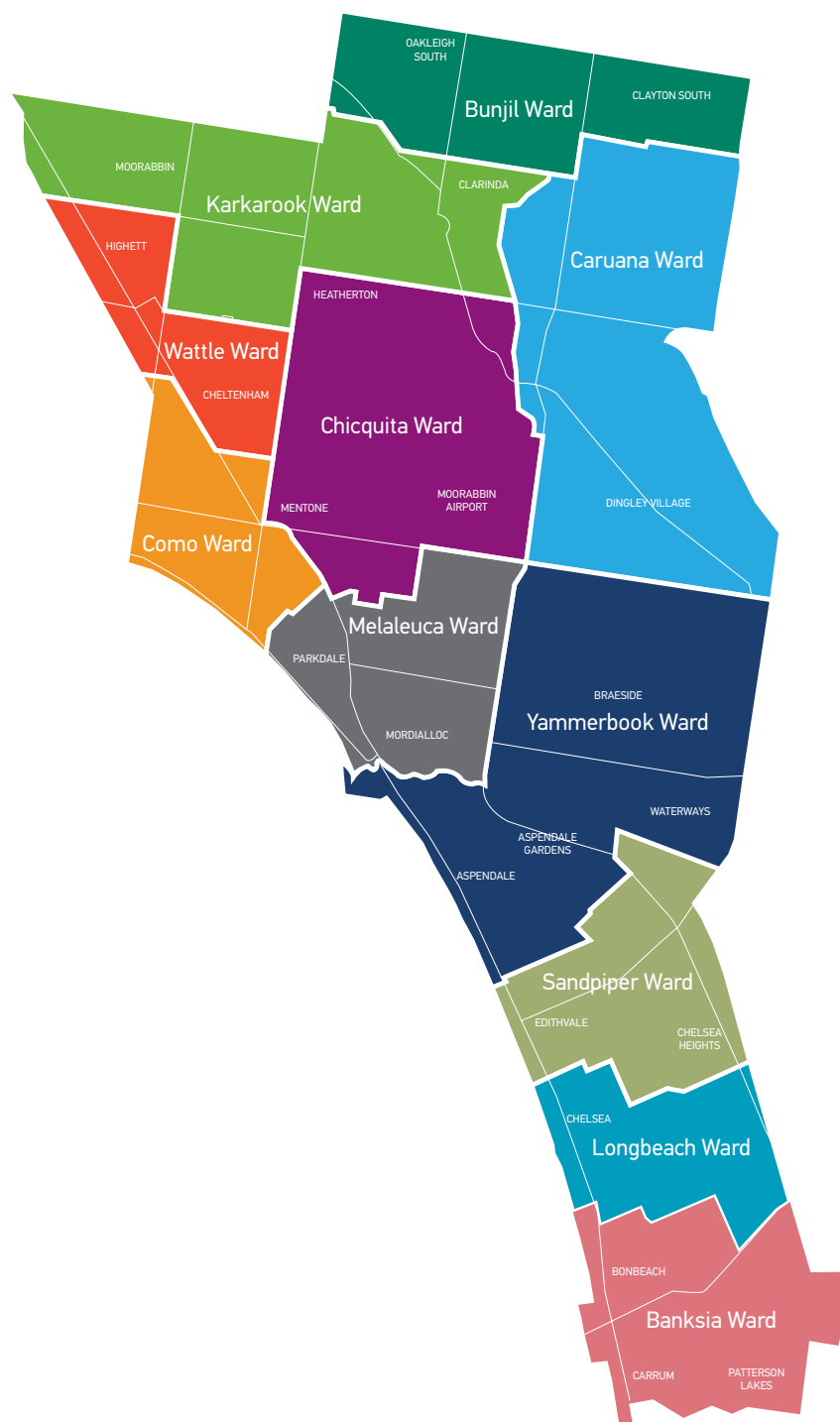
A stylized, handwritten signature in black ink, which appears to read 'J. Tamlin'.

**Tim Tamlin**  
Interim CEO

# COUNCIL WARDS

In October 2020, the City of Kingston established a new ward system.

The City has 11 wards, each with a single councillor representative voted to this position by the people of that ward. Their role is to represent the views and interests of the residents and rate payers in that electorate.



# KINGSTON COUNCILLORS



**Cr Steve Staikos, Mayor**  
*Bunjil ward*

Cr Staikos was first elected to Council in 2008 and has served as Mayor three times. Cr Staikos is passionate about social participation, multiculturalism, the environment and the arts. His priority policy areas include the Green Wedge,

Sandbelt Open Space – Chain of Parks project, recycling, and the delivery of more social housing. Cr Staikos' highlights for the year include:

- ▶ Working closely with the community to develop a new Community Vision
- ▶ The introduction of food waste recycling in Kingston
- ▶ Continuing to transform Kingston's Green Wedge, marking an end to the waste industry in our community.



**Cr Georgina Oxley**  
*Longbeach ward*

Cr Oxley was elected to Council in October 2016 and has served as Mayor twice. Cr Oxley runs a local Kingston based business working in finance, marketing and HR management. She enjoys playing basketball and walking her dog Banjo on

the beach. Cr Oxley's highlights for the year include:

- ▶ Upgrading Scout and Girl-Guide facilities in Kingston to ensure they are accessible for all
- ▶ Expanding Kingston's free tree initiative to offer more plants and a bigger variety to encourage more planting across the city
- ▶ Focusing on women's sport and increasing participation through more female-friendly facilities.



**Cr Tamsin Bearsley**  
*Yammerbook ward*

Cr Bearsley was elected to Council in October 2012 and lives in Aspendale Gardens with her husband and two children. She was motivated to join Council to improve community consultation. As a primary school teacher, she has a particular

interest in supporting community groups and residents' associations, improving local amenities and strengthening budget controls. Cr Bearsley's highlights for the year include:

- ▶ Partnering with Chelsea Rotary to provide mobility scooters to help residents get around
- ▶ Delivering a new dog off-leash park at Iluka Reserve in Aspendale
- ▶ Kicking off works to provide new sporting facilities at Aspendale Gardens Reserve.



**Cr Hadi Saab, Deputy Mayor**  
*Karkarook ward*

Cr Saab was elected to Council in 2020. He is a Druze first generation Australian born to Lebanese and Syrian parents who has lived in Clarinda for nearly 20 years. He holds a Bachelor of Software Engineering from Monash University and currently works

locally in Moorabbin as an IT Project Manager. Cr Saab proactively handles issues by listening to residents and working with community groups. Cr Saab's highlights for the year include:

- ▶ Shaping the future of Moorabbin through the Moorabbin Renewal project
- ▶ Maintaining Council's strong advocacy position to ensure the Victorian Government partners with Council to deliver the Chain of Parks
- ▶ Completed the new pavilion at Dales Park, Oakleigh South to boost the facilities for thousands of local netballers and residents.



**Cr David Eden**  
*Sandpiper ward*

Cr Eden was elected to Council in 2012 following years of community involvement at many different levels, including participating on committees, fundraising and coordinating initiatives such as Clean Up Australia Day. He is passionate about

protecting the environment and open spaces, keeping rates down and regularly assessing the many services offered by Council to ensure they remain responsive to community needs. Cr Eden's highlights for the year include:

- ▶ Securing land in Dents Reserve to create a new park in the heart of Chelsea at Tarella Road
- ▶ Supporting Kingston's climate and ecological emergency response efforts
- ▶ Advocated for the best outcomes for residents with the level crossing removals in Edithvale, Chelsea and Bonbeach



**Cr George Hua**  
*Caruana ward*

Cr Hua was elected to Council in October 2016. Through his experience in starting a financial technology business and previously running a local cafe, George is passionate about supporting small, family-owned businesses. Cr Hua's highlights for the year include:

- ▶ Providing improved sporting facilities at Chadwick Reserve to meet growing demand for junior AFL facilities
- ▶ Progressing improvement works for the Dingley Village Community Precinct to better meet the needs of current and future Dingley residents
- ▶ Establishing new outdoor dining options to help support local hospitality businesses rebuild from COVID-19.





**Cr Cameron Howe**  
*Banksia ward*

Cr Howe was elected in 2020 after a decade of community advocacy. Excelling in networking with the tenacity to secure investment, Cameron holds a Bachelor of Business, majoring in Management and Marketing. As an artist and outdoors enthusiast, Cameron sits on the Arts and Culture, and Bay Watch committees. Cr Howe's highlights for the year include:

- ▶ Introducing the inaugural public art budget, progressing a Patterson River sculpture trail
- ▶ Delivering the new pavilion at Roy Dore Reserve and designing of tennis and netball facilities
- ▶ Introducing mental health programs and training for the community.



**Cr Chris Hill**  
*Como ward*

Cr Hill was elected to Council in 2020 and has been a strong community advocate since 2014 when he took on the role of Chair of the Save the Edgy Committee and in 2019 he established Kingston Save Our Streets. Chris lives in Mentone with his wife, two daughters, golden retriever and ragdoll kitten and is passionate about the need for community consultation, improving our beaches including better accessibility, safer streets, more off-leash dog parks and more sustainable social and affordable housing. Cr Hill's highlights for the year include:

- ▶ Beginning construction work on a new state-of-the-art Mentone LSC
- ▶ Launching the new Mentone Reserve Pavilion
- ▶ The adoption of the Gambling Policy to help prevent and reduce the harm caused by gambling.



**Cr Jenna Davey-Burns**  
*Wattle ward*

Cr Davey-Burns was elected in November 2020. As a foster carer and volunteer, she knows firsthand the importance of community groups and sporting organisations. She sits on Council's Access and Equity and Arts and Culture committees and is passionate about addressing climate change, sustainability and supporting small business across Kingston. A member of the Local Government Gender Equality Advisory Council and Trustee of the Queen Victoria Women's Centre, she is committed to making Kingston facilities accessible for women, girls and people with a disability. Cr Davey-Burns' highlights for the year include:

- ▶ Driving revitalisation works for Kingston's local shopping strips, including Follett Road
- ▶ Bringing a new, COVID-safe, free outdoor cinema event to Kingston's Sir William Fry Reserve
- ▶ Refurbishing and reopening the Highett library.



**Cr Tracey Davies**  
*Chicquita ward*

Cr Davies was elected to Council in November 2020. She lives in Parkdale with her husband and two sons. Tracey is heavily involved in the local community, having volunteered with community sporting groups and schools for over 20 years. Tracey has been a lawyer since 1988 and has operated her own firm for the past 10 years. Cr Davies' highlights for the year include:

- ▶ Working with aviation tenants and residents to respond to the Draft Moorabbin Airport Master Plan
- ▶ Supporting the installation of a second Hockey pitch at Kingston Health Reserve
- ▶ Switching all Kingston streetlights over to 100% green energy.



**Cr Tim Cochrane**  
*Melaleuca ward*

Cr Cochrane was elected to Council in 2020. If Tim is not at work, you will usually see him pounding the pavement with Marlie and his two dogs, Humphrey and Charlie. He really enjoys health and fitness and finds it hard to sit still for too long. His key priorities are to continue to advocate for improved amenities, common sense outcomes and a reduction in overgovernance. Cr Cochrane's highlights for the year include:

- ▶ The adoption of the Aquatics Facility Plan to help guide the future of aquatics in Kingston
- ▶ Commencing works on a new Changing Places all-abilities toilet and changing facility at the popular Peter Scullin Reserve
- ▶ Delivering a new Parkdale Yacht Club and opening it up to more community groups.

## Junior Mayor

*Amelia Holko, Cheltenham Primary School*

Amelia Holko was elected to Junior Mayor in May 2020.

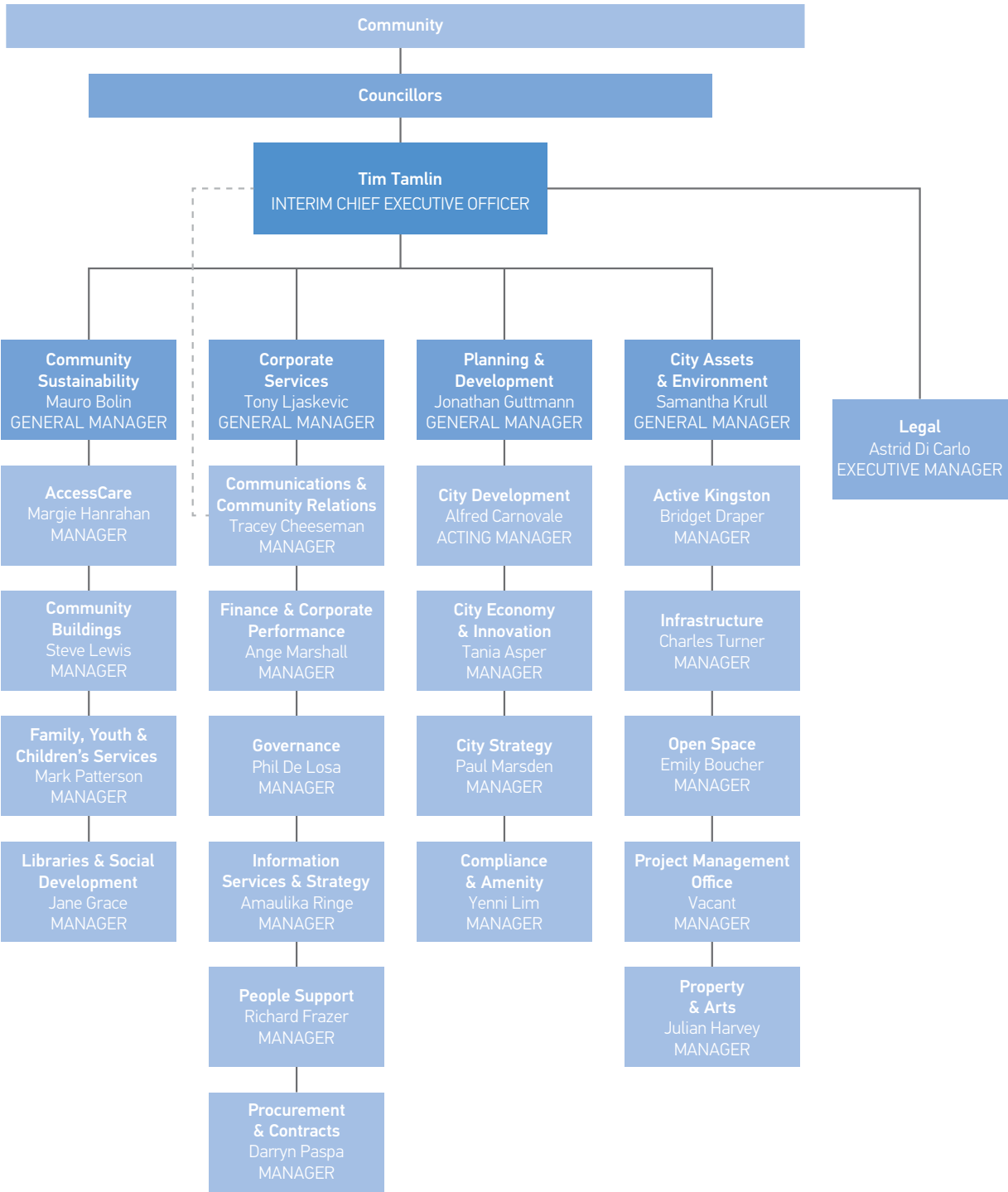
Council's Junior Mayor Program has run for over 50 years. Each Kingston primary school is invited to participate in the Junior Mayor election. The Junior Mayor assists the Mayor at a range of official Council events.

Amelia's focus is community safety and, with her team, invented the 'necklace safe' to increase people's personal safety.

# OUR ORGANISATION

The City of Kingston’s organisational structure consists of four divisions: Planning and Development, City Assets and Environment, Community Sustainability, and Corporate Services.

Each division is led by a General Manager who reports to the Chief Executive Officer (CEO). The CEO is directly accountable to the Mayor and Councillors, who are elected by Kingston residents.



## Our organisational culture

Our organisation is guided by six values: accountable, community centric, dynamic, future orientated, expert and celebrate. These values underpin the work we do, and guide our day-to-day activities.

To support the City of Kingston staff live these values, the People Support Division has an internal professional development program to build on the skills of our people. We also offer our employees a range of training programs in areas such as business systems, health and wellbeing, leadership development, diversity and inclusion, and compliance.

One of the continued areas of focus is our Leadership Development Program that encourages self-reflection, growth and accountability. Through the development of our leaders, we are building a skilled and robust culture that can respond to the challenges of our city.

As an organisation, we are committed to creating a safe and respectful workplace for all of our employees. We are committed to advancing equity in the workplace through action and leading by example for the wider community of Kingston.

We aim to achieve this by:

- ▶ sharing stories and experiences of diversity to support employee connection and understanding
- ▶ supporting our staff to understand best-practice inclusive language and strategies to ensure all voices are heard
- ▶ thoughtfully completing our Workplace Gender Equality Audit and Council's first Gender Equality Action Plan
- ▶ creating a safe and respectful workplace culture where all staff are 'able to be their true self everyday'.

Our Diversity and Inclusion Working Groups are currently developing Kingston's first Employee Inclusion Strategy to support the promotion of an inclusive and safe environment at Kingston.

## Building our culture and capacity

Each quarter, the City of Kingston measures staff engagement with a pulse survey to determine 'how' our staff are feeling. Research suggests that engaged employees lead to higher productivity and a more skilled workforce. Identifying who our staff are and how they are feeling are recognised as the key drivers of engagement.

The quarterly survey currently shows high levels of engagement across the organisation which has remained consistent over the past 18 months. The trend data will continue to be monitored each quarter and a deeper dive into an Organisational Cultural Inventory will be undertaken in 2022. This will assist in further refining our development goals for individual departments to ensure that we have the skills and knowledge to meet the strategic objectives of the organisation.

## Human Resources service improvements

In 2020/2021, People Support implemented and reviewed a number of areas to upskill and better provide for staff.

Key achievements included:

- ▶ an online recruitment system that provides a more dynamic and easier to navigate interface for external applicants looking for opportunities with the City of Kingston
- ▶ continued support for our staff through COVID lockdowns via redeployment into other areas of Council and access to various leave options
- ▶ reviewing policies and procedures to ensure best practice and to meet changing Governance requirements
- ▶ holding workshops that focused on the 'Customer First' principle
- ▶ continued support and roll out of training to further implement Kingston's objective to be an organisation that is Flexible by Design and Managed by Outcomes.

People Support is also currently working on processes to further live and evidence the City of Kingston's Human Resources service values: approachable, knowledgeable and consistent.

## Our people profile

As of 30 June 2021, The City of Kingston employed 1,397 people in a diverse range of positions, including community and aged services, engineering, customer service, maternal child health, finance, youth and children's services, sport and recreation, parks and gardens, planning and arts.

Tables 1 and 2 (Appendix 1) illustrate the breakdown of Kingston's 1,397 employees as Full Time Equivalent (FTE) staff. Our 768 FTE employees consist of: 470 full-time, 235 part-time and 62 casual employees. Approximately 68 per cent of our workforce is female and 32 per cent male.

## Our OHS performance

A summary of Council's Occupational Health and Safety (OH&S) performance can be found in Appendix 2.

# FINANCIAL PERFORMANCE

## 2020/21 Financial Performance Summary

Council had an operating surplus of \$18.9 million, \$4.3 million favourable to the budgeted surplus of \$14.6 million (compared to \$25.3 million surplus in 2019/20).

This result was influenced by:

### COVID-19

For the 2020/21 financial year, Council's COVID-19 Community and Business Support Package saw a number of initiatives implemented which impacted Council's budgeted income in the following areas:

- ▶ Health and food premises registrations for eligible businesses were refunded.
- ▶ Footpath trading permits for eligible businesses were also refunded.
- ▶ Family Day Care parent administration fees were waived.
- ▶ Unpaid interest on rates was waived.
- ▶ Council buildings commercial rent relief was provided.
- ▶ Sports clubs winter season fees were waived.

Additionally, many of Council's services were impacted, resulting in loss of revenue:

- ▶ Arts and Cultural Services loss of event income.
- ▶ Family, Youth and Children Services experienced lower attendance.
- ▶ Leisure centre user fees were impacted following the temporary closure of the Waves Leisure Centre during lockdown.
- ▶ Parking monitoring and enforcement was reduced.

### Rates and charges

Rates and charges comprised \$143.2 million (63%) of the total operating income of \$227.9 million compared to \$145.2 million (62%) of \$232.6 million in 2019/20.

### Grants

- ▶ Operating grants are \$5.3 million favourable to budget, predominately due to the unbudgeted \$1.4 million grant for the state government's Working for Victoria initiative, and Council also received half of its 2021-22 Victorian Grants Commission allocation in 2020-21 – \$2.1 million.

### Planning and development

- ▶ Cash contributions of \$7.0 million were received from developers, to be held in reserve for use on future open space and storm water projects.

### Interest income

- ▶ Interest income on investments was \$0.8 million and \$1.2 million unfavourable to budget. Interest rates have been in steady decline and driven the decrease in interest income.

For more detailed information on the financial operating variances to budget, please refer to Note 1 in the Financial Statements – Performance to Budget.

### Capital works

Council's total capital works expenditure was \$55.4 million (compared to \$76.8 million in 2019/20). A number of Council's projects were delayed in 2020/21 due to COVID-19 restrictions, which has impacted capital works expenditure. These works are anticipated to be delivered in 2021/22.

### Cash flow

Cash holdings (including financial assets) increased by \$13.2 million to \$143.0 million (compared to \$129.8 million in 2019/20). These funds are to be used to deliver the carry over capital works of \$17 million.

### Balance sheet

Council's net assets were \$2.9 billion. This included total land (\$1,703.7 million), plant and equipment (\$9.6 million), infrastructure (\$769.8 million) and buildings (\$302.4 million).

### Future financial sustainability

The Victorian Auditor-General reports to Parliament each year on the financial performance of Victoria's Councils. The following indicators are used in the Auditor-General's report to reflect short and long-term sustainability:

- ▶ Net Operating Result
- ▶ Adjusted Net Operating Result
- ▶ Liquidity
- ▶ Indebtedness
- ▶ Internal Financing
- ▶ Capital Replacement
- ▶ Renewal Gap.

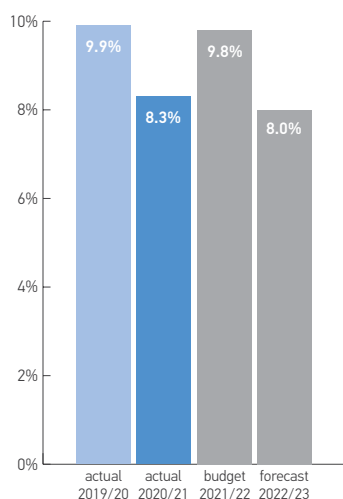
Kingston's performance in relation to these indicators are based on the last two years of actual results along with the forecast for the next two years. The results highlight the trend of Kingston's financial sustainability as assessed by the Auditor-General – they show Kingston's overall financial risk is rated as low.



# FINANCIAL PERFORMANCE

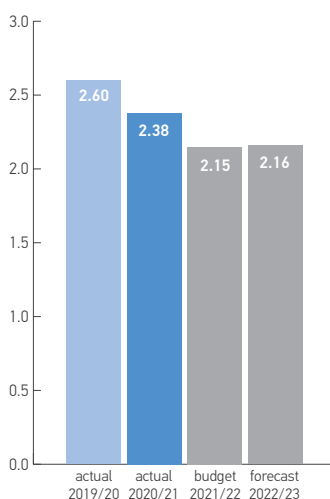
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### NET OPERATING RESULT



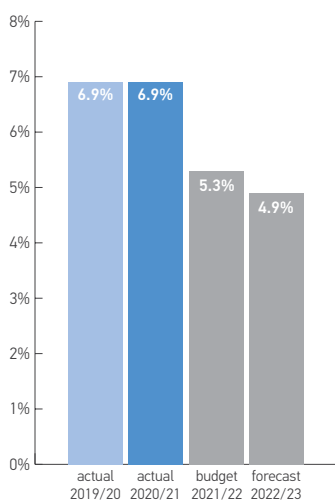
- The net operating result reflects whether Council can generate enough revenue to cover operating costs (including the cost of replacing assets reflected in its depreciation expense). The result is calculated through dividing the underlying result by the underlying revenue for the year. The underlying revenue is Council's total revenue, less any non-monetary items. The 2020/21 result of 8.3% represents a decrease from the 2019/20 result but is still a strong result. Sustaining a positive net operating result is a critical financial strategy that provides capacity to renew Council's assets.

### LIQUIDITY



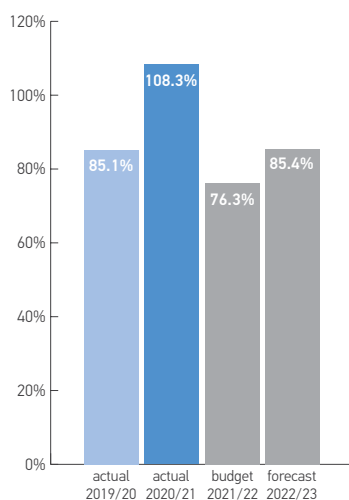
- Liquidity ensures that Council has sufficient working capital to meet short-term commitments. It is calculated through dividing the total current assets by total current liabilities. The liquidity result for 2020/21 was 2.38 which is an indicator of a strong financial position, although some of the cash held at year end will be required to fund approximately \$17M of carried over capital works projects, as well as operational grant income received in advance to deliver community services.

### INDEBTEDNESS



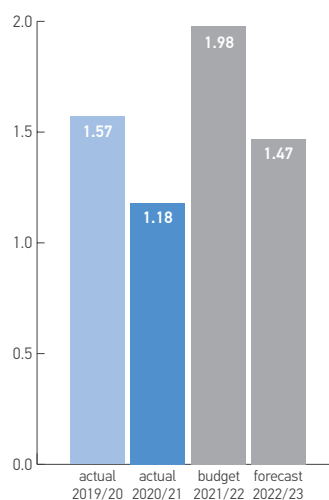
- Indebtedness measures how reliant on debt Council is to fund its capital programs. It is calculated by dividing total non-current liabilities by Council's own source revenue. Own source revenue is the revenue Council is able to generate from its own sources, which essentially excludes grant income. The 2020/21 result of 6.9% is in line with the 2019/20 result with the addition of \$9.6 million in non-current lease liabilities to the balance sheet in 2020, as per the requirements of the new accounting standard AASB16 (Leases). Council is still in a very stable position and not reliant on debt and the expected trend is decreasing as debt and leases are repaid.

### INTERNAL FINANCING



- Internal financing measures the ability of Council to finance capital works from generated cash flow. The higher the percentage, the greater the ability to finance capital works from Council's own funds. It is calculated by dividing the net inflow of operating activity cash by actual cash outflows for capital works. The 2020/21 result of 108.3% is an increase compared to 2019/20 and indicates Council is in a strong position to finance capital works; however, part of the reason for the higher result is due to cash held for carry over capital works.

### RENEWAL GAP



- Council's renewal gap represents the renewal and upgrade of existing assets at a consistent rate. It is calculated by adding the renewal and upgrade expenditure together, and then dividing that by Council's depreciation expense. A score of more than 1 indicates a low risk of insufficient spending on our asset base. Council has a score of 1.18 for 2020/21 which indicates assets are being maintained at a rate higher than they are depreciating.

# STRATEGIC PLANNING & REPORTING FRAMEWORK

Every Council is required to prepare and adopt a Council Plan by 30 June in the year following a general election.

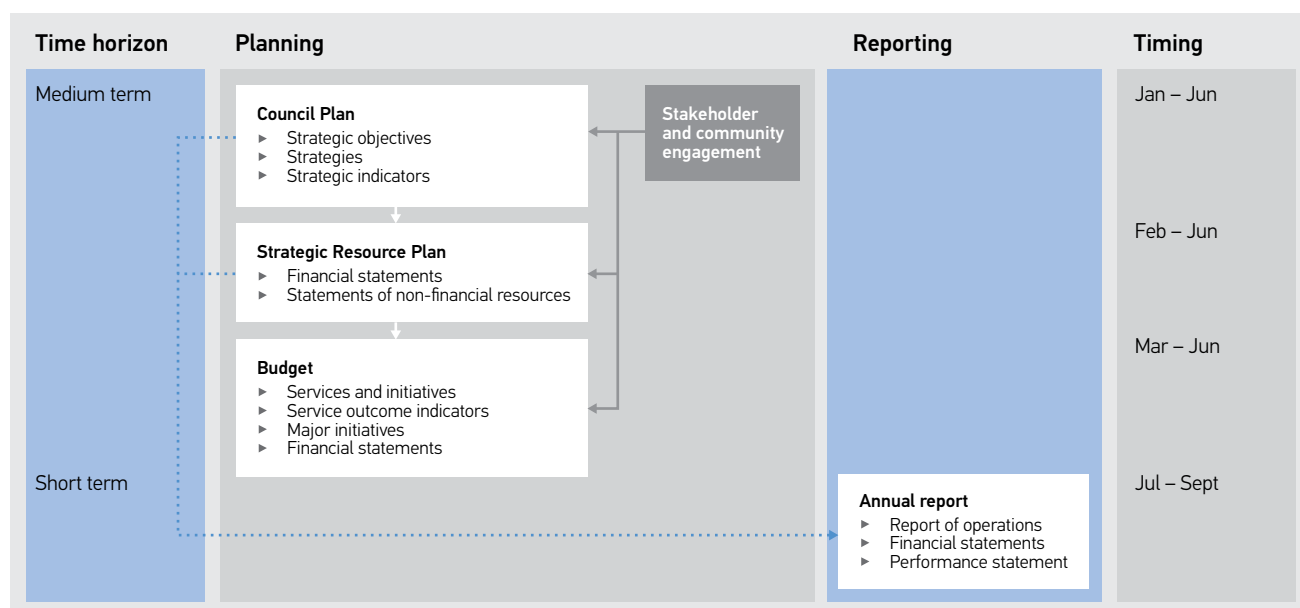
Kingston's *Council Plan 2017-2021* sets out Council's goals for the community over a four-year term. It was prepared with reference to the *Living Kingston 2035*<sup>1</sup> community plan and Council's rolling ten-year *Long-Term Financial Strategy* and *Asset Management Strategy*.

The *Strategic Resource Plan* is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the goals of the *Council Plan 2017-2021*.

The *Annual Budget* sets out the services, major initiatives and commitments that will be undertaken by Council in a specific year to achieve the goals of the *Council Plan 2017-2021*.

Kingston's progress against the *Council Plan 2017-2021* is measured in quarterly performance reports and the *Annual Report*, which are publicly available at [kingston.vic.gov.au](http://kingston.vic.gov.au). Council is also accountable through the Financial Statements which are published in the *Annual Report* and audited by the Victorian Auditor-General.

The diagram below shows the planning and accountability framework that applied to all local governments in Victoria during 2020/21.



Source: Department of Jobs, Precincts and Regions

## About this report

This Annual Report describes Council's operations for the financial year from 1 July 2020 to 30 June 2021.

We present our services, achievements and indicators of success under the five goals in the *Council Plan 2017-2021*. We also describe our major initiatives and capital works projects and report on Council's financial operations during the year in relation to the 2020/21 Budget.

The report includes the Know Your Council service performance indicators and other information required by legislation.

## Know Your Council

Know Your Council is a mandatory system of performance reporting based on the Local Government Performance Reporting Framework. It was introduced by the Victorian Government to ensure that all councils consistently measure and report on their performance. It is comprised of a set of performance measures together with a governance and management checklist.

For more information and to compare Kingston to other Victorian councils, visit [knowyourcouncil.vic.gov.au](http://knowyourcouncil.vic.gov.au).

<sup>1</sup> *Living Kingston 2035* – developed through extensive community engagement and launched in 2013.

# OPERATIONAL PERFORMANCE

The 2020/21 Annual Report measures Council's performance against what we said we would do in our *Council Plan 2017-2021*. The following table summarises Council's achievements and results in 2020/21 against our five goals. A more detailed report of the goals can be found from page 16.



1
A well-planned, liveable city supported by infrastructure to meet future needs

\$4.6 million
spent on renewing local roads

9.27 km
of footpaths renewed

912
planning application decisions made

13,000 km
of streets swept

842 km
of storm water drains maintained

Adopted the Social and Affordable Housing Strategy.

Adopted the Housing Strategy and Neighbourhood Character Study.

Advocated for the Kingston community on the Suburban Rail Loop.

2
A sustainable green environment with accessible open spaces

81,000
street and park trees maintained by Council

3,350
street and park trees planted

13 km
of foreshore, 50 ha of foreshore vegetation, and 120 public beach access points maintained

36,679
tonnes of green waste and recyclables processed and diverted from landfill

382.40
tonnes of beach litter collected

Completed redevelopment of the Parkdale Yacht Club.

Completed Dales Park Pavilion.

Adopted Kingston's Climate and Ecological Emergency Response Plan.

Switched all Kingston streetlights over to 100% green energy.

Reduced the amount of household waste sent to landfill through Kingston's food waste in green bins service.

14 CITY OF KINGSTON ANNUAL REPORT 2020/21



### 3 A connected, inclusive, healthy and learning community



153,284  
hours of community care  
delivered to people who are  
older or have a disability



734,842  
library loans



11,981  
immunisations delivered



289,353  
visits to Kingston's  
leisure centres



7,222  
children enrolled  
in the Maternal and  
Child Health service



1,893  
home modifications  
completed



Continued to implement the  
Kingston Prevention of Family  
Violence Action Plan.



Opened Platform 81, a purpose-  
built space for youth support  
programs and services.



Held the Kingston Woman of the  
Year Award and Young Women's  
Mentoring Program.



Maintained high immunisation  
rates for Kingston children,  
despite the COVID-19 pandemic.



Began developing Council's first  
Reconciliation Action Plan.



Adopted a Gambling Policy  
to prevent and reduce  
gambling harm.



### 4 A free-moving safe, prosperous and dynamic city



21,303  
animals registered



1,173  
food safety assessments  
of food premises



14,570  
attendances at Kingston-  
run arts events



82  
school crossings  
supervised



Completed the Bay Trail  
shared path (Rennison Street  
to Nepean Highway).



Adopted a new Integrated  
Transport Strategy and a  
Parking Management Policy.



Worked with local schools to  
promote walking and cycling to  
school and road safety.



Hosted CEO Roundtables and  
the Small Business Bus to  
support local businesses.



Negotiated for secure bike  
cages and hoops at new railway  
stations constructed along the  
Frankston railway line.



Held a variety of arts and  
cultural programs for adults  
and children in Kingston's  
venues and open spaces.



### 5 A well-governed and responsive organisation



18,965  
questions answered  
by Kingston's Chatbot



121,602  
calls to Customer Care



1,753  
live chat questions answered  
by staff via Council's website



77,255  
property rates  
assessments



159,201  
correspondence  
items received



120+  
community consultations  
held



Implemented rates rebates to  
support residents during the  
COVID-19 pandemic.



Maintained high levels of  
customer service throughout  
the COVID-19 pandemic.



Adopted the Good Governance  
Framework and completed  
an organisational education  
program.



Successfully advocated for  
upgraded sporting facilities and  
for better community outcomes  
with level crossing removals.



Facilitated the 2020 Local  
Government election process.



Administered the new  
*Local Government Act 2020*.

# 1 Our well-planned, liveable city supported by infrastructure to meet future needs



Council will ensure that careful planning is in place to prepare for, and respond to, an increasing population, to make sure land use is balanced sustainably. We'll also invest in building and maintaining high-quality assets and infrastructure to help our community function effectively.



Budget \$37.07M  
Expenditure \$35.51M

## Achievements and capital works highlights

- ▶ Adopted a new Social and Affordable Housing Strategy and Policy.
- ▶ Adopted a new Housing Strategy and Neighbourhood Character Study.
- ▶ Advocated for the Kingston community on the Suburban Rail Loop concept development.
- ▶ Tried a VicSmart program to approve dual occupancy developments in 10 days, where criteria met.
- ▶ Completed drainage improvements to reduce flooding.

## Our services

Council provides services to ensure Kingston's facilities and assets are well-used and effectively managed to benefit the municipal population.

They include:

-  building consents and compliance
-  city assets and infrastructure maintenance
-  maintaining Council's buildings
-  managing Council's property portfolio
-  planning, design and development of Council's buildings
-  planning decisions
-  strategic asset management and capital works planning
-  land use policy and planning.

## Our challenges

- ▶ Delays to the delivery of capital infrastructure projects due to COVID-related labour restrictions and availability of materials.
- ▶ Responding to the need to provide a full range of services to maximise 'local living' as highlighted by the COVID-19 pandemic.
- ▶ Ensuring that the significant number of Victorian Government infrastructure projects that Kingston receives, provide strong community benefit.
- ▶ Identifying locations in the municipality where higher rates of housing change can be accommodated to ensure the characteristics of other parts of the City can be preserved.



## Performance measures

Council's achievement for Goal 1 of the *Council Plan 2017–2021* (year four) is detailed below:

### Kilometres of footpath renewed

**Target:** 8.0 km

2017/18	2018/19	2019/20	2020/21
6.41	5.46	8.00	9.27

All planned footpath renewal projects were completed.

Source: CAMMS Strategy

### Community satisfaction: Council's general town planning policy

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	50	53	53	53
Kingston importance	74	73	71	73
Metro performance	53	56	55	54
State-wide performance	54	55	54	54

In 2020/21 we continued to address local housing needs, location and design with the completion of Kingston's Housing Strategy and Neighbourhood Character Study and the Affordable Housing Strategy and Policy.

Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.

### Community satisfaction: Council's planning for population growth

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	50	51	50	51
Kingston importance	77	77	74	76
Metro performance	50	52	52	51
State-wide performance	52	52	51	52

Kingston's new Housing Strategy and Neighbourhood Character Study will assist Council to preserve the character of suburban areas while facilitating housing diversity. Kingston's new Affordable Housing Strategy and Policy aims to ensure that living in Kingston remains attainable.

Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.

# GOAL 1

## CONTINUED

### Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures for all Victorian councils relevant to Goal 1 are shown below:

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Roads</b>					
<b>Satisfaction of use</b>					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x 100	44.38	40.39	46.62	34.84	The number of sealed local road requests decreased compared to the previous year due to a reduction in flooding events, and fewer road users due to COVID-19 restrictions.
<b>Condition</b>					
<i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	96.18%	96.48%	97.05%	98.64%	Work undertaken in 2020/21 has ensured that 98.64% of our road network is in good condition and above renewal intervention levels.
<b>Service cost</b>					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$90.70	\$107.27	\$99.25	\$150.45	The cost of sealed local road reconstruction is in line with expectations. Road reconstruction contracts are awarded following a tender process to ensure best value. The cost per square metre was higher in 2020/21, compared to the previous year, due to the increased depth of pavement of a major road reconstruction in the Carrum Swamp area.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$27.32	\$24.20	\$27.73	\$25.69	The cost of sealed local road resealing is in line with expectations. The cost of resealing varies annually depending on the proportion of residential to industrial roads resealed. This is because industrial areas require specific treatments, whereas residential resurfacing is less costly.
<b>Satisfaction</b>					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	69.00	69.00	65.00	67.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. Kingston's result is in line with other metropolitan councils.

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Statutory Planning</b>					
<b>Timeliness</b>					
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	105.00	90.00	77.00	85.00	The time taken to decide planning applications has increased compared to the previous year due to the challenges posed by the COVID-19 lockdowns, which meant training new staff took longer than usual.
<b>Service standard</b>					
<i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x 100	45.26%	58.63%	68.29%	64.80%	The percentage of planning applications decided within required timeframes decreased slightly compared to last year. This is due to the challenges posed by the COVID-19 lockdowns, which meant training new staff took longer than usual.
<b>Service cost</b>					
<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,885.90	\$2,450.47	\$2,412.83	\$2,443.58	The cost of the statutory planning service remained consistent with the previous year.
<b>Decision making</b>					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	30.00%	41.18%	44.44%	47.37%	Only a small percentage (2.7%) of Council's planning decisions were referred to VCAT in 2020/21. A number of these were resolved at VCAT through consent or at mediation. Although these are still reflected as decisions 'not upheld', Council considers this a good outcome as agreement was reached by all parties through mediation.

For more information, visit the Know Your Council website at [knowyourcouncil.vic.gov.au](https://www.knowyourcouncil.vic.gov.au).

# GOAL 1

## CONTINUED

### Major initiatives

The following statement reviews Council's progress in relation to major initiatives identified in the 2020/21 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Revised Budget	Actual	Progress on planned work, 2020/21*	Comment
Road infrastructure – renewal and reconstruction program	\$5.6M	\$4.2M	100%	<p>During the year, 6,989m<sup>2</sup> of local roads were reconstructed.</p> <p>Some of the 2020/21 budgeted spend was brought forward in 2019/20 and delivered last year.</p> <p><b>Grants:</b> \$0.8M from VicRoads Roads to Recovery Program.</p> <p><b>Duration:</b> Annual rolling program.</p>
Flood mitigation – drainage program	\$4.3M	\$3.7M	86%	<p>Drainage improvement projects have been completed at Mordialloc, Clarinda, Moorabbin, Dingley Village and Clayton South.</p> <p>The drainage works program was unavoidably delayed in 2020/21 due to COVID-19 restrictions which caused shortages of materials and contractor availability.</p> <p>This delayed projects in Chelsea, Chelsea Heights, Moorabbin, and Clarinda.</p> <p><b>Grants:</b> None in 2020/21.</p> <p><b>Duration:</b> Annual rolling program.</p>
Footpath renewal program	\$0.7M	\$0.9M	100%	<p>All planned 2020/21 footpath renewal and repair works were completed.</p> <p><b>Grants:</b> None in 2020/21.</p> <p><b>Duration:</b> Annual rolling program.</p>

\* Shows percentage progress on work planned for the 2020/21 year; projects may carry over into future years.

### Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2020/21 Budget and reported in the quarterly Kingston Performance Report, please visit [kingston.vic.gov.au](https://kingston.vic.gov.au).

## 2 Our sustainable green environment with accessible open spaces



We will provide quality public open spaces and sports fields while protecting and enhancing our natural environment, including our green wedge and foreshore. We will be responsible environmental managers and custodians for future generations.



Budget \$69.76M

Expenditure \$65.45M

### Achievements and capital works highlights

- ▶ Adopted Kingston's Climate and Ecological Emergency Response Plan.
- ▶ Completed redevelopment of the Parkdale Yacht Club.
- ▶ Completed Dales Park Pavilion.
- ▶ Completed redevelopment of the Roy Dore Reserve Pavilion.
- ▶ Completed new playgrounds at Ben Kavanagh Reserve, Lochiel Reserve, Palm Grove, Winners Circle, and Dingley Village.
- ▶ Switched all Kingston streetlights over to 100% green energy.
- ▶ Added a hybrid vehicle to Kingston's fleet.

### Our services

A sustainable natural and built environment benefits the whole community. To meet this goal, Council provides a range of services to the municipal population including:



foreshore management and maintenance



maintaining open space



planning and improving open space



sports and recreation coordination and facilities



environment management and education



bin collection and waste services.

### Our challenges

- ▶ Maintaining Kingston's popular reserves, open spaces and foreshore to a high standard during COVID-19 restrictions, which saw significantly increased usage.
- ▶ Influencing decisions regarding the Alex Fraser facility and a potential future Suburban Rail Loop stabling site in the Kingston Green Wedge.
- ▶ Maintaining Council's strong advocacy to ensure the Victorian Government partners with Council to deliver the Chain of Parks.



## GOAL 2

### CONTINUED

#### Performance measures

Council's achievement for Goal 2 of the *Council Plan 2017-2021* (year four) is detailed below:

#### Beach foreshore and open space is monitored for cleanliness, safety and usability<sup>2</sup>

**Target:** 90% average

2017/18	2018/19	2019/20	2020/21
95.89%	95.92%	88.44%	84.60%

This measure shows the performance of the contractor in beach, foreshore and litter bin cleaning. A new contractor was appointed in November 2020 and there were some challenges with startup in the initial few months. We are working with the contractor to improve performance.

Source: Camms Strategy (average)

#### Missed bins – domestic garbage, recycling and green waste

**Target:** 4,200 per year

2017/18	2018/19	2019/20	2020/21
4,836	6,220	5,375	6,513

The COVID-19 pandemic increased the number of missed bins, due to a greater number of cars parked on the streets as residents worked from home. Missed bins are collected within one business day of being reported.

Source: Camms Strategy

#### Standard of park presentation<sup>3</sup>

**Target:** 90% average

2017/18	2018/19	2019/20	2020/21
95.44%	95.64%	93.56%	91.79%

There was increased usage of our parks during 2020/21, particularly throughout the COVID-19 lockdowns. Council has allocated additional resources to address the resulting wear on grass and pathways, and the presentation of parks remains high.

Maintenance of weeds has continued to be a challenge; therefore, Council trialed a range of alternative weed control treatments during the year.

Source: Camms Strategy (average)

#### Community satisfaction: environmental sustainability

**Target:** 65 (index score)

YEAR	2018	2019	2020	Average
Kingston performance	63	60	61	62
Kingston importance	74	76	73	74
Metro performance	64	64	62	64
State-wide performance	63	62	60	62

Kingston's Climate and Ecological Emergency Response Plan, adopted in 2021, has a target of net zero community emissions by 2030.

Corporate carbon emissions significantly decreased due in part to the purchase of renewable electricity for Kingston's streetlights.

The food recycling service continued to reduce the amount of waste going to landfill by diverting it to the green waste stream where it is converted into compost.

In response to the banning of mixed plastics for export from Australia, Kingston began working with 16 other councils on the procurement of advanced waste processing services aimed at maximising resource efficiency and reducing waste.

Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.

<sup>2</sup> Formerly called 'Beach foreshore cleansing contract compliance'

<sup>3</sup> Formerly called 'Open space mowing contract compliance'

## Performance measures (continued)

### Community satisfaction: recreational facilities

**Target:** 76 (index score)

YEAR	2018	2019	2020	Average
Kingston performance	73	74	76	75
Kingston importance	72	75	71	73
Metro performance	74	75	74	74
State-wide performance	69	70	70	70

Improvements to Kingston's popular recreational facilities during the year included redevelopment of Dales Park Pavilion, Roy Dore Reserve Pavilion and Parkdale Yacht Club.

During the COVID-19 lockdowns, Waves Leisure Centre continued to offer online fitness classes to keep members and the community fit and healthy.

*Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.*

### Community satisfaction: the appearance of public areas

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	72	76	71	74
Kingston importance	72	72	71	73
Metro performance	73	74	73	73
State-wide performance	71	72	72	72

The new public open space above the new railway line at Mentone and Cheltenham train stations was completed and is now open to users. Kingston contributed financially to both projects and worked closely with the Level Crossing Removal Project (LXRP) to ensure that the design provided the best outcome for the Kingston community.

We continued to keep Kingston's parks and streets green, with 3,350 street and park trees planted during the year. The transformation of an old carpark into the new Moorabbin Reserve pocket park is close to completion, after a delay due to contractor availability.

Playgrounds were completed at Ben Kavanagh Reserve, Lochiel Reserve, Palm Grove, Winners Circle, and Dingley Village; all featuring shade trees.

*Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.*

### Annual street and park trees planted<sup>4</sup>

**Target:** 2,400 trees

2017/18	2018/19	2019/20	2020/21
2,149	2,100	2,442	3,350

The number of trees planted during the year includes over 1,000 trees recommended for priority sites by Kingston's Street Tree Planting Plan, which was finalised in November 2020. Approximately 75% of new trees planted were indigenous or native trees.

Kingston currently has a 98% new tree survival rate based on successful establishment after two years.

*Source: Camms Strategy*

<sup>4</sup> Formerly called 'Street and park trees planted for the financial year'

## GOAL 2

### CONTINUED

#### Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures for all Victorian councils relevant to Goal 2 are shown below:

Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2018	2019	2020	2021	Comments
<b>Waste Collection</b>					
<b>Satisfaction</b>					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1,000	139.34	158.06	168.77	194.34	Kerbside bin collection requests include any request from the public relating to Council's formal kerbside garbage and recycling collection service. The number of requests has increased overall, with more than 1,000 requests for a green bin following commencement of Kingston's food waste recycling service, and an increase in general requests about the service.
<b>Service standard</b>					
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	7.97	9.29	7.79	9.46	The increased number of residents working from home during COVID-19 restrictions, and major rail works, has affected the number of missed bins. This is due to more residents' vehicles being parked in residential streets and blocking collections.
<b>Service cost</b>					
<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$96.42	\$103.60	\$104.47	\$101.54	The cost of a kerbside garbage bin service includes the collection and disposal of the waste. The direct cost has decreased due to a drop in landfill tonnages, following the success of Kingston's food waste recycling, and the subsequent savings this creates.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$19.05	\$43.29	\$68.41	\$70.28	The cost of providing a kerbside recycling service includes the collection and processing of comingled materials in the kerbside yellow bin. The cost can vary with market conditions and has remained relatively stable in 2020/21.
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	50.85%	49.53%	52.83%	56.53%	The amount of kerbside waste diverted away from landfill has increased, due to a drop in landfill tonnages and an increase in green waste tonnages, as a result of Kingston's food waste recycling service.

For more information, visit the Know Your Council website at [knowyourcouncil.vic.gov.au](https://knowyourcouncil.vic.gov.au).

## Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2020/21 Budget. Some major initiatives are also Council's major capital works projects.

Major Initiatives	Revised Budget	Actual	Progress on planned work, 2020/21*	Comment
Commence the redevelopment of the Mentone Life Saving Club and Foreshore Precinct	\$0.7M	\$0.7M	100%	Advanced project planning and development was completed for a tender in late 2020/21, with construction to commence in early 2021/22. <b>Grants:</b> \$0.6M from Lifesaving Victoria. <b>Duration:</b> 2020/21 – 2022/23.
Redevelop Aspendale Gardens Sports Ground Pavilion and sports field	\$3.3M	\$3.0M	100%	The tender has been awarded and construction has commenced. <b>Grants:</b> \$2.2M from the Victorian Government. <b>Duration:</b> 2020/21 – 2021/22.
Redevelop the Roy Dore Reserve Pavilion	\$4.7M	\$4.6M	100%	The pavilion was completed in 2020/21. <b>Grants:</b> \$0.7M from the Victorian Government. <b>Duration:</b> 2019/20 – 2020/21.
Redevelop the Chadwick Reserve – Dingley Sports Pavilion	\$1.8M	\$0.8M	50%	Construction was delayed because of the COVID-19 pandemic which affected planning and consultation. Construction will be completed by the end of December 2021. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/21 – 2021/22.
Redevelop the Dales Park Pavilion	\$2.3M	\$1.7M	100%	The pavilion was completed in 2020/21 despite a six-week delay caused by a COVID-19 lockdown. The netball practice court will be completed in 2021/22. <b>Grants:</b> \$50,000 received from the Victorian Government. <b>Duration:</b> 2020/21.
Renew Dolamore Athletic Track	\$1.2M	\$0.8M	75%	The expected annual progress was delayed due to the availability of materials and site conditions such as the need to install root barriers before rehabilitation of the track could begin. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/21 – 2021/22.
Commence refurbishment of Chelsea Yacht Club	\$0.6M	\$0.3M	100%	Refurbishment commenced in April 2021 and is due for completion by December 2021. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/21 – 2021/22.

\* Shows percentage progress on work planned for the 2020/21 year; projects may carry over into future years.

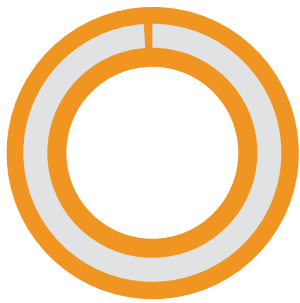
## Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2020/21 Budget and reported in the quarterly Kingston Performance Report, please visit [kingston.vic.gov.au](https://kingston.vic.gov.au).

# 3 Our connected, inclusive, healthy and learning community



Kingston is home to a number of different communities across all ages and backgrounds. Our focus is to bring people together to strengthen our sense of community, celebrate diversity and build quality of life. Education and continual learning is a key focus.



Budget \$64.28M

Expenditure \$63.59M

## Achievements and capital works highlights

- ▶ Continued to address family violence through Kingston's Prevention of Family Violence Action Plan.
- ▶ Improved access to buildings for people with disabilities.
- ▶ Opened Platform 81, a purpose-built space for youth support programs and services, in the former Mordialloc Masonic Hall.
- ▶ Maintained high immunisation rates for Kingston children despite the COVID-19 pandemic.
- ▶ Held the Kingston Woman of the Year Award and Young Women's Mentoring Program.
- ▶ Began development of Council's first Reconciliation Action Plan.
- ▶ Held digital literacy programs for seniors and vulnerable members of the community through Kingston Libraries.

## Our services

To support healthy, strong and connected communities, Council provides a range of services to the municipal population, including:

-  children's services partnerships
-  community centres
-  social development and planning
-  community grants
-  family and children's centres
-  family day care
-  homelessness support
-  in-home support for the elderly, frail and people with a disability
-  leisure and aquatic centres
-  libraries
-  maternal and child health and immunisation
-  outside school hours programs
-  social support
-  youth and family services.

## Our challenges

- ▶ The increased complexity of maintaining critical social services, such as aged care, early years and family support during the COVID-19 pandemic.
- ▶ Providing health and wellbeing opportunities to the community during COVID-19 restrictions to community sport and aquatic and leisure facilities.
- ▶ Delays to the construction of community facilities caused by labour and material shortages during COVID-19 restrictions.
- ▶ Maintaining a high level of services across nine libraries during COVID-19 lockdowns.
- ▶ Responding to increased demand for Kingston's community services and community-based partners (i.e. Pantry 5000).



## Performance measures

Council's achievement for Goal 3 of the *Council Plan 2017-2021* (year four) is detailed below:

### Buildings compliant with Disability Standards 2010

**Target:** Increase the number of compliant buildings

2017/18	2018/19	2019/20	2020/21
27	43	50	59

The number of Council buildings that meet the Disability (Access to Premises – Buildings) Standards 2010 under the Disability Discrimination Act continues to increase year on year, as existing buildings are brought up to standard or replaced by 'fit for purpose' buildings.

Source: Camms Strategy

### Council's childcare centres utilisation rate (excluding sessional kinder)

**Target:** 93.20% average

2017/18	2018/19	2019/20	2020/21
97.79%	99.13%	96.12%	95.33%

This measure includes utilisation of long day care and long day kindergarten. The utilisation rate is the percentage of available childcare places which have been booked, rather than actual attendances.

Although actual attendances reduced during the COVID-19 lockdowns, bookings remained intact.

Source: Camms Strategy (average)

### Community satisfaction: disadvantaged support services

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	62	62	64	63
Kingston importance	75	74	71	73
Metro performance	61	63	62	62
State-wide performance	61	62	60	61

Kingston's Community Connections Program continued to support people who were homeless or at risk of homelessness. Demand has returned to pre-COVID-19 levels, after reducing in the first half of the year when those experiencing homelessness were being housed by the Victorian Government.

Kingston's newly adopted *Gambling Policy 2020-2024* affirms Council's commitment to preventing and reducing gambling harm.

Kingston Libraries held free digital literacy programs for seniors and vulnerable members of the community to build the skills and confidence to join video calls to friends and family, online events, listen to music and access government services.

Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.

## GOAL 3

### CONTINUED

#### Performance measures (continued)

##### Community satisfaction: elderly support services

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
<b>Kingston performance</b>	67	67	66	67
<b>Kingston importance</b>	80	79	77	79
<b>Metro performance</b>	67	67	67	67
<b>State-wide performance</b>	68	68	68	68

In 2020/21, Council delivered 153,284 hours of home, personal and respite care to Kingston residents who are older and/or have a disability.

There were also 11,772 community bus trips for shopping and community outings.

To make life easier and safer for residents, 1,893 home modifications were completed, including ramps and handrails.

*Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic*

##### Community satisfaction: family support services

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
<b>Kingston performance</b>	68	69	69	69
<b>Kingston importance</b>	74	75	73	74
<b>Metro performance</b>	68	69	69	69
<b>State-wide performance</b>	66	67	66	67

Family support includes services such as maternal and child health, childcare, immunisation, family day care and outside school hours programs. Kingston's family and community hubs also provide a welcoming place for the community.

The COVID-19 pandemic has been a stressful time for families, and many people do not have extended family or support networks. Consequently, Kingston's maternal and child health nurses prioritised vulnerable families for home visits over the last year to give them extra support.

With the COVID-19 related lockdowns, there was an escalation in family violence and those affected did not always know how they could find safety. Council staff provided support and referrals to affected residents.

In 2020/21, Kingston held parenting skills programs online, with participating families reporting that they felt less isolated.

*Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.*

## Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures for all Victorian councils relevant to Goal 3 are shown below:

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Aquatic Facilities</b>					
<b>Service standard</b>					
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.00	2.00	1.00	0.00	Scheduled inspections were cancelled in 2020/21 as a result of the Victorian Government's COVID-19 lockdowns, with the Waves Leisure Centre closed to staff and patrons. Inspections have been scheduled for August 2021 and January 2022.
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.49	5.47	3.92	1.73	As a result of the Victorian Government's COVID-19 restrictions, Kingston saw a significant reduction in the utilisation of Waves Leisure Centre during 2020/21. The multiple lockdowns resulted in Waves being closed to the public for approximately five full months. When the centre was able to reopen to the public, it was at a significantly reduced capacity, in line with COVID-19 restrictions. The number of facilities has reduced from two to one, with the permanent closure of Don Tatnell in late January 2020, which also impacted the year-on-year results.
<b>Service cost</b>					
<i>Cost of aquatic facilities</i> [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	\$1.96	\$6.57	<p>The direct cost of running the Waves Leisure Centre has been significantly impacted by multiple COVID-19 closures, with the centre closed to the public for 139 days during 2020/21. During the COVID-19 closures, Kingston City Council supported its casual and full-time workforce by redeploying staff where possible and subsidising staff with the Kingston Job Keeper allowance.</p> <p>The Job Keeper arrangement has created a unique situation for Kingston, as permanent staff have been able to recommence work easily and enabled our Learn to Swim and fitness classes to resume. Our Learn to Swim program saw a significant increase in demand upon reopening, which has helped to offset costs. The number of facilities has reduced from two to one, with the permanent closure of Don Tatnell in late January 2020, which also impacted the year-on-year results.</p> <p><i>Note: From 2019/20, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities'; see retired measures.</i></p>

# GOAL 3

CONTINUED

## Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Libraries</b>					
<b>Utilisation</b>					
Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	4.03	4.71	3.75	2.71	Due to the COVID-19 pandemic and Council's response to the Victorian Government's restrictions, the number of loans is considerably less than previous years. A limited service operated during restrictions, including Click & Collect and a home library delivery service.  <i>Note: From 2019/20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i>
<b>Resource standard</b>					
Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	60.51%	73.94%	84.14%	79.35%	Library collections are continually reviewed and assessed according to Kingston Libraries' collection policies. We have enhanced our strategic approach to assessing our collection by using collections assessment software.
<b>Participation</b>					
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] x 100	17.16%	16.61%	16.05%	14.27%	Due to the COVID-19 pandemic and Council's response to the Victorian Government's restrictions, the number of active members is lower than in previous years as a result of closures during lockdowns.
<b>Service cost</b>					
Cost of library service per population [Direct cost of the library service / Population]	New in 2020	New in 2020	\$31.56	\$30.26	The cost of providing the library service has decreased this year due to the COVID-19 pandemic, which limited the number of library programs that were held and resulted in reduced staffing expenses.  <i>Note: From 2019/20, this measure replaced the previous 'Cost of library service' measure, which was based on number of visits; see retired measures.</i>
<b>Maternal and Child Health (MCH)</b>					
<b>Service standard</b>					
Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	100.00%	100.55%	100.82%	100.00%	There was a reduction in the number of babies born in Kingston due to the COVID-19 pandemic lockdowns affecting family planning decisions.
<b>Service cost</b>					
Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$87.88	\$97.90	\$96.53	\$101.53	COVID-safe practices in the MCH service required higher volumes of personal protective equipment. This had to be sourced at commercial prices until the Victorian Department of Health secured enough supplies for community health services.

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Maternal and Child Health (MCH) (continued)</b>					
<b>Participation</b>					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	77.56%	73.97%	76.74%	74.31%	Some families chose not to attend the MCH service during the COVID-19 restrictions in Victoria.
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	64.52%	63.72%	77.67%	84.85%	The Kingston MCH service has strong ties with local Aboriginal families.
<b>Satisfaction</b>					
<i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received] x 100	New in 2020	New in 2020	97.59%	95.43%	Because of the COVID-19 pandemic, some families were reluctant to attend the MCH centres, even under COVID-safe practices. During Victoria's first lockdown, nurses did not initially undertake home visits but these were reinstated with COVID-safe restrictions during the year.
<b>Retired measures</b>					
Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
<b>Aquatic Facilities</b>					
<b>Service cost</b>					
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.04	\$0.75	Retired in 2020	Retired in 2020	This measure was replaced by <i>Cost of aquatic facilities</i> from 1 July 2019.
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$0.00	\$0.00	Retired in 2020	Retired in 2020	This measure was replaced by <i>Cost of aquatic facilities</i> from 1 July 2019. Kingston has no outdoor aquatic facilities.
<b>Libraries</b>					
<b>Service cost</b>					
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$7.52	\$8.34	Retired in 2020	Retired in 2020	This measure was replaced by <i>Cost of library service per population</i> from 1 July 2019.
<b>Maternal and Child Health (MCH)</b>					
<b>Satisfaction</b>					
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x 100	102.56%	99.39%	Retired in 2020	Retired in 2020	This measure was replaced by <i>Participation in 4-week Key Age and Stage visit</i> from 1 July 2019.

For more information, visit the Know Your Council website at [knowyourcouncil.vic.gov.au](https://www.knowyourcouncil.vic.gov.au).

## GOAL 3

### CONTINUED

#### Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2020/21 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Revised Budget	Actual	Progress on planned work, 2020/21*	Comment
Enhance library resources and facilities	\$1.4M	\$1.2M	100%	Books and other library resources were purchased to improve the amenity of Kingston's libraries. <b>Grants:</b> \$1.0M from the Victorian Government's Public Libraries Funding program. <b>Duration:</b> Rolling program.
Refurbish the Scout Hall for the 5th Mordialloc Sea Scouts	\$0.7M	\$0.4M	80%	Council awarded a contract for works in February 2021, and work commenced on site in late March. The project was delayed due to availability of materials, but is due to be completed by the end of September 2021. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/21 – 2021/22.
Provide all-abilities change/toilet facilities	\$0.2M	\$0.1M	100%	A planning permit for the new Changing Places facility within the Peter Scullin Reserve was awarded in November 2020. Work commenced on schedule, following the awarding of the contract by Council in April 2021. Completion is expected in early 2022. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/21 – 2021/22.
Develop a Reconciliation Action Plan with extensive community consultation.	\$0.0M	\$0.0M	85%	Progress on Council's first Reconciliation Action Plan is underway, with drafting of a survey for community consultation in progress. This project was delayed due to COVID-19, and completion is now anticipated in late 2021. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/21 – 2021/22.

\* Shows percentage progress on work planned for the 2020/21 year; projects may carry over into future years.

#### Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2020/21 Budget and reported in the quarterly Kingston Performance Report, please visit [kingston.vic.gov.au](http://kingston.vic.gov.au).

# 4 Our free-moving, safe, prosperous and dynamic city



We will ensure Kingston remains a smart, creative and progressive city with well-planned, functional and attractive urban centres and hubs. Council will continue to foster a strong local economy by supporting our local business community which provides valuable jobs for residents. We will also provide traffic management and parking solutions, and accessible and alternative means of transport including cycle routes.



Budget \$25.56M

Expenditure \$21.15M

## Achievements and capital works highlights

- ▶ Completed stage three of the Bay Trail from Rennison Street to Nepean Highway.
- ▶ Contributed financially and to the planning of the new public open spaces at Mentone and Cheltenham railway stations.
- ▶ Supported local business with CEO Roundtables throughout the year.
- ▶ Adopted the Kingston Integrated Transport Strategy.
- ▶ Ran safety education programs with schools across Kingston to encourage walking and cycling to school.
- ▶ Held a variety of arts and cultural programs for adults and children in Kingston's venues and open spaces.

## Our services

A prosperous and dynamic city that provides benefit to the whole community is achieved through the delivery of a range of Council services to the municipal population, including:

-  arts and cultural services
-  animal management and local laws
-  community transport
-  local jobs retention, growth and diversification
-  digital design and events
-  food safety regulation and health
-  parking enforcement
-  road safety
-  street lighting maintenance
-  transport planning and traffic engineering
-  urban area transformation.

## Our challenges

- ▶ Providing online community access to arts and cultural events and activities during constantly changing COVID-19 restrictions.
- ▶ Maintaining access throughout the City during periods of significant Victorian Government infrastructure work on both rail and road.
- ▶ Supporting the extensive number of Kingston businesses affected by the COVID-19 pandemic.



## GOAL 4 CONTINUED

### Performance measures

Council's achievement for Goal 4 of the *Council Plan 2017-2021* (year four) is detailed below:

#### Attendances at Kingston Arts events

**Target:** Increase in attendances

2017/18	2018/19	2019/20	2020/21
14,726	23,213	14,230	14,570

For the second year in a row, attendance numbers were significantly affected by the shutdown of arts centres during the COVID-19 pandemic.

Kingston's arts centres continued to provide programs, including several theatre shows, the Dinosaur Time Machine school holiday show; Comedy Commutes – for the Melbourne Comedy Festival; Artz Blitz – Kingston's annual community art competition; light projections on Kingston City Hall during the Midsummer festival; the Optika photography competition; and live music Pop Up Bars.

An online workshop by Rawcus theatre company was held as part of Council's annual program for people with disabilities.

Source: Camms Strategy

#### Community satisfaction rating for community and cultural events

**Target:** 80% average

2017/18	2018/19	2019/20	2020/21
81.7%	82%	86.67%	64.5%

No events were held during the first quarter due to COVID-19 restrictions. Events held over the other three quarters included the Tinsel Trail, Australia Day and Outdoor Cinema.

Source: Camms Strategy (average)

#### Satisfaction of participants at business education initiatives

**Target:** 95% average

2017/18	2018/19	2019/20	2020/21
96.25%	95.59%	97.11%	95%

Online workshops were delivered throughout the year and the Small Business Bus visited local centres as part of a scheduled program. The recent focus has been on assisting some businesses with circular economy opportunities and working closely to enable employment opportunities for young people.

Kingston also hosted 11 CEO Roundtables with local businesses. The Business Wizardry service, which reduces 'red tape' for businesses applying for permits, was used by 160 customers in 2020/21.

Source: Camms Strategy (average)

#### Community satisfaction: Enforcement of local laws

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	65	65	65	65
Kingston importance	71	72	70	72
Metro performance	64	64	65	64
State-wide performance	64	64	63	64

Parking Officers, Local Law Officers and Crossing Supervisors worked across Kingston to educate our community about the local laws and enforce them when necessary. Officers continued to respond to animal complaints and dog attacks, collect found dogs, and patrol reserves, streets and the foreshore to promote responsible pet ownership.

With more residents working from home during the COVID-19 restrictions, there were fewer animals at large. There were 305 dogs collected, with 210 reclaimed and 29 returned directly to their owner, under Council's on road reunion protocol which avoids unnecessary impoundments.

Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.

## Performance measures (continued)

### Community satisfaction: Performance in parking facilities

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	55	53	53	55
Kingston importance	74	75	71	73
Metro performance	55	55	56	55
State-wide performance	56	56	55	56

Kingston developed a new Parking Management Policy in 2020/21 to make eligibility for parking permits more equitable for all Kingston residents.

Although COVID-19 restrictions meant there was less pressure on parking facilities in activity centres due to the reduced traffic, construction activities continued. This required Council to balance the availability of street parking for the community and parking for construction activities.

An effect of the COVID-19 restrictions was increased pressure on parking around suburban businesses as residents sought to stay closer to home and use local cafes.

To encourage cycling, Kingston negotiated for additional end-of-trip facilities, including secure bike cages and hoops at the new railway stations constructed along the Frankston line.

*Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.*

### Community satisfaction: Performance in traffic management

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	58	59	55	57
Kingston importance	75	75	73	75
Metro performance	57	58	59	58
State-wide performance	57	58	58	58

Council worked with many local schools to improve health and safety, including promoting walking and cycling to school as well as road safety. Two new school crossings were installed in Mentone following the Mentone level crossing removal project.

A new Road Safety Strategy was developed in 2020/21 for adoption in 2021/22. Council also adopted a Public Lighting Policy which sets out the principles used for decisions on public lighting for streets, carparks and public buildings to promote pedestrian and vehicle safety.

Road safety improvements were completed in Bourke Road, Oakleigh South including reducing the speed limit to 50 km/h and installing flat-top speed humps. A pedestrian crossing and nearby angled parking were installed in Rosebank Avenue, Clayton South.

The Bay Trail (Rennison Street to Nepean Highway) was completed and now provides a safe path for cyclists and pedestrians along the foreshore.

*Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.*

# GOAL 4

## CONTINUED

### Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures for all Victorian councils relevant to Goal 4 are shown below:

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Animal Management</b>					
<b>Timeliness</b>					
<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.73	1.68	1.88	2.48	Officers endeavour to attend to requests in a timely manner. While all risks were managed appropriately, due to COVID-19 some animal management requests were deemed non-essential and therefore not actioned within our usual timeframe.
<b>Service standard</b>					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x 100	60.98%	65.46%	75.84%	68.85%	Of the 210 animals reclaimed, 29 were returned directly to their owner as part of Council's on road reunion protocol, which avoids unnecessary impoundments. Due to more residents working from home during the COVID-19 restrictions, there were fewer animals at large.
<i>Animals rehomed</i> [Number of animals rehomed / Number of animals collected] x 100	New in 2020	New in 2020	8.19%	10.16%	Thirty-one animals were adopted and found a new, permanent home after their original owner could not be found. There was a reduction in the number of animals collected compared to the previous year, due to more residents working from home during COVID-19 restrictions.  <i>Note: This measure was introduced in 2019/20.</i>
<b>Service cost</b>					
<i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	New in 2020	New in 2020	\$5.83	\$4.84	Animal management costs were down slightly from last year due to the COVID-19 lockdown, which restricted service levels and required operational practices to be adjusted.  <i>Note: From 2019/20, this measure replaced the previous 'Cost of animal management service' measure, which was based on cost per number of registered animals; see retired measures.</i>
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	100.00%	100.00%	Council officers continue to proactively resolve animal-related issues directly with those involved, where possible.  <i>Note: From 2019/20, this measure replaced the previous 'Animal management prosecutions' measure, which was a measure of number, not proportion; see retired measures.</i>
<b>Food Safety</b>					
<b>Timeliness</b>					
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.73	1.87	1.87	1.69	The time taken to respond to food-related complaints is consistent with previous years. Environmental Health Officers have continued to prioritise food complaints, working within COVID-19 restrictions during the 2020 calendar year.

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Food Safety (continued)</b>					
<b>Service standard</b>					
<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] x 100	99.90%	100.00%	100.00%	95.14%	During the 2020 calendar year, many businesses were closed for a significant period due to COVID-19 restrictions. Food safety assessments were not conducted at 56 businesses, such as sporting clubs and mobile food vendors, which were not operating. Assessments were conducted at all premises that were open and operating, with just one exception.
<b>Service cost</b>					
<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]	\$270.14	\$240.18	\$259.92	\$262.51	The cost of the food safety service remains consistent with previous years.
<b>Health and safety</b>					
<i>Critical and major non-compliance outcome notifications</i> [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] x 100	98.96%	100.00%	98.60%	100.00%	During the 2020 calendar year, a number of premises were closed for part or most of the year due to COVID-19 restrictions. Assessments and inspections were conducted at all premises that were open and operating. Environmental Health Officers ensured that any high risk issues identified during an assessment were attended to immediately, and action taken to remove or reduce the risk.
<b>Retired measures</b>					
Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Comments
<b>Animal Management</b>					
<b>Service cost</b>					
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$44.21	\$40.23	Retired in 2020	Retired in 2020	This measure was replaced by <i>Cost of animal management service per population</i> from 1 July 2019.
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	13.00	7.00	Retired in 2020	Retired in 2020	This measure was replaced by <i>Animal management prosecutions</i> from 1 July 2019.

For more information, visit the Know Your Council website at [knowyourcouncil.vic.gov.au](https://www.knowyourcouncil.vic.gov.au).

## GOAL 4

### CONTINUED

#### Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2020/21 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Revised Budget	Actual	Progress on planned work, 2020/21*	Comment
Implement stage three of the Bay Trail – from Rennison St to Nepean Hwy	\$1.9M	\$1.5M	100%	<p>Stage three of the Bay Trail was completed in February 2020/21.</p> <p><b>Grants:</b> \$0.7M from VicRoads.</p> <p><b>Duration:</b> 2020/21.</p>
Create public open space above the new railway line at Mentone	\$2.0M	\$2.0M	100%	<p>The open space above the railway line was completed and is now open for public use.</p> <p>The \$2.0M was Council's contribution to the Level Crossing Removal Project for the decks over the railway line at Cheltenham and Mentone stations.</p> <p><b>Grants:</b> None in 2020/21.</p> <p><b>Duration:</b> 2019/20 – 2020/21.</p>
Enhance Parkdale local shopping centre	\$0.4M	\$46K	55%	<p>The tender costs received for this project were significantly higher than expected. Consequently, works were delayed while other options were considered.</p> <p>This project is now on hold, pending decisions by LXRP around the proposed installation of a railway overpass in future.</p> <p><b>Grants:</b> None in 2020/21.</p> <p><b>Duration:</b> On hold.</p>

\* Shows percentage progress on work planned for the 2020/21 year; projects may carry over into future years.

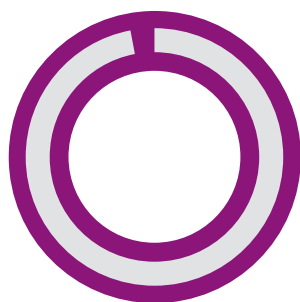
#### Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2020/21 Budget and reported in the quarterly Kingston Performance Report, please visit [kingston.vic.gov.au](https://kingston.vic.gov.au).

# 5 Our well-governed and responsive organisation



Our organisation will focus on governing Kingston in a way that is well-informed, responsive, accountable, transparent and efficient. We will also provide responsible stewardship of the community's resources and ensure our community facilities are well-managed to promote liveability.



Budget \$70.56M

Expenditure \$68.53M

## Achievements and capital works highlights

- ▶ Responded quickly to each COVID-19 lockdown so that residents continued to receive care and services, businesses were supported to operate within regulations, and community disruption minimised.
- ▶ Implemented rates rebates and paused debt collection and interest charges for unpaid rates to support residents during the COVID-19 pandemic.
- ▶ Successfully advocated for local improvements to sporting facilities, railway level crossing removal improvements and better social outcomes for our community.
- ▶ Adopted the Good Governance Framework and completed an organisational education program.
- ▶ Administered the new *Local Government Act 2020*.
- ▶ Facilitated the 2020 Local Government election process.

## Our services

To be an effective voice on behalf of our community and a well-governed organisation, Council provides a range of services including:

-  communications and engagement
-  council governance and administration
-  customer service
-  executive services
-  financial management
-  health, safety and wellbeing
-  human resources management
-  municipal emergency management
-  property rating and collection services
-  information technology services
-  procurement, fleet, insurance and contracts.

## Our challenges

- ▶ Welcoming and inducting Councillors from our 11 new wards online during COVID-19 restrictions.
- ▶ Continuing to support our staff with health and well-being initiatives and employment support during the COVID-19 lockdown periods.

## GOAL 5 CONTINUED

### Performance measures

Council's achievement for Goal 5 of the *Council Plan 2017-2021* (year four) is detailed below:

#### First point of call contact resolution

**Target:** 80%

2017/18	2018/19	2019/20	2020/21
85%	84%	93%	95%

Kingston's Customer Care service received 121,602 phone calls from the community in 2020/21. Most requests (95%) were answered in one call without needing to be transferred to other parts of the organisation. This provided a more 'customer first' seamless and consistent experience to Kingston's customers.

Source: Camms Strategy

#### Lost time injury frequency rate

**Target:** 30 per 1 million hours per year

2017/18	2018/19	2019/20	2020/21
20.56	29.64	32.53	25.58

The decrease in lost time injuries is due to the enhancement of Council's early intervention program which focuses on supporting injured workers to recover safely at work.

Source: Council data

#### Community satisfaction: Lobbying on behalf of the community

**Target:** Maintain or improve resident perception of performance

YEAR	2018	2019	2020	Average
Kingston performance	53	55	57	56
Kingston importance	67	66	64	67
Metro performance	56	57	57	57
State-wide performance	54	54	53	54

In 2020/21 Council successfully advocated to achieve positive outcomes on projects including Level Crossing Removals where Council helped secure the opening of expanded gardens and decking areas at the Mentone and Cheltenham railway stations, the addition of a much-needed pedestrian bridge at the Chelsea Level Crossing removal and relocation of commuter carparks at Chelsea for a better outcome for local traders.

Council also successfully advocated for funding for sporting projects, including Moorabbin Bowls Club's third green; new netball courts at Ben Kavanagh Reserve; a \$2.5M grant for various sports lighting upgrades; \$4.5M to deliver a new pavilion at the Aspendale Gardens Sports Ground; plus funding for the Roy Dore Reserve pavilion development and sports lighting project.

Council continues to advocate to the Victorian and Australian Governments on behalf of our community on issues including Kingston's gambling policy, the Moorabbin Airport Masterplan, Chain of Parks, and the Delta site regional sporting fields.

Source: Local Government Community Satisfaction Survey. This indicator was not measured in 2020/21, as we sought to reduce survey costs during the COVID-19 pandemic.



## Local Government Performance Reporting Framework

The Victorian Government's compulsory service measures for all Victorian councils relevant to Goal 5 are shown below.

Service Performance Indicators	Results 2018	Results 2019	Results 2020	Results 2021	Comments
Service/indicator/measure					
<b>Governance</b>					
<b>Transparency</b>					
<i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	4.51%	8.93%	12.67%	5.75%	The City of Kingston is committed to open and transparent decision-making processes. The number of decisions made at meetings closed to the public is beginning to show a downward trend. Some matters involving legal privilege, property, or personal information were discussed at meetings closed to the public, consistent with the confidential provisions of the <i>Local Government Act</i> . Council endeavours to make confidential resolutions, or parts of resolutions, public at a later date where possible.
<b>Consultation and engagement</b>					
<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	54.00	53.00	56.00	60.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. Kingston held over 120 consultations during the year and is continuing to explore ways to improve consultation with the broader community. In 2021, a deliberative engagement panel developed the <i>Your Kingston Your Future Community Vision</i> , which has been influential in the development of Council's new key strategic plans.
<b>Attendance</b>					
<i>Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100	95.45%	87.30%	89.71%	88.54%	Councillor attendance has remained consistent with previous years.
<b>Service cost</b>					
<i>Cost of elected representation</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$52,442.56	\$58,490.33	\$58,239.33	\$44,050.27	The number of Councillors increased from nine to eleven in the 2020 Council election. Due to the COVID-19 pandemic, expenditure on some items decreased.
<b>Satisfaction</b>					
<i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	53.00	56.00	55.00	65.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. Council continues to explore ways to improve community consultation and assist the community to understand the reasons for decisions.

For more information, visit the Know Your Council website at [knowyourcouncil.vic.gov.au](https://knowyourcouncil.vic.gov.au).

## GOAL 5

### CONTINUED

#### Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2020/21 Budget.

Major Initiatives	Revised Budget	Actual	Progress on planned work, 2020/21*	Comment
Administer the new <i>Local Government Act 2020</i> .	\$0.0M	\$0.0M	100%	Council has fulfilled its responsibilities for the <i>Local Government Act 2020</i> that required implementation by 30th of June 2021. Council is also on track to fulfill the requirements that came into effect on 1 July 2021 within the statutory timeframes. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2017/18 – 2020/21.
Facilitate the 2020 Local Government election process	\$0.8M	\$0.6M	100%	Kingston met its responsibilities in assisting the Victorian Electoral Commission (VEC) in the conduct of the 2020 election. The VEC levies fines on non-voters and approximately \$11,000 has been received so far from the VEC, as it begins its debt collection processes. <b>Grants:</b> None in 2020/21. <b>Duration:</b> 2020/2021.

\* Shows percentage progress on work planned for the 2020/21 year; projects may carry over into future years.

#### Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2020/21 Budget and reported in the quarterly Kingston Performance Report, please visit [kingston.vic.gov.au](https://kingston.vic.gov.au).

# GOVERNANCE

Local government is the level of government closest to the community. It consists of democratically elected councils and holds the functions and powers that the Victorian Parliament considers are necessary to ensure the peace, order and good government of each municipality.

The City of Kingston operates in accordance with the *Local Government Act 1989* (Vic) and *Local Government Act 2020* (Vic) which specify that the role of the council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

Note: The *Local Government Act 1989* (Vic) is currently still applicable in some sections. The implementation of the *Local Government Act 2020* (Vic) is segmented over 2020 and 2021.

## Our governance system

The City of Kingston is committed to excellence in governance in its effort to exemplify the organisation's goals. Our good governance system ensures the performance and accountability of the organisation. The Good Governance Framework adopted by Kingston is based on four cornerstones of Transparency (Show it), Accountability (Own it), Leadership and Direction (Drive it) and Integrity (Live it).

Good governance involves both:

- ▶ democratic governance (the elected Council and the authority to make decisions for its community)
- ▶ corporate governance (the way in which the Council is run and the framework in which its systems and processes operate).

## Democratic governance

### Delegation of powers

Several duties, functions and powers are conferred on Council through legislation, including the *Local Government Act 1989* (Vic) and the *Local Government Act 2020* (Vic) and other Acts. Council delegates the authority and powers necessary to comply with legislation and implement Council approved strategies to the Chief Executive Officer. The Chief Executive Officer further delegates powers to Council officers who carry out the daily functions of the Council. The powers, duties and functions delegated to officers must be exercised in line with previously established guidance or direction from the Council. Powers that Council cannot delegate include adopting the Council Plan and Council Budget. Council's Instruments of Delegation are reviewed annually. The Register of Delegations is available at [kingston.vic.gov.au/contact-us/documents-available](https://kingston.vic.gov.au/contact-us/documents-available).

### Council and committee meetings

Kingston's Council meetings are held on the fourth Monday of each month and Planning Committee meetings are usually held on the third Wednesday of each month at 1230 Nepean Highway, Cheltenham, commencing at 7pm, unless otherwise advertised. Due to the coronavirus pandemic and social distancing requirements, some Council meetings were held at the Moorabbin Town Hall. Council meetings are open to the public and agendas are available from the Council's website from the preceding Friday at [kingston.vic.gov.au/about-us/council-meetings](https://kingston.vic.gov.au/about-us/council-meetings).

Residents have an opportunity to submit written questions to Council on the night of a Council meeting. Questions may be responded to either verbally at the meeting or later in writing. The question form is available at [kingston.vic.gov.au/about-us/council-meetings/public-question-time](https://kingston.vic.gov.au/about-us/council-meetings/public-question-time).

Decisions are made through the formal Council meeting or the formal delegation of powers to officers and delegated committees. Council is empowered to make decisions through resolution of the Council. Individual Councillors have no decision-making authority outside the Council Meeting.

Council is sometimes required to discuss and consider confidential matters. Section 66(2) of the *Local Government Act 2020* (Vic) stipulates that councils can close meetings to the public to discuss confidential information. Under section 3(1) of the *Local Government Act 2020* (Vic), confidential matters include (but not limited to):

- ▶ Council business information
- ▶ land use planning
- ▶ legal privileged information
- ▶ private commercial information
- ▶ personal information.

If confidential reports are to be discussed by Council, the public is asked to leave the meeting during these discussions; 5.75 per cent of decisions made by Council were during closed meetings.

In 2020/21, there were 23 Council Meetings and six (6) Planning Committee Meetings.

# GOVERNANCE

## CONTINUED

### Councillor Information Sessions

In addition to regular Council meetings, information sessions are held to inform Councillors about important issues. These sessions provide Councillors and Council officers with an opportunity to discuss issues in detail, seek further information and to address questions and concerns. Information sessions are not a decision-making forum. They allow Councillors to explore options and better understand the matter in question. Council decisions can only be made during Council meetings.

### Live streaming and recording of Council meetings

All Council and Planning Committee meetings are streamed live on Council's website. This allows residents to watch proceedings and decisions as they happen and provides access to Council meetings for those who may be unable to physically attend.

The live stream and archives of previous streams can be found at [kingston.vic.gov.au/about-us/council-meetings/live-council-meetings](http://kingston.vic.gov.au/about-us/council-meetings/live-council-meetings).

The Recording of Council Meetings Policy is available on Council's website at [kingston.vic.gov.au/about-us/plans-policies-publications/policies](http://kingston.vic.gov.au/about-us/plans-policies-publications/policies).

Table: Councillor Attendance at Council Meetings

Councillor	Council Meetings attended	Planning Committee Meetings attended
<b>Current Councillors</b>		
Cr Tamsin Bearsley	23/23	5/6
Cr Tim Cochrane	13/14	2/4
Cr Jenna Davey-Burns	14/14	4/4
Cr Tracey Davies	14/14	4/4
Cr David Eden	20/23	5/6
Cr Chris Hill	14/14	4/4
Cr Cameron Howe	12/14	2/4
Cr George Hua	20/23	5/6
Cr Georgina Oxley	23/23	6/6
Cr Hadi Saab	14/14	4/4
Cr Steve Staikos	22/23	6/6
<b>Former Councillors</b>		
Cr Tamara Barth	9/9	2/2
Cr Ron Brownlees OAM	9/9	2/2
Cr Geoff Gledhill	8/9	2/2
Cr Rosemary West OAM	9/9	2/2

### Minutes of meetings

Council records the resolutions of each Council meeting and Planning Committee meeting. Minutes can be viewed at [kingston.vic.gov.au/about-us/council-meetings](http://kingston.vic.gov.au/about-us/council-meetings).

### Conflict of interest

At the start of a Council or assembly meeting, Councillors must disclose any direct or indirect conflict of interest. If a direct or indirect interest is disclosed, the Councillor must leave the meeting prior to the issue being discussed, debated or voted on. After the vote, the Councillor is permitted to return to the meeting.

### Mayor's role

At the annual Council (Statutory) meeting, Councillors elect a Mayor for a one or two-year term. Council may resolve to elect a Mayor for a maximum term of two years, although the mayoral term at Kingston is usually one year. The Mayor is the leader of the Council and has several roles which are legislative and functional. The legislative requirements are prescribed in the *Local Government Act 2020*.

The Mayor must chair all Council meetings at which they are present. The Mayor's role also includes providing leadership, promoting positive relationships and modelling good governance. Cr Staikos was elected on 18 November 2020.

Cr Hadi Saab was elected as Kingston's Deputy Mayor on 18 November 2020. The primary role of the Deputy Mayor is to assist the Mayor as required during their mayoral term. The Deputy Mayor role supports duties or functions carried out by the Mayor and must be in accordance with Deputy Mayor Position Policy, which is available at [kingston.vic.gov.au/About-Us/Plans-Policies-and-Publications/Policies](http://kingston.vic.gov.au/About-Us/Plans-Policies-and-Publications/Policies).

## Junior Mayor and Junior Council

The Junior Mayor program provides primary schools within the City of Kingston the opportunity to showcase the talents and attributes of young people. The Junior Mayor election is coordinated by Kingston Youth and Family Services. The Junior Mayor program has been running for over 50 years and is sponsored by the Chelsea Rotary Club. It aims to help educate and engage young people about how government works and how they can get involved, while also providing support and experience to our budding future leaders.

The 2020/21 elected Junior Mayor is Amelia Holko from Cheltenham East Primary School.

The Junior Council program runs alongside the Junior Mayor program, with a further ten Junior Mayor candidates elected to join the City of Kingston's Junior Council program that is also sponsored by the Chelsea Rotary Club. The Junior Council provides an opportunity for young people across the municipality to learn skills such as decision making, grant allocation and leadership.

## Councillor representation on committees

Councillors are appointed as Council representatives on a range of special committees and networks, as illustrated in the tables below.

### Legislative committees

Legislative committees are established under the *Local Government Act 2020* (Vic). The Planning Committee is a Council decision-making forum with extensive delegated authority, while the Audit and Risk Committee, established under section 53 of the Act, has an advisory role.

<b>Legislative Committees</b>	<b>2020/21 Appointee/s</b>
Planning Committee	All
Audit and Risk Committee	Mayor and Cr Oxley
Municipal Emergency Planning Committee	Cr Cochrane
<b>Internal Committees</b>	<b>2020/21 Appointee/s</b>
CEO Employment Committee	All Councillors
<b>Advisory Committees</b>	<b>2020/21 Appointee/s</b>
Access and Equity	Cr Davey-Burns, Cr Oxley
Arts and Culture	Cr Bearsley, Cr Howe, Cr Davey-Burns (alternate)
Business and Economic Development	Cr Hua, Cr Oxley
Community Safety	Cr Cochrane
Public Spaces and Environment	Cr Saab
Active Kingston	Cr Davies, Cr Hill
Youth (12-17 years old)	Cr Eden, Cr Oxley, Cr Saab
Youth (18-25 years old)	Cr Oxley, Cr Eden, Cr Saab
<b>Consultative Committees</b>	<b>2020/21 Appointee/s</b>
Bay Watch	Cr Bearsley, Cr Eden, Cr Oxley, Cr Hill, Cr Howe, Cr Cochrane
Kingston Charitable Fund (KCF) Community Grants Panel	Mayor and Cr Oxley
Kingston Historic Network	Cr Bearsley, Cr Staikos (alternate)
Kingston Interfaith Network	Cr Bearsley, Cr Saab
LF Payne Hall Usage Committee	Cr Oxley
<b>External Committees/Organisations</b>	<b>2020/21 Appointee/s</b>
Association of Bayside Municipalities	Cr Davey-Burns
Friends of Manatuto Committee	Cr Staikos
Inter Council Aboriginal Consultative Committee	Cr Davey-Burns
Local Government Waste Management Forum	Cr Staikos, Cr Oxley (alternate), Cr Saab (alternate)
Metropolitan South Eastern Region MAV Representatives and Mayors	Mayor
Metropolitan Transport Forum	Cr Oxley (alternate), Cr Saab
Moorabbin Airport Consultative Committee	Cr Davies, Cr Hua, Cr Staikos (alternate)
Municipal Association of Victoria	Previously resolved at the Council (Statutory) Meeting on 18 November 2020
Municipal Association of Victoria Environment Committee	Cr Saab
Municipal Association of Victoria Planning Committee	Cr Hill, Cr Oxley
SEM City Deal	Cr Staikos, Cr Oxley (alternate), Cr Saab (alternate)
South East Councils Climate Change Alliance (SECCCA)	Cr Hill, Cr Saab (alternate)
Victorian Local Governance Association	Cr Staikos

# GOVERNANCE

## CONTINUED

### Councillor remuneration

Councillors and Mayors are entitled to receive remuneration in the form of a Councillor allowance with the upper and lower limits set by the Victorian Government. The annual allowance for the Mayor is \$100,434 and for Councillors is \$31,427.65 plus an amount equivalent to the superannuation guarantee contribution (9.5 per cent). In addition to their allowances, Councillors can elect to receive a mobile phone, iPad, laptop computer and a phone/fax for Council use. They can also claim expenses incurred while performing their duty as Councillors and use office administration and support. The Mayor receives a dedicated office and support from an Executive Assistant.

### Reimbursement of expenses of Councillors

Council is required to reimburse a Councillor for expenses incurred in the performance of his/her duties (Section 75 of the *Local Government Act 1989* (Vic)). Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. Council adopted the Council Expenses Policy (the Policy) on 24 August 2020 which is available at [kingston.vic.gov.au/about-us/plans-policies-publications/policies](http://kingston.vic.gov.au/about-us/plans-policies-publications/policies).

The Policy requires the payment of Councillor expenses (whether paid directly by Council or reimbursed to the Councillor) to be published in the Annual Report and quarterly on the Council's website under the following categories:

- ▶ Councillor and Mayoral allowance
- ▶ carer expenses
- ▶ communication expenses
- ▶ training and education expenses
- ▶ intrastate travel expenses
- ▶ interstate and overseas travel expenses
- ▶ other expenses.

### Councillor allowances and expenses for 2020/21

All allowances and expenses are related to Councillors' roles as representatives and/or delegates of Council and have been incurred in the course of their duties as a Councillor.

	Councillor Allowances	Communications Expenses	Travel Intrastate	Travel Interstate	Travel Overseas	Training, Conferences & Education	Other Expenditure
<b>Current Councillors</b>							
Cr Tamsin Bearsley	\$32,788.21	\$894.00					
Cr Tim Cochrane	21,317.12	\$349.00					
Cr Jenna Davey-Burns	21,317.12	\$262.00					
Cr Tracey Davies	21,317.12	\$349.00		\$1,173.66		\$1,314.00	
Cr David Eden	\$32,788.21	\$846.00					
Cr Chris Hill	21,317.12	\$262.00				\$1,164.00	
Cr Cameron Howe	21,317.12	\$349.00					
Cr George Hua	\$32,788.21	\$714.00		\$1,822.36		\$1,314.00	
Cr Georgina Oxley	\$55,730.40	\$1,632.00					
Mayor to September 2020							
Cr Hadi Saab	\$21,317.12	\$349.00	\$53.78	\$1,494.28		\$1,164.00	
Cr Steve Staikos	\$79,594.64	\$894.00	\$24.05	\$877.37		\$1,164.00	
<b>Former Councillors</b>							
Cr Tamara Barth	\$11,471.09	\$269.00					
Cr Ron Brownlees OAM	\$11,471.09	\$338.00					
Cr Geoff Gledhill	\$11,471.09	\$338.00					
Cr Rosemary West OAM	\$11,471.09	\$138.00					

## Governance and Management Checklist

The following table shows the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment
<b>1 Community Engagement Policy</b> (Policy outlining Council's commitment to engaging with the community on matters of public interest.)	Community Engagement Policy adopted in accordance with section 55 of the Act. Date adopted: 22/02/2021. ✓
<b>2 Community engagement guidelines</b> (Guidelines to assist staff to determine when and how to engage with the community.)	Community engagement guidelines and toolkit in place. Date in operation: 12/10/2017. ✓
<b>3 Financial Plan</b> (Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years.)	Financial Plan under section 91 of the Act 2020 to be adopted by 31 October 2021, as required by the Act.
<b>4 Asset plan</b> (Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years.)	Asset Management Plan under section 92 of the Act to be adopted by 30 June 2022, as required by the Act.
<b>5 Revenue and Rating Plan</b> (Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges.)	The Revenue and Rating Plan 2021-2025 adopted under section 93 of the Act. Date adopted: 28/06/2021. ✓
<b>6 Annual Budget</b> (Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required.)	Annual Budget adopted in accordance with section 94 of the Act. Date adopted: 28/06/2021. ✓
<b>7 Risk policy</b> (Policy outlining Council's commitment and approach to minimising the risks to Council's operations.)	Risk Management Policy adopted 10/04/2019. ✓
<b>8 Fraud policy</b> (Policy outlining Council's commitment and approach to minimising the risks to Council's operations.)	Fraud and Corruption Policy adopted 08/07/2019. ✓
<b>9 Municipal Emergency Management Plan</b> (Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery.)	Municipal Emergency Management Plan prepared and maintained in accordance with section 60 of the <i>Emergency Management Act 2013</i> . Date adopted: 06/07/2021. ✓
<b>10 Procurement Policy</b> (Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council.)	Procurement Policy under section 108 of the Act 2020 to be implemented by 1 January 2022, as required by the Act. Procurement Policy adopted in accordance with section 186A of the Act 1989 on 28 June 2021.
<b>11 Business continuity plan</b> (Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster.)	Business Continuity Management System in place. Date adopted: 19/06/2019. ✓
<b>12 Disaster Recovery Plan</b> (Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster.)	Disaster Recovery Plan in place. Date adopted: 12/01/2020. ✓
<b>13 Risk Management Framework</b> (Framework outlining Council's approach to managing risks to the Council's operations.)	Risk Management Framework in place: • Risk Management Policy: April 2019 • Risk Management Table and Matrix: April 2019 • Risk Management Procedure: May 2019 ✓



# GOVERNANCE

## CONTINUED

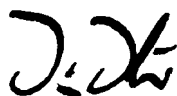
### Governance and Management Checklist (continued)

Governance and Management Items	Assessment
<b>14 Audit and Risk Committee</b> (Advisory committee of Council under section 53 of the <i>Local Government Act</i> whose role is to monitor the compliance of Council policies and procedures, monitor Council's financial reporting, monitor and provide advice on risk management, and provide oversight on internal and external audit functions.)	Audit and Risk Committee established in accordance with section 53 of the Act. ✓ Date established: 1/01/1997.
<b>15 Internal audit</b> (Independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls.)	Current internal auditor engaged on 01/07/2013. ✓
<b>16 Performance Reporting Framework</b> (A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i> .)	Performance Reporting Framework in place in accordance with section 131 of the <i>Local Government Act 1989</i> . ✓ Current framework in operation: 26/02/2021.
<b>17 Council Plan reporting</b> (Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year.)	<b>Reports:</b> ✓ <ul style="list-style-type: none"> <li>Kingston Performance Report:                Q1 2020/21 – 30/11/2020                Q2 2020/21 – 22/02/2021                Q3 2020/21 – 24/05/2021</li> <li>LGPRF Half Year Update 2020/21: 09/03/2021</li> <li>2020/21 Annual Report: estimated 25/10/2021</li> </ul>
<b>18 Financial reporting</b> (Quarterly statements to Council under section 138(1) of the Act 1989 comparing budgeted revenue and expenditure with actual revenue and expenditure.)	Kingston Performance Reports presented to Council in accordance with section 138(1) of the Act 1989: ✓ Q1 2020/21 – 30/11/2020 Q2 2020/21 – 22/02/2021 Q3 2020/21 – 24/05/2021
<b>19 Risk reporting</b> (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies.)	<b>Risk reporting:</b> ✓ <ul style="list-style-type: none"> <li>Strategic Risk Reporting: September 2020</li> <li>Strategic Risk Reporting: December 2020</li> <li>Strategic Risk Reporting: February 2021</li> <li>Strategic Risk Reporting: June 2021</li> <li>Annual Risk Report: February 2021</li> <li>Annual Risk Report to Audit Committee: March 2021</li> </ul>
<b>20 Performance reporting</b> (Six-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act 1989.)	<b>Reports:</b> ✓ <ul style="list-style-type: none"> <li>Kingston Performance Report:                Q1 2020/21 – 30/11/2020                Q2 2020/21 – 22/02/2021                Q3 2020/21 – 24/05/2021</li> <li>LGPRF Half Year Update 2020/21: 09/03/2021</li> <li>2020/21 Annual Report: estimated 25/10/2021</li> </ul>

## Governance and Management Checklist (continued)

Governance and Management Items	Assessment
<b>21 Annual Report</b> (Annual report under sections 131, 132 and 133 of the Act 1989 to the community containing a report of operations and audited financial and performance statements.)	2019/20 Annual Report considered at a meeting of Council in accordance with section 134 of the Act 1989. Date of consideration: 14/12/2020. ✓
<b>22 Councillor Code of Conduct</b> (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters.)	Reviewed and adopted in accordance with section 139 of the Act. ✓ Date of adoption: 22/02/2021.
<b>23 Delegations</b> (Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act.)	Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act: ✓ <ul style="list-style-type: none"> <li>• CEO to staff – last reviewed March 2021</li> <li>• Council to CEO – currently under review, expected approval 23/8/21</li> <li>• Council to staff – currently under review, expected approval 23/8/21</li> </ul>
<b>24 Meeting procedures</b> (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees.)	Governance Rules adopted in accordance with section 60 of the Act. ✓ Date adopted: 24/08/2020.

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



**Tim Tamlin**  
Interim Chief Executive Officer

Dated: 1 September 2021



**Cr Steve Staikos**  
Mayor

Dated: 1 September 2021

### Chief Executive Officer (CEO) and delegations

Interim City of Kingston CEO, Tim Tamlin, is the only member of staff directly appointed by and responsible to Council. The CEO implements Council decisions, ensures Council achieves its Council Plan objectives, and manages the day-to-day operations of the organisation. The CEO's delegated powers include awarding contracts up to \$750,000. The Interim CEO was appointed on 17 March 2021.

### Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council.

#### Documents available for public inspection

Public Transparency Policy was adopted on 24 August 2020, which gives effect to the Public Transparency Principles in section 58 of the *Local Government Act 2020* (Vic). These principles ensure that information is publicly available subject to limited legislative exceptions.

# GOVERNANCE

## CONTINUED

The following documents are accessible as follows:

- ▶ Agendas and minutes for Council Meetings held in the previous 12 months kept under section 93 of the *Local Government Act 1989* (Vic), except where such minutes relate to parts of meetings which have been closed to members of the public under section 66 of the *Local Government Act 2020* (Vic). These documents are available at [kingston.vic.gov.au/about-us/council-meetings/agendas-and-minutes](https://kingston.vic.gov.au/about-us/council-meetings/agendas-and-minutes).
- ▶ Register of delegations kept under sections 11 and 47 of the *Local Government Act 2020* (Vic). This register is available at [kingston.vic.gov.au/contact-us/documents-available](https://kingston.vic.gov.au/contact-us/documents-available).
- ▶ Details of all leases involving land entered by Council as lessor, including the lessee and the terms and the value of the lease.
- ▶ Register of authorised officers appointed under section 224(1A) of the *Local Government Act 1989* (Vic).
- ▶ List of donations and grants made by Council in the previous 12 months, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.

### Service Performance Principles

The *Local Government Act 2020* (Vic) requires councils to comply with five service performance principles.

These principles are:

1. Services should be provided in an equitable manner and be responsive to the diverse needs of the municipal community.
2. Services should be accessible to the members of the municipal community for whom the services are intended.
3. Quality and costs standards for services set by the Council should provide good value to the municipal community.
4. A Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring.
5. Service delivery must include a fair and effective process for considering and responding to complaints about service provision.

Kingston has adopted a 'whole of organisation' approach to embedding the Best Value principles into Council operations.

These principles are also linked strongly to our Community Inspired Leadership approach and strategic planning process.

In 2020/21, Council's response to the Best Value Principles included:

- ▶ Demonstrating and reporting quality and cost standards in Council's internal financial reporting and the Annual Report and Budget. Council's rigorous approach to tendering for major services and works provides the community with the best value for money.
- ▶ Reporting on Council's performance in quarterly reports and the Annual Report providing information on local issues through the website and print media. Using the annual Local Government Community Satisfaction Survey to guide continuous improvement and determine community needs.
- ▶ Continuing to support the Access and Equity Advisory Committee, which includes a focus on four strategic areas within the City of Kingston: Indigenous people, people with disabilities, people from multicultural backgrounds and local seniors. Each year, we increase the number of Council buildings that have achieved Premises Standards (DDA) compliance. Accessibility is also implemented through a range of social strategies and plans and the expansion of public online access to planning and building functions.
- ▶ Maintaining a strong focus on community engagement and customer service with the Customer First initiative and regular consultations with the community throughout the year. Avenues for regular community engagement include online opportunities through *Your Kingston Your Say*, ward committees, ward meetings and advisory committees.
- ▶ Adopting an independent 'Job Keeper' program in response to the coronavirus pandemic, Kingston redeployed current staff whose roles were impacted.

### Charter of Human Rights

The *Victorian Charter of Human Rights and Responsibilities Act 2006* ('The Charter') sets out important human rights Council must consider when making decisions and articulates ways in which Council must act that is compatible with these human rights.

There were no human rights complaints made in 2020/2021.

## Legislative Reporting

### *Gender Equality Act*

Kingston City Council is working to improve workplace gender equality through the *Gender Equality Act* (The Act). The requirements of The Act stipulate that progress in gender equality be made public and transparent, and introduces uniform data collection, quotas and targets that will allow for greater benchmarking across Victoria.

Working to the requirements of the Act, Kingston City Council is completing Gender Impact Assessments across various policies, programs and services. Council is also compiling a long-term strategy to deliver training, and support mechanisms that build the organisation's capability to complete these assessments as part of business as usual.

Kingston's Workplace Gender Audit has also been completed and is being used to develop Council's first *Gender Equality Action Plan*. The Action Plan is being compiled using the Workplace Gender Audit data, information gathered through the People Matter Survey completed in June 2020 and extensive consultation with our employees and other key stakeholders.

A continuation of Council's ongoing commitment to the promotion of gender equality is further demonstrated in our *Prevention of Family Violence Action Plan*. We are committed to ensuring Kingston City Council and the communities we serve are safe, respectful, and inclusive environments for everyone regardless of their gender identity.

### *Local Government Act 2020*

The *Local Government Act 2020* (the Act) received Royal Assent on 24 March 2020 and marked the most significant legislative reform in the sector in thirty years. Commencement of the Act occurred in four stages, with Council working tirelessly to ensure all major policies, plans and reports were reviewed or adopted by Council in accordance with the Act.

The four commencement stages are as follows:

#### 6 April 2020

The 1st commencement date introduced provisions of the Act which included matters such as:

- ▶ preliminary provisions (including new definitions of confidentiality which have been implemented into Council's reporting software)
- ▶ role and powers of a Council
- ▶ constitution of a Council (including the shift from multi-member to single member wards)
- ▶ overarching governance principles and supporting principles
- ▶ Ministerial oversight
- ▶ electoral provisions.

#### 1 May 2020

The 2nd commencement date introduced provisions of the Act which included matters such as:

- ▶ delegations (from Council to CEO as well as a sub-delegation from the CEO to officers)
- ▶ Council Expenses Policy
- ▶ Audit and Risk Committee Charter
- ▶ Community Engagement Policy
- ▶ Public Transparency Policy
- ▶ Governance Rules (a replacement of the previous Meeting Procedures Local Law).

#### 24 October 2020

The 3rd commencement date introduced provisions of the Act which included matters such as:

- ▶ The Mayor, Deputy Mayor and Councillors (including their roles, responsibilities and qualifications)
- ▶ Planning and financial management (including strategic planning, budget processes and reporting)
- ▶ Council integrity (including new conflict of interest provisions, improper conduct, Councillor).

# GOVERNANCE

## CONTINUED

*1 July 2021*

The fourth and final commencement date introduced provisions of the Act which included matters such as:

- ▶ The role and functions of the Chief Executive Officer
- ▶ Chief Executive Officer Employment and Remuneration Policy
- ▶ Chief Executive Officer Workforce Plan
- ▶ Code of Conduct and Gift Policy for members of Council staff
- ▶ Council operations (local laws, procurement, powers in relation to land, carrying out works on land, unpaid money and land information)
- ▶ Conduct and new provisions (relating to gifts)
- ▶ Ministerial oversight.

Council has met all implementation deadlines associated with the Act in 2020/21.

Council has run ongoing information sessions for all staff to provide education on interpreting and complying with the new legislative provisions.

Progress on implementation has been regularly reported to both the Corporate Leadership Group and the Audit and Risk Committee.

### *Carers Recognition Act 2012*

In accordance with the *Carers Recognition Act 2012*, Council is required to provide evidence in its Annual Report on how it met its Carers' obligations. AccessCare is a not-for-profit provider of home care and support managed by the Kingston City Council. AccessCare supports people who are older, homeless, have disabilities and/or are carers.

Kingston's AccessCare provides a respite program for people who are aged or living with a disability, with one of the reasons being so that carers of these people, are able to have a break from their responsibilities and take respite themselves.

**[accesscare.org.au/home-care-services/respite](https://accesscare.org.au/home-care-services/respite)**

In 2020/21, Kingston's AccessCare met its carers' obligations by:

- ▶ identifying carer needs during AccessCare service assessments and reviewing appropriate services offered, including respite care and if necessary, referral for residential respite
- ▶ organising Kingston's Social Inclusion Officers to engage with older residents and people with a disability, so that their carers are able to improve their own access to socialisation activities and access to the community
- ▶ offering a range of service carers to provide primary carers with opportunities to access the community and engage in social activities, through our community bus day trips, individual social support and transport services.
- ▶ accepting the use of the Companion Card at the Kingston Arts centre for the Community Bus service and Leisure Centres
- ▶ engaging with a number of networks including local government peak bodies and local providers
- ▶ providing training to AccessCare staff regarding a carer's role and responsibility to ensure that they are aware of the Carers Act and are able to respond accordingly to carers.

### *Disability Act 2006*

Kingston's *Disability Action Plan 2015-19* was endorsed by Council in November 2014. The implementation of this plan is guided by Council's Access and Equity Advisory Committee.

The Action Plan has four key priority areas:

1. Access to goods, services and facilities
2. Employment opportunities
3. Encourage inclusive attitudes and practices
4. Promote inclusion and participation.

Work to develop an updated Disability Action Plan is underway. Council continues to operate under the *Disability Action Plan 2015-19* until the new plan has been endorsed by Council.

Council continues to deliver outcomes for people with disabilities in Kingston, in line with the requirements of the *Disability Act 2006*, by:

- ▶ liaising with and seeking advice from people with a disability and disability service providers and the Access and Equity Advisory Committee on the development of Council's new Community Vision and strategic plans
- ▶ issuing building permits in accordance with the Building Code of Australia which requires *Disability Discrimination Act* compliance which is an ongoing statutory commitment under the Premises Standards
- ▶ providing grants to several disability support organisations and carers' organisations through Council's Community Grants Program
- ▶ continuing to address pedestrian and road access as issues are identified to ensure access for all
- ▶ continuing to distribute Disabled Parking Permits through Council
- ▶ providing advice on accessible parking
- ▶ coordinating the Big Break program 2020 'Dance it Out with Rawcus', an arts-based program attended by people living with a disability to celebrate International Day of People with a disability
- ▶ continuing to raise staff awareness and knowledge about issues important to people with a disability by hosting the Building Inclusion talk and celebrating the 2020 International Day of People with a Disability
- ▶ continuing to work with the National Disability Insurance Agency (NDIA) on improving employment opportunities for people with a disability in Local Government
- ▶ continuing to audit and improve pedestrian and road access for all
- ▶ continuing to meet Australian Standards for accessibility when delivering new and renovated facilities, which is an ongoing statutory commitment under the Premises Standards. As of 30 June 2021, Council has 59 buildings that are compliant, which equates to 20% of council's community buildings
- ▶ maintaining our Lifesaving Victoria Platinum Pool Accreditation for the 7th year running, highlighting an emphasis on the health and safety of community facilities and services
- ▶ facilitating the installation of two accessible parking bays at the Bayside Special Developmental School on Genoa Street in Moorabbin
- ▶ making available Master Locksmiths Access Key (MLAK) keys for purchase or hire by the community at Councils Customer Service Centres
- ▶ implementing the Communication Access project across Council Libraries and Customer Service Centres.

# GOVERNANCE

## CONTINUED

### Information Management

#### Information Privacy

Council's Information Privacy Policy is based on principles outlined in the *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*, and governs Council's approach to managing personal information. Enquiries about access to personal information can be made to Council's Privacy Officer by phoning 1300 653 356 or post to: Privacy Officer, City of Kingston, PO Box 1000, Mentone VIC 3194. Further information is available at [kingston.vic.gov.au/contact-us/privacy](https://kingston.vic.gov.au/contact-us/privacy).

#### Freedom of Information

In accordance with section 7 of the *Freedom of Information Act 1982* (the FOI Act), this Annual Report sets out Council's organisation and functions, including a description of Council's decision-making powers and processes which are described under Our Governance System and Democratic Governance. Council consults with the community on major projects, strategies and policies. To find out about current consultations visit *Your Kingston Your Say* online at [yourkingstonyoursay.com.au](https://yourkingstonyoursay.com.au).

For enquiries about access to documents or for assistance in making a valid request under the FOI Act, contact Council's Freedom of Information Officer by telephone on 1300 653 356 or email at [info@kingston.vic.gov.au](mailto:info@kingston.vic.gov.au). Further information, along with online and downloadable application forms, is available online at [kingston.vic.gov.au/Contact-Us/Freedom-of-Information](https://kingston.vic.gov.au/Contact-Us/Freedom-of-Information).

#### Customer Care

Council has two Customer Care Centres where trained Customer Care Officers provide information to members of the public about Council and the services it provides. The Cheltenham Customer Care Centre is located at the municipal offices at 1230 Nepean Highway, Cheltenham and is open Monday to Friday from 9am until 5pm. The Cheltenham Centre has two meeting rooms that are available to the public on request and may be used as reading rooms. The Chelsea Customer Care Centre is co-located with the Chelsea Library at 1 Chelsea Road, Chelsea and is open on Tuesdays from 10am-4pm.

#### Public Interest Disclosure

Kingston's Public Interest Disclosure establishes a system to facilitate the making of disclosures of improper conduct or detrimental action by Kingston or its employees. Such conduct can be reported to our Public Interest Disclosure Coordinator on 1300 653 356 or by emailing [pid@kingston.vic.gov.au](mailto:pid@kingston.vic.gov.au). Further details of the procedures are available at [kingston.vic.gov.au/governance](https://kingston.vic.gov.au/governance). There were no public interest disclosures made in 2020/2021.

### Risk management

Council further embedded the management of strategic risk across the organisation with regular reviews by the Corporate Leadership Group. Enhanced governance reporting has been implemented in accordance with the Risk Management Policy detailing program performance on key indicators with presentation to the Executive and the Audit and Risk Committee. Council has achieved all internal targets and those in the Local Government Performance Reporting Framework. The Leadership Team continues its ongoing activities by reviewing the operational risk profile of all functional and service areas of Council.



## Audit Program

### Audit and Risk Committee

The Council established an Audit and Risk Committee (the Committee) pursuant to Section 53 of the *Local Government Act 2020* (the Act) to support the Council in discharging its oversight responsibilities related to:

- ▶ enhancing the credibility and objectivity of financial, performance and management reporting
- ▶ the effective management of Council's strategic risks, including Business Continuity and Recovery
- ▶ the protection and control of Council assets
- ▶ monitoring and reviewing the standard of the internal control environment
- ▶ the effectiveness of assurance activities including internal and external audit
- ▶ Council's governance practice, including compliance with its policies and legislative and regulatory requirements as well as the use of best practice guidelines.

The Audit and Risk Committee comprises three external independent members: Ms Claire Filson (Chair), Mr Bruce Potgieter and Mr Geoff Harry, the current Mayor and one other Councillor nominated by Council. Independent members are appointed for a three-year term and are eligible for reappointment by Council on the recommendation of the Chief Executive Officer.

The Audit and Risk Committee meets five terms per year. Internal Audit representatives, the Chief Executive Officer and the General Manager Corporate Services attend all Audit Committee meetings. During 2020/21 each of Council's General Managers attended in turn to brief the Committee on the current activities of their respective division within Council.

Further information, including a copy of the Audit and Risk Committee Charter is available on Council's website at **[kingston.vic.gov.au/about-us/audit-committee](http://kingston.vic.gov.au/about-us/audit-committee)**.

### Internal audit

Council's current Internal Auditor, Pitcher Partners, initially commenced its contract in July 2013 for an initial three-year period which was extended for a further three years until July 2019. After a re-tender process, Pitcher Partners were again successful securing the contract for a further three year period from 1 July 2019 until 30 June 2022. The Internal Audit Strategic Plan, which is reviewed by Internal Audit and management, is adopted annually by the Audit and Risk Committee. The Internal Audit program that the Audit and Risk Committee oversees is in place to help Council and management achieve sound control over all Council activities.

The Audit and Risk Committee formally reviews the performance of the Internal Auditor each year.

Before accepting each report submitted by the Internal Auditor, the Committee examines the recommendations made in each report and management's comments. These reviews give the Audit and Risk Committee and Council a level of assurance on the systems, processes and procedures employed by Council in the governance and control of its daily operations. To enable the Committee to closely monitor the implementation of management's agreed actions to address the recommendations contained in the Internal Auditor's reports, a progress report from management is provided at (or before) each meeting.

During 2020/21, the following reviews were reported on:

- ▶ safety incident management
- ▶ business continuity planning and disaster recovery
- ▶ core financial controls
- ▶ fraud and corruption framework assessment
- ▶ post-migration security assessment
- ▶ volunteer management
- ▶ data analysis.

### External audit

Council's current External Auditor is the Victorian Auditor-General. The Auditor-General elected to contract this activity for 2020/21 to Crowe Australasia, who are responsible for providing a recommendation to the Auditor-General that the Annual Financial Statements of Council present fairly and in accordance with applicable Accounting Standards. It is normal practice for the External Auditor to review the Internal Audit program to better understand the internal control framework that exists at Council.

## National Competition Policy Compliance

A key objective of National Competition Policy (NCP) is the promotion of more efficient public resource allocation decisions by all levels of government. There were no issues raised by the community related to NCP in 2020/21.

## Local Laws

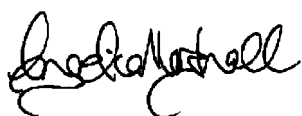
Council has one Local Law – the Community Local Law – which can be viewed at **[kingston.vic.gov.au/about-us/local-laws-and-health/local-laws](http://kingston.vic.gov.au/about-us/local-laws-and-health/local-laws)**.

# PERFORMANCE STATEMENT

For the Year Ended 30 June 2021

## Certification of the Performance Statement

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



Principal Accounting Officer  
**Angelica Marshall**

Dated: 1 September 2021

In our opinion, the accompanying performance statement of the Kingston City Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



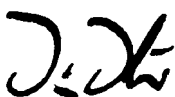
Mayor  
**Cr Steve Stakios**

Dated: 1 September 2021



Councillor  
**Cr Georgina Oxley**

Dated: 1 September 2021



**Tim Tamlin**  
Interim Chief Executive Officer

Dated: 1 September 2021

# INDEPENDENT AUDITOR'S REPORT



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Councillors of Kingston City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Kingston City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• description of municipality for the year ended 30 June 2021</li><li>• sustainable capacity indicators for the year ended 30 June 2021</li><li>• service performance indicators for the year ended 30 June 2021</li><li>• financial performance indicators for the year ended 30 June 2021</li><li>• other information and</li><li>• the certification of the performance statement.</li></ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000

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

# INDEPENDENT AUDITOR'S REPORT CONTINUED

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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.

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MELBOURNE  
17 September 2021



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

# PERFORMANCE STATEMENT CONTINUED

For the year ended 30 June 2021

The *Local Government Performance Reporting Framework* (LGPRF) was introduced in 2014/15. The primary objective of the LGPRF is to provide comprehensive performance information that meets the needs of stakeholders. This is an objective that seeks to balance the needs and expectations of a number of audiences.

In meeting this objective:

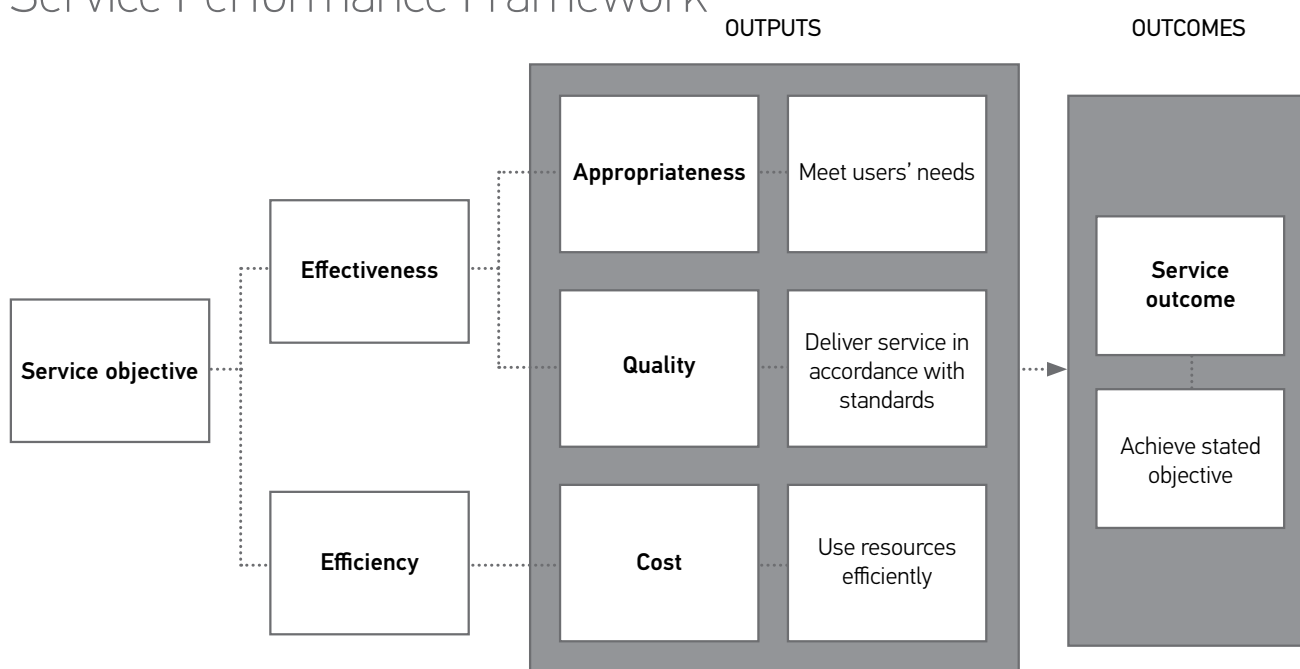
- ▶ councils will have information to support strategic decision making and continuous improvement
- ▶ communities will have information about council performance and productivity
- ▶ regulators will have information to monitor compliance with relevant reporting requirements
- ▶ state and Commonwealth governments will be better informed to make decisions that ensure an effective, efficient and sustainable system of local government.

To provide a comprehensive picture of council performance, four indicator sets covering service performance, financial performance, sustainable capacity and governance and management have been developed across three thematic areas: service performance, financial performance and sustainability.

The indicators cover the Council service areas of:

- ▶ aquatic facilities
- ▶ animal management
- ▶ food safety
- ▶ governance
- ▶ libraries
- ▶ maternal and child health
- ▶ roads
- ▶ statutory planning
- ▶ waste collection.

## Service Performance Framework



# PERFORMANCE STATEMENT CONTINUED

For the year ended 30 June 2021

## Dimensions of the Service Performance Indicator Framework

Dimension	Definition	Indicators/Measures
Appropriateness	Output indicators that measure the extent to which services <i>meet users' needs</i>	Participation rate Response time
Quality	Output indicators that measure the extent to which a service is delivered <i>in accordance with defined standards</i>	Resource standard Service standard
Cost	Output indicators that measure how <i>efficiently services use their resources</i> (inputs) to produce outputs	Average cost per unit (unit cost)
Service Outcome	Outcome indicators that measure how well <i>the outcomes of the service have achieved the stated objective</i>	Community satisfaction Health and safety

Other measures included in the framework have been developed to examine:

- ▶ Overall Financial Performance
- ▶ Sustainable Capacity
- ▶ Governance and Management.

## Other Information

For the year ended 30 June 2021

### Basis of preparation

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

Where applicable, the results in the Performance Statement have been prepared on an accounting basis 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 and the Community Satisfaction Survey).

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators, the forecast results as adopted in Council's Strategic Resource Plan which forms part of the Council Plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the Performance Statement. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. 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.

### Our City

The City of Kingston is located in the middle southern suburbs of Melbourne, approximately 20km south of the Melbourne CBD and covers an area of 91 square kilometres. Every suburb in Kingston offers something different, from diverse businesses, housing, shops and restaurants, to beaches, bushland, parks and playgrounds. Kingston is also home to over 115 parks and playgrounds, including the magnificent award-winning Bicentennial Park in Chelsea, Kingston Heath in Cheltenham and the UFO Park at Grange Reserve in Clayton South.

Kingston is one of the state's main employment centres, having one of the largest and most concentrated industrial sectors in Victoria. There are over 17,343 businesses with over 97,176 people employed throughout the City of Kingston.

Community and business networks play an important role in linking and supporting local businesses. Almost 30% of the community work locally and are able to enjoy shorter travel times and an improved work-life balance.

Kingston's shopping amenities range from local neighbourhood shops and friendly village strips, to Southland Shopping Centre, DFO Moorabbin and major activity centres in Moorabbin, Cheltenham, Mentone, Mordialloc and Chelsea.

## Other Information (continued)

For the year ended 30 June 2021

### Our suburbs

Kingston's suburbs include Aspendale, Aspendale Gardens, Bonbeach, Braeside, Carrum, Chelsea, Chelsea Heights, Cheltenham, Clarinda, Clayton South, Dingley Village, Edithvale, Heatherton, Highett, Mentone, Moorabbin, Moorabbin Airport, Mordialloc, Oakleigh South, Parkdale, Patterson Lakes and Waterways.

### Population

Kingston is a diverse community with a current estimate resident population in excess of 167,000 spanning a wide range of ages, household types and cultures. Our community is constantly growing; by 2036 Kingston's population is expected to reach 190,890, making up an anticipated 79,632 dwellings.

Consistent with national trends, Kingston's oldest residents comprise the fastest growing population group in the municipality. Future planning will explore how services will cope with the greater demand caused by this increase.

Kingston is a culturally diverse city with residents from over 150 nationalities who speak over 132 languages. About 31% of Kingston's population was born overseas, with 26% from non-English speaking backgrounds, including Vietnamese, Indian, Sri Lankan, Greek, Italian and Chinese.

For the purpose of this report, we are using a population of 167,293 as at 30 June 2021.

### COVID-19 Pandemic

Throughout 2020-21, the City of Kingston continued to be impacted by the COVID-19 pandemic with continued restrictions and extended closures to libraries and swimming pools, in addition to other Council services throughout much of the year.

This continued to have an impact on Council's revenue, through loss of fees and charges, as well as through the continuation of Council's community and business support package which offered waiving of unpaid rates interest, and refunding of health registrations and footpath trading fees. Rents for sporting clubs and community groups were also waived.

The pandemic also impacted Council's expenditure, through additional cleaning and personal protective equipment costs, in addition to Kingston's JobKeeper initiative for council staff.

Council's significant community and business support package was maintained in 2020-21, with a \$118 waste rebate for residents with a primary waste service, a \$112 rebate for pensioners, as well as additional \$112 JobKeeper/JobSeeker rate rebates for residents and businesses receiving those benefits from the federal government. During 2020-21, there was no interest charged on overdue rates, with rate deferrals until 30 June 2021 offered upon application under Council's hardship policy.

A copy of the Council Plan including the Strategic Resource Plan can be obtained from [kingston.vic.gov.au](http://kingston.vic.gov.au).

## Sustainable Capacity Indicators

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations and Comments
<b>Population</b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,132.57	\$1,146.86	\$1,250.51	\$1,249.04	This result is consistent with budget expectations, and is forecast to increase slightly in future years, as service delivery returns to pre-pandemic levels.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$4,961.23	\$5,567.22	\$6,170.08	\$6,467.16	The result is consistent with budget expectations and has risen from the previous year due to Council's increased investment in its strong capital works program and the effect of the revaluation of infrastructure assets.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	261.75	264.72	268.53	277.16	The result demonstrates a gradual increase in population density, as Kingston's population increases, when compared to an already established road network.



# Sustainable Capacity Indicators (continued)

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations and Comments
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,062.00	\$1,080.61	\$1,066.44	\$1,008.54	The result has decreased due to Council's reduction in own source revenue because of the COVID-19 pandemic.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$209.65	\$230.91	\$234.67	\$261.69	The result is in line with expectations and reflects a continued strong level of operating grants being received by Council, particularly in aged care and child care.
<b>Disadvantage</b>					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	9	9	9	9	The result reflects a relatively low level of socio-economic disadvantage within Kingston's diverse communities.
<b>Workforce turnover</b>					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	13.56%	13.71%	9.70%	9.96%	The result is consistent with the previous year.

Note that definitions are at the end of this document.

# Service Performance Indicators

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations and Comments
<b>Aquatic Facilities</b>					
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	5.49	5.47	3.92	1.73	As a result of the Victorian Government's COVID-19 restrictions, Kingston saw a significant reduction in the utilisation of Waves Leisure Centre during 2020/21. The multiple lockdowns resulted in Waves being closed to the public for approximately five full months. When the centre was able to reopen to the public, it was at significantly reduced capacity, in-line with COVID-19 restrictions. The number of facilities has reduced from two to one, with the permanent closure of Don Tatnell in late January 2020, which also impacted the year-on-year results.



# Service Performance Indicators (continued)

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations and Comments
<b>Animal Management</b>					
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	100.00%	100.00%	Council officers continue to proactively resolve animal-related issues directly with those involved, where possible.
<b>Food Safety</b>					
<b>Health and safety</b>					
<i>Critical and major non-compliance outcome notifications</i> [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] x 100	98.96%	100.00%	98.60%	100.00%	During the 2020 calendar year, a number of premises were closed for part or most of the year due to COVID-19 restrictions. Assessments and inspections were conducted at all premises that were open and operating. Environmental Health Officers ensured that any high risk issues identified during an assessment were attended to immediately, and action taken to remove or reduce the risk.
<b>Governance</b>					
<b>Satisfaction</b>					
<i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	53.00	56.00	55.00	65.00	This rating is sourced from the annual Local Government Community Satisfaction Survey conducted by an independent research company. Council continues to explore ways to improve community consultation and assist the community to understand the reasons for decisions.
<b>Libraries</b>					
<b>Participation</b>					
<i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x 100	17.16%	16.61%	16.05%	14.27%	Due to the COVID-19 pandemic and Council's response to the Victorian Government's restrictions, the number of active members is lower than in previous years due to closure of libraries during lockdowns.

# Service Performance Indicators (continued)

For the year ended 30 June 2021

Indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations and Comments
<b>Maternal and Child Health (MCH)</b>					
<b>Participation</b>					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	77.56%	73.97%	76.74%	74.31%	Some families chose not to attend the MCH service during the COVID-19 restrictions in Victoria.
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	64.52%	63.72%	77.67%	84.85%	The Kingston MCH service has strong ties with local Aboriginal families.
<b>Roads</b>					
<b>Satisfaction</b>					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	69.00	69.00	65.00	67.00	This rating is sourced from the annual Local Government Community Satisfaction Survey conducted by an independent research company. Kingston's result is in line with other metropolitan councils.
<b>Statutory Planning</b>					
<b>Decision making</b>					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100	30.00%	41.18%	44.44%	47.37%	Only a small percentage (2.7%) of Council's planning decisions were referred to VCAT in 2020/21. A number of these were resolved at VCAT through consent or at mediation. Although these are still reflected as decisions 'not upheld', Council considers this a good outcome as agreement was reached by all parties through mediation.
<b>Waste Collection</b>					
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	50.85%	49.53%	52.83%	56.53%	The amount of kerbside waste diverted away from landfill has increased due to a drop in landfill tonnages and an increase in green waste tonnages as a result of Kingston's food waste recycling service.

Note that definitions are at the end of this document.

# Financial Performance Indicators

For the year ended 30 June 2021

Forecasts are based on the Strategic Resource Plan adopted by Council in June 2021 as part of the Adopted Budget.

Dimension/ indicator/ measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,470.70	\$2,496.74	\$2,764.16	\$2,753.62	\$2,892.31	\$2,919.48	\$2,944.34	\$2,959.27	With reduced services this year due to the COVID-19 pandemic, combined with an increase in property assessments, there was a decrease in expenditure compared to 2019/20. Council expects this indicator to increase in future years as services return to normal delivery.
Revenue level									
Average rate per property assessment [Total rate revenue (general rates and municipal charges) / Number of property assessments]	New in 2020	New in 2020	\$1,741.24	\$1,767.84	\$1,784.17	\$1,810.41	\$1,836.73	\$1,863.11	This indicator was new last year and shows only a slight increase this year. The forecast trend is for this indicator to remain around the same level with a slight increase each year. Kingston is compliant with the Victorian Government's Rate Cap each year.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x 100	361.25%	351.16%	260.46%	238.03%	214.86%	216.00%	230.38%	253.50%	This indicator has reduced due to an increase in current liabilities; specifically, a large increase in unearned income (grants received in advance). Council anticipates this indicator will continue to reduce as it utilises its cash holdings to fund its capital works program, and because grant income is often received in advance of the services or projects being delivered.

# Financial Performance Indicators (continued)

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
Liquidity (continued)									
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x 100	332.51%	326.63%	224.43%	195.50%	157.62%	152.43%	160.33%	176.80%	This indicator has reduced slightly due to an increase in current liabilities in trust funds and deposits. The unrestricted cash reduces for a short period of time in future years as Council utilises its cash reserves to fund its extensive capital works program.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x 100	9.75%	3.61%	1.43%	0.48%	0.00%	0.00%	0.00%	0.00%	The indicator is in line with budget expectations as Kingston has focused on reducing debt and is expecting to be debt free in 2021/22.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	4.64%	5.76%	2.17%	1.00%	0.38%	0.00%	0.00%	0.00%	The indicator is in line with budget expectations as Kingston has focused on reducing debt and is expecting to be debt free in 2021/22.

# Financial Performance Indicators (continued)

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
Obligations (continued)									
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x 100	6.00%	1.78%	6.77%	6.85%	5.32%	4.94%	4.60%	4.30%	This indicator has increased slightly this year due to the COVID-19 pandemic impacting revenue for some services; specifically, user fees and charges which are part of Council's own source revenue. This is expected to improve in future years where Council's own source revenue is expected not to be impacted by COVID-19.
Asset renewal and upgrade									
Asset renewal and upgrade expense compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100	New in 2020	New in 2020	158.49%	101.21%	202.02%	150.36%	128.58%	147.91%	This indicator was new last year and has decreased due to COVID-19 delaying the delivery of Council's capital works program, along with a corresponding increase in depreciation. This indicator is expected to increase in future years as Council delivers on budgeted capital works.
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x 100	15.52%	16.44%	6.78%	6.10%	3.21%	2.72%	3.04%	3.69%	The result has decreased in 2020/21 due to a decreased surplus result because of the COVID-19 pandemic impacting revenue for some services, in addition to Council's COVID-19 business and community support financial initiatives (e.g. the waste rebate, and the additional JobKeeper and JobSeeker rebates given to our community). Increases in depreciation and a higher than expected loss on disposal of assets have also contributed to a lower result. The forecast trend going forward is that the surplus position will still be a positive result.

# Financial Performance Indicators (continued)

For the year ended 30 June 2021

Dimension/ indicator/ measure	Results 2018	Results 2019	Results 2020	Results 2021	Forecasts				Material Variations and Comments
					2022	2023	2024	2025	
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue  [Rate revenue / Adjusted underlying revenue] x 100	62.16%	63.23%	65.25%	64.32%	67.71%	68.55%	68.68%	68.82%	The indicator has decreased slightly this year due to the COVID-19 pandemic impacting revenue for some services. The forecast trend is for this indicator to gradually increase.
Rates effort									
Rates compared to property values  [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.25%	0.21%	0.23%	0.22%	0.23%	0.24%	0.24%	0.24%	This indicator is consistent with the forecast. The forecast trend moving forward is for this indicator to gradually increase.

Note that definitions are at the end of this document.

# Retired Indicators

For the year ended 30 June 2021

Service/indicator/measure	Results 2018	Results 2019	Results 2020	Results 2021	Material Variations and Comments
<b>Animal Management</b>					
<b>Health and safety</b>					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	13.00	7.00	Retired in 2020	Retired in 2020	This measure was replaced by <i>Animal management prosecutions</i> from 1 July 2019.
<b>Efficiency</b>					
<b>Revenue level</b>					
<i>Average residential rate per property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,743.52	\$1,840.48	Retired in 2020	Retired in 2020	This measure was replaced by <i>Average rate per property assessment</i> from 1 July 2019.
<b>Obligations</b>					
<b>Asset renewal</b>					
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x 100	108.19%	117.11%	Retired in 2020	Retired in 2020	This measure was replaced by <i>Asset renewal and upgrade expense compared to depreciation</i> from 1 July 2019.

# Definitions

Aboriginal child	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
active library member	means a member of a library who has borrowed a book from the library
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
annual report	means an annual report prepared by a council under sections 131, 132 and 133 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
Australian Accounting Standards (AAS)	means the accounting standards published by the Australian Accounting Standards Board
class 1 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 1 food premises under section 19C of that Act
class 2 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 2 food premises under section 19C of that Act
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the AAS
current liabilities	has the same meaning as in the AAS
food premises	has the same meaning as in the <i>Food Act 1984</i>
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 <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
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



## Definitions (continued)

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

# ANNUAL FINANCIAL REPORT

For the Year Ended 30 June 2021

## Table of contents

### Financial Report

Certification of the Financial Statements	73
Victorian Auditor-General's Office Report	74

### Financial Statements

Comprehensive Income Statement	76
Balance Sheet	77
Statement of Changes in Equity	78
Statement of Cash Flows	79
Statement of Capital Works	80

### Notes to Financial Report

Overview	81	<b>Note 5: Our financial position</b>	97
<b>Note 1: Performance against budget</b>	83	5.1: Financial assets	97
1.1: Income and Expenditure	83	5.2: Non-financial assets	99
1.2: Capital Works	85	5.3: Payables	100
<b>Note 2: Analysis of Council results by program</b>	87	5.4: Interest bearing liabilities	101
<b>Note 3: Funding for the delivery of our services</b>	89	5.5: Provisions	102
3.1: Rates and charges	89	5.6: Financing arrangements	104
3.2: Statutory fees and fines	89	5.7: Commitments	104
3.3: User fees	90	5.8: Leases	105
3.4: Funding from other levels of government	91	<b>Note 6: Assets we manage</b>	108
3.5: Contributions	92	6.1: Non-current assets classified as held for sale	108
3.6: Net gain / (loss) on disposal of property, infrastructure, plant and equipment	93	6.2: Property, infrastructure plant and equipment	108
3.7: Other income	93	6.3: Investment property	114
<b>Note 4: The cost of delivering services</b>	94	<b>Note 7: People and relationships</b>	115
4.1: Employee costs	94	7.1: Council and key management remuneration	115
4.2: Materials and services	95	7.2: Related party disclosure	117
4.3: Depreciation	95	<b>Note 8: Managing uncertainties</b>	118
4.4: Amortisation – Intangible assets	95	8.1: Contingent assets and liabilities	118
4.5: Amortisation – Right of use assets	96	8.2: Change in accounting standards	119
4.6: Bad and doubtful debts	96	8.3: Financial instruments	120
4.7: Borrowing costs	96	8.4: Fair value measurement	121
4.8: Finance Costs – Leases	96	8.5: Events occurring after balance date	122
4.9: Other expenses	96	<b>Note 9: Other matters</b>	123
		9.1: Reserves	123
		9.2: Reconciliation of cash flows from operating activities to surplus	125
		9.3: Superannuation	125
		<b>Note 10: Change in accounting policy</b>	128

# ANNUAL FINANCIAL REPORT CONTINUED

For the Year Ended 30 June 2021

## Certification of the Financial Statements

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



**Angelica Marshall**  
Principal Accounting Officer

Dated: 1 September 2021  
Location: Mooroolbark VIC 3138

In our opinion, the accompanying financial report presents fairly the financial transactions of Kingston City Council for the year ended 30 June 2020 and the financial position of the Council as of that date.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the financial report to be misleading or inaccurate. We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



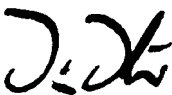
**Cr Steve Stakios**  
Mayor

Dated: 1 September 2021  
Location: Noble Park VIC 3174



**Cr Georgina Oxley**  
Councillor

Dated: 1 September 2021  
Location: Moorabbin VIC 3189



**Tim Tamlin**  
Interim Chief Executive Officer

Dated: 1 September 2021  
Location: Pakenham VIC 3810



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Councillors of Kingston City Council

<b>Opinion</b>	<p>I have audited the financial report of Kingston City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2021</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• statement of capital works for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

# VICTORIAN AUDITOR-GENERAL'S REPORT CONTINUED

**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 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 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 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.

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  
17 September 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

# Comprehensive Income Statement

For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Rates and charges	3.1	143,250	145,219
Statutory fees and fines	3.2	7,818	7,889
User fees	3.3	13,113	17,134
Grants – operating	3.4	44,458	38,086
Grants – capital	3.4	6,113	8,614
Contributions – monetary	3.5	8,538	6,678
Contributions – non-monetary	3.5	46	2,403
Other income	3.7	4,539	6,555
<b>Total income</b>		<b>227,875</b>	<b>232,578</b>
<b>Expenses</b>			
Employee costs	4.1	89,187	86,262
Materials and services	4.2	83,692	86,056
Depreciation	4.3	32,080	28,861
Amortisation – Intangible assets	4.4	286	303
Amortisation – Right of use assets	4.5	1,518	1,526
Bad and doubtful debts	4.6	8	78
Borrowing costs	4.7	42	97
Finance costs – leases	4.8	493	501
Other expenses	4.9	632	673
Net loss on disposal of property, infrastructure, plant and equipment	3.6	1,018	2,955
<b>Total expenses</b>		<b>208,956</b>	<b>207,312</b>
<b>Surplus for the year</b>		<b>18,919</b>	<b>25,266</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods:</b>			
Net asset revaluation increment/(decrement)	6.2, 9.1(a)	268,509	96,316
<b>Total comprehensive result</b>		<b>287,428</b>	<b>121,582</b>

The above comprehensive income statement should be read in conjunction with the accompanying notes.

# Balance Sheet

As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	7,792	23,346
Other financial assets	5.1	135,234	106,514
Trade and other receivables	5.1	16,927	13,780
Other assets	5.2	1,214	1,532
Non-current assets classified as held for sale	6.1	960	-
<b>Total current assets</b>		<b>162,127</b>	<b>145,172</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	6.2	2,785,571	2,502,965
Right-of-use assets	5.8	10,178	10,571
Investment property	6.3	3,900	3,750
Intangible assets	5.2	834	999
Other assets	5.2	250	-
<b>Total non-current assets</b>		<b>2,800,733</b>	<b>2,518,285</b>
<b>Total assets</b>		<b>2,962,860</b>	<b>2,663,457</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	16,377	18,590
Trust funds and deposits	5.3	9,864	4,772
Unearned income	5.3	16,977	8,442
Provisions	5.5	23,286	21,362
Interest bearing loans and borrowings	5.4	687	1,385
Lease liabilities	5.8	922	1,186
<b>Total current liabilities</b>		<b>68,113</b>	<b>55,737</b>
<b>Non-current liabilities</b>			
Provisions	5.5	1,929	1,707
Interest bearing loans and borrowings	5.4	-	687
Lease liabilities	5.8	9,634	9,570
<b>Total non-current liabilities</b>		<b>11,563</b>	<b>11,964</b>
<b>Total liabilities</b>		<b>79,676</b>	<b>67,701</b>
<b>Net assets</b>		<b>2,883,184</b>	<b>2,595,756</b>
<b>Equity</b>			
Accumulated surplus		1,458,509	1,441,379
Asset revaluation reserve	9.1	1,389,825	1,121,316
Other reserves	9.1	34,850	33,061
<b>Total equity</b>		<b>2,883,184</b>	<b>2,595,756</b>

The above balance sheet should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the Year Ended 30 June 2021

2021	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance as at 1 July 2020		<b>2,595,756</b>	<b>1,441,379</b>	<b>1,121,316</b>	<b>33,061</b>
Surplus for the year		18,919	18,919	-	-
Net asset revaluation increment	9.1	268,509	-	268,509	-
Transfers to other reserves	9.1	-	(10,233)	-	10,233
Transfer from other reserves	9.1	-	8,444	-	(8,444)
<b>Balance as at 30 June 2021</b>		<b>2,883,184</b>	<b>1,458,509</b>	<b>1,389,825</b>	<b>34,850</b>

2020	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance as at 1 July 2019		<b>2,479,646</b>	<b>1,418,060</b>	<b>1,025,000</b>	<b>36,586</b>
Impact of change in accounting policy – AASB 15 <i>Revenue from Contracts with Customers</i>		(4,500)	(4,500)	-	-
Impact of change in accounting policy – AASB 1058 <i>Income of Non-for-Profit Entities</i>		(972)	(972)	-	-
Adjusted balance as at 1 July 2019		<b>2,474,174</b>	<b>1,412,588</b>	<b>1,025,000</b>	<b>36,586</b>
Surplus for the year		25,266	25,266	-	-
Net asset revaluation increment	6.2 & 9.1	96,316	-	96,316	-
Transfers to other reserves	9.1	-	(8,473)	-	8,473
Transfer from other reserves	9.1	-	11,998	-	(11,998)
<b>Balance as at 30 June 2020</b>		<b>2,595,756</b>	<b>1,441,379</b>	<b>1,121,316</b>	<b>33,061</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.



# Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$' 000	2020 Inflows/ (Outflows) \$' 000
<b>Cash flows from operating activities</b>			
Rates and charges		141,929	140,998
Statutory fees and fines		7,818	7,889
User fees		12,183	17,245
Grants – operating		45,784	39,577
Grants – capital		12,614	7,614
Contributions – monetary		8,538	6,678
Interest received		757	2,509
Trust funds and deposits taken		6,563	2,237
Other receipts		747	819
Employee costs		(86,650)	(82,246)
Materials and services		(88,473)	(89,920)
Short-term, low value and variable lease payments		(354)	(322)
Trust funds and deposits repaid		(1,471)	(1,775)
<b>Net cash provided by operating activities</b>		<b>59,985</b>	<b>51,303</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(43,504)	(60,303)
Payments for intangibles	5.2(b)	(121)	(420)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	53	159
Payments for investments		(101,134)	(117,414)
Proceeds from sale of investments		72,414	146,946
<b>Net cash used in investing activities</b>		<b>(72,292)</b>	<b>(31,032)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(42)	(97)
Repayment of borrowings		(1,385)	(3,053)
Interest paid – lease liability		(493)	(501)
Repayment of lease liabilities		(1,327)	(1,341)
<b>Net cash provided by financing activities</b>		<b>(3,247)</b>	<b>(4,992)</b>
Net (decrease)/increase in cash and cash equivalents		(15,554)	15,279
Cash and cash equivalents at the beginning of the financial year		23,346	8,067
<b>Cash and cash equivalents at the end of the financial year</b>	<b>5.1</b>	<b>7,792</b>	<b>23,346</b>
Financing arrangements	5.6	5,123	5,119
Restrictions on cash assets	5.1	9,864	4,772

The above statement of cash flows should be read in conjunction with the accompanying notes.

# Statement of Capital Works

For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Property</b>		
Land	2,005	9,546
Land improvements	10,359	9,215
<b>Total land</b>	<b>12,364</b>	<b>18,761</b>
Buildings	20,169	25,549
<b>Total buildings</b>	<b>20,169</b>	<b>25,549</b>
<b>Total property</b>	<b>32,533</b>	<b>44,310</b>
<b>Plant and equipment</b>		
Plant, machinery and equipment	140	279
Fixtures, fittings and furniture	-	1,424
Computers and telecommunications	808	259
Library books	1,014	1,046
<b>Total plant and equipment</b>	<b>1,962</b>	<b>3,008</b>
<b>Infrastructure</b>		
Roads	3,097	9,247
Footpaths and cycleways	3,254	7,133
Drainage	3,993	1,928
Recreational, leisure and community facilities	-	-
Parks, open space and streetscapes	-	-
Off street car parks	337	-
Other infrastructure	101	24
<b>Total infrastructure</b>	<b>10,782</b>	<b>18,332</b>
<b>Total capital works expenditure</b>	<b>45,277</b>	<b>65,650</b>
<b>Represented by:</b>		
New asset expenditure	10,736	15,180
Asset renewal expenditure	22,097	29,032
Asset expansion expenditure	2,073	4,727
Asset upgrade expenditure	10,371	16,711
<b>Total capital works expenditure</b>	<b>45,277</b>	<b>65,650</b>

The above statement of capital works should be read in conjunction with the accompanying notes.

# Notes to the Financial Report

For the Year Ended 30 June 2021

## Overview

Kingston City Council was established by an Order of the Governor in Council on 15th December 1994 and is a body corporate. The Council's main office is located at 1230 Nepean Highway, Cheltenham Victoria.

## Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

## Significant accounting policies

### (a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of Australian Accounting Standards 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 6.2)
- ▶ the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- ▶ the determination of employee provisions (refer to Note 5.5)
- ▶ the determination of landfill 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 5.3)
- ▶ 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 judgement.

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.

## Overview (continued)

### (b) Impact of COVID-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as Coronavirus. A state of disaster was subsequently declared on 2 August 2020.

While the impacts of the pandemic have abated somewhat through the 2020-21 year, Council has noted the following impacts on its financial operations:

- ▶ Additional revenue:
  - (i) COVID-19 Kindergarten support (\$0.3 million)
  - (ii) Working for Victoria grants (\$1.4 million)
- ▶ Revenue reductions:
  - (i) Council reduced its waste income and implemented a \$118 waste rebate for all Kingston residents who received a residential waste charge. The cost to Council was \$7.4 million which was funded through deferral of capital works plus operational savings.
  - (ii) Council also introduced a JobKeeper and JobSeeker rebate equal to the Kingston pensioner rebate of \$112.20 for residents who were unemployed (on the government's JobSeeker program) and businesses who were receiving the government's JobKeeper payment.
  - (iii) Council also allowed ratepayers to defer payment of their rates until 30 June 2021 and did not charge interest on overdue rates during the year.
  - (iv) User fees were also impacted during the pandemic across the majority of Council's services. Particularly impacted were businesses forced to close or reduce capacity including Council's leisure centre, libraries and childcare.
- ▶ Revenue foregone:
  - (i) Council refunded all 2019/20 health license fees and footpath trading permits to customers.
  - (ii) Council have not charged any overdue fees or interest on rates for 2020/21.
  - (iii) No rents for community groups/sporting clubs for 12 months.
  - (iv) No winter season rents for sporting clubs.
- ▶ Additional costs:
  - (i) Kingston City Council introduced a JobKeeper initiative for staff; those who were not able to work were paid \$20 per hour of their substantive hours.

## NOTE 1: Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent and/or over \$2 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.

In response to the impact of COVID-19 on Council's revenue and expenditure, as well as to find savings to fund the waste rebate implemented to assist our community in response to their COVID-19 financial pressures, Council revised its Budget on 21 September 2020. For details of the revised budget information, please refer to the previous section – Significant Accounting Policies – part (b) Impact of COVID-19.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

### 1.1 Income and Expenditure

	Revised Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000	Variance %	Favourable (F)/ Unfavourable (U)	Ref
<b>Income</b>						
Rates and charges	143,189	143,250	61	0.04	F	
Statutory fees and fines	7,709	7,818	109	1.4	F	
User fees	14,931	13,113	(1,818)	(12.2)	U	1
Grants – Operating	39,116	44,458	5,342	13.7	F	2
Grants – Capital	8,462	6,113	(2,349)	(27.8)	U	3
Contributions – monetary	321	8,538	8,217	2,559.8	F	4
Contributions – non-monetary	-	46	46	100.00	F	5
Other income	2,750	4,539	1,789	65.1	F	6
<b>Total income</b>	<b>216,478</b>	<b>227,875</b>	<b>11,397</b>	<b>5.3</b>	<b>F</b>	
<b>Expenses</b>						
Employee costs	88,642	89,187	(545)	(0.6)	U	
Materials and services	86,189	83,692	2,497	2.9	F	7
Depreciation	25,535	32,080	(6,545)	(25.6)	U	8
Amortisation – Intangible assets	-	286	(286)	(100)	U	9
Amortisation – Right of use assets	965	1,518	(553)	(57.3)	U	10
Bad and doubtful debts	50	8	42	84.0	F	11
Borrowing costs	31	42	(11)	(35.5)	U	12
Finance costs – Leases	435	493	(58)	(13.3)	U	13
Other expenses	-	632	(632)	(100)	U	14
Net Loss on disposal of property, infrastructure, plant and equipment	-	1,018	(1,018)	(100)	U	15
<b>Total expenses</b>	<b>201,847</b>	<b>208,956</b>	<b>(7,109)</b>	<b>(3.5)</b>	<b>U</b>	
<b>Surplus (deficit) for the year</b>	<b>14,631</b>	<b>18,919</b>	<b>4,288</b>	<b>29.3</b>	<b>F</b>	

## NOTE 1: Performance against budget (continued)

### 1.1 Income and Expenditure (continued)

#### Explanation of material variances

Ref	Item	Explanation
1	<b>User Fees &amp; Charges</b>	User fees and charges are \$1.8 million unfavourable to budget predominately due to the forced closures caused by COVID-19. Arts and Cultural Services (\$0.2 million unfavourable), Family and Children's Services and Before/After School Care (\$1.4 million unfavourable) and Waves Leisure Centre (\$0.3 million unfavourable) were the most affected operational areas.
2	<b>Grants – Operating</b>	Operating grants are \$5.3 million favourable to budget. This includes an unbudgeted \$1.4 million received for Working for Victoria (COVID-19 support), \$0.3 million received for COVID-19 Kindergarten Support, an extra \$0.6 million received for Family, Youth and Children's services and \$2.3 million received in advance from the Victorian Grants Commission for 50% of the 2021/22 allocation.
3	<b>Grants – Capital</b>	Capital grants of \$6.1 million are \$2.3 million unfavourable to budget. Actual capital grants received during the financial year totalled \$14.3 million; however, a delay with some capital works due to COVID-19 restrictions plus a number of grants received in advance has resulted in \$8.1 million of capital grants being unspent as at 30th June and recorded as unearned income.
4	<b>Contributions – monetary</b>	Monetary contributions are favourable to budget by \$8.2 million which is predominately due to the unbudgeted receipt of \$7.0 million in stormwater and cash contributions from developers. These contributions are transferred to a reserve for use on open space and stormwater projects at a later date. Other monetary contributions include \$1.0 million in cash contributions towards capital projects, including \$0.7 million received for the Bay Trail stage 2 Beach Road Asphalt works.
5	<b>Contributions – non-monetary</b>	Non-monetary contributions includes Contributions for non-monetary assets and includes land at the rear of 8 and 10 Garfield Street Cheltenham now vested in Council and now the responsibility of Council to maintain.
6	<b>Other Income</b>	Other income is \$1.8 million favourable to budget. Other income includes \$2.9 million in unbudgeted found road and drainage assets. These are not newly constructed or purchased assets for the year; they represent asset additions due to improved accuracy of data since moving to the new asset management system. This is offset by a \$1.3 million unfavourable variance in interest received on investments due to much lower than expected interest rates during the year.
7	<b>Materials &amp; Services</b>	Materials and Services expenditure is \$2.5 million favourable to budget due to reduced expenditure needs from COVID-19 lockdowns and general cost savings, particularly in the areas of Civil Maintenance (\$0.7 million favourable), Strategic Planning (\$0.5 million favourable), Arts and Cultural services (\$0.2 million favourable), Waves Leisure Centre (\$0.2 million favourable), Digital Design and Events (\$0.3 million favourable), Before and After School Care (\$0.2 million favourable) and Business Applications (\$0.4 million favourable).
8	<b>Depreciation</b>	Depreciation is \$6.5 million unfavourable to budget. This is due to not enough expense being budgeted for in the original budget. Management will ensure the budget more accurately reflects actual expenditure in future budgets.
9	<b>Amortisation – intangible assets</b>	Amortisation of intangible assets includes \$0.3 million amortisation of purchased software. This is budgeted for under depreciation.
10	<b>Amortisation – right of use assets</b>	Amortisation for right of use assets is \$0.6 million unfavourable to budget. This is the first year right of use assets are budgeted and the budget represents an estimate based on an expected lower value of leased assets.
11	<b>Bad and doubtful debts</b>	Bad and doubtful debts are \$8k and \$42k favourable to budget represented by an increase in the provision for doubtful debts for 2020-21. No formal debt follow-up was able to occur during the financial year due to COVID-19 restrictions and Council have therefore not written off any debts until the usual debt recovery process is re-established.
12	<b>Borrowing costs</b>	Borrowing costs are \$11k unfavourable to budget. This is due to not enough expense being budgeted for in the original budget.
13	<b>Finance costs – leases</b>	Finance costs for leases are \$58k unfavourable to budget. This is the first year that finance costs for leases have been budgeted for and represent an estimate based on an expected lower value of leased assets.
14	<b>Other expenses</b>	Other expenditure of \$0.6 million includes \$0.4 million in Councillor Allowances and \$0.2 million for internal and external audit fees. This is budgeted for under 'materials and services'.
15	<b>Net loss on disposal of property, infrastructure, plant and equipment</b>	Net loss on sale of property, infrastructure, plant and equipment is predominately due to the demolition of 12 buildings which have been rebuilt or are currently being rebuilt by Council. Total written down value of these demolished buildings was \$1.1 million. This is not budgeted for, as the cost was unknown at the time the budget was produced.

## NOTE 1: Performance against budget (continued)

### 1.2 Capital Works

	Revised Budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000	Variance %	Favourable (F)/ Unfavourable (U)	Ref
<b>Property</b>						
Land	1,460	2,005	(545)	(37.3)	U	1
Land improvements	1,345	10,359	(9,014)	(670.2)	U	2
<b>Total land</b>	<b>2,805</b>	<b>12,364</b>	<b>(9,559)</b>	<b>(340.8)</b>	<b>U</b>	
Buildings	2,054	-	2,054	100.0	F	3
Building improvements	17,393	20,169	(2,776)	(16.0)	U	3
<b>Total buildings</b>	<b>19,447</b>	<b>20,169</b>	<b>(722)</b>	<b>(3.7)</b>	<b>U</b>	
<b>Total property</b>	<b>22,252</b>	<b>32,533</b>	<b>(10,281)</b>	<b>(46.2)</b>	<b>U</b>	
<b>Plant and equipment</b>						
Plant, machinery and equipment	370	140	230	62.2	F	4
Fixtures, fittings and furniture	3,458	-	3,458	100.0	F	5
Computers and telecommunications	1,181	808	373	31.6	F	6
Library books	1,099	1,014	85	7.7	F	
<b>Total plant and equipment</b>	<b>6,108</b>	<b>1,962</b>	<b>4,146</b>	<b>67.9</b>	<b>F</b>	
<b>Infrastructure</b>						
Roads	6,403	3,097	3,306	51.6	F	7
Bridges	100	101	(1)	(1)	U	
Footpaths and cycleways	3,478	3,254	224	6.4	F	
Drainage	6,259	3,993	2,266	36.2	F	8
Recreational, leisure and community facilities	12,530	-	12,530	100.0	F	9
Parks, open space and streetscapes	6,717	-	6,717	100.0	F	10
Off street car parks	1,210	337	873	72.1	F	11
Other infrastructure	323	-	323	100.0	F	12
<b>Total infrastructure</b>	<b>37,020</b>	<b>10,782</b>	<b>26,238</b>	<b>70.9</b>	<b>F</b>	
<b>Total capital works expenditure</b>	<b>65,380</b>	<b>45,277</b>	<b>20,103</b>	<b>30.7</b>	<b>F</b>	
<b>Represented by:</b>						
New asset expenditure	12,742	10,736	2,006	15.7	F	
Asset renewal expenditure	32,447	22,097	10,350	31.9	F	
Asset expansion expenditure	2,406	2,073	333	13.8	F	
Asset upgrade expenditure	16,844	10,371	6,473	38.4	F	
Non Asset	941	-	941	100.0	F	
<b>Total capital works expenditure</b>	<b>65,380</b>	<b>45,277</b>	<b>20,103</b>	<b>30.7</b>	<b>F</b>	

## NOTE 1: Performance against budget (continued)

### 1.2 Capital Works (continued)

#### Explanation of material variances

Ref	Item	Explanation
1	Land	Land purchases of \$2.0 million includes the unbudgeted purchase of land at 51 Tootal Rd Dingley to allow the construction of a shared path. The budget of \$1.5 million is for Mentone precinct open space. Actual expenditure for this project was \$2.0 million and is included under land improvements.
2	Land improvements	Land improvements are \$9.0 million unfavourable to budget. The budget includes \$1.3 million for landfill remediation which does not meet the criteria for capitalisation and is therefore expensed to the income statement. Actual land improvements of \$8.4 million includes the following major projects: \$2.0 million for Mentone precinct open space, \$0.8 million for Longbeach Trail rehabilitation, \$0.7 million for Ben Kavanagh Reserve Masterplan, \$0.9 million for Elder Street South Reserve development, \$0.7 million for Ben Kavanagh netball facilities, \$1.3 million for sports ground lighting, \$0.5 million for Kingston Heath Reserve pitch development, \$0.6 million for Cheltenham forecourt works, \$0.2 million for playground improvements and \$0.2 million for watering system improvements. These projects are budgeted for under parks, open space and streetscapes.
3	Buildings & building improvements	The capital budget for buildings of \$2.1 million includes the new pavilion at Aspendale Gardens Sports Ground. Expenditure was \$2.3 million in 2020/21 which is classified as building improvements as it is not a newly acquired asset. Building improvements of \$20.2 million includes major upgrade and renovations of Council buildings including: Dales Park Pavilion in Oakleigh South (\$4.7 million), Parkdale Yacht Club \$3.0 million, Roy Dore Pavilion in Carrum (\$6.6 million), Scout Halls (\$1.3 million), Chadwick Pavilion Dingley (\$0.8 million) and Aspendale Gardens Sports Ground Pavilion (\$2.3 million).
4	Plant, machinery and equipment	Of the \$0.4 million budgeted for plant, machinery and equipment replacement in 2020/21, \$0.1 million was spent. Actual expenditure includes large items of plant for the Parks department.
5	Fixtures, fittings and furniture	The budget for capital expenditure on fixtures, fittings and furniture includes \$0.3 million for Waves Leisure Centre cardio equipment which was not spent in 2020/21 due to COVID-19 forced closures. Also included was \$1.7 million for the refurbishment and fit-out of 1230 Nepean Highway offices in Cheltenham. \$0.3 million of this budget was spent and capitalised under building improvements. \$0.6 million was also budgeted for the Chelsea Sailing Club renewal and lift and \$0.3 million of this was spent and capitalised under building improvements.
6	Computers and telecommunications	Capital expenditure on computers and telecommunications was \$0.8 million for the 2020/21 financial year and is \$0.4 million favourable to budget. The budget includes \$0.3 million for the cloud transition which was capitalised as software. During COVID-19 restrictions, IT resources were focussed on setting up and supporting remote systems for staff so there has been a delay in some projects.
7	Roads	Capital expenditure on roads was \$3.3 million favourable to budget. The budget includes all expenditure on the road infrastructure renewal program which was \$1.0 million under-spent in 2020/21. Of the \$4.6 million spent, \$2.3 million met the criteria for capitalisation and the rest was expensed to the income statement.
8	Drainage	Drainage capital expenditure was \$2.3 million favourable to budget. The budget includes major drainage work at Chadwick Reserve (\$0.4 million) and Peace Road Clayton South (\$0.4 million) which were projects deferred to 2021/22. The remainder of the drainage capital expenditure included a large number of small projects that did not meet the criteria for capitalisation and were therefore expensed to the income statement.
9	Recreational, leisure and community facilities	Recreational, leisure and community facility actual expenditure is categorised as either land improvements (sports ground improvements) or building improvements.
10	Parks, open space and streetscapes	The capital budget for parks, open space and streetscapes includes \$1.0 million for Horscroft Place Park Moorabbin, \$0.4 million for Parkdale local shopping centre enhancement, \$0.7 million for Elder Street South Reserve development, \$0.4 million for Foreshore renewal, \$0.5 million for parks renewal, \$0.6 million for playground improvements, \$0.4 million for parks asset renewal, \$0.4 million for reserve fencing and upgrades, \$0.6 million for Cheltenham forecourt works, \$0.4 million for Active Youth Spaces strategy, \$0.2 million for irrigation plus other minor projects that do not meet the criteria for capitalisation and is therefore expensed to the income statement. Actual expenditure is recorded under land improvements.
11	Off street car parks	Capital expenditure on off street car parks includes \$0.1 million for Bonbeach Reserve gravel Carpark, \$0.1 million for Parkdale Bowls Club car park and \$0.1 million for Parkdale Yacht Club car park which is not yet complete. A further \$0.7 million was budgeted in 2020/21 for Parkdale Yacht Club but due to delays with construction this will not be spent until 2021/22.
12	Other infrastructure	The budget for other infrastructure includes \$0.2 million for Patterson Lakes inner harbour public jetty which has not yet commenced, plus \$0.1 million for street light replacement which doesn't meet the criteria for capitalisation and is therefore expensed to the income statement.



## NOTE 2: Analysis of Council results by program

### Planning and Development Division

Planning and Development comprises 4 departments. The *City Strategy* Department is responsible for developing, managing and guiding Council's strategic land use planning and policy functions across a broad range of social, economic and environmental issues. The *City Development* Department is responsible for providing an integrated development service to meet the needs of residents, ratepayers, the development industry, and internal clients, including the decisions in relation to subdivisions. *City Economy and Innovation* is responsible for supporting and assisting Kingston's 10,000+ strong business community, including manufacturers, retailers, business and personal service providers and home-based businesses. The *Compliance and Amenity* Department works with the community to provide a safer and more liveable municipality through compliance and awareness. Responsibilities include the education and enforcement of local laws, parking, animal management for over 22,000 registered animals, providing 75 schools with crossing supervisors, and reducing pollution and fire risks.

### City Assets and Environment Division

The City Assets and Environment division comprises 5 departments. The *Property and Arts* Department manages Council's property portfolio and arts facilities. Property functions include commercial and community leases, acquisitions, disposals, title management, lease register, the provision of valuations for open spaces, pre-sale and purchase activities, land and buildings asset insurance and management of the Arts Program. The *Parks* Department manages, maintains and develops Council's Public Places, including the 13 kilometres of Kingston's foreshore, parks, reserves and gardens, sports grounds, shopping centres and streetscapes. The *Infrastructure* Department is responsible for all civil infrastructures. This includes the asset management, condition assessment and planning for the upgrading and renewal of road, footpath, drainage, bridges and other infrastructure. The *Traffic and Transport* Department has a strong focus on the strategic response to major transport infrastructure projects, including grade separations, activity centre planning and active transport provision. The *Active Kingston* Department encourages community participation in sport and leisure activities to increase physical and mental health and wellbeing, including the operation of Council's leisure centre.

### Community Sustainability Division

Community Sustainability comprises 4 areas of responsibility. *Libraries and Social Development* are responsible for the provision of library and information services and Council community hubs to the Kingston community. The *Social Development* team works directly with the community to foster strong community networks by supporting the work of a diverse range of community organisations to identify and address the needs of vulnerable community members. The *AccessCare* department's purpose is to encourage and support a connected community with enhanced health, wellbeing and independence of individuals, groups and communities. *Family, Youth and Children's Services* is responsible for the planning and delivery of community-based support services within the municipality, including Long Day Care, Maternal Child Health and immunisation programs. The purpose of the *Community Buildings* service is to facilitate the provision of 'fit for purpose' community buildings and facilities that support the delivery of services to the Kingston community.

### Corporate Services Division

Corporate Services comprises 6 departments. The *Finance and Corporate Performance* team is responsible for the reporting and management of Council's finance and corporate performance and ensuring Council's compliance with statutory financial and reporting obligations, accounts receivable, accounts payable, payroll and banking functions as well as the management and maintenance of Council's property and rating database along with the overseeing of the general revaluation. The role of *Information Services and Strategy* is to provide information systems and services that ensure the quality, security and accessibility of data and information to Council. The objective of the *Procurement and Contracts* Department is to drive excellence in procurement and contracting. The department is responsible for providing information and specialist advice to the organisation on procurement and contracts, overseeing tendering and contract compliance, reporting organisational activity and driving best value outcomes from procurement. *People Support* is responsible for all employment related issues, including policy development and provision of advice and support on workplace relations issues; training and professional development; performance management; risk management; occupational health and safety; and injury management and rehabilitation for the organisation.

The role of the *Governance* Department is to support the function of democratic local government through the Council and Councillors by promoting and assisting effective decision making and the implementation of those decisions. The *Communications and Community Relations* Department provides the Kingston community with timely, relevant and accurate information and service through creative communication, multiple contact and service channels, engagement opportunities as well as delivery of family-friendly festivals and events.

### Central Executive Services

The Central Executive Services division includes Council's Executive Services and Central departments. Council's Central department includes expenditure of depreciation, non-capital expenditure from the capital works program plus all income for Council's rates, asset contributions and developer contributions.

## NOTE 2: Analysis of Council results by program (continued)

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

2021	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
Planning and Development	8,057	15,032	(6,975)	530	518
City Assets and Environment	7,764	54,275	(46,511)	744	1,538,592
Community Sustainability	43,786	64,830	(21,044)	37,038	1,250,133
Corporate Services	1,612	24,739	(23,127)	1,402	173,618
Central Executive Services	166,656	50,080	116,576	10,857	-
	<b>227,875</b>	<b>208,956</b>	<b>18,919</b>	<b>50,571</b>	<b>2,962,861</b>

2020	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
Planning and Development	8,329	16,800	(8,471)	512	290
City Assets and Environment	11,650	55,808	(44,158)	670	1,349,088
Community Sustainability	39,297	62,232	(22,935)	32,404	1,158,377
Corporate Services	675	22,897	(22,222)	8	155,702
Central Executive Services	172,627	49,575	123,052	13,106	-
	<b>232,578</b>	<b>207,312</b>	<b>25,266</b>	<b>46,700</b>	<b>2,663,457</b>

## NOTE 3: Funding for the delivery of our services

### 3.1 Rates and charges

Council uses the Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. CIV approximates the market value of land and improvements.

The valuation base used to calculate general rates for 2020/21 was \$65.9 billion (2019/20 \$62.0 billion). The 2020/21 declared general rate in the dollar was \$0.0019176 (2019/20 \$0.0019763).

A Municipal charge is levied at the rate of \$100 (2019/20 \$100) per rateable property and a waste service fee (choices A to F) is levied at the rate of \$186 to \$296 (2019/20 \$164 to \$261) per rateable property.

In 2020/21, a waste rebate of \$118 was implemented for residents with a residential waste charge A-P in response to the COVID-19 Pandemic.

	2021 \$'000	2020 \$'000
General rates	125,127	120,988
Municipal charge	7,557	7,468
Waste service fee	8,991	14,294
Special rates and charges	108	120
Supplementary rates	1,467	2,137
Interest on rates and charges	-	212
<b>Total rates and charges</b>	<b>143,250</b>	<b>145,219</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020 and the valuation was first applied in the rating year commencing 1 July 2020.

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

### 3.2 Statutory fees and fines

	2021 \$'000	2020 \$'000
Infringements and costs	1,511	1,307
Parking infringements	1,872	2,462
Permits	671	728
Town planning fees	3,020	2,606
Family day care and school age care	384	428
Land information certificates	158	157
Other	202	201
<b>Total Statutory fees and fines</b>	<b>7,818</b>	<b>7,889</b>

Statutory fees and fines (including parking fees and 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.

## NOTE 3: Funding for the delivery of our services (continued)

### 3.3 User fees

	2021 \$'000	2020 \$'000
Aged and health services	2,559	2,239
Building services	1,081	1,059
Family and children	3,634	3,983
Leisure centre and recreation	2,370	5,470
Registration and other permits	311	684
Waste management services	264	209
Rental income	2,858	3,166
Other	36	324
<b>Total user fees</b>	<b>13,113</b>	<b>17,134</b>

User fees by timing of revenue recognition		
User fees recognised over time	8,061	8,858
User fees recognised at a point in time	5,052	8,276
<b>Total user fees</b>	<b>13,113</b>	<b>17,134</b>

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

## NOTE 3: Funding for the delivery of our services (continued)

### 3.4 Funding from other levels of government

Grants were received in respect of the following:

	2021 \$'000	2020 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	35,059	31,790
State funded grants	15,512	14,910
<b>Total grants received</b>	<b>50,571</b>	<b>46,700</b>
<b>a) Operating grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Financial Assistance Grants (*see next page)	4,710	4,422
AccessCare	11,041	11,957
Home and community care	9,801	6,317
Family and children	8,583	8,072
Other	107	205
<b>Recurrent – State Government</b>		
AccessCare	2,625	2,238
Family and children	3,510	2,771
Libraries and education	1,443	1,404
Beach cleaning	201	190
School crossing supervisor program	435	-
Level crossing income	180	295
Other	325	215
<b>Total recurrent grants</b>	<b>42,961</b>	<b>38,086</b>
<b>Non-Recurrent – State Government</b>		
Working For Victoria	1,377	-
Local Government Business Concierge & Hospitality	120	-
<b>Total non-recurrent grants</b>	<b>1,497</b>	<b>-</b>
<b>Total operating grants</b>	<b>44,458</b>	<b>38,086</b>
<b>b) Capital grants</b>		
<b>Recurrent – Commonwealth Government</b>		
Roads to Recovery	818	818
<b>Total recurrent grants</b>	<b>818</b>	<b>818</b>
<b>Non-recurrent – State Government</b>		
Sporting facilities	1,837	4,871
Lifesaving clubs	2,100	1,150
Children's facilities	291	397
Civil infrastructure	838	121
Community facilities	-	1,138
Other	229	119
<b>Total non-recurrent grants</b>	<b>5,295</b>	<b>7,796</b>
<b>Total capital grants</b>	<b>6,113</b>	<b>8,614</b>
<b>Total Grants</b>	<b>50,571</b>	<b>46,700</b>

## NOTE 3: Funding for the delivery of our services (continued)

### 3.4 Funding from other levels of government (continued)

	2021 \$'000	2020 \$'000
<b>c) Unspent grants received on condition that they be spent in a specific manner</b>		
<b>Operating</b>		
Balance at start of year	6,852	-
Received during the financial year and remained unspent at balance date	7,156	6,852
Received in prior years and spent during the financial year	(5,830)	-
<b>Balance at year end <sup>(i)</sup></b>	<b>8,178</b>	<b>6,852</b>
<b>Capital</b>		
Balance at start of year	888	1,138
Received during the financial year and remained unspent at balance date	8,139	888
Received in prior years and spent during the financial year	(888)	(1,138)
<b>Balance at year end <sup>(i)</sup></b>	<b>8,139</b>	<b>888</b>

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

(i) Unspent grants are reported as unearned income in note 5.3(c). Unspent capital grants include \$2.4 million for the Local Road and Community Infrastructure program and \$4.3 million received for various sporting facility upgrade projects.

\* Victorian Grants Commission funding (previous page) includes \$2.4 million received in advance, being 50% of the 2021/22 payment. This also occurred in 2019/20 in that the first two instalments for 2020/21 (\$2.3 million) were received in June 2020.

### 3.5 Contributions

	2021 \$'000	2020 \$'000
Monetary	8,538	6,678
Non-monetary	46	2,403
<b>Total contributions</b>	<b>8,584</b>	<b>9,081</b>
Contributions of non-monetary assets were received in relation to the following asset classes:		
Land under roads	-	-
Buildings	-	83
Land	46	2,320
<b>Total non-monetary contributions</b>	<b>46</b>	<b>2,403</b>

Monetary and non-monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

Contributions for non-monetary assets includes property now vested in Council from other organisations which are now the responsibility of Council to maintain.

## NOTE 3: Funding for the delivery of our services (continued)

### 3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2021 \$'000	2020 \$'000
Proceeds from sale	53	159
Written down value of assets disposed	-	(42)
Written down value of assets demolished	(1,071)	(3,072)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,018)</b>	<b>(2,955)</b>

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

Proceeds from sale includes the sale of 6 vehicles and 7 items of machinery and plant.

The loss on disposal is due to the demolition of 12 buildings, as part of the construction of new or upgraded buildings.

### 3.7 Other income

	2021 \$'000	2020 \$'000
<b>Interest Income</b>		
Interest on cash and investments	757	2,509
	<b>757</b>	<b>2,509</b>
<b>Other Income</b>		
Found assets <sup>(i)</sup>	2,885	3,227
Fair value adjustment for investment property	150	-
Other	747	819
	<b>3,782</b>	<b>4,046</b>
<b>Total other income</b>	<b>4,539</b>	<b>6,555</b>

(i) Found assets in 2021 includes \$1.9 million of drainage, \$0.6 million of roads and \$0.4 million of footpaths. These are not newly constructed or purchased assets for the year, they represent asset additions due to improved accuracy of data since moving to the new asset management system.

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.

## NOTE 4: The cost of delivering services

### 4.1 Employee costs

	2021 \$'000	2020 \$'000
<b>(a) Employee costs</b>		
Wages and salaries	70,358	65,222
Casual staff	6,684	8,194
Fringe benefits tax and WorkCover	1,319	1,371
Superannuation	6,986	6,579
Annual Leave and Long Service Leave	3,840	4,896
<b>Total employee costs</b>	<b>89,187</b>	<b>86,262</b>
<b>(b) Superannuation</b>		
Council made cash contributions to the following funds:		
<b>Defined Benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	369	403
	<b>369</b>	<b>403</b>
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	5,053	4,893
Employer contributions – other funds	2,093	1,930
<b>Total contributions</b>	<b>7,146</b>	<b>6,823</b>
<b>Employer contributions payable at reporting date:</b>	<b>726</b>	<b>643</b>

Refer to Note 9.3 for further information relating to Council's superannuation obligations.



## NOTE 4: The cost of delivering services (continued)

### 4.2 Materials and services

	2021 \$'000	2020 \$'000
Road infrastructure maintenance	15,078	16,388
Building maintenance	3,668	4,190
Waste and cleansing	18,186	17,680
Aged services	11,878	10,117
Parks, gardens and reserves	11,634	11,099
Leisure and culture	3,718	5,185
Accommodation expense	447	933
Information systems and telecommunications	4,744	4,024
Family services	3,162	3,406
Community engagement	1,949	1,902
Parking, monitoring and enforcement <sup>(i)</sup>	1,092	3,038
Procurement and fleet management	1,727	1,771
Council business	1,036	585
People and culture	780	580
Finance and legal	2,549	2,526
Planning and building	826	1,379
Other	1,218	1,253
<b>Total materials and services</b>	<b>83,692</b>	<b>86,056</b>

(i) Contract expenditure for parking, monitoring and enforcement has decreased in 2021 due to Council taking over responsibility for parking enforcement on 1 July 2020, previously contracted to DCA/Tenix.

### 4.3 Depreciation

	2021 \$'000	2020 \$'000
Property	10,250	9,614
Infrastructure	17,857	15,411
Plant and equipment	3,973	3,836
<b>Total depreciation</b>	<b>32,080</b>	<b>28,861</b>

Refer to Note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

### 4.4 Amortisation – Intangible assets

	2021 \$'000	2020 \$'000
Software	286	303
<b>Total Amortisation – Intangible assets</b>	<b>286</b>	<b>303</b>

Refer to Note 5.2(b) for a more detailed breakdown of intangible amortisation charges and accounting policy.

## NOTE 4: The cost of delivering services (continued)

### 4.5 Amortisation – Right of use assets

	2021 \$'000	2020 \$'000
Property	151	222
Vehicles	619	559
Waste	669	665
Equipment	79	80
<b>Total Amortisation – Right of use assets</b>	<b>1,518</b>	<b>1,526</b>

Refer to Note 5.8 for a more detailed breakdown of lease amortisation charges and accounting policy.

### 4.6 Bad and doubtful debts

	2021 \$'000	2020 \$'000
Other debtors	8	78
<b>Total bad and doubtful debts</b>	<b>8</b>	<b>78</b>

#### Movement in provisions for doubtful debts

Balance at the beginning of the year	159	154
New provisions recognised during the year	166	5
Amounts already provided for and written off as uncollectable	-	-
Amounts provided for but recovered during the year	(159)	-
<b>Balance at end of year</b>	<b>166</b>	<b>159</b>

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward-looking information in determining the level of impairment.

### 4.7 Borrowing costs

	2021 \$'000	2020 \$'000
Interest – borrowings	42	97
<b>Total borrowing costs</b>	<b>42</b>	<b>97</b>

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

### 4.8 Finance Costs – Leases

	2021 \$'000	2020 \$'000
Interest – Lease Liabilities	493	501
<b>Total borrowing costs</b>	<b>493</b>	<b>501</b>

### 4.9 Other expenses

	2021 \$'000	2020 \$'000
Auditors' remuneration (VAGO) – audit of the financial statements, performance statement and grant acquittals	63	62
Auditors' remuneration – internal	149	219
Councillor Allowances	420	392
<b>Total other expenses</b>	<b>632</b>	<b>673</b>

## NOTE 5: Our financial position

### 5.1 Financial assets

	2021 \$'000	2020 \$'000
<b>a) Cash and cash equivalents</b>		
Cash on hand	12	11
Cash at bank	7,780	23,335
<b>Total cash and cash equivalents</b>	<b>7,792</b>	<b>23,346</b>

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

Trust fund and deposits (Note 5.3b)	9,864	4,772
<b>Total restricted funds</b>	<b>9,864</b>	<b>4,772</b>

<b>Total unrestricted cash and cash equivalents <sup>(i)</sup></b>	<b>(2,072)</b>	<b>18,574</b>
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(i) Unrestricted cash and cash equivalents have reduced significantly compared to 2020 predominately due to an amount of \$4.7 million still owing to the State Revenue Office for the Fire Services Property Levy collected, which increases Council's trust funds and deposits. Actual cash on hand and at bank has also reduced significantly due to Council holding more long-term deposits as at 30 June 2021. Council is confident that with the maturity of some longer term deposits set to occur early in 2021/22, it has the ability to pay any restricted funds when required.

<b>b) Other financial assets</b>		
Term deposits – current	135,234	106,514
Term deposits – non-current	-	-
<b>Total other financial assets</b>	<b>135,234</b>	<b>106,514</b>

<b>Total financial assets</b>	<b>135,234</b>	<b>106,514</b>
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#### Intended allocations

Although not externally restricted, the following amounts have been allocated for specific future purposes by Council. Refer to note 9.1 for a description of individual reserve amounts.

Asset replacement reserve	332	368
Asset development reserve	16,832	15,327
Aged care reserve	8,698	5,542
Foreshore	1,761	2,180
Green Wedge	3,803	7,114
Defined benefit call reserve	1,000	1,000
Stormwater Quality reserve	2,045	1,182
Other reserves	379	348
<b>Total funds subject to intended allocations</b>	<b>34,850</b>	<b>33,061</b>

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

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

## NOTE 5: Our financial position (continued)

### 5.1 Financial assets (continued)

	2021 \$'000	2020 \$'000
<b>c) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rate debtors	10,311	8,990
Net GST receivable	1,406	1,674
Infringement debtors	6,869	7,003
Provision for doubtful debts – infringements	(6,351)	(6,711)
	<b>12,235</b>	<b>10,956</b>
<i>Non statutory receivables</i>		
Other debtors	4,858	2,982
Provision for doubtful debts – other debtors	(166)	(159)
	<b>4,692</b>	<b>2,824</b>
<b>Total current trade and other receivables</b>	<b>16,927</b>	<b>13,780</b>
<b>Total trade and other receivables</b>	<b>16,927</b>	<b>13,780</b>

Short-term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long-term receivables are carried at amortised cost using the effective interest rate method.

	2021 \$'000	2020 \$'000
<b>(i) Ageing of receivables</b>		
The ageing of Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	2,330	860
Past due by up to 30 days	1,210	1,016
Past due between 31 and 180 days	576	474
Past due between 181 and 365 days	461	379
Past due by more than 1 year	115	95
<b>Total trade and other receivables</b>	<b>4,692</b>	<b>2,824</b>
<b>(ii) Ageing of individually impaired receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of \$166k (2020: \$159k) were impaired. The amount of the provision raised against these debtors was \$166k (2020: \$159k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements. The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	166	159
<b>Total trade and other receivables</b>	<b>166</b>	<b>159</b>

## NOTE 5: Our financial position (continued)

### 5.2 Non-financial assets

	2021 \$'000	2020 \$'000
<b>a) Other assets</b>		
<b>Current</b>		
Prepayments	1,110	715
Accrued income	104	817
<b>Total other assets – current</b>	<b>1,214</b>	<b>1,532</b>
<b>Non-Current</b>		
Refundable deposits paid	250	-
<b>Total other assets – current</b>	<b>250</b>	<b>-</b>
<b>Total other assets</b>	<b>1,464</b>	<b>1,532</b>
<b>b) Intangible assets</b>		
Software	834	777
Software – work in progress	-	222
<b>Total intangible assets</b>	<b>834</b>	<b>999</b>

	Software \$'000	Software – work in progress \$'000	Total \$'000
<b>Movement in gross carrying amount</b>			
<b>Gross carrying amount</b>			
Balance at 1 July 2020	6,143	222	6,365
Additions from internal developments	121	-	121
Transfers from work in progress to software	222	(222)	-
<b>Balance at 30 June 2021</b>	<b>6,486</b>	<b>-</b>	<b>6,486</b>
<b>Accumulated amortisation and impairment</b>			
Balance at 1 July 2020	5,366	-	5,366
Amortisation expense	286	-	286
<b>Balance at 30 June 2021</b>	<b>5,652</b>	<b>-</b>	<b>5,652</b>
<b>Net book value at 30 June 2020</b>	<b>777</b>	<b>222</b>	<b>999</b>
<b>Net book value at 30 June 2021</b>	<b>834</b>	<b>-</b>	<b>834</b>

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

#### Software

Purchased software is recognised as an intangible asset if it meets the recognition threshold of \$50,000. Purchased software is measured at cost less accumulated amortisation and impairment costs over a finite life not exceeding five years. The purchase price and any directly attributable costs of preparing the software for operation are included in the cost of the intangible asset. All expenditure below the threshold and ongoing maintenance and fees related to the software is expensed when incurred. Operating software integral to the operation of a personal computer is recorded as Property, Plant and Equipment.

## NOTE 5: Our financial position (continued)

### 5.3 Payables

	2021 \$'000	2020 \$'000
<b>a) Trade and other payables</b>		
Trade payables	3,800	5,107
Salary accruals	2,222	1,856
Other accruals	10,355	11,627
<b>Total trade and other payables</b>	<b>16,377</b>	<b>18,590</b>
<b>b) Trust funds and deposits</b>		
Refundable deposits	319	62
Fire services levy	4,733	783
Retention amounts	4,812	3,927
<b>Total trust funds and deposits</b>	<b>9,864</b>	<b>4,772</b>

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

#### *Purpose and nature of items*

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

**Fire Service 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.

**Retention amounts** – Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

	2021 \$'000	2020 \$'000
<b>c) Unearned Income</b>		
Grants received in advance – operating	8,178	6,852
Grants received in advance – capital	8,139	888
User fees received in advance	660	702
<b>Total unearned income</b>	<b>16,977</b>	<b>8,442</b>

## NOTE 5: Our financial position (continued)

### 5.4 Interest-bearing liabilities

	2021 \$'000	2020 \$'000
<b>Current</b>		
Borrowings – secured	687	1,385
	<b>687</b>	<b>1,385</b>
<b>Non-current</b>		
Borrowings – secured	-	687
	<b>-</b>	<b>687</b>
<b>Total interest bearing liabilities</b>	<b>687</b>	<b>2,072</b>

Loans/borrowings are secured over the general rates of Kingston City Council.

(a) The maturity profile for Council's loans is:		
Not later than one year	687	1,385
Later than one year and not later than five years	-	687
	<b>687</b>	<b>2,072</b>

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.

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.

## NOTE 5: Our financial position (continued)

### 5.5 Provisions

	Employee Leave \$'000	Landfill restoration \$'000	Parking Refunds \$'000	Personal Leave Bank <sup>(i)</sup> \$'000	Total \$'000
<b>2021</b>					
Balance at the beginning of the financial year	20,854	933	1,194	88	23,069
Additional provisions	7,440	-	-	55	7,495
Amounts used	(4,215)	(19)	(7)	(50)	(4,291)
Change in the discounted amount arising because of the time and the effect of any change in the discount rate	(1,058)	-	-	-	(1,058)
<b>Balance at the end of the financial year</b>	<b>23,021</b>	<b>914</b>	<b>1,187</b>	<b>93</b>	<b>25,215</b>

<b>2020</b>					
Balance at the beginning of the financial year	17,548	1,192	1,719	-	20,459
Additional provisions	6,939	-	-	154	7,093
Amounts used	(4,443)	(259)	(525)	(66)	(5,293)
Change in the discounted amount arising because of the time and the effect of any change in the discount rate	810	-	-	-	810
<b>Balance at the end of the financial year</b>	<b>20,854</b>	<b>933</b>	<b>1,194</b>	<b>88</b>	<b>23,069</b>

(i) *Personal Leave Bank: A new provision was created following a Council decision in 2020 to assist employees who have unforeseen extreme personal circumstances, including serious personal health issues and serious health issues for dependents where they are the primary carer.*

	2021 \$'000	2020 \$'000
<b>(a) Employee leave provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	5,973	5,694
Long service leave	963	964
	<b>6,936</b>	<b>6,658</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	2,805	1,317
Long service leave	11,351	11,172
	<b>14,156</b>	<b>12,489</b>
<b>Total current employee leave provisions</b>	<b>21,092</b>	<b>19,147</b>
<b>Other provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Landfill restoration	914	933
Personal leave bank	93	88
Parking refunds	1,187	1,194
	<b>2,194</b>	<b>2,215</b>
<b>Total current provisions</b>	<b>23,286</b>	<b>21,362</b>



## NOTE 5: Our financial position (continued)

### 5.5 Provisions (continued)

	2021 \$'000	2020 \$'000
<b>Non-current employee provisions</b>		
Long service leave	1,929	1,707
<b>Total non-current provisions</b>	<b>1,929</b>	<b>1,707</b>
Aggregate carrying amount of provisions:		
Current	23,286	21,362
Non-current	1,929	1,707
<b>Total aggregate carrying amount of provisions</b>	<b>25,215</b>	<b>23,069</b>

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

#### *Wages and salaries and annual leave*

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

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

#### *Long service leave*

Liability for Long Service Leave (LSL) is recognised in the provision for employee benefits.

LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment (7 years of service), is disclosed as a non-current liability. Our key assumptions use discount rates issued by the Department of Treasury and Finance for Long Service Leave.

#### *Key Assumptions:*

	2021	2020
- Discount rate	1.491%	0.872%
- Index rate	2.3%	2.3%

#### *Landfill restoration*

Council is obligated to restore landfill sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill.

#### *Key assumptions:*

The provision for landfill restoration has been calculated based on the undiscounted amount of the expected cost of works to be undertaken.

The expected cost of works has been estimated based on the current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

#### *Parking refunds*

Council has raised a provision to correct the consequences of an administrative process error that has occurred between 2006 and 2016 in processing of parking infringement reviews under the *Infringements Act 2006*. This provision will fund a reimbursement scheme for individuals who sought an internal review of a parking infringement issued under the *Infringements Act 2006* and were unsuccessful in having it overturned generally between 1 July 2006 and 26th December 2016. Analysis has identified that 21,851 infringements were impacted and the total value of the infringements issued that fall within this category was \$2 million. As at 30 June 2021, a total of \$1.2 million remains unclaimed.

#### *Personal leave bank*

Council has raised a new provision in 2020 to assist employees who have unforeseen extreme personal circumstances, including serious personal health issues and serious health issues for dependents where they are the primary carer. Employees in these circumstances (at the discretion of the CEO) can apply to access leave when their personal circumstances have resulted in them having no leave available. The provision is to be maintained at 2000 hours at the Band 6B rate of pay.

## NOTE 5: Our financial position (continued)

### 5.6 Financing arrangements

	2021 \$'000	2020 \$'000
Bank overdraft	5,000	5,000
Credit card facilities	150	150
Loans	687	2,072
<b>Total facilities</b>	<b>5,837</b>	<b>7,222</b>
Used facilities – credit cards	27	31
Used facilities – loans	687	2,072
<b>Total used facilities</b>	<b>714</b>	<b>2,103</b>
<b>Total unused facilities</b>	<b>5,123</b>	<b>5,119</b>

The municipality has an arrangement for offset of overdraft against bank balances including on-call accounts. As at balance date, the overdraft facility was unused. Bank Overdraft and Credit Card facilities are held with the Commonwealth Bank with security mortgage over rates revenue. Loans are held with the CBA.

### 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.

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2021</b>					
<b>Operating</b>					
- Infrastructure works	3,076	1,643	968	-	5,687
- Parks, gardens, reserves	6,742	6,159	8,093	-	20,994
- Waste and cleansing	11,617	8,537	19,671	13,664	53,489
- Community sustainability	1,475	1,373	-	-	2,848
- Corporate services	5,247	4,010	2,868	-	12,125
	<b>28,157</b>	<b>21,722</b>	<b>31,600</b>	<b>13,664</b>	<b>95,143</b>
<b>Capital</b>					
- Buildings <sup>(i)</sup>	26,243	-	-	-	26,243
- Transport <sup>(i)</sup>	2,654	-	-	-	2,654
	<b>28,897</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,897</b>
<b>Total</b>	<b>57,054</b>	<b>21,722</b>	<b>31,600</b>	<b>13,664</b>	<b>124,040</b>

(i) Major capital expenditure commitments as at 30 June 2021 include: Mentone Life Saving Club (\$11.7 million), Chelsea Yacht Club (\$1.2 million), Peter Scullin Reserve disability access (\$1.2 million), Chadwick Sports Pavilion (\$2.6 million) and Aspendale Gardens Sports Ground Pavilion (\$2.0 million).

## NOTE 5: Our financial position (continued)

### 5.7 Commitments (continued)

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2020</b>					
<b>Operating</b>					
- Infrastructure works	3,473	333	373	-	4,179
- Parks, gardens, reserves	5,422	1,703	139	-	7,264
- Waste and cleansing	10,755	6,073	18,219	19,737	54,784
- Community sustainability	3,584	768	473	-	4,825
- Corporate services	3,469	3,083	4,445	-	10,997
	<b>26,703</b>	<b>11,960</b>	<b>23,649</b>	<b>19,737</b>	<b>82,049</b>
<b>Capital</b>					
- Buildings	11,415	-	-	-	11,415
- Transport	6,699	-	-	-	6,699
	<b>18,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,114</b>
<b>Total</b>	<b>44,817</b>	<b>11,960</b>	<b>23,649</b>	<b>19,737</b>	<b>100,163</b>

### 5.8 Leases

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

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

## NOTE 5: Our financial position (continued)

### 5.8 Leases (continued)

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
- ▶ 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.

Right-of-Use Assets	Property \$'000	Vehicles \$'000	Waste \$'000	Equipment \$'000	Total \$'000
Balance as at 1 July 2020	992	1,071	8,427	81	10,571
Additions	23	908	-	-	931
Fair value adjustment	-	194	-	-	194
Amortisation charge	(151)	(619)	(669)	(79)	(1,518)
<b>Balance as at 30 June 2021</b>	<b>864</b>	<b>1,554</b>	<b>7,758</b>	<b>2</b>	<b>10,178</b>

Lease Liabilities	2021 \$'000	2020 \$'000
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	1,380	1,645
One to five years	4,071	3,751
More than five years	9,414	10,020
<b>Total undiscounted lease liabilities as at 30 June</b>	<b>14,865</b>	<b>15,416</b>
<b>Lease liabilities included in the Balance Sheet at 30 June:</b>		
Current	922	1,186
Non-current	9,634	9,570
<b>Total lease liabilities</b>	<b>10,556</b>	<b>10,756</b>

## NOTE 5: Our financial position (continued)

### 5.8 Leases (continued)

#### *Short-term and low value leases*

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of A\$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.

	2021 \$'000	2020 \$'000
<b>Expenses relating to:</b>		
Short-term leases	-	-
Leases of low value assets	81	293
<b>Total</b>	<b>81</b>	<b>293</b>
Variable lease payments (not included in measurement of lease liabilities)	-	293
<b>Non-cancellable lease commitments – Short-term and low-value leases</b>		
Commitments for minimum lease payments for short-term and low-value leases are payable as follows: Payable:		
Within one year	89	322
Later than one year but not later than five years	-	-
<b>Total lease commitments</b>	<b>89</b>	<b>322</b>

## NOTE 6: Assets we manage

### 6.1 Non-current assets classified as held for sale

	2021 \$'000	2020 \$'000
Cost of acquisition	960	-
<b>Total non-current assets classified as held for sale</b>	<b>960</b>	<b>-</b>

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Non-current assets classified as held for sale in 2021 include land and building at 6 Lochiel Avenue Edithvale.

### 6.2 Property, infrastructure, plant and equipment

#### Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020 \$'000	Acquisitions \$'000	Contributions & Found Assets \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2021 \$'000
Property	1,756,962	25,099	46	221,456	(10,250)	(1,071)	5,507	1,997,749
Plant and equipment	11,583	1,962	-	8	(3,973)	-	-	9,580
Infrastructure	725,877	10,678	2,885	47,045	(17,857)	-	1,115	769,743
Works in progress	8,543	7,538	-	-	-	-	(7,582)	8,499
	<b>2,502,965</b>	<b>45,277</b>	<b>2,931</b>	<b>268,509</b>	<b>(32,080)</b>	<b>(1,071)</b>	<b>(960)</b>	<b>2,785,571</b>

#### Summary of works in progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Closing WIP \$'000
Buildings	7,428	7,434	(6,467)	8,395
Plant and equipment	-	-	-	-
Infrastructure	1,115	104	(1,115)	104
	<b>8,543</b>	<b>7,538</b>	<b>(7,582)</b>	<b>8,499</b>

**NOTE 6: Assets we manage (continued)**

**6.2 Property, infrastructure, plant and equipment (continued)**

a) Property												
	Land under roads \$'000	Land – specialised \$'000	Land – non specialised \$'000	Land improvements \$'000	Total Land & improvements \$'000	Heritage buildings \$'000	Buildings – specialised \$'000	Building improvements \$'000	Leasehold improvements \$'000	Total buildings \$'000	Works in progress \$'000	Total property \$'000
At fair value 1 July 2020	608,655	570,213	250,757	61,266	1,490,891	36,204	471,803	12,435	1,867	522,309	7,428	2,020,628
Accumulated depreciation at 1 July 2020	-	-	-	(10,814)	(10,814)	(24,097)	(217,252)	(2,545)	(1,530)	(245,424)	-	(256,238)
<b>Movements in fair value</b>	<b>608,655</b>	<b>570,213</b>	<b>250,757</b>	<b>50,452</b>	<b>1,480,077</b>	<b>12,107</b>	<b>254,551</b>	<b>9,890</b>	<b>337</b>	<b>276,885</b>	<b>7,428</b>	<b>1,764,390</b>
Acquisition of assets at fair value	-	-	2,005	10,359	12,364	-	12,735	-	-	12,735	7,434	32,533
Contributed assets	-	-	46	-	46	-	-	-	-	-	-	46
Revaluation increments/decrements	91,298	85,532	37,217	-	214,047	1,447	13,405	-	-	14,852	-	228,899
Fair value of assets disposed	-	-	-	-	-	-	(6,565)	-	-	(6,565)	-	(6,565)
Transfers	-	-	(660)	-	(660)	-	5,860	-	-	5,860	(6,467)	(1,267)
<b>Movements in accumulated depreciation</b>	<b>91,298</b>	<b>85,532</b>	<b>38,608</b>	<b>10,359</b>	<b>225,797</b>	<b>1,447</b>	<b>25,435</b>	<b>-</b>	<b>-</b>	<b>26,882</b>	<b>967</b>	<b>253,646</b>
Depreciation and amortisation	-	-	-	(2,215)	(2,215)	(392)	(7,018)	(546)	(79)	(8,035)	-	(10,250)
Revaluation increments/decrements	-	-	-	-	-	786	(8,229)	-	-	(7,443)	-	(7,443)
Accumulated depreciation of disposals	-	-	-	-	-	-	5,494	-	-	5,494	-	5,494
Transfers	-	-	-	-	-	-	307	-	-	307	-	307
	-	-	-	(2,215)	(2,215)	394	(9,446)	(546)	(79)	(9,677)	-	(11,892)
At fair value 30 June 2021	699,953	655,745	289,365	71,625	1,716,688	37,651	497,238	12,435	1,867	549,191	8,395	2,274,274
Accumulated depreciation at 30 June 2021	-	-	-	(13,029)	(13,029)	(23,703)	(226,698)	(3,091)	(1,609)	(255,101)	-	(268,130)
	699,953	655,745	289,365	58,596	1,703,659	13,948	270,540	9,344	258	294,090	8,395	2,006,144

## NOTE 6: Assets we manage (continued)

### 6.2 Property, infrastructure, plant and equipment (continued)

	Heritage plant and equipment \$'000	Plant machinery and equip \$'000	Library books \$'000	Work in progress \$'000	Total plant and equipment \$'000
<b>b) Plant and Equipment</b>					
At fair value 1 July 2020	1,836	30,432	20,126	-	52,394
Accumulated depreciation at 1 July 2020	(558)	(22,768)	(17,485)	-	(40,811)
	<b>1,278</b>	<b>7,664</b>	<b>2,641</b>	<b>-</b>	<b>11,583</b>
<b>Movements in fair value</b>					
Acquisition of assets at fair value	-	948	1,014	-	1,962
Revaluation increments	19	-	-	-	19
Fair value of assets disposed	-	(383)	-	-	(383)
Transfers	-	-	-	-	-
	<b>19</b>	<b>565</b>	<b>1,014</b>	<b>-</b>	<b>1,598</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(18)	(2,835)	(1,120)	-	(3,973)
Revaluation increments	(11)	-	-	-	(11)
Accumulated depreciation of disposals	-	383	-	-	383
	<b>(29)</b>	<b>(2,452)</b>	<b>(1,120)</b>	<b>-</b>	<b>(3,601)</b>
At fair value 30 June 2021	1,855	30,997	21,140	-	53,992
Accumulated depreciation at 30 June 2021	(587)	(25,220)	(18,605)	-	(44,412)
	<b>1,268</b>	<b>5,777</b>	<b>2,535</b>	<b>-</b>	<b>9,580</b>



## NOTE 6: Assets we manage (continued)

### 6.2 Property, infrastructure, plant and equipment (continued)

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
<b>c) Infrastructure</b>							
At fair value 1 July 2020	752,460	10,593	125,684	413,323	13,468	1,115	1,316,643
Accumulated depreciation at 1 July 2020	(267,345)	(8,642)	(84,727)	(215,469)	(13,468)	-	(589,651)
	<b>485,115</b>	<b>1,951</b>	<b>40,957</b>	<b>197,854</b>	<b>-</b>	<b>1,115</b>	<b>726,992</b>
<b>Movements in fair value</b>							
Acquisition of assets at fair value	3,330	101	3,254	3,993	-	104	10,782
Found assets	918	-	1,060	4,022	-	-	6,000
Revaluation increments	56,756	-	5,669	24,530	-	-	86,955
Transfers	617	-	-	498	-	(1,115)	-
	<b>61,621</b>	<b>101</b>	<b>9,983</b>	<b>33,043</b>	<b>-</b>	<b>(1,011)</b>	<b>103,737</b>
<b>Movements in accumulated depreciation</b>							
Depreciation and amortisation	(11,415)	(106)	(2,140)	(4,196)	-	-	(17,857)
Revaluation increments	(23,181)	-	(3,819)	(12,910)	-	-	(39,910)
Found assets	(303)	-	(715)	(2,097)	-	-	(3,115)
	<b>(34,899)</b>	<b>(106)</b>	<b>(6,674)</b>	<b>(19,203)</b>	<b>-</b>	<b>-</b>	<b>(60,882)</b>
At fair value 30 June 2021	814,081	10,694	135,667	446,366	13,468	104	1,420,380
Accumulated depreciation at 30 June 2021	(302,244)	(8,748)	(91,401)	(234,672)	(13,468)	-	(650,533)
	<b>511,837</b>	<b>1,946</b>	<b>44,266</b>	<b>211,694</b>	<b>-</b>	<b>104</b>	<b>769,847</b>

#### 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 detailed previously in this note have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

## NOTE 6: Assets we manage (continued)

### 6.2 Property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods:

	Depreciation Period Years	Purchase/ Construction \$'000	Asset Improvement \$'000
<b>Property</b>			
Land	N/A	-	N/A
Land under roads	N/A	10	N/A
Land improvements	10-50	N/A	20
Buildings	20-150	-	20
Leasehold improvements	10	-	20
<b>Plant and equipment</b>			
Plant, machinery and equipment	3-10	5	N/A
Library books	5	-	N/A
<b>Other plant and equipment</b>			
Heritage plant and equipment	10-20	5	N/A
Fixtures, fittings and furniture	3-10	2	N/A
Computers and telecommunications	3-5	2	N/A
<b>Infrastructure</b>			
Roads	25-100	-	50
Bridges	100	-	50
Footpaths and cycleways	60	-	50
Drainage	100	-	25
<b>Other Infrastructure</b>			
Recreational, leisure and community facilities	20-150	-	20
Parks, open space and streetscapes	10-50	N/A	20
Off street car parks	25-100	-	50
Other	25-100	-	50

#### Land under roads

Council recognises land under roads it controls at fair value.

#### Depreciation and amortisation

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 below and are consistent with the prior year unless otherwise stated.

#### Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

#### Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

## NOTE 6: Assets we manage (continued)

### 6.2 Property, infrastructure, plant and equipment (continued)

#### *Valuation of land and buildings*

A full valuation of land and buildings was undertaken by a qualified independent valuer Opteon Solutions in June 2020. Another full valuation of land and buildings will be undertaken as at 30 June 2022.

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.

For 30 June 2021, land assets have been valued utilising an indexation method. Land assets have been assessed based on valuation movements on a municipal-wide basis by analysing sales of properties in the municipality that have transacted more than once in the past several years and considered the percentage difference in the sales prices. The market conditions have shown an increase in the value of properties, specifically within the last six months. Through analysing these sales, Opteon have determined an approximate percentage increase of 15% that has been applied to all land assets as at 30 June 2021.

In relation to building assets and improvements, most of Council's portfolio comprises assets that are rarely transacted in the market. For 30 June 2021, building assets have been assessed by Opteon using the Depreciated Replacement Cost approach, determined to be the most appropriate method to assess the Fair Value of the improvements and existing assets.

Specialised land (land under roads) was also valued by Opteon Solutions and is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interest 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 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 most recent valuation of land and buildings was on 30 June 2020. These values have been adjusted by a market movement percentage in 2021.

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 (refer note 8.4).

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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land under roads	-	-	699,953	June 2021
Land – specialised	-	-	655,745	June 2021
Land – non-specialised	13,113	276,252	-	June 2021
Land improvements	-	-	58,596	June 2021
Heritage buildings	-	-	13,948	June 2021
Buildings – specialised	-	-	270,540	June 2021
Building improvements	-	-	9,344	June 2021
Leasehold improvements	-	-	258	June 2021
<b>Total</b>	<b>13,113</b>	<b>276,252</b>	<b>1,708,384</b>	

#### *Valuation of infrastructure*

Valuation of infrastructure assets was performed by qualified engineers at Council.

The date of the current valuation is detailed in the following table. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

## NOTE 6: Assets we manage (continued)

### 6.2 Property, infrastructure, plant and equipment (continued)

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	511,837	June 2021
Bridges	-	-	1,946	June 2021
Footpaths and cycleways	-	-	44,266	June 2021
Drainage	-	-	211,694	June 2021
<b>Total</b>	<b>-</b>	<b>-</b>	<b>769,743</b>	

#### 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% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Current land values range from \$7.00 to \$6,762 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 are calculated on a square metre basis ranging from \$270 to \$37,745. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 150 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 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2021 \$'000	2020 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	699,953	608,655
Parks and reserves	655,745	570,213
<b>Total specialised land</b>	<b>1,355,698</b>	<b>1,178,868</b>

### 6.3 Investment property

	2021 \$'000	2020 \$'000
Balance at beginning of financial year	3,750	4,473
Revaluation of existing investment property	150	-
Transfers to property, infrastructure, plant and equipment	-	(723)
<b>Balance at the end of financial year</b>	<b>3,900</b>	<b>3,750</b>

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Investment Property consists of a building at Peter Scullin Reserve, Mordialloc that is leased by a third party to operate a commercial restaurant. Property at 42 Florence Street Mentone is no longer leased to a third party and therefore this property was transferred from investment property to property, infrastructure, plant and equipment during the previous financial year.

#### Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Opteon Solutions which has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property. The latest full valuation of investment property was at 30 June 2020 which has been adjusted using an index-based valuation percentage as at 30 June 2021. A full valuation will be undertaken as at 30 June 2022.

## NOTE 7: People and relationships

### 7.1 Council and key management remuneration

#### (a) Related Parties

Kingston Council is a stand-alone entity.

#### (b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are\*:

<b>Councillors</b>	Councillor G Oxley	(Mayor: 1 July 2020 – 24 October 2020) (Councillor: 18 November 2020 – 30 June 2021)
	Councillor S Staikos	(Councillor: 1 July 2020 – 24 October 2020) (Mayor: 18 November 2020 – 30 June 2021)
	Councillor T Barth	(1 July 2020 – 24 October 2020)
	Councillor R Brownlees OAM	(1 July 2020 – 24 October 2020)
	Councillor G Gledhill	(1 July 2020 – 24 October 2020)
	Councillor R A West OAM	(1 July 2020 – 24 October 2020)
	Councillor T Bearsley	(1 July 2020 – 24 October 2020, 18 November 2020 – 30 June 2021)
	Councillor D Eden	(1 July 2020 – 24 October 2020, 18 November 2020 – 30 June 2021)
	Councillor G Hua	(1 July 2020 – 24 October 2020, 18 November 2020 – 30 June 2021)
	Councillor T Davies	(18 November 2020 – 30 June 2021)
	Councillor J Davey-Burns	(18 November 2020 – 30 June 2021)
	Councillor C Hill	(18 November 2020 – 30 June 2021)
	Councillor H Saab	(18 November 2020 – 30 June 2021)
	Councillor T Cochrane	(18 November 2020 – 30 June 2021)
	Councillor C Howe	(18 November 2020 – 30 June 2021)
<b>CEO</b>	Ms Julie Reid	(01 July 2020 – 19 February 2021)
	Mr Paul Franklin (Acting)	(20 February 2020 – 28 March 2021)
	Mr Tim Tamlin (Interim)	(29 March 2021 – 30 June 2021)
<b>General Managers</b>	Mr Paul Franklin	(General Manager Corporate Services – until 30 April 2021)
	Mr Tony Ljaskevic	(General Manager Corporate Services from 10th May 2021)
	Mr Mauro Bolin	(General Manager Community Sustainability)
	Ms S Krull	(General Manager City Assets and Environment)
	Mr Jonathan Guttmann	(General Manager Planning and Development)

	2021 No.	2020 No.
Total Number of Councillors	15	9
Chief Executive Officer and other Key Management Personnel	7	8
<b>Total Key Management Personnel</b>	<b>22</b>	<b>17</b>

\* Council elections were held on 24th October 2020. The new Council were sworn in at a special Council meeting on 18th November 2020.

## NOTE 7: People and relationships (continued)

### 7.1 Council and key management remuneration (continued)

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

Total remuneration of key management personnel was as follows:

	2021 \$'000	2020 \$'000
Short-term benefits	1,797	1,714
Post-employment benefits (including super)	150	150
Termination benefits	-	219
<b>Total</b>	<b>1,947</b>	<b>2,083</b>

Total remuneration includes total salary package and superannuation but excludes accrued leave.

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

	2021 No.	2020 No.
\$10,000 – \$19,999	4	-
\$20,000 – \$29,999	6	1
\$30,000 – \$39,999	4	8
\$50,000 – \$59,999	1	-
\$80,000 – \$89,999	1	-
\$90,000 – \$99,999	1	1
\$110,000 – \$119,999	-	1
\$150,000 – \$159,999	-	1
\$230,000 – \$239,999	1	-
\$260,000 – \$269,999	-	1
\$270,000 – \$279,999	1	1
\$280,000 – \$289,999	1	2
\$290,000 – \$299,999	1	-
\$300,000 – \$309,999	1	-
\$310,000 – \$319,999	-	1
	<b>22</b>	<b>17</b>

## NOTE 7: People and relationships (continued)

### 7.1 Council and key management remuneration (continued)

#### (d) Senior officer remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

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

The number of Senior Officers are shown below in the relevant income bands.

	2021 No.	2020 No.
\$151,000 – \$159,999	–	1
\$160,000 – \$169,999	2	3
\$170,000 – \$179,999	3	5
\$180,000 – \$189,999	4	6
\$190,000 – \$199,999	5	4
\$200,000 – \$209,999	2	1
\$210,000 – \$219,999	2	–
	<b>18</b>	<b>20</b>

	\$'000	\$'000
<b>Total Remuneration for the reporting year of Senior Officers included above amounted to:</b>	<b>3,414</b>	<b>3,589</b>

### 7.2 Related party disclosure

#### (a) Transactions with related parties

During the period Council entered into no transactions with related parties.

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

No balances are outstanding at the end of the reporting period in relation to transactions with related parties.

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

No loans were made to/from related parties of Council during the financial year.

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

No commitments were made to/from related parties of Council during the financial year.

## NOTE 8: Managing uncertainties

### 8.1 Contingent assets and liabilities

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

#### (a) Contingent assets

##### *Operating lease receivables*

The Council has entered into commercial property leases. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals under non-cancellable operating leases are as follows:

	2021 \$'000	2020 \$'000
Not later than one year	2,224	2,509
Later than one year and not later than five years	4,712	6,193
Later than five years	2,508	3,541
	<b>9,444</b>	<b>12,243</b>

#### (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 and in Note 9.3. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists.

##### *Future superannuation contributions*

In addition to the disclosed contributions, Council has not paid any unfunded liability payments to Vision Super. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2021. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 are \$0.3 million. At this point in time it is not known if additional contributions will be required, their timing or potential amount. 19 Council staff (2020: 24) are members of Vision Super's multi-employer defined benefits fund. Council established a Defined Benefit Call Reserve in 2014 to help provide for possible future calls on any unfunded liability of the fund. This reserve currently has a balance of \$1 million (2020: \$1 million).

##### *Contingent liabilities arising from public liability*

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, Council is regularly met with claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council is currently a member of the MAV's Liability Mutual Insurance Scheme which provides \$600 million of public liability insurance and the maximum liability of the Council in any single claim is the extent of its excess. There are no claims, that Council is aware of, which would fall outside the terms of the Council's policy.

##### *Contingent liability arising from professional indemnity*

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council is met with claims and demands for damages allegedly arising from the actions of Council or its officers. Council is currently a member of the MAV's Liability Mutual Insurance Scheme which provides \$50 million of professional indemnity insurance and the maximum liability of Council in any single claim is the extent of its excess. There are no instances or claims, that Council is aware of, which would fall outside the terms of the Council's policy.



## NOTE 8: Managing uncertainties (continued)

### 8.1 Contingent assets and liabilities (continued)

#### *(b) Contingent liabilities (continued)*

##### *Other contingent liabilities*

Council is presently involved in several confidential legal matters which are being conducted through Council's solicitors. As these matters are yet to be finalised and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial statements.

##### *Insurance claims*

Council has no major insurance claims that could have a material impact on future operations. Maximum liability per claim is \$20,000 excess. Public Liability coverage of \$120 million is maintained. Various under-excess claims are also under consideration, for which an annual budgetary provision is approved.

##### *Legal matters*

Council has no major legal matters that could have a material impact on future operations.

##### *Building cladding*

Council has no potential contingent liabilities in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council. However, rate relief has been provided to ratepayers adversely impacted by cladding issues.

##### *Liability Mutual Insurance*

Council was a participant of the MAV Liability Mutual Insurance (LMI) Scheme up until 2014. 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.

#### *(c) Guarantees for loans to other entities*

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. There are no financial guarantees that have been granted by Council.

### 8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assesses the impact of these new standards. As at 30 June 2021, there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

## NOTE 8: Managing uncertainties (continued)

### 8.3 Financial instruments

#### *(a) Objectives and policies*

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

#### *(b) Market risk*

Market risk is the risk that the fair value or future cash flows of Council's 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 council to fair value interest rate risk. Council does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- ▶ diversification of investment product
- ▶ monitoring of return on investment
- ▶ benchmarking of returns and comparison with budget.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on Council's year-end result.

#### *(c) Credit risk*

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has 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 receivables from sporting clubs and associations.

To help manage this risk, Council:

- ▶ has a policy for establishing credit limits for the entities council deals with
- ▶ may require collateral where appropriate
- ▶ 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 provides a guarantee for another party. Council has no guarantees to other parties. 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.

## NOTE 8: Managing uncertainties (continued)

### 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:

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and any amounts related to financial guarantees disclosed in Note 8.1 (c) 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 (and particularly the impact of COVID-19), Council believes there will be minimal movement over the next 12 months from the already low base cash rate of 0.25% (base rates are sourced from Reserve Bank of Australia).

Thus, there will be minimal impact on the valuation of Council's financial assets and liabilities, and no material impact on the results of Council's operations.

### 8.4 Fair value measurement

#### *Fair value hierarchy*

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

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 *Fair value measurement*, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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.

## NOTE 8: Managing uncertainties (continued)

### 8.4 Fair value measurement (continued)

#### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the 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. Further details regarding the fair value hierarchy are disclosed at Note 6.2 Property, Infrastructure, Plant and Equipment. In addition, Council usually undertakes a formal valuation of land, buildings and infrastructure assets on a regular basis ranging from 1 to 2 years. The valuation is performed either by experienced council officers or independent experts.

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

#### *Impairment of assets*

At each reporting date, the 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 to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the comprehensive income statement unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

### 8.5 Events occurring after balance date

Since balance date, the COVID-19 pandemic continues to impact Council and some of its operations. A strict lockdown from 15 to 27 July 2021 resulted in the closure again of some of Council's services. Restrictions eased on 27 July 2021, but again re-commenced on 5 August 2021. At the time of signing these statements, Melbourne remained in a strict lockdown with a number of Council services still closed.

These restrictions are, however, not expected to have an impact on the going concern assumption upon which the financial statements are prepared.

There are no other matters that have occurred after balance date which require disclosure in the financial report.

## NOTE 9: Other matters

### 9.1 Reserves

#### (a) Asset revaluation reserve

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2021</b>			
<b>Property <sup>(i)</sup>:</b>			
- Land	212,978	122,749	335,727
- Land under roads	207,525	91,298	298,823
- Buildings	103,468	7,409	110,877
	<b>523,971</b>	<b>221,456</b>	<b>745,427</b>
<b>Infrastructure <sup>(ii)</sup>:</b>			
- Transport	422,471	35,425	457,896
- Drainage	169,589	11,620	181,209
	<b>592,060</b>	<b>47,045</b>	<b>639,105</b>
<b>Other:</b>			
- Heritage and culture	1,319	8	1,327
- Other	3,966	-	3,966
	<b>5,285</b>	<b>8</b>	<b>5,293</b>
<b>Total asset revaluation reserve</b>	<b>1,121,316</b>	<b>268,509</b>	<b>1,389,825</b>
<b>2020</b>			
<b>Property:</b>			
- Land	208,849	4,129	212,978
- Land under roads	207,525	-	207,525
- Buildings	108,308	(4,840)	103,468
	<b>524,682</b>	<b>(711)</b>	<b>523,971</b>
<b>Infrastructure:</b>			
- Transport	352,446	70,025	422,471
- Drainage	142,601	26,988	169,589
	<b>495,047</b>	<b>97,013</b>	<b>592,060</b>
<b>Other:</b>			
- Heritage and culture	1,305	14	1,319
- Other	3,966	-	3,966
	<b>5,271</b>	<b>14</b>	<b>5,285</b>
<b>Total asset revaluation reserve</b>	<b>1,025,000</b>	<b>96,316</b>	<b>1,121,316</b>

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

- (i) Valuation of property was performed by qualified independent valuers. Land and buildings and land under roads were valued by Opteon Solutions as at June 2020 and adjusted for an index-based percentage as at 30 June 2021.
- (ii) Valuation of Infrastructure assets was performed by qualified engineers at Council. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Valuation levels can fluctuate depending on contract rates incurred by Council during each year.

## NOTE 9: Other matters (continued)

### 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
<b>2021</b>				
Asset replacement reserve	368	-	(36)	332
Asset development reserve	15,327	6,149	(4,644)	16,832
Aged care	5,542	3,156	-	8,698
Foreshore	2,180	-	(419)	1,761
Green Wedge	7,114	-	(3,311)	3,803
Defined benefit call	1,000	-	-	1,000
Stormwater quality reserve	1,182	869	(6)	2,045
Other	348	59	(28)	379
<b>Total other reserves</b>	<b>33,061</b>	<b>10,233</b>	<b>(8,444)</b>	<b>34,850</b>
<b>2020</b>				
Asset replacement reserve	511	-	(143)	368
Asset development reserve	18,026	4,757	(7,456)	15,327
Aged care	6,625	909	(1,992)	5,542
Foreshore	2,310	1,400	(1,530)	2,180
Green Wedge	6,848	1,069	(803)	7,114
Defined benefit call	1,000	-	-	1,000
Stormwater quality reserve	856	334	(8)	1,182
Other	410	4	(66)	348
<b>Total other reserves</b>	<b>36,586</b>	<b>8,473</b>	<b>(11,998)</b>	<b>33,061</b>

The Asset replacement reserve is an appropriation to partially fund future costs associated with Council's buildings.

The Asset development reserve recognises the cash contributions made by developers, pursuant to the requirements of the *Subdivision of Land Act*. Total open space cash contributions of \$6.1 million were received in 2020/21 (2019/20: \$4.7m). Council has elected to utilise these contributions for open space purchase and development.

Aged care reserves include funds for home care clients that have not fully spent their Linkages packages.

The Foreshore and Green Wedge reserves were reserves created in 2011 via a Council resolution which are used to accelerate the renewal and improvement to Council's foreshore and non-urban green wedge area.

The Defined benefit call reserve was established in 2014 to provide for possible future calls on any unfunded liability of the Defined benefit superannuation fund. Council ceased making contributions into this reserve in 2014/15.

The Stormwater Quality reserve was first established in 2017/18 to help fund various stormwater improvement projects throughout Council.

Other reserves represent appropriations provided by the community to be used for specific purposes, including reserves created in 2012 for Sundowner Neighbourhood House and Chelsea Senior Citizens Centre due to Council taking over the operation of these facilities plus reserves for special rates.

## NOTE 9: Other matters (continued)

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

	2021 \$'000	2020 \$'000
Surplus for the year	18,919	25,266
Depreciation of property, infrastructure, plant and equipment	32,080	28,861
Amortisation of intangible assets	286	303
Amortisation of right of use assets	1,518	1,526
Loss/(gain) on sale of property, infrastructure, plant & equipment	1,018	2,955
Found assets / other (note 3.7)	(2,885)	(3,227)
Fair value adjustment for investment property	(150)	-
Finance costs – leases	493	501
Borrowing costs (included in profit but not operating cash flow)	42	97
Contributions – non-monetary assets	(46)	(2,403)
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(3,397)	(4,610)
(Increase)/decrease in prepayments	(395)	(101)
(Increase)/decrease in accrued income	713	222
Increase/(decrease) in trade and other payables	(3,985)	(2,130)
Increase/(decrease) in other liabilities	(26)	(784)
Increase/(decrease) in provisions	2,172	3,394
Increase/(decrease) in unearned income	8,535	2,971
Increase/(decrease) in trust funds and deposits	5,092	(1,538)
<b>Net cash provided by operating activities</b>	<b>59,985</b>	<b>51,303</b>

### 9.3 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 benefits, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

#### *Accumulation*

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ending 30 June 2021, this was 9.5% as required under Superannuation Guarantee legislation).

#### *Defined Benefit*

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 *Employee Benefits*.

## NOTE 9: Other matters (continued)

### 9.3 Superannuation (continued)

#### *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's Actuary.

A triennial actuarial review for the Defined Benefit category as at 30 June 2020 was conducted and completed by the due date of 31 December 2020. The Vested Benefit Index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

- ▶ net investment returns 5.6% pa
- ▶ salary information 2.5% pa for two years and 2.75% pa thereafter
- ▶ price inflation (CPI) 2.0% pa.

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

Vision Super has advised that the VBI as at 30 June 2021 was 109.7%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

#### *Employer contributions*

##### *Regular contributions*

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2021, this rate was 9.5% of members' salaries (9.5% in 2019/20). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

##### *Funding calls*

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.



## NOTE 9: Other matters (continued)

### 9.3 Superannuation (continued)

#### *The 2020 triennial actuarial investigation surplus amounts*

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

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

	2020 (Triennial) \$m	2019 (Interim) \$m
- A VBI Surplus	100	151.3
- A total service liability surplus	200	233.4
- A discounted accrued benefits surplus	217.8	256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

#### *The 2021 interim actuarial investigation*

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021, as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2021.

#### *Superannuation contributions*

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of Scheme	Rate	2021 \$'000	2020 \$'000
Vision Super	Defined benefit	9.5%	369	403
Vision Super	Accumulation fund	9.5%	5,053	4,893
Other funds	Accumulation fund	9.5%	2,093	1,930

Council has not paid any unfunded liability payments to Vision Super during 2021 (2020: Nil).

There were \$0.7 million contributions outstanding as at 30 June 2021 (2020: \$0.6 million).

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$0.3 million.

## NOTE 10: Change in accounting policy

### **a) AASB 1059 *Service Concession Arrangements: Grantors* (applies 2020/21 for Local Government Sector)**

Council has adopted AASB 1059 *Service Concession Arrangements: Grantors* from 1 July 2020.

This Standard is relevant for public sector agencies that are grantors in a service concession arrangement.

Council has not entered into any of these types of arrangements.

### **b) AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* (applies 2020/21 for Local Government Sector)**

Council has adopted AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material* from 1 July 2020.

The Standard principally amends AASB 1010 and AASB 108 and the amendments refine the definition of material in AASB 101.

### **c) AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework* (applies 2020-21 to Local Government Sector)**

Council has adopted AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework* from 1 July 2020.

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the *Conceptual Framework for Financial Reporting* by the AASB.

It is not expected that these standards will have any significant impact on Council.

# APPENDICES

## Appendix 1 – HR tables

**TABLE 1 – CITY OF KINGSTON PEOPLE PROFILE**

Employment classification	Central / Executive Services FTE	Planning & Development FTE	City Assets & Environment FTE	Community Sustainability FTE	Corporate Services FTE	Total FTE
Permanent full time – female	4.00	38.27	27.75	149.89	52.20	<b>272.11</b>
Permanent full time – male	4.00	33.00	84.00	47.00	30.00	<b>198.00</b>
Permanent part time – female	0.60	25.47	14.12	148.65	23.70	<b>212.54</b>
Permanent part time – male	0.00	12.34	1.36	6.93	2.19	<b>22.82</b>
Casual Council staff – female	1.00	9.44	6.64	11.91	6.88	<b>35.87</b>
Casual Council staff – male	0.00	9.88	9.36	2.39	4.80	<b>26.43</b>
<b>Total FTE</b>	<b>9.60</b>	<b>128.40</b>	<b>143.23</b>	<b>366.77</b>	<b>119.77</b>	<b>767.77</b>

**TABLE 2 – CITY OF KINGSTON EMPLOYMENT CLASSIFICATIONS**

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE	Total FTE
Permanent Full Time – F	0.00	3.00	22.92	63.65	51.60	76.74	33.40	9.80	11.00	<b>272.11</b>
Permanent Full Time – M	0.00	5.00	36.00	28.00	33.00	47.00	29.00	7.00	13.00	<b>198.00</b>
Permanent Part Time – F	10.79	28.86	22.72	57.39	31.32	32.49	7.25	5.20	16.52	<b>212.54</b>
Permanent Part Time – M	10.09	2.40	2.19	4.31	1.40	2.43	0.00	0.00	0.00	<b>22.82</b>
Casual – F	0.45	3.25	5.30	9.48	5.48	5.76	1.80	0.00	4.35	<b>35.87</b>
Casual – M	1.34	0.93	3.37	2.78	5.06	4.80	3.80	0.00	4.35	<b>26.43</b>
<b>Total</b>	<b>22.67</b>	<b>43.44</b>	<b>92.50</b>	<b>165.61</b>	<b>127.86</b>	<b>169.22</b>	<b>75.22</b>	<b>22.00</b>	<b>49.22</b>	<b>767.77</b>


## Appendix 2 – OH&S Performance

- ▶ Number of Workcover claims accepted – 8
- ▶ Number of notifiable incidents (employee) – 3
- ▶ Number of notifiable incidents (non-employee) – 1
- ▶ There was an average of 3.33 Lost Time Injuries (LTIs) per month in 2020/21.
- ▶ Medically Treated Injuries had an average of 3.16 workers per month.
- ▶ First Aid Injuries decreased by 0.75 in 2020/21 to an average of 5.42 workers receiving first aid treatment per month, compared to 6.17 in 2019/20.

While the goal is zero for each category, these numbers are at an acceptable level for the types of activities being undertaken within Kingston.



*City of*  
**KINGSTON**


 1230 Nepean Highway, Cheltenham VIC 3192  
PO Box 1000, Mentone VIC 3194

 1300 653 356

 131 450

 [info@kingston.vic.gov.au](mailto:info@kingston.vic.gov.au)

 [kingston.vic.gov.au](http://kingston.vic.gov.au)

 [cityofkingston](https://www.facebook.com/cityofkingston)

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