



City of
KINGSTON

24HRS IN KINGSTON

2014/15 ANNUAL REPORT

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WELCOME

The City of Kingston is proud to present the 2014/15 Annual Report to our community. The report describes Kingston Council's 2014/15 operations, and the various accomplishments and challenges throughout the year.

Council measures its performance according to the standards our community expects. These standards are manifest in the quality the many services and programs we provide, and do so in compliance with the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

The city's annual report benchmarks our performance against strategic objectives set in the 2013-2017 Council Plan and our long-term financial plan.

For further information and to provide feedback, please contact our Customer Service Department on 1300 653 356.

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 131 450
TIS National

Cover image: Council's Crossing Supervisor Marlene Holden who was voted Victorian Crossing Supervisor of the Year 2014 at Moorabbin Primary School.

OUR CITY

We are a city of contrast, home to a large industrial area, an airport, world-class golf courses and areas of high environmental value such as the Ramsar wetlands in Edithvale/Seaford, the Green Wedge and 13 km of Port Phillip Bay coastline.

The City of Kingston is located in the middle southern suburbs of Melbourne, approximately 20 km south of the Melbourne CBD. 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 114 parks and playgrounds, including the magnificent Bicentennial Park in Chelsea, Kingston Heath and the unique UFO Park at Grange Reserve in Clayton South (the park was designed by Council to reflect the infamous 1966 Westall UFO sighting).

Kingston is one of the state's main employment centres, having one of the largest and most concentrated industrial sectors in Victoria. There are approximately 15,500 businesses with over 70,000 people employed throughout the City of Kingston. Kingston businesses generate an annual economic output of about \$25 billion per annum.

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 and Activity Centres in Moorabbin, Highett, Cheltenham, Mentone, Mordialloc and Chelsea.

Population

Kingston is a diverse community with a current estimated resident population of 155,000 spanning a wide range of ages, household types and cultures. Our community is constantly growing; by 2036 Kingston's population is expected to reach 185,000, occupying an anticipated 77,300 dwellings.

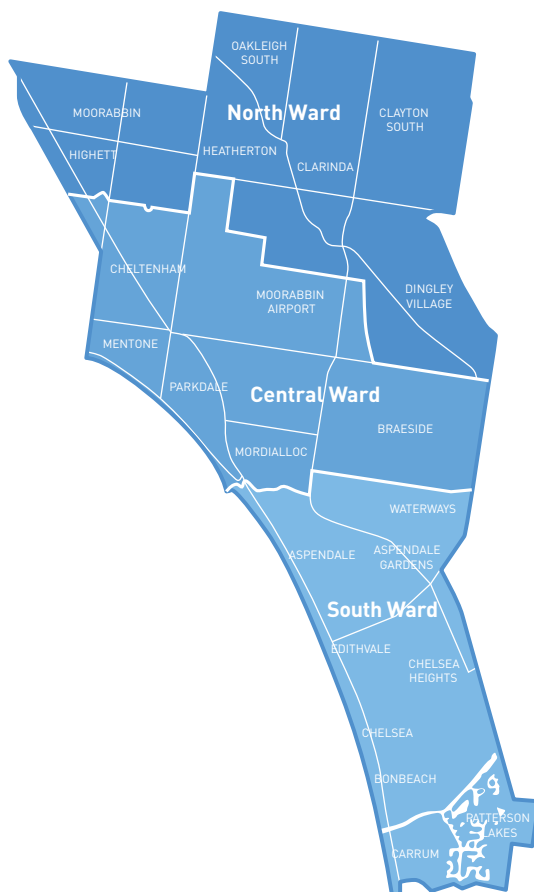
Consistent with national trends, Kingston's oldest residents comprise the fastest growing population group in the municipality. Ongoing planning will explore how services will cope with the greater demand caused by this increase.

Kingston is a culturally-diverse city with residents from over 150 countries who speak over 120 languages.

About 30% of Kingston's population was born overseas, with 22% from non-English speaking backgrounds including Vietnamese, Indian, Sri Lankan, Greek, Italian and Chinese societies.

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.





YEAR IN REVIEW

July 2014

- ▶ Concepts for the new \$3.6 million Mordialloc Life Saving Club go out for public consultation. The concepts include a new two-storey building and will include an observation tower, function and training rooms, large change rooms and storage areas for equipment.
- ▶ \$1.2 million of grants awarded to community groups.
- ▶ Council celebrates NAIDOC Week.
- ▶ Kingston Council adopts its 2014/15 Budget.

August 2014

- ▶ Completion of sports field lighting at Glen Street Reserve and Parkdale Secondary College.
- ▶ Sunshades installed at the Carrum Foreshore Playground.
- ▶ Introduction of a 12-month trial for a 24-hour dog off leash area at Mentone Beach.

September 2014

- ▶ Kingston Charitable Fund HeART of Kingston Art Show raises about \$5,000.
- ▶ Carrum Lifesaving Club wins Land Victoria Local Government Property Award.
- ▶ Kingston City Hall in Moorabbin is the venue as more than 300 people hear five local bands battle it out for the annual Battle of the Bands.

October 2014

- ▶ Annual Kingston Seniors Festival runs for the month of October with jam-packed events that celebrate and showcase what Kingston has to offer.
- ▶ Official opening of the \$6 million Parkdale Family and Children's Centre.
- ▶ The Mentone Renaissance begins, which is designed to bring new life to this important local precinct through the introduction of new outdoor spaces plus a more efficient transport network with less congestion and improved safety.
- ▶ Bentleigh Greens Soccer Club reaches the FFA semi-finals.

November 2014

- ▶ Kingston Charitable Fund announces 2014 grant recipients to receive more than \$40,000 worth of funding.
- ▶ Cr Geoff Gledhill elected as City of Kingston Mayor.
- ▶ Annual 'Skate of Mind' is held for young people aged 12 to 25 years who are living, working and/or participating in activities in the Kingston community.

December 2014

- ▶ \$13,000 funding to local community groups through the Access and Equity Grants.
- ▶ Carols by Kingston moves to the new location of William Fry Reserve.
- ▶ New Indigenous artwork added to Council's collection.
- ▶ The much-loved Kingston Arts Makers Market at Kingston City Hall is back featuring tasty street food, live music, quirky art and a host of handmade market stalls.



3.25PM

Festival-goers enjoy the entertainment at the Mordialloc Food, Wine and Music Festival.

January 2015

- ▶ New bins installed along Kingston's beaches.
- ▶ Globe to Globe World Music Festival.
- ▶ City of Kingston Citizen of the Year is awarded to Mr Charlie Mizzi from Clarinda. For over 20 years he has inspired others in the community with his leadership and energy through a wide range of community groups.

February 2015

- ▶ Kingston's most well-attended event, the Mordialloc Food, Wine and Music Festival, was held from February 28 to March 1, featuring non-stop music across three stages, roving performers, chef demonstrations, gourmet food and wine stalls, rides, children's activities and more.

March 2015

- ▶ Animal lovers, pet owners and their four-legged friends celebrate Kingston Council's Annual Pet Expo.
- ▶ Council invests \$110,000 to upgrade Mordialloc's Kevin Hayes Reserve and Bicentennial Park dog off-leash areas.
- ▶ We participate in Clean Up Australia Day.

April 2015

- ▶ Official opening of the \$6.55 million Edithvale Family and Children's Centre.
- ▶ 97% of children receive their first choice of kindergarten through the Kingston Central Enrolment Scheme.
- ▶ Launch of Aspendale Gardens Youth Cove 12 month trial, conducted in partnership with the Aspendale Gardens Community Centre, to respond to the needs of the expanding youth population and to provide access to quality youth programs right on their doorstep.
- ▶ The war memorial gardens at Cheltenham's Kingston Heath Reserve are restored in time for the ANZAC Centenary thanks to \$100,000 ANZAC Centenary grant. Council also contributes \$25,000.
- ▶ Kingston Council makes a formal submission to Public Transport Victoria's Southland Station project suggesting ways to improve access, design and safety.

May 2015

- ▶ National Youth Week is celebrated.
- ▶ Harvest Festival is held with Boom Crash Opera as the headline act.
- ▶ Community feedback sought for Ben Kavanagh Reserve Masterplan.
- ▶ Council lodges a submission with the Essential Services Commission's Local Government Rates Capping review.

June 2015

- ▶ The Mayor and CEO visit Canberra, speaking to a range of Federal Ministers' officers about Kingston's urgent need for the roll-out of high speed broadband.
- ▶ Council approves 2015/16 Budget.
- ▶ Council invites feedback on its eight new advisory panels that are designed to provide advice to Council on a range of issues including the arts, festivals, the environment, sport, youth, business and equity.



A MESSAGE FROM THE MAYOR

On behalf of my fellow Councillors, I am delighted to present Kingston Council's Annual Report 2014/15.

This year we continued our strong service delivery in the community while launching a number of outstanding capital works projects including the Edithvale and Parkdale Family and Children's Centres and the Bonbeach Recreation Reserve Pavilion to meet local needs and ensure that Kingston continues to be a great place to live, work and visit.

In 2014/15, Council continued to provide exceptional value to the community through prudent financial management, effectively preserving and maintaining its assets and ensuring efficiencies in all its operations with a modest rate rise of 4.06%. Kingston's strong history in responsible financial management and long-term planning will serve it well in responding in a responsible manner in the best interest of the community to the State Government's rate capping policy which will commence in 2016/17.

We have made significant headway on providing certainty to residents living in or near Kingston's Green Wedge. Throughout 2014/15, Council worked hard to protect Kingston's Green Wedge by consulting with the community and preparing Planning Scheme Amendment C143 to transition the area north of Kingston Road away from waste-related activities and towards the long-term vision of establishing a Chain of Parks. \$750,000 allocated in Council's 2015/16 Budget demonstrates Council's commitment.

After much dialogue, another section of Kingston's Bay Trail commenced construction in 2015. The three-metre wide path has been added next to Beach Road in Mentone; this important piece of coastal infrastructure will provide walkers, cyclists and joggers alike another way to enjoy Kingston's beautiful natural resources.

Council is constantly assessing the needs of the community to find better ways to service our residents. Kingston wishes to ensure that older people in our community have access to high-quality residential aged care facilities that allow them to receive the support they need to age in place. To better meet the needs of current and future residents of Kingston's residential aged care facilities, in 2014/15 Council publicly sought proposals from experienced and proven residential aged care providers to build and operate a new ageing in place facility to be built on a former depot site in Mentone. The outcome of this tender process will be announced in late 2015.

Where Council is not the decision-making authority, Kingston proudly advocates to other tiers of government on behalf of our community. We have continued our advocacy for high speed broadband on behalf of local businesses, many of which are facing significant challenges competing overseas with out-dated and inferior internet connections. With our local industrial areas employing over 17,500 people and producing \$12 billion each year in output, high-speed broadband is an essential tool to sustain and grow our local economy.

Council is well supported in providing over 100 services to our residents by the hard work and commitment of our staff and volunteers who work tirelessly in the community. Thank you to all who make Kingston a great place to live and conduct business.

I would also like to thank my fellow Councillors, the Chief Executive Officer and his team for the contribution they make every day to Kingston. We are lucky to have so many committed individuals serving our community for the benefit of the entire municipality.

Cr Geoff Gledhill
Mayor

A MESSAGE FROM THE CEO



The City of Kingston continued to thrive in 2014/15, completing major capital works projects, streamlining processes for residents and local businesses, and again achieving excellent results in the annual community satisfaction survey.

Our ability to deliver services, maintain assets and build Kingston for the future is only possible if underpinned by sound and prudent financial management. In 2014/15, Council achieved an operating surplus of \$25.4 million and \$37.3 million was invested in capital works as part of our continued program of maintaining and renewing our \$2.2 billion of community assets. In 2014/15, the City of Kingston was successful in securing \$37.6 million in grants from the Victorian and Federal Governments to pay for local projects and services without placing further financial burden on our rate payers.

The completion and opening of the Parkdale Family and Children's Centre and Edithvale Family and Children's Centre represent multi-million dollar projects delivered to an exceptional standard to meet community needs. These purpose-built centres offer families a range of health, education and care services under one roof, including child care, kindergarten and maternal and child health.

The City of Kingston continues to work towards making communicating with Council as easy and accessible as possible for our residents. We have developed a number of online functions to ensure that the community can conduct Council business fast, conveniently and with minimum hassle. Our website's live chat facilitates instantaneous answers to questions, while the ability to lodge payments and report issues online has made it easier for our customers to interact with us.

We have made things easier for businesses by better facilitating and streamlining permit applications to support local enterprise in getting on with their great work contributing to our local economy. It was also our privilege to further support our businesses through regular training and networking opportunities and advocating on behalf of local businesses.

We believe the City of Kingston offers a professional and fulfilling workplace that contributes to employment opportunities for our local community. As part of our commitment to demonstrate community inspired leadership, in 2014/15 we encouraged our employees to participate in a health and wellbeing survey which helped to inform our calendar of health-based wellbeing events and initiatives to support better health and work practices. We understand our workforce is ageing and our commitment as an employer is to provide a safe workplace and to help our people continue to work as they get older.

Pleasingly, our work continues to be well received by residents. This was reflected in the year's excellent community satisfaction survey results. Benchmarked against our Victorian counterparts, we scored higher than the state average on five core performance measures – overall performance, advocacy, community consultation, customer service and overall Council direction. While the City of Kingston is pleased with the survey's findings, the results help to identify strengths and opportunities for Council to continue to improve every aspect of service to the community.

I take pride in commending the organisation for their outstanding work during 2014/15 and acknowledge the leadership and support of our 2014 Mayor Cr Paul Peulich, 2015 Mayor Cr Geoff Gledhill and Councillors.

A handwritten signature in black ink, appearing to read 'John Nevins'.

John Nevins
Chief Executive Officer

OPERATIONAL PERFORMANCE

The 2014/15 City of Kingston Annual Report measures Council's performance against what we said we would do in our 2013-2017 Council Plan. The Council Plan outlines six key goals (end results) that are used to measure Council's performance over five years. The following table summarises Council's achievements and results in 2014/15 against these six goals. **A more detailed report of the goals starts on page 26.**



Goal	Goal 1	Goal 2	Goal 3
	Facilities and assets that are well used and effectively managed	A sustainable natural and built environment	Healthy, strong and connected communities
Major achievements in 2014/15	<ul style="list-style-type: none"> ▶ Opening of the Edithvale and Parkdale Family and Children's Centres. ▶ \$9.2 million on civil infrastructure including road resurfacing, road reconstruction and drainage works were completed on schedule. ▶ \$1.8 million spent on recreational facilities. ▶ \$1.5 million footpath renewal program completed. 	<ul style="list-style-type: none"> ▶ Initiated a Planning Scheme Amendment to rezone land in the northern part of Kingston's Green Wedge that would prohibit new materials recycling facilities, including concrete crushers. ▶ 4,600 plants were planted in Kingston Green Wedge. ▶ \$450,000 expended on parks and open space. ▶ \$1.3 million on sustainability projects relating to energy and water including sportsfield warm season grass conversion, and bay and waterways stormwater quality improvements. ▶ \$750,000 expended on drainage flood mitigation programs. 	<ul style="list-style-type: none"> ▶ Over 60,000 people enjoyed one of Kingston's four major festivals. ▶ Opened the new \$1.85 million Clayton South kindergarten. ▶ Partnered with Resilient Youth Australia on an innovative project to boost the mental wellbeing of local primary and secondary students. ▶ Launched a 12-month trial youth service in partnership with the Aspendale Gardens Community Centre to respond to the needs of the expanding youth population. ▶ Supported more than 160 community-initiated events.
Indicators of success	<ul style="list-style-type: none"> ▶ Asset management sustainability index: 0.97 ▶ Building facilities assessment rating: 4.5 ▶ Community satisfaction: Condition of local streets and footpaths: 68 ▶ Community satisfaction: Performance of recreation facilities: 75 	<ul style="list-style-type: none"> ▶ Community satisfaction: the appearance of public areas: 74 ▶ Community satisfaction: Council's general town planning policy: 57 ▶ Community satisfaction: Council's planning for population growth: 58 	<ul style="list-style-type: none"> ▶ Community satisfaction: Family, youth and children's support services: 69 ▶ Community satisfaction: Elderly support services: 69 ▶ Family support service accreditation: maintained. ▶ Residential aged care accreditation: maintained. ▶ State government reviews against the National Quality Framework for children, youth and family services and community care: meeting or exceeding. ▶ Maintaining and improving engagement of volunteers: 1,700 volunteers, 21,000 hours.





Goal 4	Goal 5	Goal 6
A prosperous and dynamic city	An effective voice	A well-managed and effective organisation
<ul style="list-style-type: none"> ▶ Ministerial approval of the Moorabbin Activity Centre zone, unlocking eight hectares of key development land. ▶ Integrated new technology and innovation into libraries and community centres e.g. iPad training courses and a Wi-Fi roll out to all library branches. ▶ Facilitated the redevelopment of a multi-million dollar expansion of the Dingley Village supermarket including increased parking availability. 	<ul style="list-style-type: none"> ▶ Partnered with the Melbourne South Regional Development Association and two neighbouring Councils on a study of <i>The Need for High Speed Broadband in South East Melbourne's Industrial Precincts</i>. ▶ Made a formal submission to Public Transport Victoria's Southland Station consultation suggesting ways to improve access and safety. ▶ Consulted with residents on many projects and programs throughout the year, including Mordialloc Life Saving Club concepts, the Mentone renaissance of the activity centre, local traffic changes, trader parking in Chelsea, and the Annual Budget process. 	<ul style="list-style-type: none"> ▶ Introduced a range of new online services to make it easier for residents to transact with Council including several online payment options. ▶ Continued rollout of the <i>myWellbeing</i> program aimed at supporting better health and work practices for employees. ▶ Implementation of online recruitment. ▶ Upgrades of a range of software including the aged and disability services software to better manage delivered meals, reporting, home maintenance, and Council's payroll system, resulting in significant efficiency improvements.
<ul style="list-style-type: none"> ▶ Community satisfaction: Performance in traffic management: 64 ▶ Community satisfaction: Performance in parking facilities 60 ▶ Community satisfaction: Arts centres and libraries: 77 ▶ Community satisfaction: Community and cultural activities: 74 ▶ Community satisfaction: Enforcement of local laws: 67 	<ul style="list-style-type: none"> ▶ Community satisfaction: How we are informing the community: 62 ▶ Community satisfaction: Community consultation and engagement: 60 ▶ Community satisfaction: Lobbying on behalf of the community: 59 	<ul style="list-style-type: none"> ▶ Underlying operating result: \$19.7 million ▶ Liquidity: 194.6% ▶ Capital replacement: 1.35 ▶ Community satisfaction: the general overall performance of Council: 68 ▶ Community satisfaction: Overall customer service: 74 ▶ Satisfaction with Kingston as an employer: delayed until 2015/16.

FINANCIAL PERFORMANCE

Long-term financial sustainability is the key objective of Kingston Council's financial plan. With careful planning, the community can be assured that Council has the financial resources to achieve the objectives set out in the Council Plan in all areas of community wellbeing, sustainable environment, prosperous community, asset management, advocacy and quality leadership and governance.

2014/15 Financial Performance Summary

- ▶ Council had an operating surplus of \$25.4 million, \$9.9 million favourable to the budgeted surplus of \$15.5 million (compared to \$18.6 million surplus in 2013/14). This was influenced by:
 - ▶ \$3.3 million in cash contributions from developers;
 - ▶ Grants received in advance including \$2.2 million for early payment by Victorian Grants Commission of half of the 2015/16 year grant;
 - ▶ Non-Recurrent Grants. These were \$4.6 million and were \$3.3 million favourable to budget due mainly to \$1.2 million received for the Moorabbin Reserve redevelopment from the Department of Transport Planning and Local Infrastructure; and
 - ▶ \$1.6 million for the Northern Westall Hub from Department of Education and Early Childhood Development.
- ▶ Council's total capital works expenditure was \$37.3 million (compared to \$40.1 million in 2013/14).
- ▶ Rates and charges comprised \$118.9 million (62%) of the total operating budget of \$192 million (compared to \$113.3 million (64%) of \$178 million in 2013/14).
- ▶ Cash holdings (including financial assets) increased by \$15.6 million to \$63.9 million (compared to a \$5.0 million increase to \$48.3 million in 2013/14).
- ▶ Council's net assets were \$2.2 billion. This included total land (\$1,342 million), buildings (\$257 million), transport assets (\$400 million), drainage assets (\$139 million), and plant and equipment (\$6 million).
- ▶ Council's renewal gap represents the maintenance of existing assets at a consistent rate. A score of more than 1 indicates a low risk of insufficient spending on our asset base.

A generally accepted definition of financial sustainability is whether local governments have sufficient current and prospective financial capacity to meet their current and prospective financial requirements.

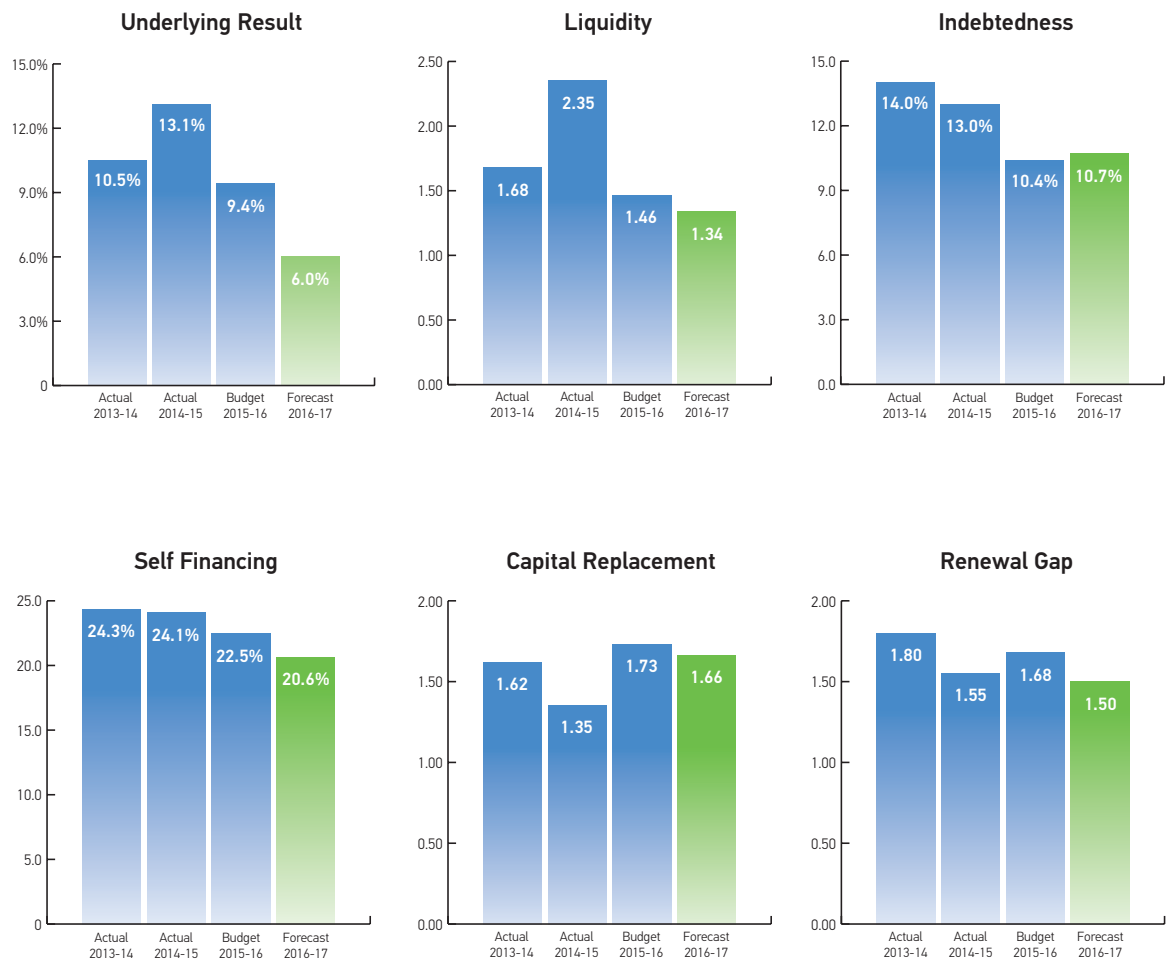
To be sustainable, local governments need to have sufficient capacity to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies.

The Victorian Auditor General reports to Parliament each year. The following indicators are used in their report to reflect short and long-term sustainability, and are measured by whether local governments:

- ▶ generate enough revenue to cover operating costs (including the cost of replacing assets reflected in depreciation expense) – operating result;
- ▶ have sufficient working capital to meet short-term commitments – liquidity;
- ▶ are not overly reliant on debt to fund capital programs – indebtedness;
- ▶ generate sufficient operating cash flows to invest in asset renewal and repay any debt it may have incurred in the past – self financing;
- ▶ have been replacing assets at a rate consistent with their consumptions – investment gap.

The financial sustainability of each Council is assessed using the risk criteria which can be found at www.audit.vic.gov.au/reports_and_publications.aspx.

The following graphs are based on the last two years of actual results and the forecast for the next two years from our Strategic Resource Plan as adopted by Council in June 2015 and highlight the trend of Kingston's financial sustainability as assessed by the Auditor-General. They show that Kingston's overall Financial Risk is rated as Low.



Long-Term financial strategic objectives

While this report focuses on the 2014/15 financial results, it is important to see this result in the context of the long-term financial strategic objectives of Council which are:

- ▶ ensuring adequate funding to responsibly maintain and renew the \$2.2 billion of community assets under the control of Council;
- ▶ proposing to spend \$101 million by 2018/19 on asset renewal. This level of expenditure will ensure assets are generally maintained within intervention levels through the medium to longer term to 2030;
- ▶ providing funding to achieve Council's rolling capital works program commitments and future objectives by achieving better than breakeven operating and cash results;
- ▶ ensuring adequate funding to maintain and improve the quality and standard of more than 100 services provided to the community by Council and the future service objectives of Council;
- ▶ ensuring Council always has adequate cash reserves to maintain its financial liquidity and that it can always meet all debt and payment obligations in a timely manner.

See page 86 for the full Financial Report.



7.15AM

Cyclists enjoy an early morning ride along Beach Road Parkdale.

SUSTAINABILITY PERFORMANCE

The Kingston City Council is committed to ensuring the long-term economic, environmental and social sustainability of our city. We take a balanced approach to planning and managing our city and actively consider how decisions made today will impact the future.

Our sustainability performance provides an overview of how we are responding to the interrelated areas of economic, environmental and social sustainability. It outlines Kingston City Council's major economic, environmental and social strategies, provides an overview of Council's own sustainability performance and highlights key initiatives with the Kingston community and local businesses as we put sustainability into practice.

The economic, environmental and social dimensions of sustainability are all addressed in our One Vision: Council Plan 2013-2017 in our six strategic goals.

Economic Sustainability

Achievements	Challenges
Net operating surplus of \$25.4 million and delivered a \$37.3 million capital works program	Continuing to maintain and upgrade Council's significant portfolio of assets
Supported approximately 15,500 businesses by facilitating networking opportunities including the Business Sustainability Network, CEO Roundtable and Kingston Business Women's Network	Maintaining a prudent level of borrowings to create new assets that will benefit the community in the future

Council undertook a range of major economic sustainability initiatives in 2014/15 including delivering a \$37.3 million capital works program with upgrading and renewal of existing buildings, drains and roads, upgrading recreational facilities and developing new community buildings. Council supported local business and economic activity, sought partnerships to protect and preserve existing local employment, and fostered new economic growth in underdeveloped activity centres including the work as part of the Moorabbin Junction Urban Renewal Strategy.

Council was successful with delivering a net operating surplus over the last five years as well as investing significantly in capital works. Council seeks to develop new and innovative ways to meet future needs while limiting the impact of rising costs. The long term financial strategy will ensure a legacy of excellence in service delivery and responsible financial management.

Environmental Sustainability

Achievements	Challenges
Implementing the Integrated Water Cycle Strategy and promoting water conservation through various actions	Rising costs of waste collection and disposal
Implementing the Energy Efficiency Strategy and reducing energy use and greenhouse gas emissions	Competing goals and priorities in the community such as coastal vegetation versus bay views

Council undertook important environmental sustainability initiatives in 2014/15 to protect and enhance the natural environment and implement actions to reduce water use, energy use, and greenhouse gas emissions, divert waste from landfill, manage and maintain the coastal foreshore, and plant and maintain street and park trees.

In 2014/15, there was an increase in water usage, due in part to some water leaks at various reserves. Additional irrigation systems at new high profile parks and gardens and building works at hubs may have increased water consumption during the year. At sportsgrounds, usage decreased in 2014/15 following two sportsfield warm season grass conversions. Irrigation systems have been installed and upgraded at various parks and sports facilities to increase efficiency and reduce water waste due to old and broken pipes.

Through various energy efficiency programs and building upgrades, Council is steadily reducing its greenhouse gas emissions from its operations, from nearly 30,000 tonnes of CO2 emissions in 2010/11 to just over 28,000 tonnes of CO2 in 2014/15.

Social Sustainability

Achievements	Challenges
Completed construction of two new integrated Family and Children's Centres at Parkdale and Edithvale at a cost of over \$12.5 million	Addressing areas of disadvantage and particular population groups which are more at risk of poorer health and social outcomes
Redevelopment of designs for public places and play spaces in line with the Playground Strategy and capital budget	An ageing and growing population that will increase demand for Council services

Council undertook important social sustainability initiatives in 2014/15 across a range of services. Most notably was the delivery of two new integrated Family and Children's Centres at Parkdale Secondary College and at the Edithvale Recreation Reserve. Early year's places offered by Kingston through child care and kinder enrolments increased to 1,300 in 2015. For the 2015 kindergarten year, 97% of children received their first choice of kindergarten through the Kingston Central Enrolment Scheme.

Council has long recognised its role in the delivery of care and support services to the older community. In 2014/15, Council delivered over 151,000 hours of domestic, personal and respite care services.



KINGSTON COUNCILLORS



Cr Tamara Barth

Cr Barth was elected to Council in November 2012 and lives in Kingston with her young family. She has worked for many years in the higher education sector and is committed to ensuring residents, particularly children, youth and seniors, have access to the health, wellbeing and educational support and services they need. Cr Barth's highlights have included:

- ▶ Seeing the new Clayton South Kindergarten unveiled on the grounds of the Clayton South Primary School to boost participation levels and education outcomes for local children.
- ▶ The approval of the Moorabbin Junction Activity Centre zone that will pave the way for unlocking key development land and encourage more residential housing and retail developments, attracting thousands more people into the heart of Moorabbin Junction.



Cr Steve Staikos

Cr Staikos is passionate about social participation, multiculturalism, the environment and the arts. He also works as the Policy and Public Affairs Officer for the Community Housing Federation of Victoria. Cr Staikos' highlights have included:

- ▶ The adoption of Planning Scheme Amendment C143 which will put in effect our plans to transition the current uses of landfill out of the green wedge, paving the way for the Chain of Parks plan.
- ▶ The approval of the Moorabbin Structure Plan, and the realisation of our vision for the area.
- ▶ Completion of the Moorabbin bus interchange including improvements to accessibility, seating, safety and design.
- ▶ The consultation on the future uses of the Rowan Road land in Dingley Village which will lead to a master plan process.



Cr Paul Peulich

Cr Peulich is a resident of the North Ward and was elected to Council in November 2008. Cr Peulich served as Mayor from November 2013 – November 2014. A finance graduate, Cr Peulich has worked in a Kingston-based manufacturing company and takes a strong interest in the local economy as well as sport and recreation. Cr Peulich's highlights have included:

- ▶ Being part of the development of a landmark golf course policy to help facilitate the long-term protection of our golf courses.
- ▶ Seeing the preparation works for the \$8 million Westall Hub which will serve as an important facility that will include a library, maternal child health rooms, kindergarten and meeting spaces.



Cr Geoff Gledhill

Cr Gledhill was elected to Council in November 2012 and lives in the municipality with his wife and three children. Since November 2014, Cr Gledhill has served as the City of Kingston's 18th Mayor. Cr Gledhill operates a retail consultancy service in the area and is a volunteer lifesaver across Kingston's beaches. Cr Gledhill's highlights have included:

- ▶ Seeing the long awaited missing piece of the Bay Trail come to life between Charman Road and Mentone Life Saving Club.
- ▶ Securing a future for aged care in Kingston by commencing a tender process for a new state-of-the-art ageing in place home in Mentone that will provide quality care for our ageing population.



Cr Rosemary West OAM

Cr West OAM, a resident of Kingston for over 30 years, has served on Council since March 2003. Prior to joining Council, Cr West was a noted journalist, working for The Age for 15 years and has received the Order of Australia Medal for services to disadvantaged groups in the community and to journalism. Cr West's highlights have included:

- ▶ Working to implement the Kingston Green Wedge Plan recommendation to rezone the area (including old landfill sites) north of Kingston Road and to protect Kingston's Green Wedge from subdivision and from inappropriate development such as concrete crushers.
- ▶ The opening of the new Family and Children's Centre in Parkdale, incorporating child care, kindergarten and maternal and child health services.



Cr Ron Brownlees OAM

Cr Brownlees OAM has been a Kingston Councillor from 1992-2003 and 2008-present. He is married with three children and has been a Cheltenham resident for over 40 years. Cr Brownlees OAM is active in Rotary and was awarded the Centenary Medal by the Australian Government in 2001 and Order of Australia Medal in 2012. Cr Brownlees' highlights have included:

- ▶ Visiting the upgraded Cheltenham-Moorabbin RSL memorial gardens which were completed in time for the centenary ANZAC services.
- ▶ The commencement of works on the old Mentone Senior Citizens Club which will be a new home for senior citizens, the Mentone-Mordialloc Art Group and other community groups.
- ▶ The commencement of construction of the Bay Trail connecting Bayside to the Mentone Life Saving Club.



Cr Tamsin Bearsley

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, Cr Bearsley has particular interest in supporting community groups and residents associations, improving local amenity and strengthening budget controls. Cr Bearsley's highlights have included:

- ▶ The 2015 Harvest Festival, which huge crowds turned out for the 2015 Harvest Festival which offered a great line up of music accompanied by cooking demonstrations, sustainable workshops, amusement rides and locally produced food and drinks.
- ▶ The trial of Youth Services in Aspendale Gardens to support the growing local youth demographic.



Cr David Eden

Cr Eden was elected to Council in 2012 and is studying Law at Deakin University, while managing his local artificial plant business. Cr Eden is committed to encouraging community

participation in all areas of Council decision making, and improving the accountability and accessibility of Council through adopting modern approaches to good governance. Cr Eden's highlights have included:

- ▶ Seeing the \$3.1m Bonbeach Pavilion come to life, with reconfigured change rooms, social spaces, foyer kiosk and toilets for community use.
- ▶ The \$535,000 renovation at Aspendale North Kindergarten to provide 66 much needed kindergarten places.



Cr John Ronke

Cr Ronke is Kingston's longest serving Councillor, having been elected following Council amalgamations in 1997. He has been a Kingston resident since the age of two, and currently

lives in Aspendale Gardens with his wife and two children. Cr Ronke's highlights have included:

- ▶ Seeing the launch of our new Family and Children's Centre in Edithvale, incorporating childcare, kindergarten and maternal child health services in one facility.
- ▶ The installation of colourful shade structures at the very popular Carrum Foreshore Playground.



Junior Mayor

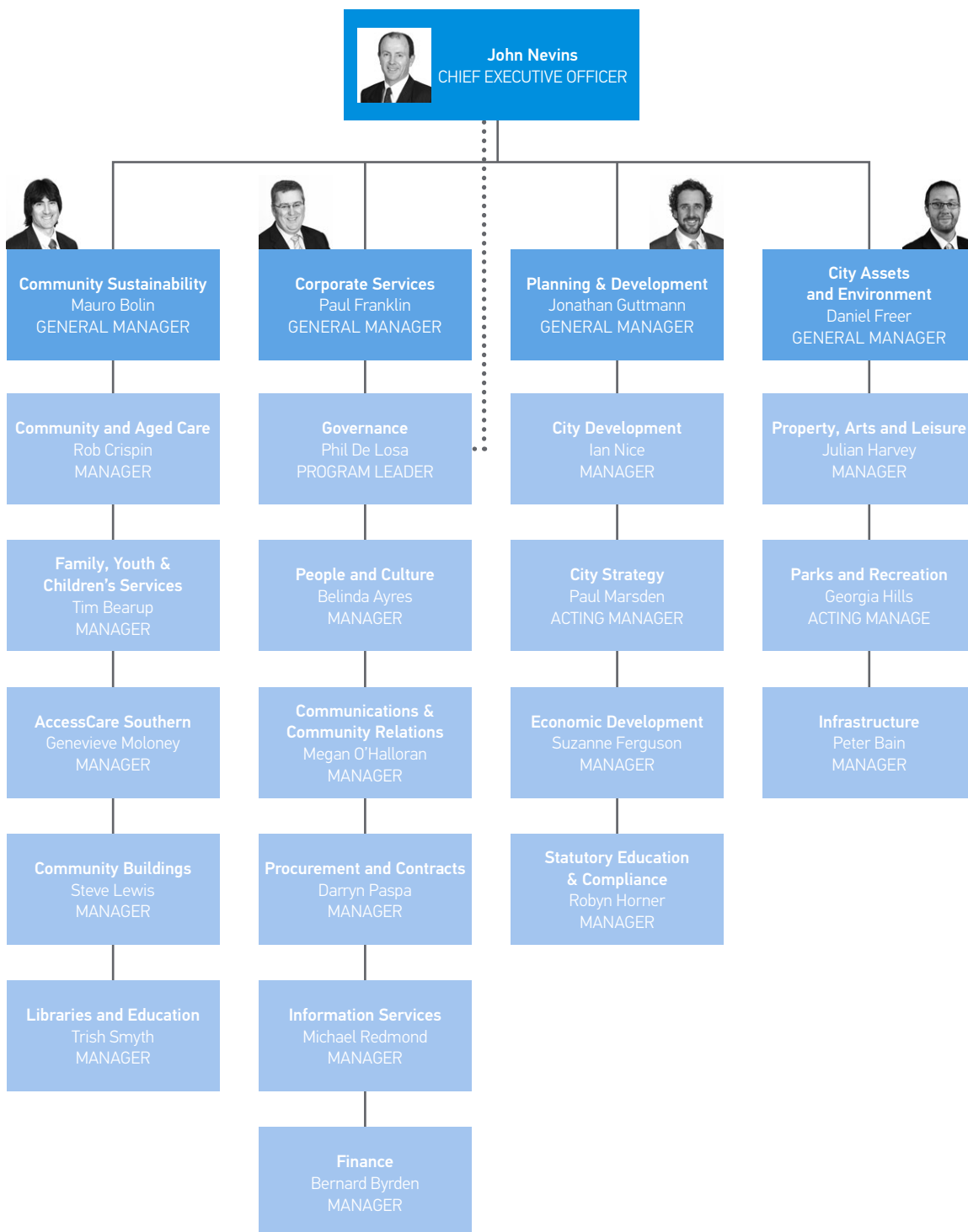
Council's Junior Mayor program has run for over 50 years. Each Kingston primary school is invited to participate in the Junior Mayor election. In 2015, 26 schools participated in the Junior Mayor

Election. Aspendale Gardens Primary School student, Naveen Satish Kumar, was Junior Mayor from April 2014 until April 2015. On 27 April 2015, Jasmine Warber from St John Vianney's Primary School was inducted as the 2015/16 Junior Mayor who will help the Mayor at a range of official Council events.

OUR ORGANISATION

The City of Kingston's Organisational Structure is made up of four divisions: Community Sustainability, Corporate Services, Planning and Development, and City Assets and Environment.

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.



Note: After nine years with the same General Manager structure, Kingston recognised the need for structural change. The following changes took effect from 4 August 2014:

1. Splitting of our existing Environmental Sustainability Division into two new divisions - Sustainable Planning and Development Division and the City Assets and Environment Division
2. In line with the structures of many Victorian Councils, a revised Corporate Services Division was formed. The creation of this division meant there was no longer a need for the position of General Manager, Organisational Development and Governance.

OUR ORGANISATION



Community Inspired Leadership

Our Vision

A diverse, dynamic community where we all share a sustainable, safe, attractive environment and a thriving economy.

Our Purpose

To work with the community to protect and enhance the quality of life for current and future generations.

Our organisational culture

'Community Inspired Leadership' is at the core of our organisational culture. Our circle of influence (or the community's circle of expectation) reflects the six key values that guide our behaviour – community centric, dynamic, future orientated, accountable, expert and celebrate.

Our Guiding Principles

- ▶ Respect for diverse community interests based on active listening and mutual understanding.
- ▶ Leaving a positive legacy for future generations and Councils.
- ▶ Balancing a flexible, can-do, innovative professional approach with achieving outcomes efficiently and effectively (doing more with less).
- ▶ Responsible financial management.
- ▶ Informed, evidence-based and representative decision making.
- ▶ Effective communication and engagement.



10.55AM

Volunteers of Kingston's Meals on Wheels program get ready for their morning deliveries to community members in need.

OUR PEOPLE

We continue to build our capacity to achieve our goals in a manner that is consistent with our values.

We want all our employees to achieve high levels of performance and personal job satisfaction. Engaged, high-performing employees help us deliver great service to our community. We value the contribution of our people, and the nature of our work means our employees feel connected to, and proud of, our role within the Kingston community.

Recognising that employee wellbeing is critical to the resilience and effectiveness of our workforce, we encourage our employees to participate in our My Wellbeing program – a program of health-based initiatives for all Kingston employees, to encourage and support better health and work practices for us all. Through a range of activities, support and information, My Wellbeing helps us all prioritise our personal wellbeing.

Building Our Culture and Capacity

In 2014/15, 20 employees accessed the Employee Development Assistance Program which provides employees with up to \$3,000 per year (pro rata for part-time employees) for tuition, books and other study-related expenses, as well as up to four hours a week of study leave and exam leave.

Internal learning programs provided the focus for the ongoing professional development of our people. Eighty-eight learning programs were conducted through Kingston's Learning and Development program. Courses ranged from compliance and induction programs to technical skill improvement and leadership development programs.

We continued our successful Breakthrough Leaders Program with 17 employees undertaking the program which is designed to develop leadership skills and business capabilities required to achieve Council's purpose and vision. All participants receive a Diploma of Management from RMIT.

Kingston recognises and celebrates the milestones and achievements of our employees through an annual Employee Recognition Event. In 2014/15 we recognised a number of employees with 30, 35, 40 and 45 years of service. In 2014/15 the program was reviewed to strengthen the focus of demonstrating the organisational values of Community Inspired Leadership. Two awards were presented, one to an individual and one to a team that demonstrated excellence in Community Inspired Leadership. The award winners were provided with a grant of \$3000 towards their professional development.

Our OHS Performance

This year we launched the 'My Wellbeing' health and wellbeing program designed to provide the organisation with a structured wellbeing education program for building our workplace health. This year the organisation facilitated over 30 health and wellbeing activities and initiatives.

Kingston offers a range of other benefits to improve employee health and wellbeing including access to an Employee Assistance Program, the Local Government Employees Health Plan and flexible working arrangements.

Our OHS policies and procedures are developed in consultation with our employees, largely through our established network of OHS Committees; each committee consults in their local work area on OHS matters and is responsible for raising and reviewing issues in their work areas, recommending solutions and implementing measures to ensure our health and safety.

Incidents/Hazards

Hazards

Number of hazards reported – **62**

Incidents

Number of Lost Time Injuries – **18**

Number of Medical Treatment Injuries (MTI) – **61**

Number of notifiable incidents (employee) – **5**

Number of notifiable incidents (non-employee) – **1**

Claims and Return to Work

Number of WorkCover claims – **34**

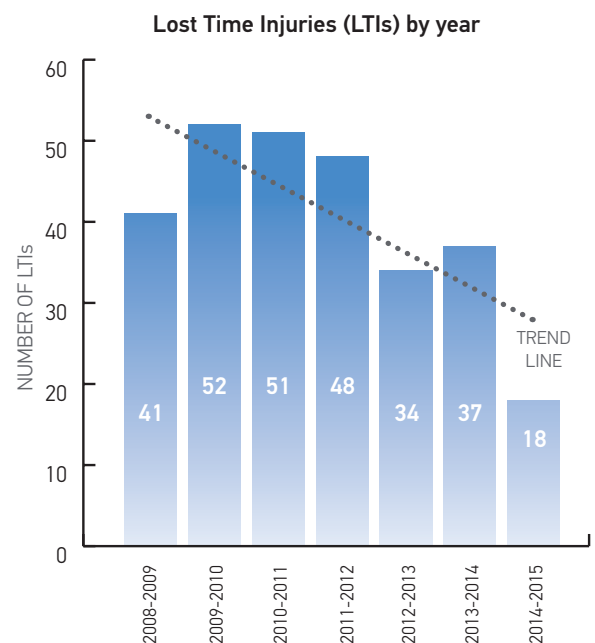
Number of time-loss claims – **7**

Number of Minor claims – **13 total (\$0.00 costs)**

Number of Standard Claims – **14**

Total costs – **\$298,909**

Average cost per claim – **\$14,234**



Note: The criteria for classification of Lost Time Injury has been amended for 2014 – 2015 to include only those injuries that have resulted in time lost from work of one day/shift or more and for which a WorkCover Claim has been approved.

Our People Profile

Our employees represent our community, with 43 per cent of our employees both living in and choosing to work for the City of Kingston. As at 30 June 2015, Kingston employed 1,417 people in a diverse range of positions including engineering, customer service, administration, finance, community and aged services, family, youth and children's services, sport and recreation, health, parks and gardens, planning, arts and management.

Table 1 and Table 2 show the total number of Kingston employees is made up of 433 full-time, 526 part-time, 413 casual and 26 temporary employees.

Table 1: Number of Kingston Employees by Division

Employment type/ gender	Executive Services FTE	Community Sustainability FTE	Corporate Services FTE	Planning & Development FTE	City Assets & Environment FTE	Total FTE
Permanent FT – female	3.00	119.00	42.00	36.00	36.00	236.00
Permanent FT – male	5.00	49.00	25.00	34.00	79.00	192.00
Permanent PT – female	0.00	208.38	14.17	22.88	13.02	258.45
Permanent PT – male	0.00	18.24	1.19	10.14	3.18	32.75
Temporary FT – female	0.00	3.60	2.50	1.00	1.20	8.30
Temporary FT – male	0.00	0.20	1.00	4.00	4.60	9.80
Temporary PT – female	0.00	4.20	1.00	0.90	1.00	7.10
Temporary PT – male	0.00	0.00	0.00	0.60	0.00	0.60
Casual – female	0.00	35.10	1.20	1.00	24.30	61.60
Casual – male	0.00	4.80	0.00	0.20	12.20	17.20
Total	4.05	473.38	90.43	109.99	180.41	858.26

Table 2: Number of Kingston Employees by Employment Classification

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	24.70	13.60	38.30
Band 2	129.35	26.10	155.45
Band 3	63.60	49.30	112.90
Band 4	111.60	27.00	138.60
Band 5	77.20	36.61	113.81
Band 6	98.00	49.90	147.90
Band 7	38.60	25.90	64.50
Band 8	12.90	13.20	26.10
Band not applicable	20.10	40.60	60.70
Total	576.05	282.21	858.26

The average age of our workforce is 44.5 years, which is slightly higher than 2013/14 (44 years), Forty-six per cent of our employees are aged between 45 and 65 years, and 71 per cent of employees are older than 35 years. The gender profile of our workforce is 74 per cent female and 26 per cent male. As reflected in Table 6, our employee retention rate for 2014/15 was 88.1 per cent, which is a slight decrease from the retention rate for 2013/14 (89.1 per cent).

Table 3: Workforce Profile 2012-2015

Workforce Profile	2012/13	2013/14	2014/15
Retention Rate**	88.3%	89.1%	88.1
Average Age (Years)	44	44	44.5
Percentage of Females	73%	73%	74%
Percentage of Males	27%	27%	26%
Officer Level	98.3%	98.6%	98.4%
Senior Officers*	1.7%	1.4%	1.6%
Total Separations/Exits	118	112	119

*comprises CEO, general managers and managers **excludes casuals 81

Our Volunteers

Council values the volunteers who support the delivery of a range of Council services and programs. More than 1,700 volunteers donated over 20,000 hours to Kingston community programs in 2014/15; the number of volunteers increased by over 400 people from 2013/14.

Council has volunteers participating in environmental and community events, community groups and committees, aged and disability support, Kingston arts and culture, libraries, youth services and emergency services. Highlights for 2014/15 included:
























- ▶ more than 254 volunteers spending approximately 6,844 hours assisting with social support programs for residents who are frail aged or who have a disability;
- ▶ 66 volunteers spending 2,640 hours assisting Kingston's library services;
- ▶ National Tree Day and Clean Up Australia Day – with more than 200 volunteer hours were spent planting more than 3,000 seedlings and collecting more than two tonnes of rubbish; and
- ▶ 1,372 local residents volunteered over 4,126 hours on Council's committees and groups.

Equal Employment Opportunity Program

In 2014/15, Kingston commenced a review of our organisational approach to compliance training to strengthen our organisational capacity and understanding around key risk areas including Equal Opportunity, Discrimination, Harassment and Bullying.

Subsequently, a face-to-face compliance course was developed in partnership with VECCI. Two-hundred and three employees from key areas such Parks and Recreation and Home and Community Care undertook this training. This program will be expanded in 2015/16 across other areas of the organisation.

CONNECTING WITH OUR COMMUNITY

	Kilometres of local roads resurfaced	9.86 km
	Kilometres of footpath renewed	12.55 km
	Drainage pits cleaned	5,892
	Tonnes of garbage collected	27,996 tonnes
	Number of mattresses collected	6,470
	Tonnes of recyclables collected	15,452 tonnes
	Street (and park) trees planted	2,400
	Kilometres of streets swept	13,183 km
	Planning applications received	1,050
	Visitors to Waves and Don Tatnell Leisure Centres	714,698
	New babies born in Kingston	1,736
	Number of kindergarten enrolments	1,477
	Number of immunisations	16,515
	Number of meals and wheels meals delivered	65,698
	Number of new library members enrolled	6,449
	Number of library items borrowed	105,466
	Number of Facebook likes	13,702
	Number of Twitter followers	3,404
	Visits to Kingston's website – kingston.vic.gov.au	2,350,664
	Telephone calls to Customer Service	111,695
	Call answered within 20 seconds	75.6%
	Number of Live Chat conversations	5,793
	Number of Customer Service counter visits	79,499

STRATEGIC PLANNING AND REPORTING FRAMEWORK

Every Council is required to prepare and adopt a Council Plan by 30 June in the year following a general election, which is now conducted in October on a four-year cycle.

Kingston's Council Plan 2013-2017 establishes Council's planning framework to the community for the next four years and is reviewed annually. Our plan goes beyond the legislative framework of the *Local Government Act 1989* to ensure emerging issues and community priorities are strategically addressed.

The plan underpins and guides our work and actions. It establishes the direction and priorities for the organisation. Progress against the plan is measured quarterly and annually, in quarterly performance reports and the annual report. The more detailed quarterly performance reports can be viewed on the Kingston website as soon as they have been received at the relevant Council meeting. See kingston.vic.gov.au/Your-Council.

Local Government Performance Reporting Framework (LGPRF)

The 2014/15 year is the first year that the LGPRF came into effect for Victorian Councils.

The framework is a mandatory system of performance reporting, introduced by the Victorian State Government, to ensure that all councils are measuring and reporting on their performance in a consistent way. The framework is made up of 67 measures and a governance and management checklist of 24 items which together build a comprehensive picture of council performance. As prescribed in the relevant legislation and the LGPRF, the results for the new service performance indicators and measures are also reported by goals.

For more information relating to measures and for the comparison of results for Kingston City Council compared to other municipalities, see kingston.vic.gov.au.

How to read this report

The 2014/15 Annual Report describes Council's operations for the financial year from 1 July 2014 to 30 June 2015 on the basis of the six goals that were determined by Council at the beginning of their term. It also presents examples of capital works projects undertaken during the year, our challenges and indicators of success according to the Council Plan. Each goal presents the achievements against Major Initiatives as identified in the 2014/15 Adopted Budget.

In addition, the results for the new service performance indicators and measures identified through the LGPRF and related legislation.



GOAL 1

FACILITIES AND ASSETS THAT ARE WELL USED AND EFFECTIVELY MANAGED

Council will manage and maintain safe and accessible facilities and assets that are fit for purpose for today's community, as well as future generations.

Council continues to invest in infrastructure, asset and facility improvements and upgrades, finding the balance between levels of investment, meeting community expectations and providing value for money.

This year Council invested \$39.8 million on activities under Goal 1 compared to the budgeted \$46.0 million. This overall investment represents a 7.2 per cent decrease compared to 2013/14.

Our aim is to ensure that both new and existing facilities and assets have multiple uses, are well utilised, and support and promote an active and connected community.

Our services

Facilities and assets that are well used and effectively managed benefit the whole community. Services provided by Council to ensure Kingston's facilities and assets are well used and effectively managed include:

- ▶ planning for development and maintenance of sport and recreational facilities and playgrounds;
- ▶ leisure planning;
- ▶ maintaining and upgrading Council-owned buildings and facilities. For example halls, pavilions, libraries, child care centres; aged hostels and club rooms;
- ▶ managing, maintaining and upgrading Council-owned assets (roads, bridges, drains, footpaths);
- ▶ engineering design and asset management, and;
- ▶ property management.



8.00AM

Young families drop off their children at Kingston's new Parkdale Family and Children's Centre.

Major Achievements

- ▶ Opening of the Edithvale and Parkdale Family and Children's Hubs designed to offer local families increased services for new parents, babies and young children through kindergartens, day care, play groups, maternal and child health services and more.
- ▶ \$9.2 million on civil infrastructure including road renewal, road resurfacing and drainage program. Key works included asphalt works in Oakleigh South, Waterways, Chelsea, Mordialloc, Edithvale, Highett, Clayton South and Clarinda, as well as road reconstruction works, including completion of Bondi Road in Bonbeach, Goulburn Street in Cheltenham and Lilliput Lane, Aspendale.
- ▶ \$1.8 million was spent on recreational facilities including Namatjira Park public lighting, Kingston Heath memorial Gardens, Moorabbin Reserve Master Plan implementation, Keeley Park Master Plan, and Bicentennial Skate Park Master Plan.
- ▶ \$1.5 million footpath renewal program completed; key works included Bernard Street in Cheltenham, Chaldron Place in Dingley Village, Gladesville Boulevard in Patterson Lakes, and Queen Street in Parkdale.

Our Challenges

- ▶ Potential uses for Council-owned land in Spring Road, Dingley are limited due to the site topography (and its former use as an extractive/landfill site) that may preclude or at least compromise particular future sport and recreational uses.
- ▶ Managing open space/reserves with an increase in flooding due to peak rain events, in particular the need to better understand flood risks and priorities within Moorabbin and Edithvale. Erosion control fences also needed to be replaced at Carrum foreshore after they were damaged by storms.

Completing the urgent need of maintenance of out-dated facilities at The Grange Pavilion for the Kingston City Soccer Club after it joined the National Premier League in 2014, within a tight timeframe. The handover was only a few days before the club's first home game for the season.

CASE STUDY

Trash Turns to Treasure Thanks to Innovative Business Partnerships

Effectively managing and maintaining Council assets and facilities is arguably the foundation role of Councils. We are always looking for better and more cost-effective ways to manage our assets.

In 2014/15, several Kingston streets were upgraded using asphalt made from recycled toner cartridges in an innovative process to transform waste products into useful items instead of sending them to landfill.

Kingston hopes to inspire other local businesses to think creatively about their waste products through the ASPIRE project.

ASPIRE helps businesses cut waste disposal costs by matching them with other businesses which can put the waste to good use.

Since 2003 more than 90 tonnes of printer cartridge waste has been collected from local businesses – including Kingston Council – and diverted from landfill.

The ASPIRE project is a partnership between the CSIRO, the Victorian Government and a number of local councils.

Capital Works

Parkdale Family and Children's Centre	Kingston contributed \$4.5 million in total to the project; \$2.0 million of this was spent in 2014/15.
Edithvale Family and Children's Centre	Kingston contributed \$5.0 million in total to the project; \$3.5 million of this was spent in 2014/15.
Recreational facility upgrades	\$1.8 million
Footpath renewal and construction	\$1.5 million
Road and resurfacing works (includes drainage and footpath renewal, when completed, as part of a larger road project)	\$9.2 million

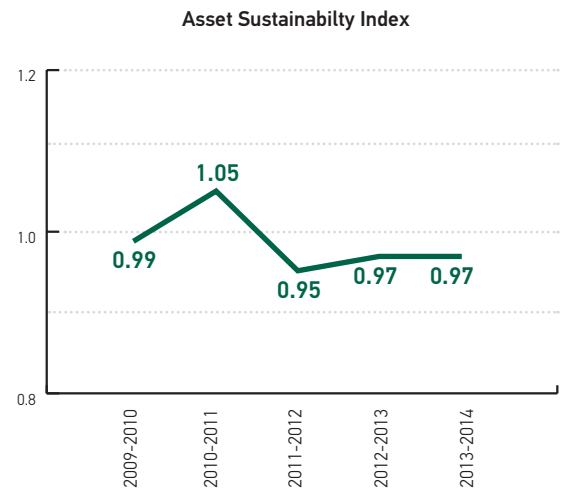
Indicators of Success

Our indicators of success comprise measures or means of monitoring achievement in relation to set goals as outlined in our Council Plan. The indicators refer to a range of economic, social and environmental indicators used by Council to monitor the wellbeing of the community. The indicators for Goal 1 are detailed below.

Asset Management Sustainability Index

Council target: Achieve a score between 0.95 and 1.05

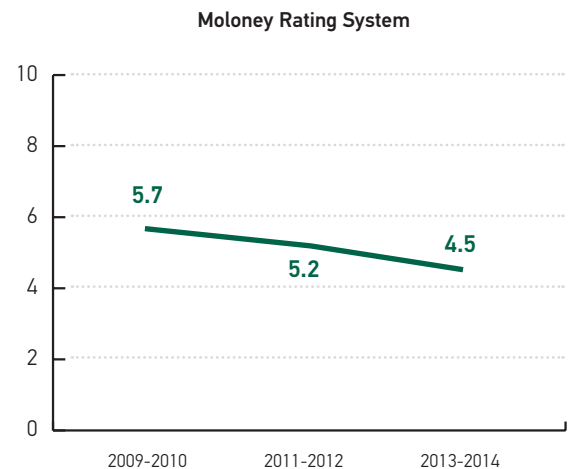
The Sustainability Index is calculated annually and is based on best available asset condition and valuation information as at the end of the previous financial year. The indices compare the required expenditure (calculated in Asset Renewal Modelling) with proposed budget allocations in the Capital Works Forward Plan. The analysis has a narrow focus on asset renewal needs for existing “built” assets in pre-defined categories. It does not include expenditure on software systems, new purchases or developments. The Sustainability Index has a fifteen-year outlook. Target range is to achieve a score between 0.95 and 1.05. A score less than 0.95 indicates potentially unsustainable investment, whereas over 1.05 is an indicator that the proposed spend is possibly more than required.



Building facilities assessment rating

Council Plan target: Continue to improve the condition of Council's building stock

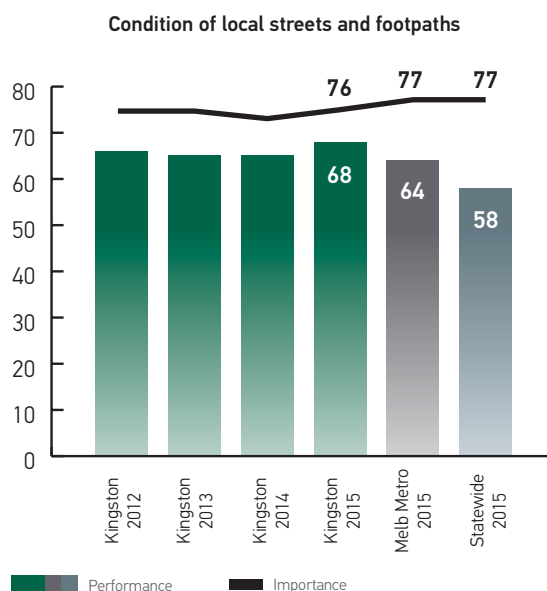
Council has been undertaking comprehensive building condition audits on its buildings since 2009/10 on a bi-annual basis. This audit process helps track improvements in the condition of Council's building stock. The rating improved to 4.5 in 2013/14 (the rating is out of 10 and less is better). The next rating is expected to be conducted in 2015/16.



Community Satisfaction: Condition of local streets and footpaths

Council Plan target: Maintain or improve resident perception of performance

Kingston residents rate the performance of the condition of local streets and footpaths at 68, which was three points higher than in 2014. Kingston's performance was significantly higher than the average of Melbourne metro councils at 64 and the Statewide average of 58. Kingston residents rate the importance of the condition of local streets and footpaths high at 76, which is similar to the other groupings.

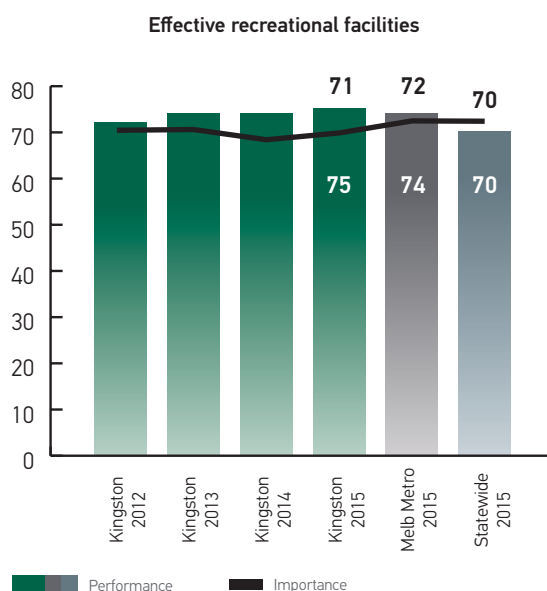


Source: Community Satisfaction Survey 2015

Community Satisfaction: Performance of recreation facilities

Council Plan target: Maintain or improve resident perception of performance

Kingston residents continued to rate the performance of recreational facilities including halls, sporting grounds and swimming pools favourably at 75, and significantly higher compared to the statewide average of 70. Council's performance of recreational facilities exceeded importance by four points.



Local Government Performance Reporting Framework (LGPRF)

This year the State Government introduced compulsory new service measures across all Victorian Councils. The new measures relevant to Goal 1 are below:

SERVICE/INDICATOR	MEASURE	RESULT	MATERIAL VARIATION/COMMENTARY
Roads			
Satisfaction of use	Sealed local road requests (number per 100 kilometres)	34	All requests received are logged into the work schedule for repair. There have been a relatively low number of requests due to a dry 12 months, and therefore less impact on the roads from water damage.
Condition	Sealed local roads below the intervention level	98%	Intervention level is when a road is due for reconstruction. Hence only 2% of sealed local roads in Kingston require intervention.
Service cost	Cost of sealed local road reconstruction per square metre	\$81	Recently Council has achieved extremely competitive prices for local road reconstruction work.
Service cost	Cost of sealed local road resealing per square metre	\$21	A combination of asphalt and spray seal is utilised by Council which have differing costs. Resealing prolongs the life of the road.
Satisfaction	Satisfaction with sealed local roads	68	Performance on the condition of local sealed roads (68) was equal to the 2014 result. This result is one point lower than the benchmark Metropolitan council average (69), but ahead of the statewide average (55).

Major Initiatives

The following statements review the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiatives	Budget	Actual	Progress
Road Renewal – Resurfacing Program	\$1,300,000	\$913,916	100%
The resurfacing program for 2014/15 was completed on schedule and under budget			
Road Renewal – Roads Reconstruction Program	\$7,800,000	\$9,156,099	100%
The road reconstruction program was completed on schedule. This program includes road renewal and drainage programs. The higher spend was fully approved and included unspent funds from 2013/14 and further expenditure funded from additional grants and reserves.			
Edithvale Family and Children's Centre	\$3,350,000	\$3,506,560	100%
The Edithvale Family and Children's Centre opened in March 2015 and is an addition to Council's existing Edithvale Recreation Reserve Masterplan. In addition to funding from Council, a \$1.5 million grant was received from the Victorian Department of Early Education and Child Development.			
Parkdale Family and Children's Centre	\$2,225,000	\$1,976,809	100%
The Parkdale Family and Children's Centre opened in October 2014. It is a partnership between Council, the Victorian Department of Education and Early Childhood Development and Parkdale Secondary College. In addition to funding from Council, a \$1.5 million grant was received from the Victorian Department of Early Education and Child Development.			
Footpath Renewal Program	\$1,450,000	\$1,426,283	100%
The footpath renewal program was completed on schedule and under budget, including projects across the entire municipality			
Cycling and Walking – Special Projects Clarinda to Westall Link	\$500,000	\$12,395	70%
The shared pathway through Keely Park was completed. Due to staff turnover, aspects of this project were delayed. The continuation of the link from Karkarook Park to Westall Station will be completed in the 2015/16 financial year.			
Bay Trail Shared Path Implementation	\$645,000	\$94,496	20%
Works commenced in April 2015 and are currently in progress; construction was delayed due to a VCAT hearing. This section of the Bay Trail is due for completion in August 2015.			

Other Initiatives and Actions

For a complete listing of the all initiatives and actions funded in the 2014/15 Council Budget, please visit kingston.vic.gov.au/quarterlyreport.



GOAL 2

A SUSTAINABLE NATURAL AND BUILT ENVIRONMENT

A sustainable and balanced approach to our natural and built environment is key to managing and responding to a constantly evolving municipality. We will continue to protect and enhance all areas of high environmental value.

Council is home to an extensive and diverse range of natural assets including wetlands, 13 km of Port Phillip Bay coastline, Green Wedge, beautiful parks and open space. As a leader in foreshore management, Council continues to provide an enhanced, accessible and vibrant foreshore.

Our management practices are adaptable to respond to the effects of a changing climate, such as rising sea levels and flooding. Planning for urban change enables us to achieve a balance between community needs, residential amenity, heritage and environmental values.

In 2014/15, Kingston invested \$34.6 million to achieve sustainable environment outcomes, compared to the budgeted amount of \$41.4 million. This is a decrease of 0.9 per cent on the \$34.9 million spent in 2013/14.

Our services

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

- ▶ beach cleaning and patrol;
- ▶ water conservation and recycling;
- ▶ street sweeping;
- ▶ parks and public open space management;
- ▶ environmental planning and management;
- ▶ waste minimisation through reuse and recycling;
- ▶ statutory and strategic planning;
- ▶ building and design; and
- ▶ protection of heritage sites.



6.25AM

Fishing enthusiasts try their luck at Mordialloc Pier.

Major Achievements

- ▶ Council initiated Planning Scheme Amendment C143 to rezone land in the northern part of Kingston's Green Wedge – the land north of Kingston and Heatherton Roads. Council's proposal would introduce a Green Wedge A Zone that prohibits new materials recycling facilities, including concrete crushers. The planning proposal was drafted following extensive community consultation and was subject to review by an Independent Planning Panel. Council is seeking final approval of its Amendment from the Minister for Planning.
- ▶ Over the past 12 months 4,600 plants have been planted in the Kingston Green Wedge. Plantings occurred in a range of locations including:
 - ▶ Kingston Rd – west of Old Dandenong Road;
 - ▶ Heatherton Rd – east of Clayton Road;
 - ▶ Clayton Rd – north of Heatherton Road;
 - ▶ Boundary Road; and
 - ▶ several sites along Old Dandenong Road.
- ▶ Kingston's dog owners gained 24-hour, year-round beach access after Council commenced a 24-hour dog off leash trial at Mentone Beach.
- ▶ Design concepts for the new Mordialloc Life Saving Club were released for public consultation. The \$4 million project funded by Kingston Council, the State Government through Life Saving Victoria and the Mordialloc Life Saving Club will replace an ageing clubhouse with a brand new state-of-the-art facility; construction is expected to commence in October 2015.

- ▶ \$750,000 was spent on drainage flood mitigation programs, including works at Fraser Avenue, Edithvale and Mews Reserve, Dingley Village.
- ▶ \$450,000 was contributed by Council towards parks and open space. Works included tree planting, revegetation, watering repairs and renewal, and park asset renewal.
- ▶ Sustainability projects relating to energy and water saw Kingston Hall lighting upgrades, sports field warm season grass conversion, and bay and waterways stormwater quality improvements.

Our Challenges

- ▶ The Mentone Coastal Precinct Plan has encountered delays due to topography issues in the area. Council Officers are investigating and attempting to resolve engineering issues to allow for full accessibility throughout the project to the precinct.
- ▶ Energy-efficient street light fitting replacements have been deferred until 2015/16 due to technical approval delays from United Energy.
- ▶ Several sites continue to be investigated for compliance within the Planning Scheme in the Green Wedge. For example, at Kingston Road, Clarinda, enforcement action was taken for the use of the premises as a place of assembly without a planning permit. The use has ceased, and an application for a planning permit is currently being assessed. In addition, at Tootal Road Dingley Village, concerns have been raised regarding the rear area of the site storing materials. This matter is subject to an ongoing investigation.

CASE STUDY

Using innovation to protect the bay

Kingston is fortunate to be the custodian of 13 km of pristine Port Phillip Bay coastline, providing a great space for residents and visitors alike to enjoy the great outdoors. The City of Kingston is proud of its leadership role in using an environmentally-sensitive approach to stormwater management to protect this natural asset.

Residents near Watkins Reserve on the Aspendale foreshore identified a number of issues with their neighbourhood reserve including severe beach erosion during heavy rainfall and ageing park infrastructure.

To minimise beach erosion and improve stormwater quality, Council collaborated with Melbourne Water to develop a water-sensitive urban design treatment installed in conjunction with park improvement works that retain the reserve's open space.

How the water sensitive urban design works:

- ▶ Stormwater run-off from houses and roads within a 10,000 square metre area are piped to the reserve.
- ▶ Water is fed through large wells that trap litter.
- ▶ Water is directed to a rain garden that treats up to 3,000 litres per minute where it seeps through filter layers that trap silt, oil and pollutants.
- ▶ The clean water is then collected and piped under a newly constructed boardwalk and deck into a large tank that temporarily stores and slows down the flow to the beach.

The project has reduced beach erosion, improved the quality of water that is drained into Port Phillip Bay, reduced flooding of surrounding roads and improved amenity and open space for the community.

Capital Works

Land remediation projects at Mentone depot and former tip sites	\$3.5 million
Foreshore infrastructure and environment renewals, including Mordialloc Creek	\$1.2 million
Drainage flood mitigation programs, including works at Fraser Avenue, Edithvale and Mews Reserve, Dingley Village.	\$750,000
Parks and open space	\$450,000
Sustainability projects relating to energy and water including Kingston Hall lighting upgrades, sportsfield warm season grass conversion, and bay and waterways stormwater quality improvements.	\$1.3 million

Indicators of Success

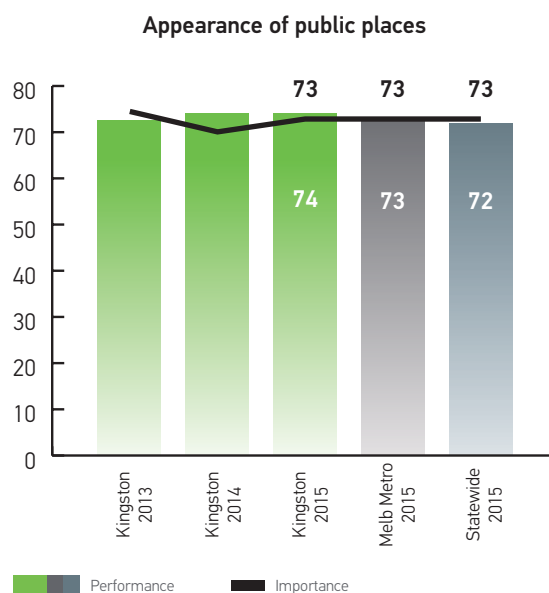
Our indicators of success comprise measures or means of monitoring achievement in relation to set goals and outlined in our Council Plan. The indicators refer to a range of economic, social and environmental indicators used by Council to monitor the wellbeing of the community. Indicators for Goal 2 are detailed below.

Community satisfaction: the appearance of public areas

Council target: Maintain or improve resident perception of performance

Residents rate Council's performance of the appearance of public places, which includes local parks, gardens, reserves and nature strips, at 74 – which is higher than both the Melbourne metro and statewide averages. The appearance of public places continues to be very important to the community, rating it 73 in importance.

Source: Community Satisfaction Survey 2015

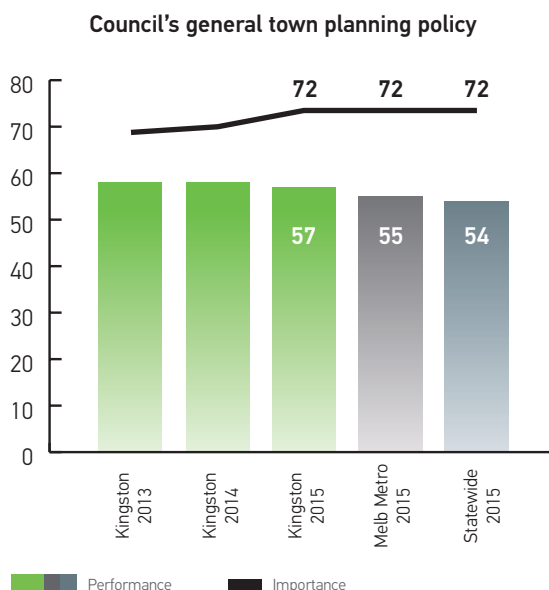


Community satisfaction: Council's general town planning policy

Council target: Maintain or improve resident perception of performance

In 2015, Kingston's rating for general town planning policy was 57. This result was higher than both the Melbourne Metro score and the statewide average. General town planning is rated highly by the community at 72. The gap between performance and importance was 17 at Melbourne metro councils and 15 at Kingston.

Source: Community Satisfaction Survey 2015



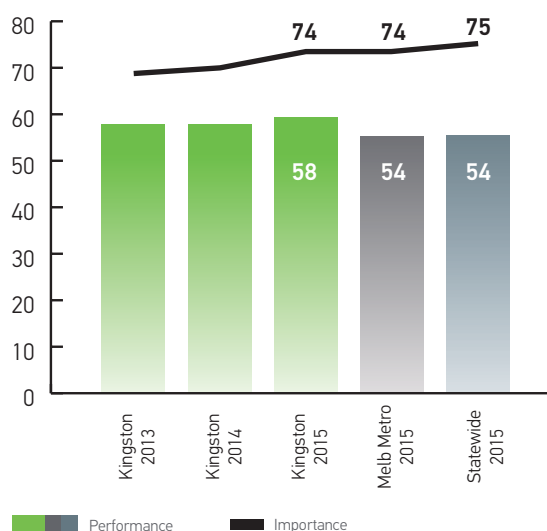
Community satisfaction: Council's planning for population growth

Council target: Maintain or improve resident perception of performance

Council's performance of planning for population growth remained steady at 58. This result was significantly higher than Melbourne metro and statewide Council averages where performance was 54. Planning for population growth is rated 75 in importance by the community. The difference between importance and performance was 16, reinforcing its continued importance.

Source: Community Satisfaction Survey 2015

Planning for population growth in the area



Local Government Performance Reporting Framework (LGPRF)

This year the State Government introduced compulsory new service measures across all Victorian Councils. The new measures relevant to Goal 2 are below:

SERVICE/INDICATOR	MEASURE	RESULT	MATERIAL VARIATION
Statutory Planning			
Timeliness	Time taken to decide planning applications (median number of days)	85	Ongoing improvements in processing and a focus on reducing timeframes has seen Kingston's median processing days reduced from 100 days in the 2013/14 financial year down to 85 days for this financial year. Kingston is now consistent with the Metro Average (84).
Service standard	Planning applications decided within 60 days	48%	This year has seen an improvement of 4.5% compared to the 2013/14 financial year, with a clear improvement in the second half of the 2014/15 year exceeding 50% in the January to June period (60% achieved in June 2015).
Service cost	Cost of statutory planning service per planning application	\$1,274	The 2014/15 year saw an unprecedented number of planning applications lodged but staffing levels remaining consistent was a key factor in keeping the costs down for each planning application.
Decision making	Council planning decisions upheld at VCAT	63%	Kingston's success rate at VCAT can be attributed in part to the time Kingston dedicates to consulting with its community to achieve acceptable outcomes. It also reflects a sound process of decision making consistent with State and Local Planning Policy.
Waste Collection			
Satisfaction	Kerbside bin collection requests (number per 1,000 collections)	112	Kingston delivers a high standard waste collection service, including garbage, recyclables and green organics. Out of the 60,800 households serviced each week, 6,825 requests for missed collections, damaged bins repairs, and replacement bins were made.
Service standard	Kerbside collection bins missed (number per 10,000 scheduled bin lifts)	6	Of the 4,727,584 scheduled bin lifts across Kingston, 2,765 garbage and recycling bins were missed throughout the year.
Service cost	Cost of kerbside garbage bin collection service (per bin)	\$94	The cost includes the weekly kerbside garbage collection service and cost of disposal to landfill but does not include the cost of the bin.
Service cost	Cost of kerbside recyclables bin collection service (per bin)	\$14	The cost includes the weekly kerbside recycling collection service and cost of disposal but does not include the cost of the bin.
Waste diversion	Kerbside collection waste diverted from landfill	50%	The green waste (from garden) component was lower in 2014/2015, particularly in the last quarter (down by 20%) due to the dry autumn conditions.

Major Initiatives

The following statements review the progress of Council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiatives	Budget	Actual	Progress
Amenity Planting Green Wedge	\$100,000	\$153,048	100%
Approximately 3.1 km of native tree planting and mulching has been completed within the Green Wedge over the past financial year.			
Wetlands Feasibility Project Green Wedge	\$150,000	\$54,359	75%
The consultant work has progressed to its final stage and is expected to be completed by September 2015. The delay in completion is due to the need to continue to work with Melbourne Water to further explore the scope of the project and its associated business care.			
Foreshore environment sub-program of capital works	\$400,000	\$914,714	100%
Works in the precinct have been put on hold until a range of projects currently underway have been completed, examples include the Bay Trail and Antibes and Dixon Street car parks.			
Mentone Coastal Precinct Plan Implementation	\$400,000	\$25,638	40%
Preliminary community consultation was undertaken on the precinct upgrade with very positive feedback. Stage 1 is proposed for winter 2016 to reduce disruption to the Life Saving Club and summer peak period. Detailed planning on the overall precinct upgrade and specific areas will be undertaken early in 2015/16.			
Mordialloc Life Saving Club Redevelopment	\$1,920,000	\$144,967	50%
A planning permit to remove native vegetation from the Mordialloc foreshore was required before works could commence. This application process took some time to be finalised. Work has now been completed on the detailed designs for the redevelopment of the Mordialloc Life Saving Club. Council is expected to appoint the preferred contractor at the August 2015 Council meeting. Construction is expected to commence on site in October.			
Streetlight fittings replacement - Energy Efficiency	\$1,500,000	\$10,998	20%
Implementation to be deferred until 2015/16 due to delay in technical approvals from United Energy.			

Other Initiatives and Actions

For a complete listing of the all initiatives and actions funded in the 2014/15 Council Budget, please visit kingston.vic.gov.au/quarterlyreport.



GOAL 3

HEALTHY, STRONG AND CONNECTED COMMUNITIES

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.

We aim to have an inclusive city by promoting diversity, supporting community interaction, and providing accessible and equitable services. In 2014/15, Council continued to offer many programs to support and strengthen groups, including young people, people with disabilities, seniors, families with young children, Aboriginal people, people from culturally diverse backgrounds, and sporting and recreational groups, to build healthy and cohesive communities. This was achieved through extensive and focused community planning, and analysis to identify community needs and develop priorities.

This year Council invested \$54.7 million on the wellbeing of the community against a budgeted \$55.6 million. This represents an increase of 6.6 per cent on \$51.3 million in 2013/14.

Our services

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

- ▶ aged and disability services including delivered meals;
- ▶ Indigenous and multicultural services;
- ▶ maternal and child health;
- ▶ youth services;
- ▶ family day care and child care;
- ▶ leisure and arts centres;
- ▶ environmental health services;
- ▶ community development and planning; and
- ▶ the Kingston Charitable Fund.



11.15AM

Melaleuca Community Centre hosts budding artists and gardeners in their community garden.

Major Achievements

- ▶ Opened the new \$1.85 million Clayton South Kindergarten located on the grounds of Clayton South Primary School. The purpose-built kindergarten features two flexible learning spaces and outdoor spaces that will cater for 55 licenced kindergarten places. It was funded by Kingston Council and a \$600,000 grant from the Victorian Government.
- ▶ Over 60,000 people enjoyed Kingston's four major festivals – Carols by Kingston, the Globe to Globe World Music Festival, the Mordialloc Food and Wine, and the Harvest Festival.
- ▶ Council partnered with Resilient Youth Australia on an innovative project to boost the mental wellbeing of local primary and secondary students. Council offered this service free of charge to local schools with a view to check on the mental wellbeing of young people and invest in practical ways to build their resilience.
- ▶ Kingston launched a 12-month trial youth service in partnership with the Aspendale Gardens Community Centre. The trial service is designed to respond to the needs of the expanding youth population within Aspendale Gardens and nearby areas.
- ▶ Supported more than 160 community initiated events held on the foreshore and in parks and reserves throughout Kingston.
- ▶ The Kingston Charitable fund saw 15 grant applications received with a total of \$40,700 awarded to 10 community groups in November 2014. An additional \$25,000 Innovation Grant was delivered by the Fund Grants Panel during April 2015 to Money4Jam.

Our Challenges

- ▶ The refurbishment of the Mentone Senior Citizens Centre was delayed after the preferred tenderer withdrew the offer just prior to the Council meeting.
- ▶ AccessCare Southern implemented the new Commonwealth consumer-directed care home care packages. AccessCare Southern are now preparing to be involved in a pilot to transition existing state funded Linkages packages across to the new Commonwealth Home Support Program model.
- ▶ Council successfully engaged with a growing number of children and families experiencing vulnerability. This created challenges for managing risks and behaviours as well as incurring costs for providing the additional support needed.

CASE STUDY

Money4Jam

In 2015, Kingston's Charitable Fund joined forces with TaskForce to help disadvantaged young people receive vital support, life skills and job training.

The \$25,000 Innovation Grant, the largest single grant ever offered by the Kingston Charitable Fund, will provide disadvantaged young people with two 10-week Money4Jam courses where they will gain experience in

an industrial kitchen, learn food production skills and work towards a Safe Food Handling certificate while producing a range of high-quality gourmet jams and preserves which are then donated to local community services.

The innovative program also includes counselling support, resume writing and interview skills. It will target vulnerable young people in our community who are at a higher risk of long-term unemployment, mental health problems, drug/alcohol use or criminal activity.

Capital Works

Early works on Park Street Preschool in Mordialloc

\$384,000

Kallay Street Kindergarten relocation in Clayton South

\$1.13 million

Indicators of Success

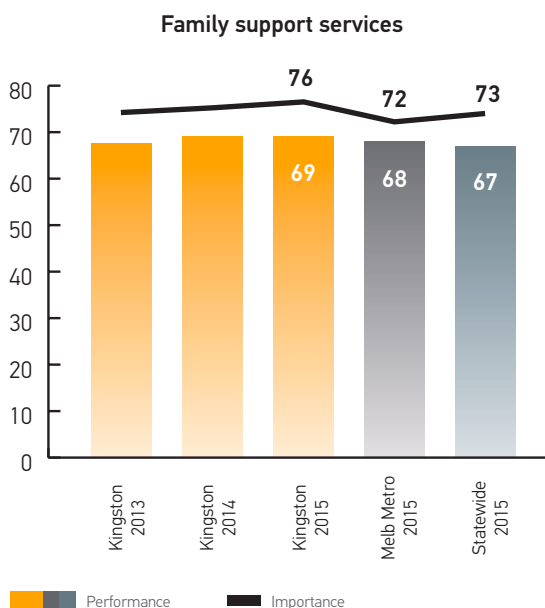
Our indicators of success comprise measures or means of monitoring achievement in relation to set goals as outlined in our Council Plan. The indicators refer to a range of economic, social and environmental indicators used by Council to monitor the wellbeing of the community. These indicators are detailed below.

Community satisfaction: Family, youth and children's support services

Council Plan target: Maintain or improve resident perception of performance

This measure includes services for children, youth and families, such as maternal and child health, immunisation, family day care and support and activity groups. Performance at Kingston remained steady in 2015 at 69. The importance of support services was significantly higher in Kingston compared to Melbourne metro and statewide councils. The gap between performance and importance was seven at Kingston and, although higher than the other groups, this variance is still within an acceptable range.

Source: Community Satisfaction Survey 2015

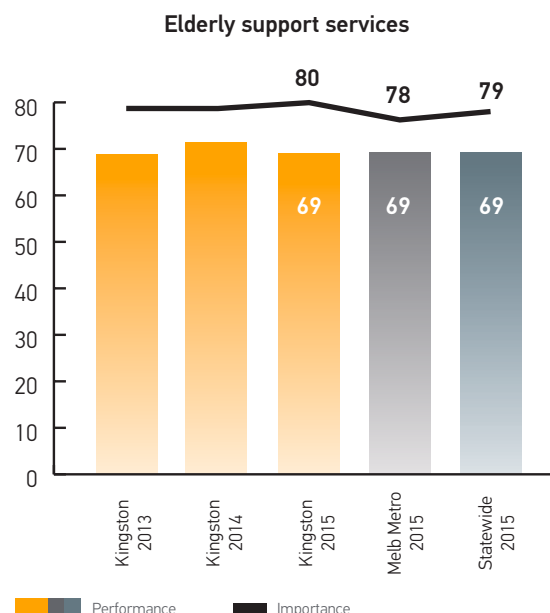


Community satisfaction: Elderly support services

Council Plan target: Maintain or improve resident perception of performance

The measure for elderly support services includes services for elderly people and their carers and families such as meals on wheels and home help. Kingston's performance fell by two points to 69 in 2015, which is equal with the other group averages. Elderly support services was rated by Kingston residents as one of the most important services in the survey with an index score of 80. The differences between performance and importance increased to 11 in Kingston, nine for Melbourne metro and ten for the state average.

Source: Community Satisfaction Survey 2015



Family support service accreditation

Council Plan target: Maintain or improve resident perception of performance

Council maintained its accreditation in compliance with the Department of Human Services (DHS) Standards and ISO9001. The DHS promote empowerment, access, engagement, well-being and participation while ISO 9000 is a series of standards developed and published by the International Organisation for Standardisation (ISO) that define, establish, and maintain a quality assurance system for manufacturing and service industries.

Residential aged care accreditation

Council Plan target: Maintain accreditation

Council operates three residential aged care services. The operation of residential aged care is regulated by the Commonwealth Government, and includes a requirement for each facility to achieve and maintain standards relating to the care of residents and the management of the facilities. Council's facilities were awarded accreditation, and continued to receive satisfactory results and commendations during the regular spot checks in the reporting period.

State Government reviews against the National Quality Framework for children, youth and family services and community care

Council Plan target: Maintain compliance with the National Quality Framework (NQF)

Council's child care, kindergarten, family day care and outside school age care services are regulated in accordance with the National Quality Framework for children, youth and family services and community care. Throughout the past year, a number of Council's programs have been audited by the State Government as part of its rolling Rating and Assessment regime. All programs audited were assessed to be either 'Meeting' or 'Exceeding' the National Quality Framework Standards.

Maintaining and improving engagement of volunteers

Council Plan target: Maintain or improve engagement of volunteers

Council is fortunate to have volunteers who support its capacity to deliver a range of services and programs. More than 1,700 volunteers donated almost 20,000 hours to Kingston community programs. The number of volunteers has increased by over 400 people from 2013/14. Although there was a decrease in the number of donated hours from last year's 29,000 hours, much of the variation can be attributed to a change in definitions and clarification of the calculation methods to improve the accuracy of record keeping.

Local Government Performance Reporting Framework (LGPRF)

This year saw the introduction of new service measures that have been prescribed by LGPRF regulations.

SERVICE/ INDICATOR	MEASURE	RESULT	MATERIAL VARIATION/COMMENTARY
Aquatic Facilities			
Service standard	Health inspections of aquatic facilities	3	A total of 6 inspections were undertaken at Council's two aquatic facilities. These inspections were related to obtaining water samples for analysis and follow up of results.
Service standard	Reportable safety incidents at aquatic facilities <i>Total number of WorkSafe reportable safety incidents</i>	0	There were no reportable safety incidents.
Service cost	Cost of indoor aquatic facilities (per visit)	\$1	Kingston continues to improve efficiency; for example, the 2014/15 restructure of leisure services to create one management structure for Council's two centres and the implementation of a new leisure management system, whilst continuing to promote attendance with an aim of the service minimising the cost to council.
Utilisation	Utilisation of aquatic facilities (number of visits per head of municipal population)	5	Both Waves and Don Tatnell Leisure Centres are committed to increasing utilisation by the community through facility and service improvements, and marketing programs to encourage community participation.
Home and Community Care (HACC)			
Service standard	Compliance with Community Care Common Standards	61%	The Australian HealthCare Associates advised that Kingston met 11 of the 18 Expected Outcomes in their audit. Kingston responded seeking clarity on the Required Improvements and to provide further evidence. Subsequently the review outcome was revised with one outcome modified to become an Improvement Opportunity. All outstanding items from the audit have been addressed and we expect that these will be noted as 'compliant' at the next audit.
Participation	Participation in HACC service	30%	This calculation includes data relating to the provision of domestic assistance, personal care and respite care services. Where a client receives a combination of services they are only counted once.
Participation	Participation in HACC service by Culturally and Linguistically Diverse (CALD) people	25%	CALD people are identified as people born outside Australia in a country whose national language is not English. Services included are personal care, domestic, and respite care.
Maternal and Child Health (MCH)			
Satisfaction	Participation in first MCH home visit	99%	1,883 first home visits were made during 2014/15, ensuring new mothers were supported when they brought the newborn babies home from hospital.
Service standard	Infant enrolments in MCH service	98%	1,870 were enrolled in the program, ensuring council continues to support the wellbeing of infants and their families.
Participation	Participation in the MCH service <i>Number of children who attend the MCH service at least once in the year</i>	77%	Our participation rate at the 2-year and 3.5-year assessments was lower than expected. Some parents opted for the convenience of the GP's 4-year-old immunisation and health check that is linked to Centrelink payments and forego the 3.5 years KAS (Key Ages and Stages) Assessment with maternal child health. Kingston prioritised younger babies and vulnerable families as we transitioned across to the new integrated Family and Children Centres located in Parkdale and Edithvale.
Participation	Participation in MCH service by Aboriginal children <i>Number of Aboriginal children who attend the MCH service at least once in the year</i>	85%	Our participation rates for our Aboriginal and Torres Strait Island clients are relatively high. We have proactively encouraged clients to identify their status and supported our nursing staff with appropriate education and training.

Major Initiatives

The following statements review the progress of council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiatives	Budget	Actual	Progress
Chelsea Delivered Meals Kitchen relocation	\$700,000	N/A	45%
This relocation is being undertaken as part of the Bonbeach Recreation Reserve Pavilion Upgrade. The delivered meals component of the construction works commenced during April 2015 and is scheduled for completion during November 2015, at which time the kitchen will be relocated. In order to achieve better economies of scale and integration of services, various projects (ie the pavilion the basketball area, and the delivered meals kitchen) were merged into one contract. The total budget for this contract was \$2,328,244 of which \$2,162,901 was spent as at 30 June 2015.			
Kallay Street Kindergarten, Clayton South Relocation	\$1,400,000	\$1,128,174	100%
Building completion was achieved during mid-December 2014 and the Kallay Street kinder service relocated to new Clayton South Kindergarten soon after. The facility opened on schedule during late January 2015 to enable commencement of 2015 kinder program.			
Progress the refurbishment of the Mentone Senior Citizens Centre	\$1,320,000	\$223,063	50%
The preferred tender for the redevelopment of the Mentone Senior Citizen's Centre, located in Keith Styles Reserve, Mentone. Unfortunately, the preferred tenderer withdrew from the process; negotiations with the other tenderers occurred and a new contractor was appointed in March 2015. The delays significantly affected the project, which is now anticipated to be completed in March 2016.			

Other Initiatives and Actions

- For a complete listing of the all initiatives and actions funded in the 2014/15 Council Budget, please visit kingston.vic.gov.au/quarterlyreport.



GOAL 4

A PROSPEROUS AND DYNAMIC CITY

We will continue to promote Kingston as a smart, creative and progressive city with well-planned, functional and attractive urban centres and hubs.

To deliver a prosperous city it is critical that we continue to foster innovation, research, learning and skill development, and encourage knowledge sharing. In 2014/15, we continued to create a city with rich cultural vitality, supporting diverse arts and cultural events and activities.

Kingston is a hub for business and industry in Melbourne's southeast, with thriving industrial estates and strong retail sectors providing opportunities for business operators and investors. We continued to support a strong local economy to encourage the availability of local jobs. We ensured resources, industry knowledge and skills were available to benefit the community. This requires a free-moving transport network with access to parking and a connected transport system. We ensured effective enforcement of local laws and regulations.

This year the City of Kingston invested \$19.0 million (lower than the budgeted amount of \$21.5 million) to develop a prosperous and dynamic city. This represents a 4.0 per cent increase on the \$18.3 million investment in 2013/14.

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, including:

- ▶ business development opportunities;
- ▶ activity centre planning and implementation;
- ▶ improved amenity in urban centres and retail precincts;
- ▶ traffic and parking management;
- ▶ transport and road networks;
- ▶ library services;
- ▶ support for regional collaboration and partnerships;
- ▶ arts and cultural activities; and
- ▶ local laws and regulations.



3.30PM

Afternoon slumps are cured by a coffee and bagel from one of Mentone's many vibrant cafés.

Major Achievements

- ▶ Ministerial approval of the Moorabbin Activity Centre zone unlocking eight hectares of key development land, encouraging more residential housing and retail developments. Planned major traffic changes and infrastructure projects will make the area more pedestrian friendly and improve traffic flow.
- ▶ Facilitated the redevelopment of a multi-million dollar expansion of the Dingley Village supermarket including a parking upgrade.
- ▶ Traffic management improvements included pedestrian traffic signals at Thames Promenade in Chelsea and the reconstruction of traffic islands in Rowans Road in Moorabbin.
- ▶ Former Glassworks factory in Centreway Mordialloc transformed to a temporary car park.
- ▶ New technology and innovation into libraries and community centres. iPad training courses have been rolled out to all library branches and other major Council facilities.
- ▶ Undertook a major review of relevant provisions of Council Local Laws.
- ▶ Kingston is actively participating in the Monash National Employment Cluster Advisory Group, which is an initiative under Plan Melbourne. Kingston is also participating in the South Eastern Workforce Centre Regional Working Group to mitigate some of the impact of the exit of automotive manufacturers.

Our Challenges

- ▶ Development of a Integrated Transport Strategy will be addressed in 2015/16. The purpose of this strategy is to begin developing an integrated strategic framework to assist Council's discussions and negotiations with the State, especially during the major changes that will arise due to the large number of grade separations planned for Kingston.
- ▶ The most recent VicRoads crash figures still show a high crash rate in Kingston. Targeted projects are being undertaken to address key issues, such as Station St Local Area Traffic Management, Wiser Driver Programs and Safe Routes to School.

CASE STUDY

Mentone's Renaissance Begins

Creating a prosperous and dynamic city, for today and future generations, is a crucial part of Council's role. In 2014/15 the City of Kingston laid out the plans for the Mentone Renaissance – designed to bring new life to this important local precinct.

Mentone has one of the highest concentrations of schools anywhere in Melbourne, and is a crucial transport hub and has unique heritage.

The Mentone Renaissance proposes a revitalised retail centre, featuring a piazza, a more efficient transport network with less congestion and improved safety. That means more reasons for people to come to Mentone, to shop and enjoy everything it has to offer.

Early works on the Mentone Renaissance will begin in 2015/16.

Capital Works

Activity centres and local shopping centres, including works at the Lower Dandenong Road/Warren Road shopping strip, Moorabbin Bus interchange, Centreway carpark and Chelsea Rail fence.

\$1.05 million

Traffic management projects including at Thames Promenade in Chelsea.

\$700,000

Projects included as part of the Kingston Industrial Development Strategy are road resurfacing at DeHavilland Rd in the Mordialloc industrial area and traffic treatment upgrade at Rowand Rd in the Moorabbin industrial zone.

\$250,000

Indicators of Success

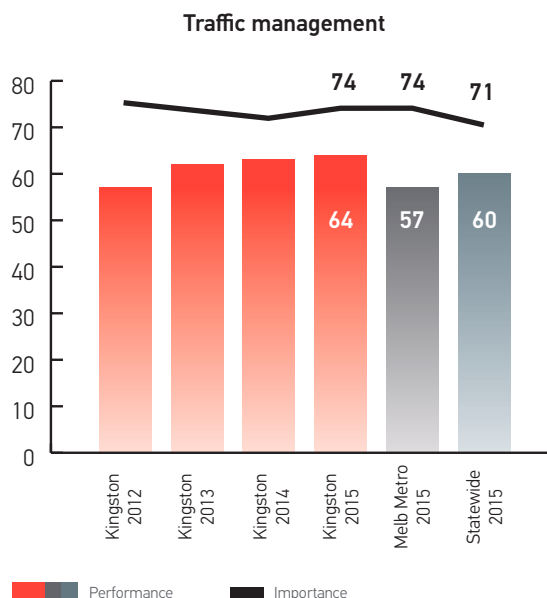
Our indicators of success comprise measures or means of monitoring achievement in relation to set goals as outlined in our Council Plan. The indicators refer to a range of economic, social and environmental indicators used by Council to monitor the wellbeing of the community. These indicators are detailed below.

Community satisfaction: Performance in traffic management

Council Plan target: Maintain or improve resident perception of performance

Community satisfaction with traffic management has continued to increase since 2012. Kingston's performance for traffic management was significantly higher than both Melbourne metro councils (score of 57) and statewide Councils (score of 60). The difference between importance and performance at Kingston remained steady at 10 in 2015 compared to a difference of 18 in 2012.

Source: 2015 Community Satisfaction Survey

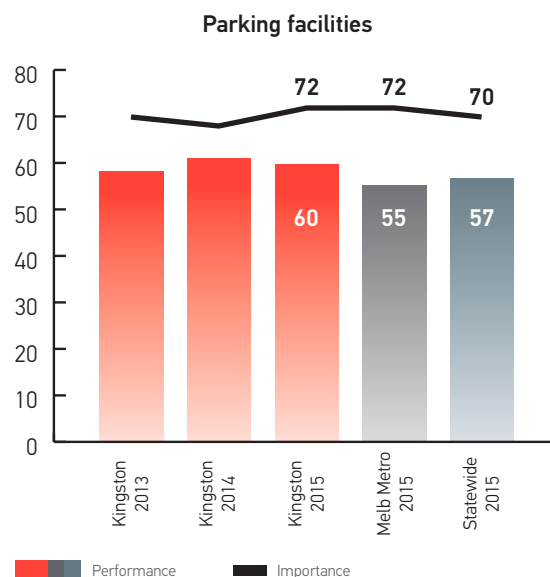


Community satisfaction: Performance in parking facilities

Council Plan target: Maintain or improve resident perception of performance

Although Kingston's performance for parking facilities (which includes the provision of off-street and off street parking) decreased by one point in 2015 to 60, performance remained significantly higher compared to both Melbourne Metro and statewide councils. The importance rating of parking facilities increased by two points at Kingston Council. The gap between performance and importance was 12 at Kingston, 13 for statewide councils and 17 at Melbourne metro councils.

Source: 2015 Community Satisfaction Survey

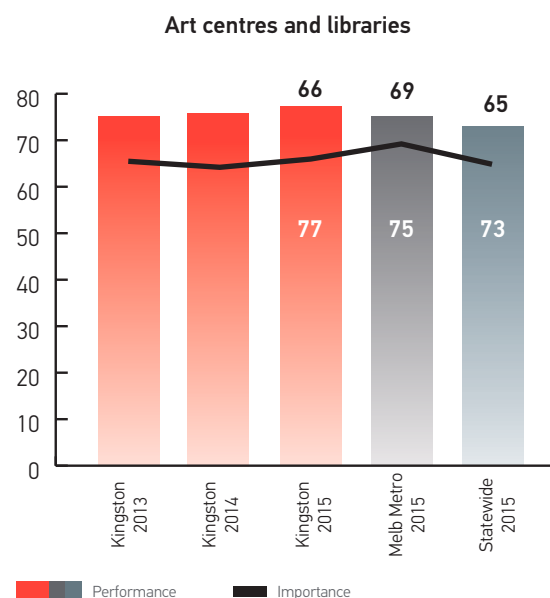


Community satisfaction: Arts centres and libraries

Council Plan target: Maintain or improve resident perception of performance

Community satisfaction with arts centres and libraries increased slightly to 77 in 2015. This service was one of the highest performing service areas at Kingston when the survey was conducted. Kingston's performance for arts centres and libraries is higher than the performance at Melbourne metro councils (index score of 75) and significantly higher than the statewide council average (index score of 73). Performance is exceeding the importance for this service.

Source: 2015 Community Satisfaction Survey

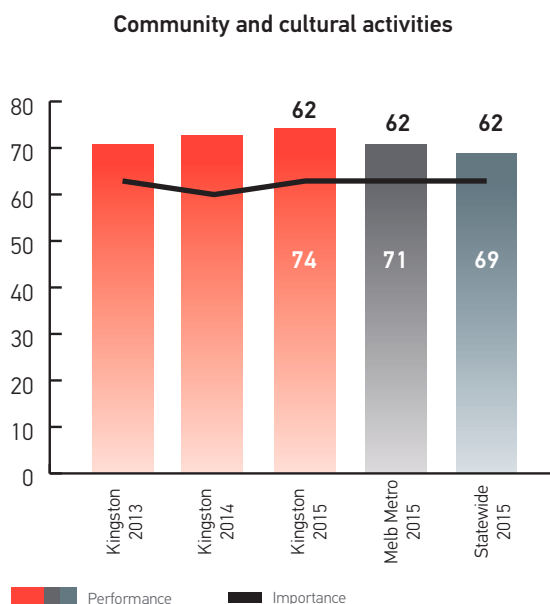


Community satisfaction: Community and cultural activities

Council Plan target: Maintain or improve resident perception of performance

Community satisfaction with community and cultural activities increased slightly to 74, which is significantly higher than the average result at Melbourne metro and statewide councils. This measure includes art exhibitions, music festivals and other council sponsored community events in parks and public spaces. Performance continues to exceed importance for this measure.

Source: 2015 Community Satisfaction Survey

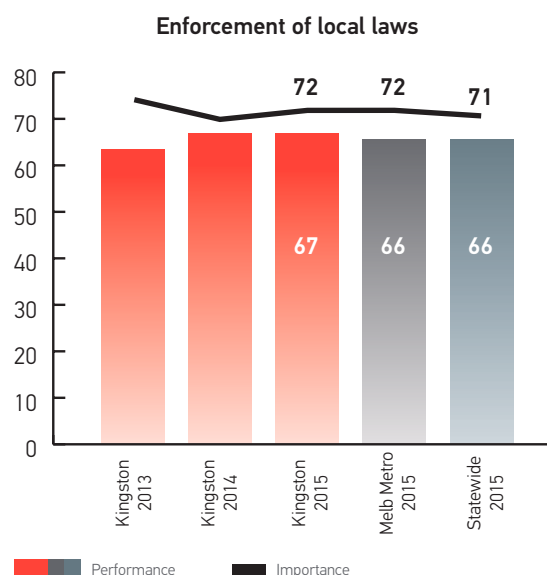


Community satisfaction: Enforcement of local laws

Council Plan target: Maintain or improve resident perception of performance

This service measure includes the enforcement of local laws by rangers and Council officers, including food, health and noise laws, animal control and parking enforcement. Performance with the enforcement of local laws remained steady at 67 and is similar to Melbourne metro and statewide councils. Importance for this service is five points higher than performance and within an acceptable range.

Source: 2015 Community Satisfaction Survey



Local Government Performance Reporting Framework (LGPRF)

This year the State Government introduced compulsory new service measures across all Victorian Councils. The new measures relevant to Goal 4 are below:

SERVICE/INDICATOR	MEASURE	RESULT	MATERIAL VARIATION/COMMENTARY
Libraries			
Utilisation	Library collection usage <i>Number of library collection item loans/per library collection</i>	5	Kingston Libraries provide quality resources and services to strengthen and support the community through eight library sites and two community centres. Libraries also act as a reputable source of information to the community and requests for information are becoming more complex and evolving to include assistance online as well as face to face.
Resource standard	Standard of library collection <i>Number of library collection items purchased in the last five years/ Number of library collection items</i>	67%	Council continues to invest in the library collection to be up to date for the community.
Service cost	Cost of library service (per visit)	\$8	Kingston operates eight library branches, ensuring our residents have easy access to library services.
Participation	Active library members <i>Percentage of the municipal population who are active members</i>	17%	This result is consistent with expectations.
Animal Management			
Timeliness	Time taken to action animal requests (number of days)	2	Officers continue to address animal-related complaints in as short a time frame as a possible.
Service standard	Animals reclaimed <i>Percentage of collected registered animals reclaimed by their owners</i>	69%	Kingston operates a Lost and Found Facebook Page to assist owners to find lost pets. In 2014/15, 100% of dogs that were registered prior to being lost were reunited with their owners. This result is lowered by the inclusion of stray and feral cats. Not registering animals affects the ability of owners to be reunited with their pets.
Service cost	Cost of animal management service <i>Per animal</i>	\$32	30% of officer time is spent on animal-related tasks. Animal management has peaks and troughs throughout the year.
Health and safety	Animal management prosecutions <i>Number of successful animal management prosecutions</i>	23	Council actively promotes compliance and will escalate matters through the Magistrates Courts. Kingston officers also investigate and enforce offences under the Prevention of Cruelty to Animals Act and Domestic Animals Act.

Local Government Performance Reporting Framework (LGPRF) (con't)

SERVICE/ INDICATOR	MEASURE	RESULT	MATERIAL VARIATION/COMMENTARY
Libraries			
Food Safety			
Timeliness	Time taken to action food complaints (average number of days)	2	Officers continue to address food-related complaints in a short time frame as a priority and within the expected performance and quality parameters.
Service standard	Food safety assessments <i>Number of registered Class 1 food premises and Class 2 premises that receive an annual food safety assessment</i>	100%	100% of Assessments for all Class 1 and Class 2 premises were completed for the 2014 Statutory Period (Calendar Year). Assessments of food premises are planned and conducted in compliance with the Food Act statutory obligations to inspect all registered premises prior to the renewal of registration.
Service cost	Cost of food safety service <i>Per registered food premises</i>	\$294	Council's Food Safety service is provided as part of a larger Environmental/Public Health program. Officers work across a range of activities and it is estimated that Officers spent 80% of their time on food safety related activities.
Health and safety	Critical and major non-compliance notifications (%) <i>% of critical and major non-compliance outcome notification followed up</i>	100%	Council's Food Safety service is provided as part of a larger Environmental/ Public Health program.

Major Initiatives

The following statements review the progress of council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiatives	Budget	Actual	Progress
Cheltenham activity centre upgrades and improvement	\$255,000	\$21,366	25%
A number of upgrades and streetscape improvements were initiated in Cheltenham including early works to design and install new purpose built covered bench seating at the bus stops on Station Street and Charman Road. Officers have also worked with VicTrack to obtain necessary approvals to landscape the pocket park adjacent Cheltenham Station on Charman Road. Uncertainty around the timing and final design of the Frankston Line grade separation project has caused some delays in implementation of the proposed improvement works. Design work is now underway with installation now expected early in the 2015/16 financial year.			
Centreway factory demolition and temporary car park	\$250,000	\$122,287	100%
This project was completed under budget. The Centreway factory was demolished and parking was made available in November 2014. The 20 additional car spaces helped ease pressures on vehicles parking in the busy activity centre.			
Kingston Industrial Capital Works	\$250,000	\$250,000	100%
Capital improvements for 2014/15 have been completed including road resurfacing at DeHavilland Rd in the Mordialloc industrial area and traffic treatment upgrades at Rowans Rd in the Moorabbin industrial zone.			
Traffic management capital program	\$670,000	\$629,657	100%
A range of projects were completed in the 2014/15 financial year including construction of the Thames Promenade pedestrian operated traffic signals (opposite Chelsea Heights Primary School) have, reconstruction of the traffic islands in Rowans Road, Moorabbin and at the intersection of Fifth Street and Queen Street, Parkdale.			

Other Initiatives and Actions

For a complete listing of the all initiatives and actions funded in the 2014/15 Council Budget, please visit kingston.vic.gov.au/quarterlyreport.



GOAL 5

AN EFFECTIVE VOICE

We will champion the community's voice on issues that we cannot directly control, to influence those who can, through effective advocacy and strategic alliances.

Council aims to maximise opportunities to seek and listen to the diverse views of the community to inform decision making and be open about our decisions, how they are reached and the outcomes.

Council looks to provide timely and accurate information to strengthen community knowledge and understanding of key issues to inform community participation and debate. Council forged innovative and strategic partnerships with community organisations, educational institutions, private industry and all levels of government. We leveraged opportunities to enhance services, facilities and programs that were responsive to the needs of the community.

This year Council invested \$1.3 million in this goal. This is a 12.6 per cent decrease on \$1.5 million in 2013/14. As the focus of this goal is on advocacy, there was no direct capital investment required in achieving this goal.

Our services

To be an effective voice on behalf of our community, Council provides a range of services, including:

- ▶ community engagement and consultation;
- ▶ submissions to relevant authorities;
- ▶ communications;
- ▶ social media;
- ▶ surveys;
- ▶ focus groups and committees; and
- ▶ liaison and advocacy with other state governments, the federal government and government organisations including other councils.

Major Achievements

- ▶ Council welcomed the Victorian Government's approval of the Moorabbin Activity Centre Zone that has cleared the way for new housing, shops and public projects to revamp the area.
- ▶ Following years of advocating to have Kingston's Green Wedge not regarded as a waste hub, the 2015 State Governments' Statewide Waste and Resource Recovery Infrastructure Plan indicates that the Kingston Green Wedge is no longer an area for waste and resource recovery activities because of the advanced nature of Council's planning



2.45PM

Construction continues on the Dingley Bypass to reduce congestion and ensure improved traffic flow.

work. Instead the plan suggests that if the industrial-zoned land in the Kingston/ Clayton/Dingley Precinct is to be maintained as a hub, then any activities established or maintained on or close to the precinct would need to demonstrate best-practice operations. Activities would also be conducted in a manner that reduces and manages impacts on the community, environment and public health of the surrounding area.

- ▶ Commenced work with VicRoads to look at how to manage the impacts of the Dingley Arterial on South Road and the Nepean Highway.
- ▶ Council made a formal submission to Public Transport Victoria's Southland Station consultation suggesting ways to improve access and safety by moving the station slightly further north and providing access at both ends of the platform. Council also suggested links and to enhance the bus connection between Sandringham Station and the proposed Southland Station.
- ▶ Kingston partnered with the Melbourne South Regional Development Association and two neighbouring Councils on a study of "The Need for High-Speed Broadband in South East Melbourne's Industrial Precincts." The report was used to advocate to the federal government.
- ▶ Strengthened relationships and contributed to current and new initiatives with local councils, Primary Care Partnership, Medicare Local, and other package and service providers within the region through regular attendance at networking and taskforce alliance meetings.

- ▶ Council consulted with Kingston residents on many projects and programs throughout the year, including:
 - ▶ Mordialloc Life Saving Club concepts;
 - ▶ the renaissance of the Mentone activity centre;
 - ▶ Wilson Street, Cheltenham changes to traffic conditions;
 - ▶ the Green Wedge planning scheme amendment;
 - ▶ trader parking in Chelsea;
 - ▶ Ben Kavanagh Reserve redevelopment, and;
 - ▶ the Annual Budget process.

Our Challenges

- ▶ Advocating on external issues of strategic importance to Kingston but outside direct control, including issues relating to Moorabbin Airport such as aircraft noise, the rollout of fast broadband to our industrial precincts and Plan Melbourne implementation.
- ▶ Following significant community consultation and a Ministerial Advisory Committee hearing in 2014, Kingston Council has yet to receive approval from the State for its new residential zones. Council will resubmit our residential zone plans in 2015/16, which aim to accommodate population growth, take into account access to services and transport, and provide certainty in our neighbourhoods.

CASE STUDY

Hearing from the community

In 2014, Council, in consultation with the community, initiated a review of the way it listens to and consults with the community. The result was the establishment of eight advisory committees designed to provide advice to Council on a range of issues, including the arts, festivals, the environment, sport, youth, business and equity.

These committees will feature active, engaged members of our community with direct connection and expertise in the areas they advise on. Their advice and support will assist Council as it seeks to make complex decisions in consultation with our community.

The eight advisory committees are: Access and Equity, Arts and Culture, Community Safety, Festivals and Events, Public Space and Environment, Sport and Recreation, Youth and Business, and Economic Development.

The new committees, including finalised terms of reference and committee members, are due to commence in early 2015/16.

Indicators of Success

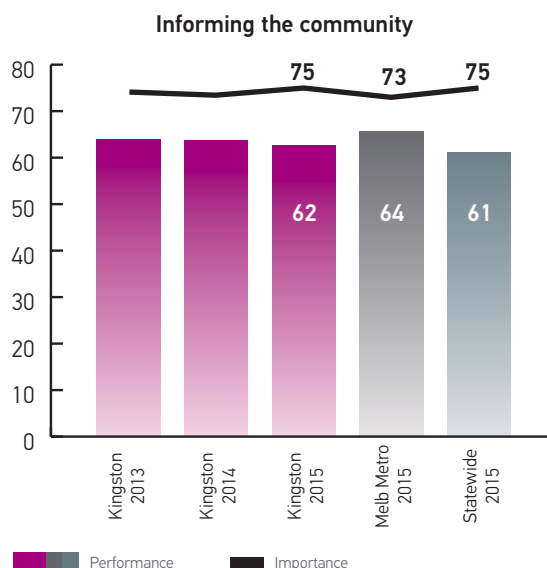
Our indicators of success comprise measures or means of monitoring achievement in relation to set goals as outlined in our Council Plan. The indicators refer to a range of economic, social and environmental indicators used by Council to monitor the wellbeing of the community. These indicators are detailed below.

Community satisfaction: How we are informing the community

Council Plan target: Maintain or improve resident perception of performance

Kingston's performance on informing the community is one point lower at 62. Although the metro councils result was higher, the differences are not significant. The difference between performance and importance was 13, compared to nine at metro councils and 14 at statewide councils.

Source: 2015 Community Satisfaction Survey.

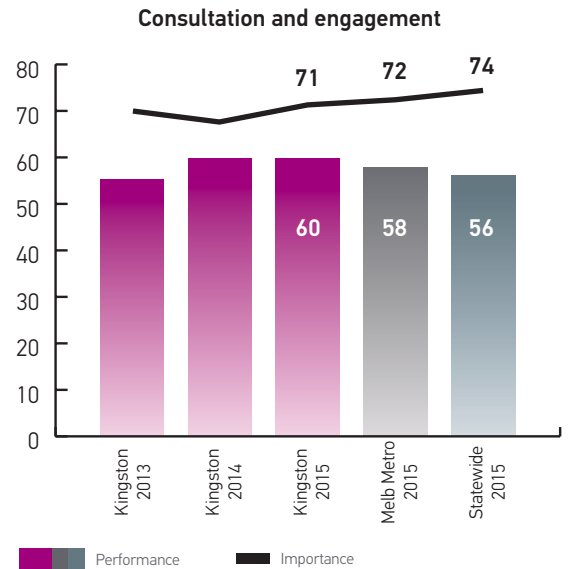


Community satisfaction: Community consultation and engagement

Council Plan target: Maintain or improve resident perception of performance

Community consultation and engagement includes perceptions of consulting and engaging directly with the community on key local issues. In 2015, Kingston's performance was steady at 60. This result is two points higher than other metro councils and significantly higher than statewide councils. Even though importance exceeds performance at Kingston by nine points, the difference at metro councils was 14 and 18 for statewide councils.

Source: 2015 Community Satisfaction Survey.

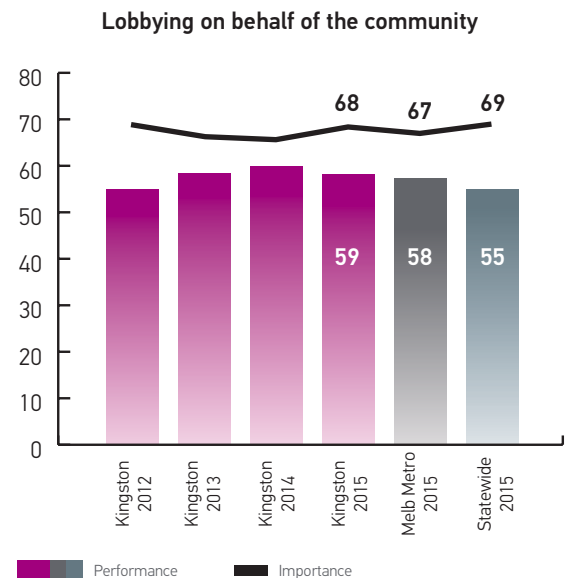


Community satisfaction: Lobbying on behalf of the community

Council Plan target: Maintain or improve resident perception of performance

Effective lobbying on behalf of the community includes making representations to state and federal governments and other organisations on key issues that affect the local community. Performance at Kingston dropped by one point to 59, but is four points higher than in 2012. Kingston's performance was one point higher than metro councils and significantly higher than statewide councils. Importance was nine points higher than performance at Kingston.

Source: 2015 Community Satisfaction Survey.



Local Government Performance Reporting Framework (LGPRF)

There are no LGPRF measures relevant to this goal.

Major Initiatives

There were no major initiatives identified in the 2014/15 budget for the year.

Other Initiatives and Actions

For a complete listing of the all initiatives and actions funded in the 2014/15 Council Budget, please visit

kingston.vic.gov.au/quarterlyreport.



GOAL 6

A WELL-MANAGED AND EFFECTIVE ORGANISATION

Our organisation will focus on governing Kingston in a way that is well informed, responsive, accountable and transparent, which involves and draws inspiration from the community.

Our responsible stewardship of the community's resources continued to be inherent in everything we did. We fostered a corporate culture that promotes service excellence, good governance and accountability within a fair, safe and healthy work environment. We remain committed to improving the experience of our customers at every opportunity. We created a workplace where people are inspired and supported, with a commitment to maintaining financial sustainability, and providing the highest standards of professional conduct.

This year Kingston Council invested \$28.9 million in this goal compared to the budgeted \$24.3 million. This is a 9.9% per cent increase on \$14.2 million in 2013/14.

Our services

Our services that support and foster a well-managed and effective organisation include:

- ▶ Council and Councillor support and governance;
- ▶ financial systems and management;
- ▶ human resource management;
- ▶ information management;
- ▶ public relations and communications;
- ▶ occupational health and safety;
- ▶ risk management;
- ▶ audit programs;
- ▶ strategic performance planning and reporting;
- ▶ customer service; and
- ▶ training and education.



6.00PM

Before the curtain is raised at Shirley Burke Theatre staff make final preparations for art and culture lovers.

Major Achievements

- ▶ Replaced the aged and disability services software in order to better manage various functions within Council including home care, rostering, delivered meals, reporting, home maintenance, and general administration.
- ▶ Implemented an online model for residents and ratepayers to opt in to receive electronic communication from the property department. Customers can now use the new Online Valuation Enquiry Form to querying the rates valuation provided on their rates notice.
- ▶ Continued rollout of the Health, Safety and Wellbeing framework including the myWellbeing 'Building Workplace Health' initiative which was launched in September 2014. The program includes a range of health activities and initiatives aimed at supporting better health and work practices for all employees.
- ▶ Embedded sound Risk Management frameworks, to meet the intent of ISO 3100 – 2009, to mitigate strategic and operational risks to Council.
- ▶ Implementation of an online recruitment program to enable online registration and progress updates throughout an application process.
- ▶ A new online platform 'Learn Connect' was implemented with improved functionality for the management of online compliance training across the organisation.

- ▶ A tender was conducted to appoint a suitable provider to conduct an Employee Engagement Survey. The intent of the survey is to enhance organisational capability by understanding the drivers of engagement in the organisation and developing action plans for improvement. The survey will commence in July 2015 with action plans to follow.
- ▶ Continued management of the third-party brokerage system for engagement and use of temporary agency staff delivered in excess of \$200,000 of savings for Kingston.
- ▶ Upgrade to Council's payroll system resulting in significant efficiency improvements including the simplification of functionality and workflow, and improved notifications, which have reduced processing times.

Our Challenges

- ▶ New reporting and budgeting legislation came into effect for the preparation of Budget 2015/16, whereby adoption is now required by 30 June rather than 31 August each year.
- ▶ Attracting and retaining suitably skilled specialists across the organisation.
- ▶ Specialist skills, data storage, increased demand for mobility, and managing system integrations for the Information Services department.

CASE STUDY

Spotlight on Council's eServices

Council's website and social media tools are our fastest growing communication channels. In 2014/15, a suite of new online products were added to our online services.

'Near Me' is one of our website's newest features which shows you what key places of interest are near you. Once you search for an address in 'What's Near Me', places of interest are displayed in a list view and on a map, by order of nearest distance to the address searched.

The Near Me page includes the Ward Councillors for the address searched, as well as dates for waste collections, street sweeping and hard waste collections.

Making payments and request a service was made even easier with Online@Kingston; this is Council's online resource that allows local residents to request Council services such as tree pruning or report issues such as graffiti or potholes. You can now also make payments online including rates, animal renewals, Council invoices and infringements.

Council introduced live chat which allows the website user to type questions and receive a real-time response from us. This is already becoming one of Council's most popular services with over 400 online chat conversations occurring each month.

We already have a range of micro sites dedicated to certain areas of Council including Business, Libraries and the Arts. This year we added My Community Life – an online directory for community groups to promote and market themselves and activities to the City of Kingston.

Over half a million people visited our website at least once in 2014/15, and this number is growing, so stay tuned for even more online services including the soon to be released Kingston City Watch app that will allow people to request services and report issues via their mobile phone.

Capital Works

Corporate system projects included both software and hardware enhancements.

\$600,000

Plant and equipment replacements at Council's Parks Department included vehicle replacements of four trucks.

\$495,000

Indicators of Success

Our indicators of success comprise measures or means of monitoring achievement in relation to set goals and outlined in our Council Plan. The indicators refer to a range of economic, social and environmental indicators used by Council to monitor the wellbeing of the community. These indicators are detailed below.

Underlying operating result

Council Plan target: Maintain net operating result

Councils Net Operating Results can be found on page 88.

Liquidity

Council Plan target: Maintain or improve the liquidity ratio

Councils Liquidity results can be found on page 89.

Capital replacement

Council Plan target: Maintain spending on capital renewal to ensure the long-term sustainability of Council's assets

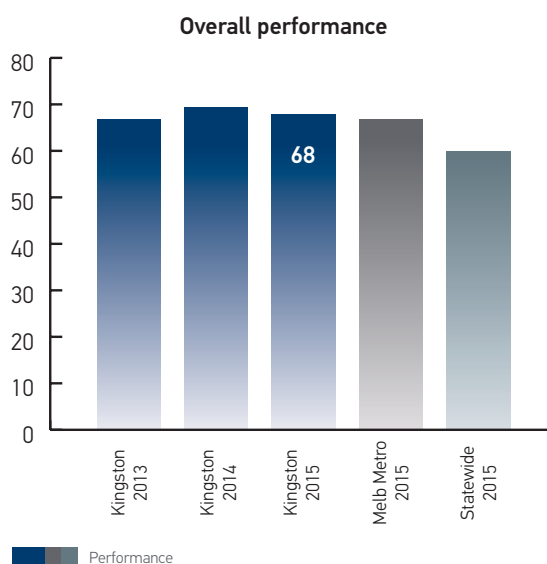
Council's expenditure on capital replacement and renewal can be found on page 92.

Community satisfaction: The general overall performance of Council

Council Plan target: Maintain or improve resident perception of performance

Residents rated the overall performance of Kingston Council as 68. Kingston's performance was slightly higher than Melbourne metro and significantly higher than the statewide average of 60. This is a pleasing result for Kingston and meets our target to maintain or improve the perception of performance through the delivery of services and responding to community needs.

Source: 2015 Community Satisfaction Survey

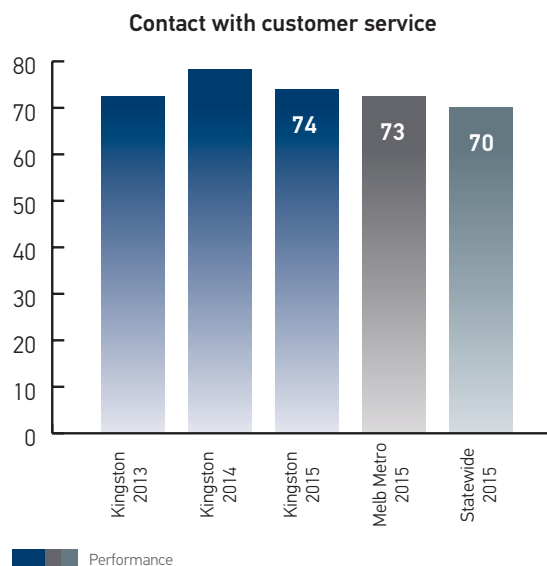


Community satisfaction: Overall customer service

Council Plan target: Maintain or improve resident perception of performance

Kingston Council customer service performance was rated by residents at 74 where the long-term trend of positive customer service performance has been maintained. Although this was a fall of five points from 2014, Kingston's performance is higher than the Melbourne metro average and was significantly higher compared to statewide average. This result is based on the 61 per cent of respondents who had contact with Kingston in the last 12 months.

Source: 2015 Community Satisfaction Survey.



Satisfaction with Kingston as an employer

Council Plan target: Maintain satisfaction with Kingston as an employer above 70 per cent

As a part of Kingston's commitment to the continuous improvement of the organisation, an Employee Opinion Survey is scheduled to be completed every two years. The next employee survey is scheduled to be conducted in July and August 2015. The last staff survey was conducted in May 2012 by 61 per cent of employees (809 employees). The organisation achieved an overall satisfaction rating of 76 per cent, an improvement on the 74 per cent in employee satisfaction levels from the previous survey conducted in 2010.

Source: Insync Surveys for Kingston Council 2012.

Local Government Performance Reporting Framework (LGPRF)

This year saw the introduction of new service measures that have been prescribed by Local Regulations.

SERVICE/INDICATOR	MEASURE	RESULT	MATERIAL VARIATION/COMMENTARY
Governance			
Transparency	Council decisions made at meetings closed to the public <i>Number of council resolutions made at ordinary or special meetings of council, or at only of councillors closed to the public</i>	3%	Kingston continues to make and implement decisions in the best interests of the community and we take pride in our open and transparent decision-making processes.
Consultation and engagement	Satisfaction with community consultation and engagement <i>Community satisfaction rating out of 100 with how council has performed on community consultation and engagement</i>	60	The index score on community consultation was 60, equal to the 2014 result, whilst ahead of the statewide average (56) and benchmark group of metro councils (58). During 2014/15, Council progressed with a revised Council Consultation Framework.
Attendance	Councillor attendance at council meetings <i>Percentage of attendance at Ordinary and Special Council meetings by Councillors</i>	93%	Overall Councillor attendance is high and demonstrates a commitment by councillors to fully engage in decision-making.
Service cost	Cost of governance (cost per councillor)	\$50,034	Direct costs include Councillor and Mayoral allowances, and associated Councillor support costs.
Satisfaction	Satisfaction with council decisions	58	Councils result is one point below the Metro benchmarking group (59), but 3 points above the statewide average.

Major Initiatives

The following statements review the progress of council in relation to major initiatives identified in the 2014/15 budget for the year.

Major initiatives	Budget	Actual	Progress
Aged and disability services software replacement	\$614,000	\$87,449	95%
AccessCare Southern went Live with Carelink+ in March 2015 and 95% of the manual data entry has been completed. The funds will be paid to the contractor upon completion of the project which is expected to occur by September 2015.			
Plant and equipment replacement (Operational areas)	\$350,000	\$495,208	75%
Orders and unallocated spending of \$400,000 from 2013/14 was carried over into 2014/15 for four Council trucks for the Parks Department. Delivery of the trucks took place on 3 July 2014 after the initial delay. Hence, the total spend for 2014/15 should have been \$750,000. Unallocated spending from 2014/15 will be carried over to 2015/16 to allow for recommended fleet replacements to be reviewed.			

Other Initiatives and Actions

For a complete listing of the all initiatives and actions funded in the 2014/15 Council Budget, please visit kingston.vic.gov.au/quarterlyreport.

GOVERNANCE

Local government is the third tier of government in Australia and consists of democratically elected councils having the functions and powers that Parliament considers are necessary to ensure the peace, order and good government of each municipal district (section 74A(1) of the *Constitution Act 1975 (Vic)*).

Council's role, powers and functions are primarily governed by the *Local Government Act 1989 (Vic)* which specifies that the main objective of a council is to endeavour to achieve the best outcomes for the local community having regard to the long-term and cumulative effects of decisions.

Our Governance System

At Kingston, governance incorporates the key principles of accountability, culture, information support, organisational performance, stakeholder relationships and risk management.

Good governance involves two types of governance:

1. Democratic governance – elected Councillors and the authority they have to make decisions.
2. 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

Numerous duties, functions and powers are conferred on Council through legislation such as the *Local Government Act 1989 (Vic)*. Council delegates to the Chief Executive Officer the authority and powers necessary to comply with legislation and implement Council approved strategies. The Chief Executive Officer has further delegated powers to Council officers who carry out the functions of the Council on a daily basis. The powers, duties and functions delegated to officers must be exercised consistent with previously established guidance or direction from the Council. Powers that the Council cannot delegate include adopting the Council Plan and Council Budget. The Register of Delegations is available at kingston.vic.gov.au/documents

Council and Committee Meetings

Kingston's Ordinary Meetings of Council are held on the fourth Monday and Planning Committee Meetings are held on the third Wednesday of each month at 1230 Nepean Highway, Cheltenham, commencing at 7pm unless otherwise advertised. These meetings are open to the public and agendas are available from Council's website from the preceding Friday at kingston.vic.gov.au/councilmeetings

There is an opportunity at Ordinary Meetings of Council for residents to submit written questions to Council on the night of the meeting. Questions may be responded to either verbally at the meeting, or later in writing. The question form is available on website at kingston.vic.gov.au/councilmeetings

Councillors sitting formally as Council either make, or are accountable for all decisions taken at Council level. Decisions are made through the formal council meeting or the formal delegation of powers to committees or officers. The Council can only make decisions when it is sitting as Council. Outside of the Council meeting, individual Councillors have no decision-making authority.

Council is sometimes required to discuss and consider confidential matters. Section 89(2) of the *Local Government Act 1989 (Vic)*, stipulates that councils can close meetings to discuss issues such as staffing, industrial relations, contractual and financial matters, legal advice and matters affecting the security of Council property. If confidential reports are to be discussed by Council, the public is asked to leave the meeting during these discussions.

In 2014/15, there were 11 Ordinary Meetings of Council and three Planning Committee Meetings.

Special Meetings of Council

Special Meetings of Council are called when an urgent item requires a Council resolution which cannot wait until the next Ordinary Meeting of Council. The dates for these meetings are advertised in The Age newspaper and on Council's website. There were 12 Special Council Meetings in 2014/15.

Live Streaming and Recording of Council Meetings

All Ordinary, Special and Planning Committee Meetings are streamed live. This means residents can watch Council Meetings in action and instantly know decisions without attending or relying upon the public minutes posted on Kingston's website. The Live Stream and archives of previous streams can be found at stream.kingston.vic.gov.au

The recording of Public Council Meetings Policy is available on Council's website at kingston.vic.gov.au/governance

Councillor Attendance at Council Meetings

Councillor	Meetings of Ordinary Council attended (of 11 in 2014/15)	Special Council Meetings attended (of 12 in 2014/15)	Planning Committee Meetings attended
Cr Tamara Barth	11	10	2
Cr Tamsin Bearsley	11	12	3
Cr Ron Brownlees OAM	10	10	2
Cr David Eden	11	11	2
Cr Geoff Gledhill	11	12	3
Cr Paul Peulich	9	10	0
Cr John Ronke	7	4	1
Cr Steve Staikos	11	11	3
Cr Rosemary West OAM	11	12	3

Minutes of Meetings

Council records the resolutions of each Ordinary, Special and Planning Committee meeting. Minutes can be viewed at kingston.vic.gov.au/councilmeetings

Mayor's Role

At the annual Statutory Meeting of Council (which is a Special meeting), Councillors elect a Mayor for a 12-month 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 a number of roles which are legislative and functional. The legislative requirements are prescribed in section 73 of the *Local Government Act 1989 (Vic)*.

The Mayor must chair all Council meetings at which he/she is present. If the Mayor is absent, Council must appoint one of the Councillors to be acting Mayor. The Mayor's role also includes providing leadership, promoting positive relationships and modelling good governance. Cr Paul Peulich served as Mayor until 12 November 2014 when Cr Geoff Gledhill was elected as Mayor for a one-year term.

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 allow questions and concerns to be addressed in an open and frank environment. Information sessions are not a decision-making forum. They allow Councillors to explore options and better understand matter/s in question. Council decisions can only be made during Council meetings.

Councillor Representation on Committees

Councillors were appointed as Council representatives on a range of special committees and networks at the Ordinary Meeting of Council on 15 December 2014.

Legislative Committees

Legislative Committees are established under the *Local Government Act 1989 (Vic)*. The Planning Committee is a Council decision-making forum with extensive delegated authority, while the Audit Committee, established under section 139 of the *Local Government Act 1989 (Vic)*, has an advisory role.

Kingston Councillor Only Committee

Kingston Councillor Only Committee	2014/15 Appointee/s
Planning Committee	All Councillors
Audit Committee (Section 139)	Mayor Cr Gledhill Cr Peulich
Municipal Emergency Planning Committee	Cr Ronke

Advisory Committees with Officer and/or Community Representatives

Advisory Committees	2014/15 Appointee/s
Access and Equity Committee	Crs Gledhill and Brownlees OAM Sub: Cr Barth
Arts and Culture Advisory Committee	Crs Bearsley, Peulich and Staikos
Australia Day Committee	Crs Gledhill and Staikos
Carols by Kingston Committee	Mayor and Cr Barth
Climate & Biodiversity Reference Group	Cr West OAM
Community Safety Reference Group	Cr Brownlees OAM Sub: Cr Barth
Globe to Globe World Music Festival Committee	Cr Peulich Sub: Cr Staikos
Historical Societies Network	Cr West OAM
Kingston Charitable Fund Community Grants Panel	Mayor, Cr Staikos Sub: Cr Bearsley
Kingston Harvest Festival Committee	Crs Eden, Ronke and Bearsley
Kingston Interfaith Committee	Crs Bearsley
Kingston Youth Advisory Committee	Crs Eden and Peulich
L F Payne Hall Usage Committee	Crs Bearsley, Eden and Ronke
Mordialloc Food, Wine and Music Festival Committee	Mayor, Crs Brownlees OAM and Ronke
Positive Ageing Steering Group	No Councillor Appointment
Public Art Advisory Panel	Crs Bearsley and Staikos
Sport and Recreation Reference Group	Crs Gledhill and Peulich
Access and Equity Committee	Crs Gledhill and Brownlees OAM Sub: Cr Barth
Arts and Culture Advisory Committee	Cr Peulich

External or Other Agencies Committees with Councillor Representation

External/Other Groups/Agencies with Councillor Representation	2014/15 Appointee/s
Association of Bayside Municipalities (ABM)	Cr West OAM Sub: Cr Gledhill
Friends of Manatuto Committee	Cr Barth
Inter Council Aboriginal Consultative Committee	Cr Gledhill Sub: Cr West OAM
Local Government Waste Management Forum	Cr Barth Sub: Cr Peulich
Melbourne Water Eastern Treatment Plant Community Liaison Committee	Cr West OAM
Metropolitan Transport Forum	Cr Eden Sub: Cr West OAM
Moorabbin Airport Consultative Committee	Crs Brownlees OAM, Gledhill and West OAM
Municipal Association of Victoria (MAV)	Mayor Sub: Cr Brownlees OAM
Municipal Association of Victoria Planning Committee	Cr West OAM Sub: Cr Ronke
Municipal Association of Victoria Strategic Environment Advisory Group	Cr West OAM
Victorian Local Governance Association (VLGA)	Cr Staikos Sub: Cr West OAM
Metropolitan South Eastern Region MAV Representatives and Mayors	Mayor and Cr Brownlees OAM

Conflict of Interest

At the start of a Council or committee meeting, Councillors must disclose any direct or indirect conflict of interest that may impact on their impartiality. 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 can return to the meeting.

Council Ward Grants

Councillor Ward Grants are small grants provided to groups and individuals or towards projects or events consistent with Council's strategic directions and of benefit to Kingston's residents and community. To be eligible for a Ward Grant, individuals or community groups must meet the criteria as outlined in the Councillor Ward Grants Policy, which is available on Council's website at kingston.vic.gov.au/governance

Council Ward Grant Donations in 2014/15 Made by Councillors

Ward Grant Donations by Councillor	Amount (\$)
Cr Tamara Barth	
Highett Pre School Inc	\$578.60
Dingley Village Community Association	\$500.00
Gould League	\$1,215.00
TOTAL	\$2,293.60
Cr Tamsin Bearsley	
Chelsea Baseball Club	\$1,000.00
Longbeach Anglican Parish Food Distribution Centre	\$1,000.00
St Louis de Montfort's School	\$300.00
The Lions Club of Chelsea District (Inc)	\$400.00
Chelsea Community Support Service	\$500.00
Lucia Patullo	\$500.00
Chelsea Heights Community Centre	\$500.00
Bonbeach Lifesaving Club	\$600.00
TOTAL	\$4,800.00
Cr Ron Brownlees OAM	
Mentone Public Library	\$750.00
Chelsea Activity Hub Working Group	\$1,000.00
Southern United Hockey Club Inc	\$750.00
Greek Australian Elderly Citizens Club	\$750.00
Hellenic Community	\$1,000.00
TOTAL	\$4,250.00
Cr David Eden	
Defenders of the South East Green Wedge	\$500.00
Longbeach Anglican Parish Food Distribution Centre	\$500.00
Edithvale Aspendale Sporting Club	\$1,000.00
Chelsea Heights Community Centre	\$500.00
Carrum Uniting Church Tennis Club	\$1,000.00
Bonbeach Lifesaving Club	\$400.00
Bonbeach Primary School	\$1,000.00
TOTAL	\$4,900.00
Cr Geoff Gledhill	
Longbeach Anglican Parish Food Distribution Centre	\$500.00
Greek Australian Elderly Citizens	\$750.00
Mordialloc Boating and Angling Club	\$1,000.00
TOTAL	\$2,250.00
Cr Paul Peulich	
TOTAL	\$0.00
CR JOHN RONKE	
Chelsea Heights Community Centre	\$500.00
TOTAL	\$500.00

Ward Grant Donations by Councillor	Amount (\$)
Cr Steve Staikos	
Clayton Fishing Club	\$1,000.00
KNM Tanzania	\$500.00
Dingley Village Community Association	\$800.00
Circolo Pensionati Italiani Di Oakleigh e Clayton	\$1,029.00
The Betterman Foundation	\$1,000.00
TOTAL	\$4,329.00
Cr Rosemary West OAM	
Greenlink Sandbelt Inc	\$500.00
Union of Australian Women Southern branch	\$500.00
Kingston Conservation & Environment Coalition Inc.	\$500.00
Subud Melbourne	\$500.00
TOTAL	\$2,000.00

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 Minister for Local Government approved an annual adjustment of 2.5% to take effect on 1 December 2014. The annual allowance for the Mayor is \$92,597.50 and for Councillors \$30,865.80 per annum. 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 on 27 May 2013 the Councillor Support and Reimbursement of Expenses Policy (the Policy) and a copy is available at kingston.vic.gov.au/governance.

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 broken down into specific categories as follows:

- ▶ 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 2014/15

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

Details of Councillors	Councillor & Mayoral Allowance	Child Care	Communications Mobile Phones/Wireless	Training, Conferences and Education	Travel Intrastate	Travel Interstate	Travel Overseas	Other Expenditure
Cr Tamara Bath	\$30,552.15	\$240	\$2,741	\$3,636	\$66			\$60
Cr Tamsin Bearsley	\$30,552.15		\$3,023					
Cr Ron Brownlees OAM	\$30,552.15		\$1,616		\$84	\$343		\$25
Cr David Eden	\$30,552.15		\$1,678					
Cr Geoff Gledhill (Mayor from 12/11/14)	\$69,526.45		\$3,000	\$1,646	\$22	\$295		\$317
Cr Paul Peulich (Mayor until 12/11/14)	\$52,571.55		\$1,999	\$1,026	\$1,006	\$227		\$587
Cr John Ronke	\$30,552.15		\$3,109					
Cr Steve Staikos	\$30,552.15		\$2,031	\$73	\$47			\$109
Cr Rosemary West OAM	\$30,552.15		\$1,709	\$1,294	\$153			

Governance and Management Checklist

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

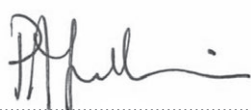
Column 1 Governance and Management Items		Column 2 Assessment	
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation Date of operation of current policy: 5 April 2014	✓
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation. Date of operation of current guidelines: 16 January 2013	✓
3	Strategic Resource Plan (plan under section 126 of the <i>Local Government Act 1989</i> outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act Date of adoption: 25 May 2015	✓
4	Annual budget (plan under section 130 of the <i>Local Government Act</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act Date of adoption: 9 June 2015	✓
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation Date of operation of current plans: Drainage: 01/03/2008 Transport: 01/03/2008 Community Facilities: 01/03/2008 Recreational Spaces: 01/03/2008 Capital Works Forward Plan: 22/06/2015	✓
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation Date of operation of current strategy: 9 June 2015	✓
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of operation of current policy: 16 June 2015	✓
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of operation of current policy: 25 May 2015	✓
9	Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 19 March 2014	✓
10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 23 June 2014	✓
11	Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of operation of current plan: 12 December 2011	✓
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of operation of current plan: 1 April 2015	✓
13	Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Current Framework in operation Date of operation of current framework: 16 June 2015	✓
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 25 July 2001	✓
15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged Date of engagement of current provider: 1 July 2013	✓

Governance and Management Checklist (Cont'd)

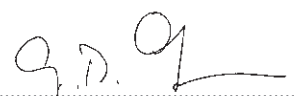
Column 1 Governance and Management Items		Column 2 Assessment	
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation Date of operation of current framework: 1 July 2014	✓
17	Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report Quarterly Performance Reports September 2014: 24/11/15 December 2014: 23/02/15 March 2015: 25/05/15 June 2015: 24/08/15	✓
18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: Standard Statements Reports September 2014: 24/11/15 December 2014: 23/02/15	✓
19	Council's Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	No reports Regular risk reporting will take place during 2015/16 once the new risk management system is implemented, as part of the Risk Framework and Risk Policy that were approved in June 2015. March 2015: 25/5/2015 June 2015: 24/08/2015	✗
20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented Date of reports: Quarterly Performance Reports December 2014: 23/02/15 June 2015: 20/07/2015 Monthly Financial & Performance December 2014: 19/01/2015 June 2015: 20/07/2015	✓
21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 27 October 2014	✓
22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 25 February 2013	✓
23	Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Instrument of Delegation by Council to CEO 23/09/13; Instrument of Delegation by Council to Staff 22/07/13	✓
24	Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 3 February 2014	✓

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

Paul Franklin
Acting Chief Executive Officer
Dated:



Cr Geoff Gledhill
Mayor
Dated:



Corporate Governance

Chief Executive Officer (CEO) and delegations

Kingston's CEO, John Nevins, 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 CEO was reappointed in November 2014 for a term of four years and his performance is reviewed annually by Council.

Senior Officers

A Senior Officer is the CEO or an officer of Council who has management responsibilities and reports directly to the CEO or any other member of Council staff whose total annual remuneration exceeds \$136,000. In accordance with Section 11 of the *Local Government (General) Regulations 2004*, remuneration of all Senior Officers is available for public inspection. As at 30 June, 2015 Kingston had 23 Senior Officers with a total remuneration of \$4.174 million in 2014/15.

Statutory Information

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

Documents available for public inspection

In accordance with Part 5 of the Local Government (General) Regulations 2004, the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989 (Vic)* at the municipal offices at 1230 Nepean Highway, Cheltenham during normal office hours. Inspection of these documents can be arranged by contacting the Governance Department on 9581 4710.

- ▶ Details of current allowances fixed for the Mayor and councillors.
- ▶ Details of senior officers' total salary packages for the current financial year and the previous financial year.
- ▶ Details of overseas or interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- ▶ Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- ▶ Agendas and Minutes for Ordinary and Special 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 89 of the *Local Government Act 1989 (Vic)*.
- ▶ A list of all special committees established by Council and the purpose for which each committee was established.
- ▶ A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- ▶ Minutes of meetings of special committees established under section 86 of the *Local Government Act 1989 (Vic)* and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the *Local Government Act 1989 (Vic)*.
- ▶ Register of delegations kept under section 87 of the *Local Government Act 1989 (Vic)*.

Statutory Information

- ▶ Register of delegations kept under section 88 of the *Local Government Act 1989* (Vic).
- ▶ Submissions received under section 223 of the *Local Government Act 1989* (Vic).
- ▶ Agreements to establish regional libraries under section 196 of the *Local Government Act 1989* (Vic).
- ▶ Details of property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council.
- ▶ Register of authorised officers appointed under section 224 of the *Local Government Act 1989* (Vic).
- ▶ A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- ▶ A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- ▶ Contracts valued at \$150,000 (including GST) for the purchase of goods or services or \$200,000 (including GST) for the carrying out of works or more that Kingston entered into during 2014/15 without first engaging in a competitive process and that are not contracts referred to in Section 186(5) of the *Local Government Act 1989* (Vic).
- ▶ Copies of election campaign donations returns that are given under section 62 of the *Local Government Act 1989* (Vic). A summary of election campaign donation returns is also available on Council's website at kingston.vic.gov.au/policies.
- ▶ Councillor Support and Reimbursement of Expenses Policy as prescribed by section 75B of the *Local Government Act 1989* (Vic). A copy is also available on Council's website at kingston.vic.gov.au/policies.

Best Value

The *Local Government Act 1989* (Vic) requires Councils to comply with six Best Value principles and to report to the community at least once a year on how they have achieved this. These principles are based on:

- ▶ quality and cost standards;
- ▶ responsiveness to community needs;
- ▶ accessibility;
- ▶ continuous improvement;
- ▶ community consultation;
- ▶ reporting to the community.

Rather than treat Best Value as a separate compliance obligation, Kingston has adopted a 'whole of organisation' approach to embedding the six Best Value Principles into all Council operations. These principles are also linked strongly to our Community Inspired Leadership approach and strategic planning process. Examples that demonstrate how Council has responded to the Best Value Principles in 2014/15, include:

- ▶ Quality and cost standards are reported on and demonstrated within the Council Quarterly Reports and Annual Report. Goal 6 of the Council Plan relates to a well-managed and effective organisation. Council has specific actions that relate to organisational decision-making and reporting processes, implementing systems and processes to enhance organisational capability, and ensuring the efficient use of resources.
- ▶ Council maintains its commitment to ensure community assets maximise multiple usage opportunities. Kingston is currently progressing its commitment to develop community service hubs in the north, centre and south regions of the municipality.
- ▶ Accessibility is demonstrated through the implementation of actions from the adopted Public Health and Wellbeing Plan, Community Safety Strategy, Multicultural Action Plan, and Kingston Aboriginal Policy. Council also supports the Access and Equity Committee's three subcommittees: disability, multicultural and Aboriginal.

- ▶ Council uses the results from the annual Community Satisfaction Survey coordinated through the Department of Environment, Land, Water & Planning to benchmark our services against other Victorian Councils based on direct feedback from the community on the importance and performance of our services.
- ▶ Community consultation encompasses inviting feedback on a range of Council plans, policies and services including the annual Council budget. In consultation with the community, eight advisory committees were established across a range of issues to connect and provide advice to Council in making complex decisions.
- ▶ Reporting to the community is established through our bi-monthly newspaper entitled 'Kingston Your City', local media, Kingston's website, Council and community meetings, the Annual Report, and quarterly progress updates against the Council Plan.

In addition to the 'whole of Council' approach, Council has undertaken specific Best Value reviews for:

- ▶ The integration of new corporate systems with all policies, procedures, processes and delegations.
- ▶ Health, Safety and Wellbeing 'myWellbeing' initiative – development and training to ensure a strong focus on Occupational Health and Safety culture, employee wellbeing, reduction in injuries, increasing opportunities for injured staff to return to work and working towards a reduction in insurance premiums.

To ensure ongoing value for money, tendering for major services and works is undertaken in line with Council's Procurement Policy to ensure that the community receives the best value for the services provided by Council. S186A of the *Local Government Act 1989 (Vic)* requires the policy to be reviewed each financial year. This policy was last reviewed and approved by Council in June 2015. A copy is also available on Council's website at kingston.vic.gov.au/procurement.

Charter of Human Rights

The *Charter of Human Rights and Responsibilities Act 2006* ('Charter') sets out important human rights Council must consider when making a decision and must act in a manner that is compatible with human rights. In 2014/15, no Charter-related complaints were made to Kingston.

Some initiatives in relation to the Charter of Human Rights in 2014/15 included:

- ▶ Kingston is a part of a local Refugee and Settlement Network, working with neighbouring Councils and local service providers.
- ▶ Council's Access and Equity Advisory Committee is based on social justice and human rights of people who have disabilities, Aboriginal people and multicultural people.
- ▶ Council's Interfaith Advisory Committee and Interfaith Network is supporting the right of our community members to express their faith freely.
- ▶ Council adopted its 2015-2019 Disability Action Plan to improve access for disadvantaged communities to Council's programs and services and community participation.
- ▶ Council hosted a Refugee Week function to inform the public about refugees and celebrate positive contributions made by refugees to Australian society.

Carers Recognition Act 2012

In accordance with the *Carers Recognition Act 2012* Council is required to report in its Annual Report on how it met its obligations. In 2014/15 Kingston met its obligations in various ways including by:

- ▶ Carer needs being assessed during Aged and Disability Care client assessments with appropriate services offered including respite;
- ▶ formally recognising Companion Card holders within the Community Bus Service for those holding a 'Companion Card', who can now attend Day trips with no associated transport expense;
- ▶ offering Group Respite programs and invitations to carers of clients receiving Aged and Disability Care services;
- ▶ making referrals to the Aged Care Assessment Service where access to residential respite is appropriate for all Aged and disability Care clients at service assessment;
- ▶ having Social Inclusion Officers to support social needs of clients and their carers in the community;
- ▶ maintaining current information and appropriate referral pathways/opportunities through networking by Social Inclusion Officers. networking to maintain currency of information and appropriate referral pathways/opportunities.

Disability Act 2006

Kingston's Disability Action Plan 2015- 2019 was endorsed by Council in November 2014. The implementation of this plan will be 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.

During the development of the new plan, Council continued to deliver outcomes for people with disabilities in the Kingston Community in line with the requirements of the *Disability Act 2006*, including by:

- ▶ Council continuing to meet Australian Standards on accessibility when delivering new and renovated facilities for our community;

- ▶ Council issuing building permits in accordance with the Building Code of Australia which requires Disability Discrimination Act compliance;
- ▶ Council continuing to audit pedestrian and road access as issues are identified to ensure access for all;
- ▶ continuing to distribute Disabled Parking Permits through Council's Traffic and Transport Planning Department;
- ▶ commencing work to develop a new online community resource "My Community Life" to act as a community directory. This will include up-to-date information on disability services and has functionality to advertise volunteer opportunities;
- ▶ hosting the 'Ball with a Twist' for people with disabilities;
- ▶ Council facilitated the 'Big Break', a one day event consisting of a range of art based workshops for people with disabilities to come and try out.
- ▶ implementing online training for staff to improve inclusion of people with disability in their programs and facilities. Called 'YouMeUs', The training was rolled out to leisure centres, and is planned to be delivered to community centres and neighbourhood houses.

Domestic Animal Management Plan

The *Domestic Animals Act 1994* requires all Victorian councils to have a four-year plan in place for the management of dogs and cats within their municipality. The Kingston Domestic Animal Management Plan 2012-2016 was designed to improve the provision of animal management services by maintaining our traditional role, respond to new and emerging animal management issues and implement identified treatments. In 2014/15, the Plan was reviewed and no amendments were made.

Key achievements in 2014/15 included the introduction of trial 24-hour dog off leash area on Kingston's Mentone foreshore and new assessment template developed for identification of Restricted Breed Dogs.

Food Act 1984

In 2014/15, Council received no written direction from the Minister of Health in relation to any matter concerning the administration of the *Food Act 1984*.

Road Management Act 2004

In 2014/15, Council received no direction from the Minister of Roads pursuant to section 22 of the Road Management Act 2004 in relation to a function or exercise a power of the road authority under this Act.

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. It states that personal information is only used and disclosed for Council purposes or where required or allowed by other laws. The information is held securely and is protected from inappropriate disclosure. Enquiries about access to personal information should be addressed to: Privacy Officer, City of Kingston, PO Box 1000, Mentone VIC 3194.

In 2014/15, Council received 378 requests for personal information compared to 377 received in 2013/14.

Freedom of Information

Where documents are not available for public inspection or available on Council's website may be sought pursuant to the *Freedom of Information Act 1982 (FOI Act)*. Applicants seeking access to documents are required under the *FOI Act* to:

- ▶ Submit their requests in writing including contact details and specifying under the *FOI Act*, which document/s are sought and in what form they are required (such as copy or inspection)
- ▶ Alternatively, a request can be made using Council's FOI Request Form.

The request form and other information relating to fees and charges, timeframes, appeals, relevant legislation and useful sources are available at kingston.vic.gov.au/governance.

A request for correction or amendment of personal information contained in a document held by Kingston must be made in writing.

When making an FOI request, an application fee of \$27 (effective from 1 July 2015) is required under the *FOI Act* unless evidence of hardship is provided. Other charges (search time, photocopying, inspection time) may be made in accordance with the FOI (Access Charges) Regulations 2004. Fees increase annually effective 1 July.

Applicants should consult Part IV of the *FOI Act* for information about appeal rights.

Freedom of Information (FOI) requests

The *FOI Act* provides the opportunity for public access to Council documents. In 2014/15, Council received 55 FOI requests compared to 44 received in 2013/14.

Protected Disclosure

In accordance with section 69 of the *Protected Disclosure Act 2012*, a Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information on about the number and types of protected disclosures complaints investigated during the financial year.

Kingston's Protected Disclosure Procedure 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 Protected Disclosure Coordinator on 1300 653 356 or by email to protecteddisclosure@kingston.vic.gov.au. Further details of the procedures are available at kingston.vic.gov.au/governance.

The *Protected Disclosure Act 2012* requires reporting against the criteria below. There were no Protected Disclosures made in 2014/15.

Risk Management

In 2014/15, in line with the Pitcher Partners internal audit report, the Risk Management system has been reviewed. As a result of this review, a new Enterprise Risk Management system has been developed which meets the intent of the *International Organization for Standardization ISO 31000 – 2009 Risk Management – Principles and guidelines*. Within the Enterprise Risk Management system a standalone Risk Management Policy that includes Kingston's Risk Appetite has been developed and implemented. Supporting the Risk Policy is an Enterprise Wide Risk Procedure. The development and implementation of this Procedure will assist Kingston to meet the State Government reporting requirements for Strategic Risk management and also its legislative obligations under the *Occupational Health and Safety Act 2004 (VIC)*, *Bus Safety Act 2009* and the *Environmental Act 1970 (and amendments)*.

Work has been undertaken to review the Strategic Risk register and identify Strategic Risks and whether these risks have the appropriate mitigations. Council has purchased a Risk Management data system. This tool will provide a risk management solution in identifying, profiling and assessing risks within a combined monitoring and reporting framework. The implementation of the Enterprise Wide Risk Management framework, which covers strategic, operational and project management, is a key focus for the organisation in 2015/16.

Audit Committee

The Audit Committee's role is to facilitate:

- ▶ the enhancement of the credibility and objectivity of internal and external financial reporting;
- ▶ effective management of Council's strategic risks and the protection of Council assets;
- ▶ monitoring of Council's Business Continuity Plans and processes;
- ▶ the efficiency, effectiveness and compliance of significant Council programs;
- ▶ compliance with laws and regulations as well as use of best-practice guidelines;
- ▶ the effectiveness of the audit functions.

The Audit Committee consists of three external independent members; (Mr Hugh Parkes (Chair), Mr Bruce Potgieter and Ms Claire Filson); 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 by the Chief Executive Officer.

The Audit 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 2014/15, 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 Committee Charter is available on Council's website at kingston.vic.gov.au/governance.

Internal Audit

Council's current Internal Auditors, Pitcher Partners commenced its contract in July 2013 for an initial three-year period. The Internal Audit Strategic Plan, which is reviewed by Internal Audit and Management, is adopted by the Audit Committee annually. The Internal Audit program that the Audit Committee oversees is in place to help Council and Management achieve sound control over all Council activities. Internal Audit is not involved in day-to-day internal transaction checking but provides an independent and objective assurance that the appropriate processes are in place. The Audit Committee also 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 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 2014/15, the following reviews were reported on:

- ▶ Cash Handling
- ▶ Childcare and Aged Care Services
- ▶ Fees and Charges
- ▶ Financial Controls
- ▶ Legislative Compliance Management
- ▶ Occupational Health & Safety
- ▶ Payroll
- ▶ Procurement.

External Audit

Council's current External Auditor is the Victorian Auditor-General. The Auditor-General elected to contract this activity for 2014/15 to Mr Tim Fairclough of HLB Mann Judd. Mr Fairclough is 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. The external audit management letter and responses were also provided to the Audit Committee.

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 in regard to NCP raised by the community in 2014/15.

Local Laws

Council has seven Local Laws which can be viewed at all Customer Service Centres and via Kingston's website at kingston.vic.gov.au/locallaws. As these all expire in 2015/16 the review process commenced during 2014/15.

PERFORMANCE STATEMENT

For the year ended 30 June 2015

2014/15 is the first year in which the Local Government Performance Reporting Framework (LGPRF) will be operational in the sector. 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:

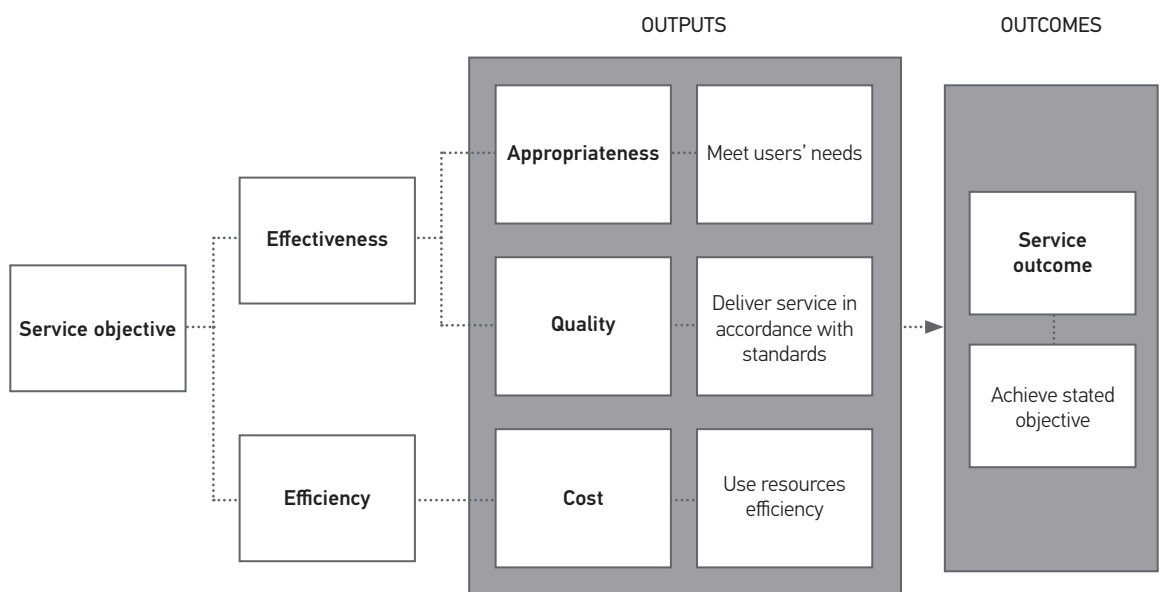
- ▶ councils will have information to support strategic decision-making and continuous improvement;
- ▶ communities will have information about council performance and productivity;
- ▶ regulators will have information to monitor compliance with relevant reporting requirements; and
- ▶ State and Commonwealth 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 will cover the Council service areas of:

- ▶ Governance;
- ▶ Statutory Planning;
- ▶ Economic Development;
- ▶ Roads;
- ▶ Libraries;
- ▶ Waste Collection;
- ▶ Aquatic Facilities;
- ▶ Animal Management;
- ▶ Food Safety;
- ▶ Home and Community Care;
- ▶ Maternal and Child Health.

Service Performance Framework



Dimensions of the Service Performance Indicator Framework

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

It is intended that measures that cover additional areas of Council Service will be added to the data requirements in future years.

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

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

OTHER INFORMATION

For the year ended 30 June 2015

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).

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 require 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.

A copy of the Council Plan, including the Strategic Resource Plan, can be obtained from www.kingston.vic.gov.au.

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 114 parks and playgrounds; including the magnificent Bicentennial Park in Chelsea, Kingston Heath and the kooky 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 approximately 15,500 businesses with over 70,000 people employed throughout the City of Kingston. Our significant industrial sector generates an annual economic output of about \$25 million per annum.

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 arrival times and an improved work-life balance.

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

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 of 150,000 spanning a wide range of ages, household types and cultures. Our community is constantly growing; by 2031 Kingston's population is expected to reach 167,000, making up an anticipated 15,234 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 countries who speak over 120 languages. About 30% of Kingston's population was born overseas, with 22% from non-English speaking backgrounds including Vietnamese, Indian, Sri Lankan, Greek, Italian and Chinese societies.

SUSTAINABLE CAPACITY INDICATORS

For the year ended 30 June 2015

The formulas used to determine the Results for 2015 are shown in parentheses in the following tables.

<i>Indicator/Measure</i>	Results 2015	Material Variations/Explanations
<i>Own-source revenue</i> <i>Own-source revenue per head of municipal population</i> (Own-source revenue/Municipal population)	\$980	This is in line with the 2014/15 expectation for this measure and is based on Council's own source revenue of \$150 million and a municipal population of 153,079.
<i>Recurrent grants</i> <i>Recurrent grants per head of municipal population</i> (Recurrent grants/Municipal population)	\$216	This is higher than the expected 2014/15 result due to the prepayment of \$2.2 million from the Victorian Grants Commission which is half of the 2015/16 grant allocation to Kingston.
<i>Population</i> <i>Expenses per head of municipal population</i> (Total expenses/Municipal population)	\$1,086	This is in line with expected results for 2014/15 and is based on a municipal population of 153,079 and total expenses of \$166.2 million.
<i>Infrastructure per head of municipal population</i> (Value of infrastructure/ Municipal population)	\$5,249	Kingston has in excess of \$800 million of infrastructure assets. The result is consistent with expectations.
<i>Population density per length of road</i> (Municipal population/ Kilometres of local roads)	249	Kingston has approximately 600 km of sealed roads.
<i>Disadvantage</i> <i>Relative socio-economic disadvantage</i> (Index of Relative Socio-economic Disadvantage by decile)	9	See definitions for explanation of this measure. Kingston's Index of 9 is about average when compared to neighboring Councils.

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2015

Service/Indicator/Measure	Results 2015	Material Variations/Explanations
Governance Satisfaction <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	58	An independent research company conducts the community satisfaction survey annually on behalf of State Government. The result is one point below of the Metropolitan benchmarking group (59), but 3 points above the statewide average.
Statutory Planning Decision making <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 x100)	63	Kingston's success rate at VCAT can be attributed in part to the time Kingston dedicates to consulting with its community to achieve acceptable outcomes. It also reflects a sound process of decision making consistent with state and local planning policy.
Roads Satisfaction <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	68	An independent research company conducts the community satisfaction survey annually on behalf of State Government. Performance on the condition of the local sealed roads 68 out of 100 was equal to the 2014 result. This result is one point lower than the benchmark Metropolitan council average (69), but ahead of the statewide average (55).
Libraries Participation <i>Active library members</i> (Number of active library members / Municipal population x100)	17%	This result is consistent with expectations.
Waste Collection Waste diversion <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 x100)	50%	The green organic waste component is lower this year than expected, particularly in the last quarter (down by 20%), due to the dry autumn conditions experienced.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/Municipal population)	5	Both Waves and Don Tatnell Leisure Centres are committed to increasing utilisation by the community through facility and service improvements and marketing programs to encourage community participation.
Animal management Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions)	23	Kingston Council actively promotes compliance and escalates matters through the Magistrates Courts as required. Kingston officers also investigate and enforce offences under the Prevention of Cruelty to Animals Act and Domestic Animals Act.

Service Performance Indicators (cont'd)

Service/Indicator/Measure	Results 2015	Material Variations/Explanations
Food safety Heath and safety Critical and major non-compliance notifications (Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up/Number of critical non-compliance notifications and major non-compliance notifications about food premises x100)	100%	Council's Food Safety service is provided as part of a larger Environmental/Public Health program.
Home and Community Care (HACC) Participation Participation in HACC service (Number of people who received an HACC service/Municipal target population for HACC services x100)	30%	This calculation includes data relating to the provision of domestic assistance, personal care and respite care services. Where a client receives a combination of services they are only counted once.
Participation Participation in HACC service by CALD people (Number of CALD people who receive a HACC service/Municipal target population in relation to CALD people for HACC services x100)	25%	CALD people are identified as people born outside Australia in a country whose national language is not English. Services provided included are personal care, domestic, and respite care.
Maternal and Child Health Participation Participation in the MCH service (Number of children who attend the MCH service at least once (in the year)/Number of children enrolled in the MCH service x100)	77%	<p>Our participation rates at the 2-year and 3.5-year assessments have been lower than expected. Some parents who are time poor, opt for the convenience of the GP's 4-year-old immunisation and health check that is linked to Centrelink payments and forego the 3.5-years KAS (key ages and stages) Assessment with MCH.</p> <p>Kingston prioritised younger babies and vulnerable families as we transitioned across to the new integrated Family and Children Centres located in Parkdale and Edithvale.</p>
Participation Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in the year)/Number of Aboriginal children enrolled in the MCH service x100)	85%	Our participation rates for our Aboriginal and Torres Strait Island clients are relatively high. We have proactively encouraged clients to identify their status and supported our nursing staff with appropriate education and training.

FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2015

Forecasts are based on the Strategic Resource Plan adopted by Council in June 2015

Dimension/Indicator/ Measure	Results	Forecasts				Material Variations/ Explanations
	2015	2015/16	2016/17	2017/18	2018/19	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> (Adjusted underlying surplus (deficit)/ Adjusted underlying revenue x100)	9.68%	5.80%	5.66%	4.26%	3.79%	The result for 2015 was strong given the high volume of operating grants received. The result is expected to remain positive; however, it is expected to decline slightly over the forecast years as the State Government rate capping policy is implemented.
Liquidity Working capital <i>Current assets compared to current liabilities</i> (Current assets/Current liabilities x100)	194.62%	145.97%	133.57%	128.20%	131.69%	The working capital ratio for 2015 is higher than the forecast years due to higher cash holdings at the end of the year which will be spent on carry forwards to the capital program (\$12.3 million) and the early receipt of Grants Commission monies. Over the last five years Council's Working Capital Ratio has been in the range of 130% to 150%; this will continue through the outlook period. The current statewide average for inner metropolitan Melbourne Councils for this indicator is approximately 181%. Council's assured cash flows means that Council is confident it can pay its debts as and when they fall due.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> (Unrestricted cash/ Current liabilities x100)	104.84%	53.73%	43.05%	44.93%	49.48%	The 2015 result is higher than the forecast trend due to higher cash holdings at the end of the year partly due to capital programs carried forward to 2015/16 and the early receipt of grant revenue. Council's assured cashflows means it can pay its debts as and when they fall due.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> (Interest bearing loans and borrowings/ Rate revenue x100)	17.41%	15.49%	15.48%	11.99%	8.58%	The result for this measure is expected to decrease by 9 percentage points over the 4-year period to 2019. The decreasing forecast trend reflects the scheduled repayment of debt over the four-year period and the decrease in overall external debt levels.

**Forecasts are based on the Strategic Resource Plan adopted by Council
in June 2015 (cont'd)**

Dimension/Indicator/ Measure	Results	Forecasts				Material Variations/ Explanations
	2015	2015/16	2016/17	2017/18	2018/19	
Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings/Rate revenue x100)	2.94%	4.43%	4.10%	3.79%	3.65%	The decreasing forecast trend reflects the scheduled repayment of debt over the four year period.
Indebtedness Non-current liabilities compared to own source revenue (Non-current liabilities/ Own source revenue x100)	13.01%	10.36%	10.73%	7.92%	5.33%	The 2015 result is in line with the prior year and the forecast reflects the Strategic Resource Plan.
Asset renewal Asset renewal compared to depreciation (Asset renewal expenses/ Asset depreciation x100)	112.66%	128.15%	105.97%	87.54%	83.42%	The 2015 result is consistent with budget expectations and the forecast reflects the Strategic Resource Plan.
Stability Rates concentration Rates compared to adjusted underlying revenue (Rate revenue/ Adjusted underlying revenue x100)	64.60%	65.95%	68.17%	68.72%	68.91%	The 2015 result is in line with prior years and budget expectations and the forecast reflects the Strategic Resource Plan.
Rates effort Rates compared to property values (Rate revenue/ Capital improved value of rateable properties in the municipality x100)	0.28%	0.28%	0.28%	0.28%	0.28%	The 2015 result is in line with prior years and budget expectations and the forecast reflects the Strategic Resource Plan.
Efficiency Expenditure level Expenses per property assessment (Total expenses/ Number of property assessments)	\$2,335	\$2,501	\$2,453	\$2,501	\$2,538	The 2015 result is consistent with budget expectations and the forecast reflects the Strategic Resource Plan.
Revenue level Average residential rate per residential property assessment (Residential rate revenue/ Number of residential property assessments)	\$1,584	\$1,654	\$1,668	\$1,682	\$1,697	The 2015 result is consistent with budget expectations and the forecast reflects the Strategic Resource Plan.
Workforce turnover Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations/ Average number of permanent staff for the financial year x100)	12%	27%	10%	10%	10%	2015/16 includes a reduction in Hostel Staff following the proposed sale of Council Hostel facilities.

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 in paragraphs (a) and (b)
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
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
Community Care Common Standards	means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
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
Culturally and Linguistically Diverse (CALD)	Means Culturally and Linguistically Diverse people born outside Australia in a country whose national language is not English
current assets	has the same meaning as in the Australian Accounting Standards (AAS)
current liabilities	has the same meaning as in the AAS
expenses	means expenses including employee costs, materials and services, bad and doubtful debts, depreciation and amortization, borrowing costs and other expenses
food premises	has the same meaning as in the <i>Food Act 1984</i> and includes all street trader notifications
HACC program	means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth
HACC service	means home help, personal care or community respite provided under the HACC program
infrastructure	means non-current property, plant and equipment excluding land

Definitions (cont'd)

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>
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
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 authorised 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
non-current assets	means all assets other than current assets
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
non-current liabilities	means all liabilities other than current liabilities
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
recurrent grant	means a grant other than a non-recurrent grant
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 the Socio-Economic Indexes for Areas (SEIFA) published from time to time by the Australian Bureau of Statistics on its Internet website
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
target population	has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth
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>

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.

Acting Principal Accounting Officer
B. Byrden



Dated:

24 August 2015

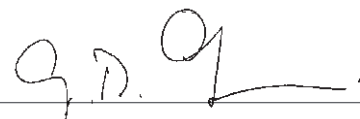
In our opinion, the accompanying performance statement of the Kingston City Council for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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.

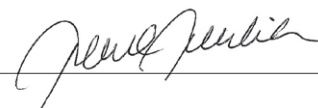
Mayor
Cr G. Gledhill



Dated:

24 August 2015

Councillor
Cr P. Peulich



Dated:

24 August 2015

P. A. Franklin
Acting Chief Executive Officer



Dated:

24 August 2015

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Kingston City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Kingston City Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)

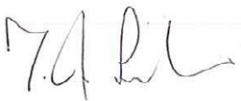
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Kingston City Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
14 September 2015


John Doyle M.Acc FCA
Auditor-General

GENERAL PURPOSE FINANCIAL REPORT 2014/15

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CERTIFICATION OF THE FINANCIAL REPORT

AUDIT OPINION

COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2015

	Note	2015 \$('000)	2014 \$('000)
Income			
Rates and Charges	4	118,917	113,330
Grants – Operating	5	32,934	27,508
Grants – Capital	5	4,643	5,470
Contributions – Monetary	6	4,032	3,338
User Fees, Charges & Fines	7	26,916	25,281
Interest Income	8	1,963	1,782
Other Income	8	2,018	1,312
Net Gain on disposal of Property, Infrastructure, Plant & Equipment	9	165	-
Fair Value Adjustment for Investment Property	8/23	101	-
Total Income		191,689	178,020
Expenses			
Employee Costs	10	72,713	68,969
Materials and Services	11	68,324	66,207
Bad and Doubtful Debts	12	37	54
Depreciation & Amortisation	13	24,543	22,486
Borrowing Costs	14	661	712
Net Loss on disposal of Property, Infrastructure, Plant & Equipment	9	-	514
Fair Value Adjustment for Investment Property	15/23	-	460
Total Expenses		166,278	159,402
Surplus		25,411	18,617
Other Comprehensive Income			
Items that will not be reclassified to surplus or deficit:			
Net asset revaluation increment/(decrement)	22/30	(53,507)	122,316
Total Comprehensive Result	3	(28,096)	140,933

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

BALANCE SHEET

As at 30 June 2015

	Note	2015 \$ ('000)	2014 \$ ('000)
Current Assets			
Cash and Cash Equivalents	16	47,778	45,235
Trade and Other Receivables	19	10,130	9,501
Financial Assets	17	16,101	3,101
Non-Current Assets classified as Held for Sale	20	3,460	-
Other Assets	21	737	718
Total Current Assets		78,206	58,555
Non Current Assets			
Trade and Other Receivables	19	24	19
Infrastructure, Property, Plant & Equipment	22	2,145,828	2,194,335
Investment Property	23	3,041	2,940
Intangible Assets	24	1,735	2,002
Total Non Current Assets		2,150,628	2,199,297
Total Assets		2,228,834	2,257,851
Current Liabilities			
Trade and Other Payables	25	10,977	13,675
Provisions	26	14,625	14,328
Leased Plant Liability	27	54	56
Interest Bearing Loans and Borrowings	27	2,494	1,825
Trust Funds and Deposits	28	12,033	10,981
Total Current Liabilities		40,183	40,865
Non Current Liabilities			
Provisions	26	1,322	861
Interest Bearing Loans and Borrowings	27	18,208	18,743
Leased Plant Liability	27	-	167
Total Non Current Liabilities		19,530	19,771
Total Liabilities		59,713	60,636
Net Assets		2,169,120	2,197,216
Equity			
Accumulated Surplus		1,259,497	1,237,842
Asset Revaluation Reserve	29,30	887,058	940,566
Other Reserves	29,30	22,565	18,808
Total Equity		2,169,120	2,197,216

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

2015	Note	Total \$ ('000)	Accumulated Surplus \$ ('000)	Asset Revaluation Reserve \$ ('000)	Asset Replacement Reserve \$ ('000)	Asset Development Reserve \$ ('000)	Other Reserves \$ ('000)
Balance at 1 July 2014		2,197,216	1,237,842	940,566	2,276	8,316	8,216
Surplus for the year		25,411	25,411	-	-	-	-
Net asset revaluation increment (decrement)	29,30	(53,507)	-	(53,507)	-	-	-
Transfers to Other Reserves	29,30	-	(7,489)	-	135	3,265	4,089
Transfer from Other Reserves	29,30	-	3,733	-	(392)	(1,864)	(1,477)
Balance as at 30 June 2015		2,169,120	1,259,497	887,058	2,019	9,717	10,828

For the Year Ended 30 June 2014

2014	Note	Total \$ ('000)	Accumulated Surplus \$ ('000)	Asset Revaluation Reserve \$ ('000)	Asset Replacement Reserve \$ ('000)	Asset Development Reserve \$ ('000)	Other Reserves \$ ('000)
Balance at 1 July 2013		2,056,283	1,221,835	818,250	2,137	8,081	5,980
Surplus for the year		18,617	18,617	-	-	-	-
Net asset revaluation increment (decrement)	29,30	122,316	-	122,316	-	-	-
Transfers to Other Reserves	29,30	-	(6,940)	-	308	2,596	4,044
Transfer from Other Reserves	29,30	-	4,330	-	(169)	(2,361)	(1,808)
Balance as at 30 June 2014		2,197,216	1,237,842	940,566	2,276	8,316	8,216

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 2015

	Note	2015 \$('000) Inflows/ (Outflows)	2014 \$('000) Inflows/ (Outflows)
Cash Flows from Operating Activities			
Rates and Charges		119,038	112,949
Grants and Subsidies		37,577	32,977
User Fees, Charges & Fines		25,457	24,319
Contributions, Reimbursements & Donations		4,032	3,338
Interest		2,364	1,292
Net Increase (Repayment) of Trust Funds and Deposits		1,187	(1,973)
Other Receipts		928	1,032
Payments to Suppliers		(70,908)	(64,499)
Payments to Employees		(71,955)	(68,112)
Net cash provided by operating activities	31	47,720	41,322
Cash flows from investing activities			
Payments for Infrastructure, Property, Plant and Equipment		(33,207)	(36,512)
Proceeds from Disposal of Property, Infrastructure, Plant & Equipment	9	1,725	21
Net (Payment)/Proceeds for investments	17	(13,000)	12,000
Net cash used in investing activities		(44,482)	(24,491)
Cash flows from financing activities			
Finance Costs		(661)	(712)
Increase in interest bearing loans & borrowings	27	2,800	3,000
(Repayment) of interest bearing loans & borrowings	27	(2,834)	(2,050)
Net cash used in financing activities		(695)	(238)
Net increase in cash and cash equivalents		2,543	17,069
Cash and cash equivalents at the beginning of the financial year		45,235	28,166
Cash and cash equivalents at the end of the financial year	32	47,778	45,235
Restrictions on Cash Assets	18	21,750	19,297

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

STATEMENT OF CAPITAL WORKS

For the Year Ended 30 June 2015

	Note	2015 \$('000)	2014 \$('000)
Property			
Land		914	-
Land improvements		2,375	1,955
Total Land		3,289	1,955
Building improvements		14,736	18,702
Leasehold improvements		571	-
Total Buildings		15,307	18,702
Total Property		18,596	20,657
Plant and Equipment			
Plant, machinery and equipment		502	108
Computers and telecommunications		567	1,685
Library books		1,029	1,075
Total Plant & Equipment		2,098	2,868
Infrastructure			
Roads		5,539	4,539
Bridges		10	43
Footpaths and cycleways		3,087	3,717
Drainage		3,716	2,752
Recreational, leisure and community facilities		1,079	2,003
Parks, open space and streetscapes		1,410	3,050
Off street car parks		781	587
Other infrastructure		2,037	913
Total Infrastructure		17,659	17,605
Total Capital Works Expenditure		38,353	41,129
Represented by:			
New asset expenditure		2,267	2,546
Asset renewal expenditure		27,651	26,775
Asset expansion expenditure		2,850	3,996
Asset upgrade expenditure		5,585	7,812
Total Capital Works Expenditure		38,353	41,129

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2015

Notes to the Financial Statements

NOTE 1

Significant Accounting Policies

Introduction

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 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.

(a) Basis of Accounting

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

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

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

- ▶ the fair value of land, buildings and infrastructure, plant and equipment and intangibles (refer to note 1 (i))
- ▶ the determination of depreciation for infrastructure, property, plant and equipment and intangibles (refer to note 1 (j))
- ▶ the determination of employee benefits provisions (refer to note 1 (p)).

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.

(b) Change in Accounting Policies

There have been no changes in accounting policies from the previous period.

(c) Revenue Recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and Charges

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

NOTE 1

Significant Accounting Policies (cont'd)

User Fees and Fines

User 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. A provision for doubtful debts is recognised when collection in full is no longer probable.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of Infrastructure, Property, Plant and Equipment

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

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever occurs first.

Interest

Interest is recognised progressively as it is earned.

Other Income

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

(d) Fair value measurement

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.

AASB 13 defines fair value as 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. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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; and
- ▶ 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.

(e) Cash and Cash Equivalents

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

NOTE 1

Significant Accounting Policies (cont'd)

(f) Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(g) Other financial assets

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

(h) Non-current Assets Classified as Held for Sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, 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.

(i) Recognition and Measurement of property, infrastructure, plant and equipment and intangibles

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 in Note 1 (j) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

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 on 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 22, Infrastructure, Property, Plant and Equipment.

In addition, Council usually undertakes a formal valuation of land and building assets on a regular basis ranging from 2 to 4 years. A formal revaluation of land and building assets was performed in 2014. The valuation is performed by independent experts.

Constructed assets, namely Transport and Drainage Works, are recognised in this general purpose financial report and have been valued at the written down current cost of replacement of the asset in accordance with Australian Accounting Standard AAS 27 "Financial Reporting by Local Governments". Valuations for Transport and Drainage Works have been determined as at 30 June 2015. The valuation is performed by experienced council officers.

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.

NOTE 1

Significant Accounting Policies (cont'd)

Land Under Roads

Council recognises land under roads it controls at fair value.

Intangible Asset – Bed Licences

Approved provider aged care places (bed licences) are recorded at cost (zero) at 30 June 2015. Previous valuations were at 'fair value', however in 2012 Council elected to no longer recognise their value based on the ASIC finding that the strict criteria for an 'active market' are not fulfilled in the case of bed licences.

Intangible Asset – 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.

(j) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

The following classes of assets have been recognised and are reported on further in Notes 22 and 24.

In accordance with Council policy the threshold limits listed below have been applied when recognising assets within an applicable asset class and are consistent with the threshold limits in the prior year. Expenditure below the threshold limit is recorded as an expense in the year of recognition.

Buildings, Land Improvements, Plant and Equipment, Infrastructure, and Other Assets having limited useful lives are systematically depreciated over their useful lives to the 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.

Straight line depreciation is charged based on the residual useful life as determined each year. The depreciation periods are consistent with those that applied in the previous year.

NOTE 1

Significant Accounting Policies (cont'd)

(j) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles (cont'd)

Asset recognition thresholds and depreciation periods:

Class of Asset	Limit at which Recognised		
	Purchase/ Construction \$ ('000)	Asset Improvement \$ ('000)	Depreciation Period Years
Plant	5	N/A	3-10
Land & Buildings			
- Land	-	N/A	N/A
- Land Under Roads	10	N/A	N/A
- Buildings	-	20	20-100
- Leasehold Improvements	-	20	10
- Land Improvements (excluding Buildings)	N/A	20	10-50
Equipment	2	N/A	3-5
Transport			
- Roads	-	50	25-100
- Kerb & Channel	-	50	80
- Bridges	-	50	100
- Footpaths	-	50	60
- Street Furniture	10	10	10
- Traffic Control	10	10	10
Drainage Works	-	25	100
Heritage & Culture	1	25	100
Library Books	-	-	5
Intangibles - Software	50	N/A	5

(k) 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.

(l) Investment Property

Investment property, comprising freehold office complexes, 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. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

NOTE 1

Significant Accounting Policies (cont'd)

(m) 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement unless the asset is carried at the revalued amount. In which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(n) Trust Funds and Deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust Funds until they are returned or forfeited (refer to note 28).

All Residential Aged Care accommodation Bond liabilities are recorded as Current Liabilities (refer to Note 28).

(o) Borrowings

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

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

Borrowing Costs

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. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised. Borrowing costs include interest on borrowings, and finance lease charges.

(p) Employee costs and benefits

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

Wages and Salaries & Annual Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick 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.

Current Liability - unconditional LSL representing 7 years of service is disclosed as a current liability even when the Council does not expect to settle the liability within 12 months because it does not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

NOTE 1

Significant Accounting Policies (cont'd)

(p) Employee costs and benefits (con'd)

The components of this current liability are measured at:

- present value - component that is not expected to be settled within 12 months.

- nominal value - component that is expected to be settled within 12 months.

Non-current liability - conditional LSL representing less than 7 years of service is disclosed as a non – Current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

On-Costs

Employee benefits on-costs (workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(q) Leases

Finance Leases

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets

are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Currently leased gymnasium equipment is being amortised over a four year period which commenced in February 2012.

Operating Leases

Lease payments for operating leases are required by the AAS to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

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.

(r) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or for Trade and Other Receivables or Trade and Other Payables which are recognised inclusive of GST. Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Financial Guarantees

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 that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 35 Contingent Liabilities and Contingent Assets.

NOTE 1

Significant Accounting Policies (cont'd)

(t) Contingent assets and contingent liabilities and commitments

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(u) Reportable Segment - Residential Aged Care Facilities

In compliance with the requirements of the Commonwealth Aged Care Act 1997 and the Commonwealth Department of Health funding policy regarding Conditional Adjustment Payments, Council reports activities of Residential Aged Care facilities as a reportable segment in the notes accompanying the Financial Report (refer to Note 40).

(v) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

(w) Pending Accounting Standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

The budget comparison 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 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the nature of the variance is considered to be material.

The budget figures detailed below are those adopted by Council on 28 July 2014. The Budget was based on assumptions that were relevant

at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. Council monitors its financial performance to budget throughout the year and adopted a 2014/15 forecast at the Ordinary Council meeting in March 2015 to take into account changes to the adopted budget assumptions. The adopted budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered to be predictable.

This note is prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

NOTE 2

Budget Comparison (cont'd)

(a) Income and Expenditure

	Budget 2015 \$('000)	Actual 2015 \$('000)	Variance 2015 \$('000)	Variance 2015 %	Ref
Income					
Rates and Charges	118,695	118,917	222	0.2	
User Charges	25,527	26,916	1,389	5.4	
Grants - Operating	30,400	32,934	2,534	8.3	
Grants - Capital	1,295	4,643	3,348	258.5	1
Contributions - monetary	1,428	4,032	2,604	182.4	2
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	165	165	-	
Interest	1,552	1,963	411	26.5	3
Other Revenue	684	2,018	1,334	195.0	4
Fair Value Adjustment	-	101	101	-	5
Total Income	179,581	191,689	12,108	6.7	
Expenses					
Employee Costs	72,824	72,713	111	0.2	
Materials and Services	68,926	68,324	602	0.9	
Bad and Doubtful Debts	50	37	13	26.0	6
Depreciation and Amortisation	21,350	24,543	(3,193)	(15.0)	7
Borrowing Costs	927	661	266	28.7	8
Total Expenses	164,077	166,278	(2,201)	(1.3)	
Surplus	15,504	25,411	9,907	63.9	

NOTE 2

Budget Comparison (cont'd)

(a) Income and Expenditure (cont'd)

Explanation of material variances – Income and Expenditure

Ref	Item	Explanation
1	Grants - Capital	Capital grants are favourable to budget \$3.3m mainly due to \$1.2m received in March for Moorabbin Reserve redevelopment from the Department of Transport Planning and Local Infrastructure and also \$1.6m for the Northern Westall Hub from Department of Education and Early Childhood Development.
2	Contributions, Reimbursements & Donations	Contributions, Reimbursements and Donations are favourable to budget by \$2.6m largely due to unbudgeted cash contributions from developers in lieu of the provision of open space (\$3.2m received compared to a budget of \$1.0m). There were also several capital contributions \$271k received throughout the year that were not budgeted for including contributions from Cheltenham Junior Football Club (\$33k), Highmoor Uniting Tennis Club (\$10k) Mentone- Mordialloc Art Group (\$115k) and electrical supply installation for Fraser Avenue Golf Club, Edithvale (\$36k) towards capital improvements of Council assets.
3	Interest	Interest income is favourable to budget by \$411k. Interest on investments \$210k ahead of budget mainly due to higher cash reserves and interest on Rate Arrears totalled \$602k which was \$202k favourable to budget.
4	Other Revenue	Other Revenue is favourable to budget by \$1.3m predominately due to unbudgeted found assets which total \$1.1m. Found Assets represent assets which are discovered to be under the control of Council due to improved measurement techniques and more accurate data becoming available from Council's new Asset Management System.
5	Fair Value Adjustment for Investment Property	The Fair Value of Council's two investment properties were reviewed as at 30 June 2015. Council contracted certified valuers Westlink Consulting Pty Ltd. This resulted in an overall increment of \$0.1m and this was not budgeted for.
6	Bad and Doubtful Debts	Bad and Doubtful Debts are marginally favourable to budget by \$13k.
7	Depreciation & Amortisation	Depreciation & amortisation totals to \$24.5m and is \$3.2m unfavourable to budget following the higher than expected revaluation of buildings and road assets. This was recognised in the 30 June forecast adopted by Council in March.
8	Finance costs	Finance costs total to \$661k and are \$266k favourable to budget. This variance is due to better than business case interest rate for the loan for 1230 Nepean Hwy. The budget estimated borrowings at 4.5% from December 2014 however, we have received a rate of 3.2% resulting in an interest savings of \$223k. This saving was utilised to repay part of the debt early.

NOTE 2

Budget Comparison (cont'd)

(b) Capital Works

	Budget 2015 \$(' 000)	Actual 2015 \$(' 000)	Variance 2015 \$(' 000)	Variance 2015 %	Ref
Property					
Land	189	914	(725)	(383.7)	
Land improvements	-	2,375	(2,375)	-	
Total Land	189	3,289	(3,100)	(1,640.4)	1
Building improvements	20,213	14,736	5,477	27.1	2
Leasehold improvements	-	571	(571)	-	
Total Buildings	20,213	15,307	4,906	24.3	
Total Property	20,402	18,596	1,806	8.9	
Plant and Equipment					
Plant, machinery and equipment	350	502	(152)	(43.4)	3
Computers and telecommunications	2,209	567	1,642	74.3	4
Library books	-	1,029	(1,029)	-	
Total Plant & Equipment	2,559	2,098	462	58.2	
Infrastructure					
Roads	5,411	5,539	(128)	(2.4)	
Bridges	-	10	-	-	
Footpaths and cycleways	3,792	3,087	705	18.6	5
Drainage	3,870	3,716	154	4.0	
Recreational, leisure and community facilities	3,094	1,079	2,014	65.1	6
Parks, open space and streetscapes	1,244	1,410	(166)	(13.3)	
Off street car parks	806	781	25	3.1	
Other infrastructure	6,523	2,037	4,486	68.8	7
Total Infrastructure	24,740	17,659	7,081	28.7	
Non Asset Capital Projects	582	-	582	100.0	8
Total Capital Works Expenditure	48,283	38,353	9,930	20.6	
Represented by:					
New asset expenditure	2,811	2,267	544	19.4	
Asset renewal expenditure	26,987	27,651	(664)	(2.5)	
Asset expansion expenditure	5,112	2,850	2,262	44.2	
Asset upgrade expenditure	10,640	5,585	5,055	47.5	
Non Asset	2,733	0	2,733	100	
Total Capital Works Expenditure	48,283	38,353	9,930	20.6	

NOTE 2

Budget Comparison (cont'd)

(b) Capital Works (cont'd)

Explanation of material variances – Capital Works

Ref	Item	Explanation
1	Property	Capital expenditure on land and land improvements was \$3.1m more than budgeted. Actuals include the acquisition of land at 122 Parkers Road Parkdale (\$0.9 million) plus work in Council's green wedge, and remediation works for Council's land and landfill sites, which were not budgeted.
2	Building Improvements	Capital expenditure on building improvements was underspent by \$5.5m. Under budget expenditure is fully contractually committed and works are in progress. Some projects had a delayed commencement due to VCAT or authorisations to proceed.
3	Plant Machinery & equipment	Capital expenditure on plant, machinery and equipment was over budget by \$0.2m. The adopted budget was adjusted by Council with a \$500k carry over from 2013/14 as purchases were delayed by the Tsunami in Japan.
4	Computers and telecommunications	The capital expenditure on computers and telecommunications was under budget by \$1.6m. Expenditure on computer systems was limited to essential activities. Other structural works on servers etc. was deferred pending the outcomes and recommendations of a major strategic review of organisational technology needs. Unexpended budget is expected to be carried over to 2015/16 to implement strategic recommendations.
5	Footpaths and Cycleways	Capital expenditure on footpaths and cycleways was under budget by \$0.7m largely due to the \$500k Bay Trail project being delayed by a VCAT appeal. Works are now in progress.
6	Recreational, leisure & community facilities	The capital expenditure on recreational, leisure and community facilities was under budget by \$2.0m due to Reserve Master Plan Implementation projects that have been rescheduled to better compliment the completion of pavilion renewal works at Moorabbin Reserve (\$550k) and Bonbeach Reserve (\$300k). In addition, works were rescheduled pending finalisation of scopes for Waves Leisure Centre Pool Play Area (\$785k) and Sportsground Lighting upgrades (\$250k).
7	Other infrastructure	The other infrastructure budget was underspent by \$4.5m. Major contributor to this under spend is a \$1.5m allocation to the renewal of street light fittings, delayed pending the outcome of industry negotiations plus \$2.4 million in expenditure now classified as land improvements (see Ref 1 above).
8	Non-Asset Capital Projects	Non asset capital projects were budgeted at \$0.6m for the financial year. This actual expenditure has been categorised under the relevant asset categories.

NOTE 3

Underlying Result

A key measure of financial sustainability is the Underlying Result. The Underlying Result, as defined by Council, identifies whether Council is generating enough revenue to cover operating expenses (including the cost of replacing assets reflected in depreciation expenditure). It is represented by the comprehensive result adjusted for any asset revaluations, non-cash developer contributions and found assets, as well as any other one-off or non-recurrent transactions. These are transactions that affect the surplus and/or the comprehensive result, but the values can fluctuate significantly from year to year. Therefore, the Underlying Result should remain relatively consistent from year to year and best represents Council's ability to remain sustainable and continue with normal day-to-day operations.

	2015 \$ ('000)	2014 \$ ('000)
Comprehensive Result	(28,096)	140,933
Net Asset Revaluation Movement	53,507	(122,316)
Surplus	25,411	18,617
One-off / Non-recurring adjustments:		
Found Assets	(1,090)	(280)
Capital Grants (i)	(4,643)	(4,900)
Underlying Result	19,678	13,437

(i) Capital grants in 2015 includes \$1.7 million for Community HUBs and facilities and \$1.2 million for Moorabbin Reserve development.

NOTE 4

Rates and Charges

Council uses 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 2014/15 was \$42.6 billion (2013/14 \$40.7 billion). The 2014/15 declared rate in the dollar was 0.23546 cents (2013/14 0.23197 cents).

A Municipal charge is levied at the rate of \$100 (2013/14 \$100) per rateable property and a Waste Service fee is levied at the rate of \$131 to \$220 (2012/13 \$134 to \$224) per rateable property, for Waste Service choices A to F.

During 2014/15 Council utilised for rating purposes within the municipal district, the general revaluation dated 1 January 2014. This valuation was first applied to the rating period commencing 1 July 2014. The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2016. This valuation will be first applied to the rating period commencing 1 July 2016.

	2015 \$ ('000)	2014 \$ ('000)
General Rates	99,308	93,945
Supplementary Rates	1,135	828
Municipal Charges	7,056	6,991
Garbage Charges	11,418	11,566
Total Rates & Charges	118,917	113,330

NOTE 5

Grants

	2015 \$('000)	2014 \$('000)
Operating Grants		
Recurrent		
Victorian Grants Commission (i)	6,501	2,130
Family Day Care	1,297	1,178
General Home Care	9,177	8,687
AccessCare Southern	7,232	6,914
Aged Care	2,962	3,261
Family & Children	2,426	1,871
Maternal & Child Health	1,100	1,064
Libraries	985	927
Social & Community Support	246	532
Beach Cleaning	165	247
Community Safety & Education	273	280
Economic Development	124	160
Other	47	69
Total Recurrent Operating Grants	32,535	27,319
Non Recurrent		
Infrastructure Safety	-	74
Storm Water	-	12
Mordialloc Creek	22	22
Emergency Management	46	63
Community Safety	299	-
Other	32	18
Total Non Recurrent Operating Grants	399	189
Total Operating Grants	32,934	27,508

(i) A total of \$2.1 million was received in advance in June 2015 for 50% of the 2015/16 Victorian Grants Commission allocation and 50% of the 2014 Grant was paid in 2013.

NOTE 5

Grants (cont'd)

	2015 \$('000)	2014 \$('000)
Capital Grants		
Recurrent		
Roads to Recovery	586	569
Total Recurrent Capital Grants	586	569
Non Recurrent		
Mordialloc Creek Dredging	-	2,000
Sporting Facilities	179	214
Living Rivers Funding	300	330
Centreway Mordialloc Lighting Project	-	26
Software Replacement	-	50
Parks & Gardens	152	-
Children's HUBS and Facilities	1,695	1,700
Community Energy Efficiency Program	114	345
Drainage/Wetlands Projects	-	205
Moorabbin Reserve Development	1,200	-
Transport Projects	380	-
Other	37	29
Total Non Recurrent Capital Grants	4,057	4,900
Total Capital Grants	4,643	5,469
Total Grants	37,577	32,977
Represented By:		
Commonwealth Funded Grants	14,299	14,458
State Funded Grants	22,975	18,208
Other	303	311
Total Grants	37,577	32,977

NOTE 5

Grants (cont'd)

Conditions on Grants

Grants recognised as revenue during the year that were obtained on a condition that they be expended in a specified manner that had not occurred at balance date were:

	2015 \$('000)	2014 \$('000)
Software Replacement	-	50
Sporting Facilities	26	90
Childrens HUBs and Facilities	1,600	1,700
Community Energy Efficiency Program	-	137
Centreway Mordialloc Lighting Project	-	26
Moorabbin Reserve Development	1,200	-
	2,826	2,003

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

Living Rivers Funding	-	218
Terrigal Drive Pre-School	-	300
Chelsea Skate Park	-	79
Parkdale & Edithvale HUBs	600	1,366
Parkdale SC Soccer Pitch Lighting	-	81
Kingston WAASH Project	-	75
Community Energy Efficiency Program	137	20
Carrum Erosion Wall	-	30
Clarinda Men's Shed	-	30
Software Replacement	50	-
Centreway Mordialloc Lighting Project	26	-
Westall Community Learning HUB	750	-
Park Street Pre School Redevelopment	350	-
Springvale Lions Baseball Club Change Rooms	90	-
	2,003	2,199
Net increase (decrease) in restricted assets resulting from grant revenues for the year	823	(196)

NOTE 6

Contributions

	2015 \$('000)	2014 \$('000)
Monetary		
Donations/Contributions from Developers	3,265	2,596
Various Capital Projects – Contributions	271	188
Community Sustainability	76	67
Environmental Sustainability	186	312
Other	234	175
Total Contributions	4,032	3,338

There were no non-monetary contributions in 2015 and 2014.

NOTE 7

User Fees, Charges & Fines

	2015 \$('000)	2014 \$('000)
Aged Services (i)	4,278	4,310
Family and Children's Services	3,145	2,910
Leisure and Recreation	6,840	6,108
Local Law Permits, Fees, and Fines	5,462	5,157
Planning and Building	3,279	3,019
Rental Income and Hire of Facilities	2,894	2,733
Other (i)	1,018	1,045
Total User Fees, Charges & Fines	26,916	25,281

(i) The Depot Services team which provides home maintenance and community bus services to residents was previously listed under 'Other' which is now listed under Aged Services. 2014 amounts have been adjusted for comparative purposes.

NOTE 8

Interest/Other Income

	2015 \$('000)	2014 \$('000)
Interest on cash and investments	1,361	1,219
Interest on Rates	602	563
Total Interest	1,963	1,782
Found Assets (i)	1,090	280
Other	928	1,032
Total Other Income	2,018	1,312
<i>Fair Value adjustment for Investment Property</i>	<i>101</i>	<i>-</i>
Total Interest/Other Income	4,082	3,094

(i) Found Assets in 2015 include roads of \$1.1 million. They are not newly constructed roads for the year, these represent road additions due to improved accuracy of data since moving all Council roads to the new asset management system during the year.

NOTE 9

Net Gain (Loss) on Disposal of Property, Infrastructure Plant & Equipment

	2015 \$('000)	2014 \$('000)
Proceeds from Disposal	1,725	21
Less: Written down value	(1,560)	(535)
Profit/(Loss) on Disposal of Infrastructure, Property, Plant & Equipment	165	(514)
Comprising:		
Profit on Disposal of Property, Plant & Equipment (i)	244	21
Loss on Disposal of Property, Plant & Equipment (ii)	(79)	(535)
	165	(514)

(i) Includes profit on the sale of 11 vehicles sold during the year (\$127k) plus the profit on sale of property at 3 Mountview Avenue Parkdale and 4 Stawell Street Mentone (\$117k).

(ii) Includes the demolition of buildings at 101 Collins Street Mentone.

NOTE 10

(a) Employee Costs

	2015 \$('000)	2014 \$('000)
Wages & Salaries – Permanent Staff	55,763	54,015
Wages & Salaries – Casual Staff	7,601	6,340
Superannuation Guarantee	5,365	5,092
Annual Leave & Long Service Leave	2,031	1,841
Fringe Benefits Tax & WorkCover	1,732	1,520
Redundancy	221	161
Total Employee Costs	72,713	68,969

(b) Superannuation

Council made contributions to the following funds:		
Defined Benefit Fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	730	741
	730	741
Accumulation Funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,587	4,255
Employer contributions to Other Funds	860	682
	5,447	4,937
Employer contributions payable at reporting date:	533	482

NOTE 10

(b) Superannuation (cont'd)

Council remits all superannuation to Vision Super via a clearing house who then forward to other funds where the employee has elected an alternative superannuation fund. Majority of Council's employer superannuation contributions are to Vision Super's Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ending 30 June 2015, this was 9.5%, required under Superannuation Guarantee (for 2013/14 this was 9.25%)).

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 Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

NOTE 11

Materials and Services

	2015 \$('000)	2014 \$('000)
Road Infrastructure Maintenance	13,781	13,392
Building Maintenance	2,599	2,510
Waste & Cleansing	10,821	10,688
Aged Services	8,241	8,221
Parks, Gardens & Reserves	8,826	8,637
Leisure & Culture	4,320	4,482
Accommodation Expense	891	1,159
Information Systems and Telecommunications	3,326	3,370
Family Services	2,948	2,675
Community Engagement	1,739	1,754
Enforcement	2,798	2,437
Procurement & Fleet Management	1,956	1,682
Council Business	844	836
People & Culture	693	709
Finance & Legal	1,932	1,826
Planning & Building	1,066	757
Other (i)	1,543	1,072
Total Materials and Services	68,324	66,207

(i) Other includes expenditure in customer service, communications, performance planning and economic development.

An organisation restructure in August 2014 has required a restatement of some of the comparative figures.

NOTE 12

Bad and Doubtful Debts

	2015 \$('000)	2014 \$('000)
Other Debtors (i)	37	54
Total Bad and Doubtful Debts	37	54

(i) Bad debts in 2015 includes various minor debts which were previously provided for as doubtful.

NOTE 13

Depreciation & Amortisation

	2015 \$('000)	2014 \$('000)
Land Improvements	1,011	827
Buildings	6,292	6,001
Building Improvements	143	134
Leasehold Improvements	173	105
Drainage Works	2,851	2,551
Transport	10,487	9,759
Equipment	1,441	1,204
Heritage & Culture	17	17
Library Books	1,071	939
Plant	333	291
Software Amortisation	642	576
Finance Lease Amortisation	82	82
Total Depreciation & Amortisation	24,543	22,486

Refer to Note 22 for a more detailed breakdown of depreciation and amortisation charges.

NOTE 14

Borrowing Costs

	2015 \$('000)	2014 \$('000)
Interest – Borrowings (i)	653	664
Interest – Finance Lease (ii)	8	48
Total Finance Costs	661	712

(i) Borrowings of \$21.5 million commenced in December 2010 to fund the purchase of Council's main offices at 1230 Nepean Highway Cheltenham. A further \$3 million (June 2014) plus \$2.8 million (June 2015) was borrowed to finance Council's new HUB projects.

(ii) Council commenced a finance lease in February 2012 for gym equipment at Waves and Don Tatnell Leisure Centre with a value of \$326k over 4 years.

NOTE 15

Other Expenditure

	2015 \$('000)	2014 \$('000)
External Audit Fees – Victorian Auditor General *	54	59
Internal Audit Fees – Pitcher Partners *	113	80
Operating Lease Rentals (i) *	1,588	1,348
Fair Value Adjustment for Investment Property	-	460
Total Other Expenditure	1,755	1,947

* Audit fees & Operating Lease Rentals are included in the total Materials and Services (Note 11) expenditure on the Comprehensive Income Statement.

(i) Refer to Note 36 for details of Council's Operating Lease Rental Expenditure, primarily related to leases for equipment (motor vehicles), land and buildings.

NOTE 16

Cash and Cash Equivalents

	2015 \$('000)	2014 \$('000)
Cash on Hand	15	17
Cash at Bank	4,763	10,219
Short Term Deposits (i)	43,000	35,000
Total Cash and Cash Equivalents	47,778	45,235

(i) Short term deposits have an original maturity of three months or less.

Users of this financial report should refer to Note 18 for restrictions on cash assets and Note 34 for details of existing Council commitments.

NOTE 17

Financial Assets

	2015 \$('000)	2014 \$('000)
Investments (i)	16,101	3,101
Total Financial Assets	16,101	3,101

(i) Investments include any deposits with original maturity of greater than three months. Council's cash reserves were higher in 2015 compared to the prior year and therefore most reserves were invested in fixed term deposits of three months or more.

NOTE 18

Restricted Assets

Council has the following cash and cash equivalents and investments (Note 16 & 17) that are subject to legislative restrictions.

	2015 \$(' 000)	2014 \$(' 000)
Asset Development Reserve	9,717	8,316
Trust Fund and Deposits (i)	12,033	10,981
Total Restricted Assets	21,750	19,297
Total Unrestricted Cash and Cash Equivalents & Financial Assets	42,129	29,040
Total Cash, Cash Equivalents & Financial Assets	63,879	45,235

(i) Refer to Note 28 for details of all Trust Funds and Deposits.

NOTE 19

Trade and Other Receivables

	2015 \$(' 000)	2014 \$(' 000)
Current		
Rate Debtors	5,448	5,581
Net GST Receivable	788	1,210
Other Debtors	3,513	2,358
Less Provision for Doubtful Debts	(145)	(136)
Parking Infringement Debtors	2,946	2,650
Less Provision for Doubtful Debts	(2,420)	(2,162)
	10,130	9,501
Non-Current		
Rate Debtors	24	19
	24	19
Total Trade and Other Receivables	10,154	9,520
(a) Ageing of Trade and Other Receivables		
The ageing of the council's trade and other receivables at reporting date was:		
Current (not yet due)	2,370	2,823
Past due by up to 30 days	133	270
Past due between 31 and 180 days	2,179	827
Past due between 181 and 365 days (i)	5,448	5,581
Past due by more than 1 year	24	19
Total Trade and Other Receivables	10,154	9,520
(b) Movement in Provision for Doubtful Debts		
Balance at the Beginning of the year	2,298	2,004
+ New provisions recognised during the year	267	294
- Amounts provided but recovered during the year	-	-
Balance at the end of the year	2,565	2,298

(i) Balance comprises all current rate debtors of \$5,447,837 (\$5,580,621 in 2014)

NOTE 20

Non current assets classified as held for sale

	2015 \$('000)	2014 \$('000)
Land	3,460	-
	3,460	-

Non-current assets held for sale includes land to be sold at 101 Collins Street Mentone, a library at Warrigal Road Oakleigh South and a Childcare facility at Catherine Avenue Chelsea.

NOTE 21

Other Assets

	2015 \$('000)	2014 \$('000)
Current		
Prepayments	420	570
Accrued Income	317	148
Total Other Assets	737	718

NOTE 22

Infrastructure, Property, Plant & Equipment

	2015 \$('000)	2014 \$('000)
At Cost	74,824	75,296
Less Accumulated Depreciation	(35,528)	(31,640)
	39,296	43,656
At Fair Value as at 30 June	1,755,981	1,645,320
Less Accumulated Depreciation	(188,800)	(181,709)
At Council Valuation as at 30 June	966,948	960,142
Less Accumulated Depreciation	(427,597)	(273,074)
	2,106,532	2,150,679
Total	2,145,828	2,194,335

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Property

	Land Under Roads \$('000)	Other Specialised Land \$('000)	Land – Non Specialised \$('000)	Land Improvements \$('000)	Buildings – Specialised \$('000)	Building Improvements \$('000)	Leasehold Improvements \$('000)	Work in Progress \$('000)	Total Property \$('000)
At fair value 1 July 2014	486,287	520,450	218,773	28,272	417,996	4,250	1,052	8,916	1,686,147
Accumulated depreciation at 1 July 2014	-	-	-	(2,487)	(181,255)	(570)	(554)	-	(184,866)
	486,287	520,450	218,773	25,785	236,741	3,680	498	8,916	1,501,281
Movements in value									
Acquisition of assets at fair value	-	-	890	4,092	11,630	261	815	-	17,688
Revaluation increments/ decrements	36,131	38,669	16,791	-	4,275	-	-	-	95,866
Fair value of assets disposed	-	-	(1,135)	-	(425)	-	-	-	(1,560)
Depreciation and Amortisation	-	-	-	(1,011)	(6,292)	(143)	(173)	-	(7,619)
Transfers	-	-	(3,460)	-	6,499	-	-	(7,638)	(4,599)
Total movements	36,131	38,669	13,086	3,081	15,687	118	642	(7,638)	99,776
At fair value 30 June 2015	522,418	559,119	231,859	32,364	440,753	4,512	1,867	1,278	1,794,170
Accumulated depreciation at 30 June 2015	-	-	-	(3,497)	(188,325)	(714)	(727)	-	(193,264)
Total 30 June 2015	522,418	559,119	231,859	28,866	252,428	3,798	1,140	1,278	1,600,906

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land – Non-Specialised	-	231,859	-
Land - Specialised	-	-	559,119
Land Under Roads	-	-	522,418
Buildings - Specialised	-	-	252,427
Total	-	231,859	1,333,964

No transfers between levels occurred during the year.

Valuation of land and buildings:

Valuation of land and buildings were undertaken by a qualified independent valuer (CPV # 3878) from Westlink Consulting Pty Ltd in 2014 adjusted for any 2015 market movement. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement. Valuation of Land Under Roads was performed by an independent valuer from K.A. Reed Group.

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.

Reconciliation of Level 3 Fair Value

2015	Specialised Land \$(' 000)	Land Under Roads \$(' 000)	Specialised Buildings \$(' 000)
Opening Balance	520,450	486,287	236,741
Depreciation	-	-	(6,292)
Impairment Loss	-	-	-
Revaluation	38,669	36,131	4,275
Acquisitions (Disposals)	-	-	20,120
Transfers	-	-	(2,417)
Closing Balance	559,119	522,418	252,427

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Reconciliation of Level 3 Fair Value (cont'd)

2014	Specialised Land \$(' 000)	Land Under Roads \$(' 000)	Specialised Buildings \$(' 000)
Opening Balance	504,254	476,156	198,968
Depreciation	-	-	(6,001)
Impairment Loss	-	-	-
Revaluation	16,196	10,131	32,484
Acquisitions (Disposals)	-	-	11,290
Transfers	-	-	-
Closing Balance	520,450	486,287	236,741

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. Currently, land values range between \$6 and \$1,825 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 cost is calculated on a square metre basis and ranges from \$250 to \$5,000 per square metre. 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.

Reconciliation of Specialised Land

	2015 \$(' 000)	2014 \$(' 000)
Land Under Roads	522,418	486,287
Parks, Gardens and Reserves	559,119	520,450
	1,081,537	1,006,737

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Most Valuable Land & Building Assets

Below is a list of the 10 most valuable land and building assets owned by Council, excluding Crown Land. In the below table, buildings are listed at 'Replacement Value' and the Land at 'Fair Value' which is defined as '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'. Valuations below were provided by Certified Valuers at Westlink Consulting Pty Ltd in 2014 adjusted for market movement in 2015.

Description	Land/Building	2015	2014
1230 Nepean Highway Cheltenham (Council Offices)	Building	\$59,715,479	\$58,395,735
Waves Leisure Centre Highett	Building	\$31,603,972	\$30,905,508
City Hall – Nepean Highway Moorabbin	Building	\$20,589,570	\$20,134,530
Bicentennial Park - Chelsea	Land	\$15,378,605	\$14,315,000
Highett Reserve - Highett	Land	\$15,029,457	\$13,990,000
Sir William Fry Reserve – Highett	Land	\$14,852,198	\$13,825,000
Bald Hill Reserve – Clayton South	Land	\$13,713,440	\$12,765,000
Walter Galt Reserve - Parkdale	Land	\$13,181,661	\$12,270,000
Bricker Reserve - Moorabbin	Land	\$12,230,906	\$11,385,000
Moorabbin Reserve - Moorabbin	Land	\$12,107,361	\$11,270,000

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Plant & Equipment

	Equipment \$('000)	Motor Vehicles \$('000)	Leased Plant \$('000)	Heritage & Culture \$('000)	Library Books \$('000)	Total Plant & Equipment \$('000)
At fair value 1 July 2014	15,571	2,751	327	1,814	14,007	34,470
Accumulated depreciation at 1 July 2014	(12,667)	(2,126)	(198)	(453)	(13,039)	(28,483)
	2,904	625	129	1,361	968	5,987
Movements in value						
Acquisition of assets at fair value	965	490	-	-	1,029	2,484
Revaluation increments/decrements	-	-	-	14	-	14
Depreciation and Amortisation	(1,441)	(333)	(82)	(17)	(1,071)	(2,944)
Total movements	(476)	157	(82)	(3)	(42)	(446)
At fair value 30 June 2015	16,535	2,876	326	1,831	15,035	36,603
Accumulated depreciation at 30 June 2015	(14,107)	(2,094)	(279)	(473)	(14,109)	(31,062)
Total 30 June 2015	2,428	782	47	1,358	926	5,541

Infrastructure

	Roads \$('000)	Bridges \$('000)	Footpaths \$('000)	Drainage \$('000)	Other \$('000)	Total Infrastructure \$('000)
At fair value 1 July 2014	556,015	10,150	95,854	284,653	13,468	960,141
Accumulated depreciation at 1 July 2014	(96,247)	(8,018)	(15,869)	(139,480)	(13,459)	(273,074)
	459,768	2,132	79,985	145,173	9	687,067
Movements in value						
Acquisition of assets at fair value	8,951	-	2,837	805	-	12,593
Revaluation increments/decrements	(91,160)	-	(52,193)	(3,618)	-	(146,971)
Depreciation and Amortisation	(8,743)	(101)	(1,634)	(2,851)	(9)	(13,338)
Total movements	(90,952)	(101)	(50,990)	(5,664)	(9)	(147,716)
At fair value 30 June 2015	568,637	10,150	95,674	279,019	13,468	966,948
Accumulated depreciation at 30 June 2015	(199,821)	(8,119)	(66,679)	(139,510)	(13,468)	(427,597)
Total 30 June 2015	368,816	2,031	28,995	139,509	-	539,351

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Valuation Basis:

Infrastructure

Infrastructure is valued at fair value using the depreciated replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation. Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's infrastructure assets was performed by qualified engineers at Council. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2015.

There were no changes in valuation techniques throughout the period to 30 June 2015. For all assets measured at fair value, the current use is considered the highest and best use.

During 2015, Council's roads were added to the new asset management system resulting in condition ratings much more accurate, yet lower than originally estimated, leading to an increase in accumulated depreciation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transport	-	-	399,842
Drainage	-	-	139,509
Total	-	-	539,351

No transfers between levels occurred during the year.

Reconciliation of Level 3 Fair Value

2015	Roads \$('000)	Bridges \$('000)	Footpaths \$('000)	Drainage \$('000)	Other \$('000)
Opening Balance	459,768	2,132	79,985	145,173	9
Depreciation	(8,743)	(101)	(1,634)	(2,851)	(9)
Revaluation	(91,160)	-	(52,193)	(3,618)	-
Acquisitions (Disposals)	8,951	-	2,837	805	-
Closing Balance	368,816	2,031	28,995	139,509	-

2014	Roads \$('000)	Bridges \$('000)	Footpaths \$('000)	Drainage \$('000)	Other \$('000)
Opening Balance	432,238	2,234	74,407	132,219	27
Depreciation	(8,143)	(100)	(1,496)	(2,550)	(18)
Revaluation	29,022	-	5,849	14,001	-
Acquisitions (Disposals)	6,651	-	1,225	1,503	-
Closing Balance	459,768	2,132	79,985	145,173	9

NOTE 22

Property, Infrastructure, Plant & Equipment (cont'd)

Description of significant unobservable inputs into level 3 valuations

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.

NOTE 23

Investment Property

	2015 \$('000)	2014 \$('000)
Investment Property (at fair value as at 30 June)	3,041	2,940
	3,041	2,940
Balance at beginning of financial year	2,940	3,400
Fair value adjustments	101	(460)
Balance at the end of financial year	3,041	2,940

Investment Property Assets consist of buildings at Peter Scullin Reserve, Mordialloc that are leased by a third party to operate a commercial restaurant and land and buildings at 42 Florence Street Mentone that are leased by a third party for office accommodation.

Valuation Basis:

Valuation of investment property has been determined in accordance with an independent valuation by Westlink Consulting Pty Ltd as at 30 June 2014, adjusted for a market movement for the year ending 30 June 2015. Westlink are registered valuers who have 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 valuation is a level two valuation, meaning it is based on quoted prices for similar assets in an active market.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2015. For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

NOTE 24

Intangible Assets

	2015 \$('000)	2014 \$('000)
Software – Purchased (i)	1,735	2,002
	1,735	2,002
Gross Carrying Amount		
Balance at beginning of financial year	4,331	3,648
Additions	376	683
Balance at end of financial year	4,707	4,331
Accumulated Amortisation		
Balance at beginning of financial year	2,329	1,753
Amortisation Expense	642	576
Balance at end of financial year	2,971	2,329
Net Book Value	1,735	2,002

(i) Purchased software includes the capitalisation of all direct costs associated with the implementation of the new Technology One finance system, the Pathway Rates, Debtors and Receipting system, Hansen Asset Management System, Performance Planning Software from CAMM Management Solutions, Aurion HRIS/Payroll system and the Aged Care Management software.

NOTE 25

Trade and other Payables

	2015 \$('000)	2014 \$('000)
Trade Creditors	5,330	8,144
Salary Accruals	1,191	1,065
Other Accruals	4,456	4,466
Total Trade and other Payables	10,977	13,675

NOTE 26

Provisions

	2015 \$('000)	2014 \$('000)
Current provisions expected to be settled within 12 months (i)		
Annual Leave	5,469	5,466
Long Service Leave	676	762
Current provisions expected to be settled after 12 months (i)		
Annual Leave	529	446
Long Service Leave	7,951	7,654
Total Current Provisions	14,625	14,328
Non-Current		
Long Service Leave	1,322	861
Total Non-Current Provisions	1,322	861
Total Provisions	15,947	15,189

NOTE 26

Provisions (cont'd)

The following assumptions were adopted in measuring the present value of employee benefits:

	2015	2014
Weighted Average Increase in Employee Costs	3.70%	3.70%
Weighted Average Discount Rates	2.60%	3.14%
Weighted Average Settlement Period (years)	7.0	7.0
Average Employee Numbers During the Financial Year (Equivalent Full Time)	884	879

(i) AASB 119 requires Council to separately disclose current provisions that are expected to be settled within 12 months (measured at undiscounted amounts) and those expected to be settled after 12 months (discounted to NPV).

NOTE 27

Interest-Bearing Loans and Borrowings

Loans

	2015 \$('000)	2014 \$('000)
Current		
Loans - secured	2,494	1,825
	2,494	1,825
Non-Current		
Loans - secured	18,208	18,743
	18,208	18,743
Total Loans (i)	20,702	20,568
The maturity profile for Council's loans is:		
Not Later than One Year	2,494	1,825
Later than One Year and Not Later than Five Years	10,189	8,005
Later than Five Years	8,019	10,738
Total Loans	20,702	20,568

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

(i) In December 2010, Council purchased its main offices at 1230 Nepean Highway Cheltenham, increasing borrowings by \$21.5 million over 25 years. A new loan for \$3 million was also drawn in June 2014 with a further \$2.8 million in June 2015 to part fund the development of the Parkdale & Edithvale Community HUB projects.

NOTE 27

Interest-Bearing Loans and Borrowings (cont'd)

Leased Plant

Council had the following obligations under finance leases for the lease of gym equipment (the sum of which is recognised as a liability after deduction of future lease finance charges). The current finance lease commenced in February 2012 for a period of 4 years (\$326k).

	2015 \$('000)	2014 \$('000)
Not later than One Year:	55	94
Later than One Year and Not Later than Five Years	-	186
Minimum Future Lease Payments	55	280
Less: Future Finance Charges	(1)	(57)
Present value of minimum lease payments	54	223
Current		
Leased Plant Liability	54	56
	54	56
Non-Current		
Leased Plant Liability	-	167
	-	167
Total Leased Plant Liability	54	223
Aggregate Carrying Amount of Interest Bearing Loans and Borrowings:		
Current	2,548	1,881
Non Current	18,208	18,910
Total Interest Bearing Loans and Borrowings:	20,756	20,791

NOTE 28

Trust Fund and Deposits

	2015 \$('000)	2014 \$('000)
Trust monies are held for the following purposes:		
Current		
Accommodation Bonds (i)	10,482	9,516
Refundable Contract Deposits (ii)	1,457	1,288
Other Refundable Deposits	94	177
Total Trust Funds and Deposits	12,033	10,981

(i) Accommodation Bonds includes deposits taken for aged care residents which are refundable (minus interest and retention) when the resident leaves the hostel.

(ii) Refundable Contract Deposits includes retention amounts held for major capital works plus refundable asset protection and hall hire deposits which are refundable upon the completion of the works.

NOTE 29

Reserves

	2015 \$('000)	2014 \$('000)
Asset Revaluation Reserve	887,058	940,566
Other Reserves		
Asset Replacement Reserve	2,019	2,276
Asset Development Reserve	9,718	8,316
Drainage Contributions	88	88
Special Rates	98	95
Aged Care Reserve	1,166	891
Foreshore Reserve	1,260	1,008
Green Wedge Reserve	6,959	5,379
Defined Benefit Call Reserve	1,000	500
Other Reserves	257	255
	22,565	18,808
Total Reserves	909,623	959,374

The Asset Revaluation Reserve recognises the changes in non-current asset values following any reassessment of the carrying amount to the fair value of those assets.

The Asset Replacement Reserve is an appropriation to partially fund future costs associated with Council's Residential Aged Care Hostels.

The Asset Development Reserve recognises the cash contributions made by Developers, pursuant to the requirements of the Subdivision of Land Act. Other Reserves represent appropriations provided by the community to be used for specific purposes. Total open space cash contributions of \$3,264,670 were received in 2014/15 (2013/14: \$2,595,740). \$1.9 million was spent from this reserve on open space projects during 2014/15 including Kingston Heath Baseball Pavilion Forecourt (\$0.1 million), Keeley Park Master Plan (\$0.2 million), Bicentennial Skate Park Master Plan Stage 2 (\$0.3 million), Land Purchase at 122 Parkers Road Parkdale (\$0.9 million) and Sportsfield Warm Season Grass Conversion (\$0.1 million).

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.

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

Other Reserves includes reserves created in 2012 for Sundowner Neighbourhood House and Chelsea Senior Citizens Centre due to Council taking over the operation of these facilities.

NOTE 30

Reserve Movements

a) Year Ended 30 June 2015

	Balance 30 June 2014 \$('000)	Increment \$('000)	Decrement \$('000)	Balance 30 June 2015 \$('000)
Asset Revaluation Reserve				
Infrastructure:				
- Transport	438,313	-	(143,353)	294,960
- Drainage	117,927	-	(3,619)	114,308
Property:				
- Land	151,363	55,460	-	206,823
- Land Under Roads	86,023	36,131	-	122,154
- Buildings	141,675	1,858	-	143,533
Other:				
- Heritage and Culture	1,300	14	-	1,314
- Other	3,966	-	-	3,966
	940,566	93,463	(146,971)	887,058
Asset Replacement Reserve	2,276	135	(390)	2,021
Asset Development Reserve	8,316	3,266	(1,865)	9,717
Other Reserves				
- Drainage Contributions	88	-	-	88
- Special Rates	95	3	-	98
- Aged Care	891	363	(88)	1,166
- Foreshore	1,008	1,205	(954)	1,259
- Green Wedge	5,379	2,005	(425)	6,959
- Defined Benefit Call	500	500	-	1,000
- Other	255	14	(11)	258
	8,216	4,090	(1,478)	10,827
Total Reserves	959,372	100,954	(150,703)	909,623

NOTE 30

Reserve Movements (cont'd)

b) Year Ended 30 June 2014

	Balance 30 June 2013 \$('000)	Increment \$('000)	Decrement \$('000)	Balance 30 June 2014 \$('000)
Asset Revaluation Reserve				
Infrastructure:				
- Transport	403,442	34,871	-	438,313
- Drainage	103,926	14,001	-	117,927
Property:				
- Land	120,572	30,790	-	151,363
- Land Under Roads	75,892	10,131	-	86,023
- Buildings	109,191	32,484	-	141,675
Other:				
- Heritage and Culture	1,261	39	-	1,300
- Other	3,966	-	-	3,966
	818,250	122,316	-	940,566
Asset Replacement Reserve				
	2,137	308	(169)	2,276
Asset Development Reserve				
	8,081	2,596	(2,361)	8,316
Other Reserves				
- Drainage Contributions	88	-	-	88
- Special Rates	82	13	-	95
- Aged Care	1,069	-	(178)	891
- Foreshore	1,102	1,157	(1,251)	1,008
- Green Wedge	3,378	2,372	(371)	5,379
- Defined Benefit Call	-	500	-	500
- Other	262	-	(7)	255
	5,980	4,044	(1,808)	8,216
Total Reserves				
	834,448	129,264	(4,337)	959,372

NOTE 31

Reconciliation of Cash Flows from Operating Activities to Surplus for the year

	2015 \$('000)	2014 \$('000)
Surplus	25,411	18,617
Depreciation / Amortisation	24,543	22,486
(Profit)/Loss on sale of Property, Infrastructure, Plant and Equipment (refer Note 9)	(165)	514
Found Assets (refer Note 8)	(1,090)	(280)
Hostel Interest & Retention (non cash)	(135)	(365)
Fair value adjustments for investment property	(101)	460
Borrowing Costs (included in profit but not in operation activities)	661	712
Changes in Assets and Liabilities:		
(Increase)/Decrease in Trade and Other Receivables	(632)	(1,222)
Increase/(Decrease) in Accrued Income	401	(490)
Increase/(Decrease) in Trade and other Payables	(3,118)	2,439
Increase/(Decrease) in Trust Funds & Deposits	1,187	(1,973)
Increase/(Decrease) in Employee Benefits	758	424
Net cash provided by operating activities	47,720	41,322

NOTE 32

Reconciliation of Cash and Cash Equivalents

	2015 \$('000)	2014 \$('000)
Cash and Cash Equivalents (see Note 16-17)	47,778	45,235
Total Cash & Cash Equivalents & Financial Assets	47,778	45,235

NOTE 33

Financing Arrangements

	2015 \$('000)	2014 \$('000)
Bank Overdraft	5,000	5,000
Unused Facilities	5,000	5,000

The municipality has an arrangement for offset of overdraft against bank balances including on-call accounts. As at balance date there was no use of the overdraft facility.

NOTE 34

Commitments

At the reporting date, the Council had entered into the following commitments:
All totals include GST.

	2015 \$('000)	2014 \$('000)
Finance Lease	54	223
Capital Expenditure		
- Buildings (i)	6,243	5,523
- Transport (i)	5,423	674
Total Capital Expenditure	11,666	6,197
Not later than one year	11,666	6,197
	11,666	6,197
Operating Expenditure		
- Infrastructure Works	6,891	6,075
- Parks, Gardens and Reserves	16,447	17,497
- Waste and Cleansing	8,023	14,402
- Community Sustainability	4,401	4,111
- Corporate Services	6,428	6,292
Total Operating Expenditure	42,190	48,377
Not later than one year	21,015	22,378
Later than one year but not later than five years	21,175	25,999
	42,190	48,377

(i) Major capital expenditure commitments as at 30 June 2015 includes major roadwork and drainage work at Fraser Avenue Edithvale (\$2.4 million), roadwork at Wordsworth Avenue (\$1.2 million), plus major building work at Bonbeach West Pavilion (\$1.0 million), Mentone Activity HUB (\$1.5 million) and Park Street Pre-School Mordialloc (\$1.3 million).

NOTE 35

Contingent Liabilities and Contingent Assets

Contingent Liabilities

a) Contingent Liabilities Arising from Public Liability

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council is regularly met with claims and demands allegedly arising from incidents which occur on land belonging to the Council. There are a number of outstanding claims against the Council in this regard. The Council carries \$400 million of public liability insurance and the maximum liability of the Council in any single claim is the extent of its excess. The primary insurer is Liability Mutual Insurance. There are no claims, which Council is aware of which would fall outside the terms of the Council's policy.

b) Contingent Liability Arising from Professional Indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, the Council is met with claims and demands for damages allegedly arising from the actions of Council or its officers. The Council carries \$300 million of professional indemnity insurance and the maximum liability of the Council in any single claim is the extent of its excess. The primary insurer is Liability Mutual Insurance. There are no instances or claims, which Council is aware of which would fall outside the terms of the Council's policy.

c) The Council has guaranteed the following overdraft facility.

Council has guaranteed an overdraft facility up to \$30,000 in favour of the Commonwealth Bank of Australia supporting an overdraft limit of \$30,000 to Southern Community Broadcasters Inc.

d) Other Contingent Liabilities

The 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.

e) Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists. At this point in time, it is not known if additional contributions will be required, their timing or potential amount. 60 Council staff (2014:63) 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.

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.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns:	7.50% pa
Price inflation (CPI)	2.75% pa
Salary information:	4.25% pa

NOTE 35

Contingent Liabilities and Contingent Assets (cont'd)

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 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 most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

Funding calls

If the defined benefit category is in an unsatisfactory financial position at 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.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Council is a contributing employer:

- ▶ A VBI surplus of \$77.1 million and a total service liability surplus of \$236 million.

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 2014. 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.

Council was notified of the results of the actuarial investigation during January 2015.

NOTE 35

Contingent Liabilities and Contingent Assets (cont'd)

Contingent Assets

Estimated developer contributions of drainage and transport assets to be received (in the future for estates currently under development as at 30 June 2014) total \$1,322,049 (\$1,895,789 at 30 June 2014).

Year Ended 30 June 2015

2015/2016 \$('000)	2016/2017 \$('000)	2017/2018 \$('000)	Total \$('000)
441	441	441	1,323

Year Ended 30 June 2014

2014/2015 \$('000)	2015/2016 \$('000)	2016/2017 \$('000)	Total \$('000)
1,256	640	-	1,896

NOTE 36

Operating Leases

(a) Operating Lease Commitments (incl GST)

At the reporting date, the municipality had the following obligations under non-cancellable operating leases for the lease of equipment, motor vehicles and land and buildings for use within Council activities (these obligations are not recognised as liabilities):

	2015 \$('000)	2014 \$('000)
Not later than one year	1,189	1,122
Later than one year and not later than five years	1,901	712
Later than five years	1,782	972
	4,872	2,806

2015 lease expense commitments includes the lease for the depot at 62 Mills Road Braeside at a total cost of \$2.6 million over 10 years.

(b) Operating Lease Receivables (incl GST)

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.

At the reporting date, the municipality as lessor, had the following anticipated minimum rentals receivable under non-cancellable operating leases:

	2015 \$('000)	2014 \$('000)
Not later than one year	1,864	1,932
Later than one year and not later than five years	3,614	5,021
Later than five years	1,691	1,972
	7,169	8,925

NOTE 37

Related Party Transactions

(a) Identity of Responsible Persons

The Councillors of the City of the Kingston during the year were:

G Gledhill	Councillor Mayor	(01 July 2014 – 12 November 2014) (12 November 2014 – 30 June 2015)
P Peulich	Mayor Councillor	(01 July 2014 – 12 November 2014) (12 November 2014 – 30 June 2015)
J M Ronke	Councillor	
R A West OAM	Councillor	
S Staikos	Councillor	
T Barth	Councillor	
T Beasley	Councillor	
D Eden	Councillor	
R Brownlees OAM	Councillor	

The Chief Executive Officer of the City of Kingston during the year was:

J A Nevins	Chief Executive Officer	(01 July 2014 – 30 June 2015)
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(b) Remuneration of Responsible Persons

Income Range:

	2015 No.	2014 No.
\$ 1,000- \$ 9,999	-	-
\$ 10,000- \$ 19,999	-	-
\$ 20,000- \$ 29,999	-	7
\$ 30,000- \$ 39,999	7	-
\$ 40,000- \$ 49,999	-	-
\$ 50,000- \$ 59,999	1	1
\$ 60,000- \$ 69,999	-	-
\$ 70,000- \$ 79,999	1	1
\$ 320,000- \$ 329,999	-	1
\$ 350,000- \$ 359,999	1	1
	10	11
Total Remuneration for the reporting year for Responsible persons included above (including 9.5% super) amounted to:	\$('000) 709	\$('000) 1,023

No retirement benefits have been paid by the Council to a Responsible Person (2013/2014: Nil).

No loans have been made, guaranteed or secured by the Council for a Responsible Person during the reporting year (2013/2014: Nil)

Other related party transactions have been considered and there are no matters to report (2013/2014: Nil).

NOTE 37

Related Party Transactions (cont'd)

(c) Senior Officer Remuneration

A Senior Officer other than a Responsible Person is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$136,000 (\$133,000 in 2013/14). 2013/14 figures have been re-stated to adjust for the new threshold and allow better comparison.

The number of Senior Officers other than the Responsible Persons are shown below in their relevant income bands:

Income Range:	2015 No.	2014 No.
\$136,000-\$139,999	1	2
\$140,000-\$149,999	4	4
\$150,000-\$159,999	4	3
\$160,000-\$169,999	4	4
\$170,000-\$179,999	3	4
\$180,000-\$189,999	3	-
\$220,000-\$229,999	-	2
\$230,000-\$239,999	1	1
\$240,000-\$249,999	1	1
\$250,000-\$259,999	1	-
	22	21
Total Remuneration for the reporting year of Senior Officers included above amounted to:	\$('000) 3,818	\$('000) 3,586

NOTE 38

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 Note 1 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.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage 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 the 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 the Council's year end result.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us 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 rate.

NOTE 38

Financial Instruments (cont'd)

(b) Market risk (cont'd)

Council's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities are as follows:

Year Ended 30 June 2015

Financial Instrument	Note	Fixed Interest Maturing In:						
		Floating Interest Rate \$(` 000)	1 Year or Less \$(` 000)	Over 1 to 5 Years \$(` 000)	Over 5 Years \$(` 000)	Non Interest Bearing \$(` 000)	Carrying Amount \$(` 000)	Weighted Average Interest Rate %
(i) Financial Assets								
Cash & Cash Equivalents	16	47,763	-	-	-	15	47,778	2.91
Other Financial Assets	17	16,101	-	-	-		16,101	2.91
Other Debtors	19	-	-	-	-	4,156	4,156	-
Total		63,864	-	-	-	4,171	68,035	
(ii) Financial Liabilities								
Trade & other Payables	25	-	-	-	-	10,977	10,977	-
Trust Funds & Deposits	28	-	-	-	-	12,033	12,033	-
Interest-Bearing Loans & Borrowings	27	-	2,548	10,189	8,019	-	20,756	3.25
Total		-	2,548	10,189	8,019	23,010	43,766	
Net Financial Assets (Liabilities)	-	63,864	(2,548)	(10,189)	(8,019)	(18,839)	24,259	

(c) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- ▶ we have a policy for establishing credit limits for the entities we deal with;
- ▶ we may require collateral where appropriate; and
- ▶ we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Receivables consist of a large number of customers, spread across the ratepayer,

business and government sectors. Credit risk associated with the 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.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

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 38

Financial Instruments (cont'd)

(d) Liquidity Risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements, we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- ▶ have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- ▶ have readily accessible standby facilities and other funding arrangements in place;
- ▶ have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- ▶ monitor budget to actual performance on a regular basis; and
- ▶ set 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 in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, 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 27.

(e) Fair Value

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

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.

(f) Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- ▶ A parallel shift of +2% and -2% in market interest rates (AUD).

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

NOTE 39

Events Occurring After Balance Date

There are no material non-adjusting events after the reporting date which require disclosure.

NOTE 40

Reportable Segment - Residential Aged Care Facilities

Residential Aged Care Facilities | Income Statement | For the Year Ended 30 June 2015

	Corben 2015 \$('000)	Northcliffe 2015 \$('000)	Nixon 2015 \$('000)	Consolidated 2015 \$('000)	Corben 2014 \$('000)	Northcliffe 2014 \$('000)	Nixon 2014 \$('000)	Consolidated 2014 \$('000)
INCOME								
Grants and Subsidies	1,264	731	967	2,962	1,270	858	1,024	3,152
User Charges	830	427	588	1,845	795	515	562	1,872
Interest	197	47	86	330	199	69	142	410
Retentions and Bond Interest	78	27	30	135	108	30	170	308
Total Income	2,369	1,232	1,671	5,272	2,372	1,472	1,898	5,741
EXPENSE								
Employee Benefits	1,924	1,646	1,943	5,513	1,841	1,756	1,851	5,448
Materials and Services	412	331	426	1,169	422	335	381	1,138
Corporate Overhead	163	213	128	504	159	207	124	490
Depreciation & Amortisation	149	154	113	416	146	150	110	406
Total Expenses	2,648	2,344	2,610	7,602	2,567	2,448	2,466	7,481
SURPLUS (DEFICIT) FOR THE PERIOD								
	(279)	(1,112)	(939)	(2,330)	(195)	(977)	(568)	(1,740)

NOTE 40

Reportable Segment - Residential Aged Care Facilities (cont'd)

Residential Aged Care Facilities | Balance Sheet | As at 30 June 2015

	Corben 2015 \$('000)	Northcliffe 2015 \$('000)	Nixon 2015 \$('000)	Consolidated 2015 \$('000)	Corben 2014 \$('000)	Northcliffe 2014 \$('000)	Nixon 2014 \$('000)	Consolidated 2014 \$('000)
CURRENT ASSETS								
Cash and Cash Equivalents	7,784	851	1,220	9,855	5,444	1,419	2,675	9,538
Total Current Assets	7,784	851	1,220	9,855	5,444	1,419	2,675	9,538
NON CURRENT ASSETS								
Infrastructure, Property, Plant & Equipment	4,872	4,949	5,120	14,941	4,747	4,758	4,952	14,457
Total Non Current Assets	4,872	4,949	5,120	14,942	4,747	4,758	4,952	14,457
TOTAL ASSETS	12,656	5,800	6,340	24,796	10,191	6,177	7,627	23,996
CURRENT LIABILITIES								
Trade and Other Payables	20	10	15	45	14	7	10	31
Employee Benefits	381	354	256	991	316	315	226	857
Trust Funds	6,258	1,503	2,721	10,482	4,622	1,590	3,305	9,517
Total Current Liabilities	6,659	1,867	2,992	11,518	4,952	1,912	3,541	10,404
NON CURRENT LIABILITIES								
Employee Benefits	24	24	15	63	20	21	14	55
Total Non Current Liabilities	24	24	15	63	20	21	14	55
TOTAL LIABILITIES	6,683	1,891	3,007	11,581	4,972	1,933	3,555	10,460
NET ASSETS	5,973	3,909	3,333	13,215	5,219	4,244	4,072	13,535
EQUITY								
Accumulated Surplus	407	(1,882)	(1,430)	(2,905)	687	(771)	(491)	(575)
Asset Revaluation Reserve	4,701	4,940	4,203	13,846	3,668	4,163	4,004	11,835
Asset Replacement Reserve	865	852	560	2,274	865	852	559	2,276
TOTAL EQUITY	5,973	3,909	3,333	13,215	5,220	4,244	4,072	13,536

NOTE 40

Reportable Segment - Residential Aged Care Facilities (cont'd)

Residential Aged Care Facilities | Cash Flow Statement | For the Year Ended 30 June 2015

	Corben 2015 \$(000)	Inflows/(Outflows)	Northcliffe 2015 \$(000)	Inflows/(Outflows)	Nixon 2015 \$(000)	Inflows/(Outflows)	Consolidated 2015 \$(000)	Inflows/(Outflows)	Corben 2014 \$(000)	Inflows/(Outflows)	Northcliffe 2014 \$(000)	Inflows/(Outflows)	Nixon 2014 \$(000)	Inflows/(Outflows)	Consolidated 2014 \$(000)	Inflows/(Outflows)
Cash flows from operating activities																
Grants and Subsidies	1,464		851		847		3,162		1,480		1,048		1,224		3,752	
User Charges	1,030		527		488		2,045		895		615		662		2,172	
Interest	197		47		86		330		199		69		142		410	
Payments to Employees	(1,724)		(1,519)		(1,989)		(5,232)		(1,641)		(1,556)		(1,651)		(4,848)	
Payments to Suppliers	(362)		(273)		(426)		(1,061)		(422)		(335)		(381)		(1,138)	
Other Payments	(120)		(213)		(128)		(461)		(159)		(207)		(124)		(489)	
Net cash provided by (used in) operating activities	485		(580)		(1,122)		(1,217)		352		(366)		(128)		(142)	
Cash flows from investing activities																
Payments for property, infrastructure, plant and equipment	220		100		250		570		120		90		220		430	
Net cash (used in) investing activities	220		100		250		570		120		90		220		430	
Cash flows from financing activities																
Trust Funds	1,636		(87)		(584)		965		(1,232)		201		(237)		(1,268)	
Net cash provided by financing activities	1,636		(87)		(584)		965		(1,232)		201		(237)		(1,268)	
Net increase in cash and cash equivalents	2,341		(567)		(1,456)		318		(759)		(76)		(145)		(980)	
Cash and cash equivalents at the beginning of the financial year	5,444		1,419		2,675		9,538		6,203		1,495		2,820		10,518	
Cash and cash equivalents at the end of the financial year	7,785		852		1,219		9,856		5,444		1,419		2,675		9,538	

NOTE 41

Income, Expenses and Assets by Function/ Activity

The activities relating to the municipality's components are as follows:

Community Sustainability

Community Sustainability includes the departments of Family, Youth and Children's Services, Aged & Disability Services, Libraries and Education Services, Community Buildings and AccessCare Southern. The Family, Youth and Children's Services department provides a diverse range of high quality services to meet the needs of families with children from birth to twenty five years. Aged & Disability Services provides community-based support services to all people in the municipality including aged and disability support, community engagement and hostel care. Library Services provides support and education through the provision of library and information services to the community. Community Buildings facilitates the provision of suitable community buildings for the delivery of services and for the needs of the community now and into the future. Community Buildings also coordinate the capital and planned maintenance investment priorities of Council buildings. AccessCare Southern is responsible for the delivery of a number of Victorian and Commonwealth funded aged and disability services.

Corporate Services

Corporate Services plays a pivotal role in co-ordinating Council's financial, human resources, procurement, information services, governance and communication/community relations requirements. The Finance department is responsible for the reporting and management of Council's finances and ensuring Council's compliance with statutory financial and reporting obligations, preparation of the annual budget and five year financial plan. The Procurement and Contracts department are responsible for procurement and the purchasing, maintenance and administration of Council's 200 vehicle fleet. The Information Services Department provides information systems and services that ensure the quality, security and accessibility of data and information to Council. People and Culture develop policies and provide advice and support on all employee related issues including induction, training, professional development and performance management. Governance promote and improve the effectiveness and probity of governance processes, OHS, Council and Community planning and performance

reporting. The Communications and Community Relations department are responsible for a community centric employee approach resulting in satisfying customer interactions. The Communications and Public Affairs department also includes the planning and delivery of major festivals and events as well as the development, implementation and management of strategies, programs and media relations to market Council services and programs and enhance the image and public perception of Kingston City Council.

Sustainable Planning and Development

Sustainable Planning and Development is responsible for the key segment areas of economic development, city strategy and city development including statutory, strategic and environment planning, plus statutory education and compliance which includes the administration of health and local laws with the city.

City Assets and Environment

City Assets and Environment includes the Parks & Recreation, Infrastructure and Property, Arts and Leisure departments. Parks, Recreation and Infrastructure includes the maintenance of parks, gardens, sporting facilities, foreshore, drains roads and footpaths plus commercial waste collection and traffic planning.

Property, Arts and Leisure Services manages Council's property portfolio including commercial and community leases, acquisitions, disposals, title management and the Lease Register. The Property, Arts & Leisure Services Manager is also responsible for Arts and Cultural Services and Council's Leisure Centres.

Central

This category represents items of a corporate nature such as rates income and depreciation.

NOTE 43

Income, Expenses and Assets by Function/ Activity (cont'd)

Functions		Grants \$(' 000)	Other \$(' 000)	Total Income \$(' 000)	%	Expenses \$(' 000)	%	Profit (Loss) Arising from Operations \$(' 000)	Total Assets \$(' 000)
Community Sustainability	2014	24,502	7,761	32,263	18	53,573	34	(21,310)	-
	2015	25,471	7,863	33,334	17	56,257	34	(22,923)	-
Corporate Services	2014	5	938	943	1	18,310	12	(17,367)	-
	2015	6	968	974	1	19,405	12	(18,431)	-
Sustainable Planning & Development	2014	465	7,131	7,596	4	13,242	8	(5,646)	-
	2015	677	7,597	8,274	4	14,510	9	(6,236)	-
City Assets & Environment	2014	406	10,391	10,797	6	43,865	28	(33,068)	-
	2015	284	11,237	11,521	6	44,758	27	(33,237)	-
Central (i)	2014	7,599	118,307	125,906	71	29,898	19	96,008	2,257,851
	2015	11,139	126,447	137,586	72	31,348	19	106,238	2,228,835
TOTAL	2014	32,977	144,528	177,506	100	158,888	100	18,617	2,257,851
	2015	37,577	154,112	191,689	100	166,278	100	25,411	2,228,835

To allow better comparison, the above comparative figures have been adjusted due to a re-structure of divisions during 2014/15.

(i) 'Central' Other Revenue includes \$118.9m of Rate Revenue (2013/14 \$113.3m). 'Central' Expenses includes \$24.5m of Depreciation and Amortisation expense (2013/14 \$22.5m).

CERTIFICATION OF THE FINANCIAL REPORT

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

Acting Principal Accounting Officer
B. Byrden



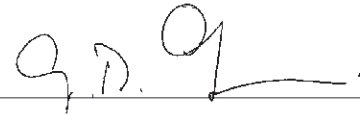
Dated:

24 August 2015

In our opinion, the accompanying financial report presents fairly the financial transactions of Kingston City Council for the year ended 30 June 2015 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 & Reporting) Regulations 2014 to certify the financial statements in their final form.

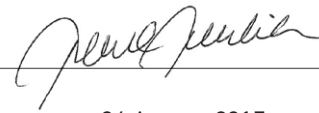
Mayor
G. Gledhill



Dated:

24 August 2015

Councillor
P. Peulich



Dated:

24 August 2015

Acting Chief Executive Officer
P.A Franklin



Dated:

24 August 2015

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Kingston City Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Kingston City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

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

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Kingston City Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
14 September 2015


R John Doyle M.Acc FCA
Auditor-General



City of
KINGSTON



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