



City of
KINGSTON

2019-20

ANNUAL REPORT



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WELCOME

The City of Kingston is proud to present the 2019/20 Annual Report to our community. The report describes Council's operations, accomplishments and challenges over the past financial year.

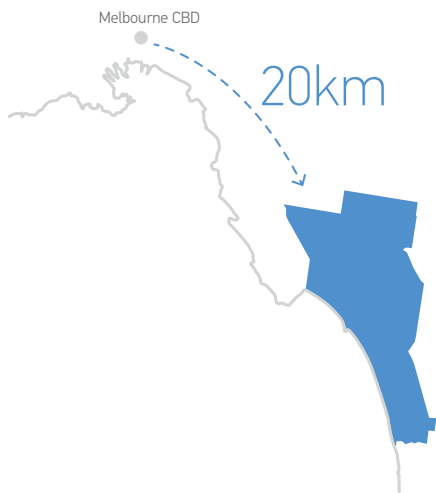
Council measures its performance in compliance with the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

The Annual Report benchmarks our performance against strategic objectives set out in the *Council Plan 2017-21* and our long-term financial plan.

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



Kingston at a glance



91km²
Total municipal area

Industrial areas

Moorabbin Airport

World-class golf courses

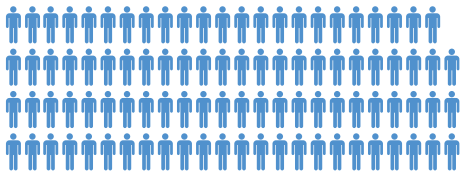
Edithvale wetlands

Green wedge

13km of coastline



17,000 businesses



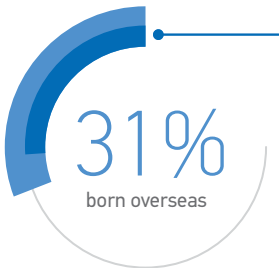
95,000 employees



165,982
population

↑198,340
by 2041

78,155
dwellings occupied



26% non-English speaking background

A MESSAGE FROM THE CEO



The 2019/20 financial year has been a turbulent one. However, despite the uncertainty, I am proud to lead an organisation that responded quickly to change by providing assistance to those who needed it, embracing new ways to deliver services without face-to-face contact, and continuing the delivery of our essential services and important major projects.

The City of Kingston acted quickly to adapt services and adopt digital technologies to support our community and ensure our city and essential services continued to operate during the COVID-19 pandemic.

A highlight of the 2019/20 reporting year has been the delivery of community projects that you told us are important to you.

With an \$81 million capital works program in 2019/20, we invested in maintaining and building:

- ▶ high-quality public infrastructure, including road reconstruction and resurfacing, and flood mitigation programs
- ▶ strategic capital works including the new Edithvale Life Saving Club redevelopment
- ▶ improvement works that encourage female participation in sport, including the Mentone Reserve Soppet Pavilion redevelopment, Jack Grut Pavilion, Dales Park Pavilion, Southern Road Pavilion and netball courts at Regent's Park
- ▶ upgrades to existing sportsgrounds and lighting.

We launched new initiatives, including our food waste recycling service, which has seen positive uptake from the community and is reducing the amount of waste sent to landfill in Kingston – a major win for the environment. Our Gardens for Wildlife program has been incredibly popular and will see Kingston backyards become havens for native animals. We have embraced sustainable innovation, choosing to use 100% recycled stormwater pipes and recycled bitumen products for several infrastructure programs, and we signed up for a power purchasing agreement that will see 100% of electricity for street lighting and large sites come from renewable energy sources.

Kingston remains a leader in providing learning and childcare services. We continue to invest in these important community assets, renovating the Farm Road Pre-school, investing in the Dingley Village Neighbourhood House and Library improvements, and creating a new purpose-built space for Youth Services at the former Mordialloc Masonic Hall.

In 2019/20, Council achieved a net operating surplus of \$25.3 million, which helped us to move quickly and provide vital financial assistance to our community when they needed it.

Council will continue to work closely with State and Federal Governments to secure funding to jointly deliver projects where possible. Now, more than ever, we will leverage technology to find innovative ways to improve customer service, engage with the community and drive efficiency improvements to contain and reduce costs without impacting service levels.

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

Thank you.

A handwritten signature in black ink, appearing to read 'Julie Reid'.

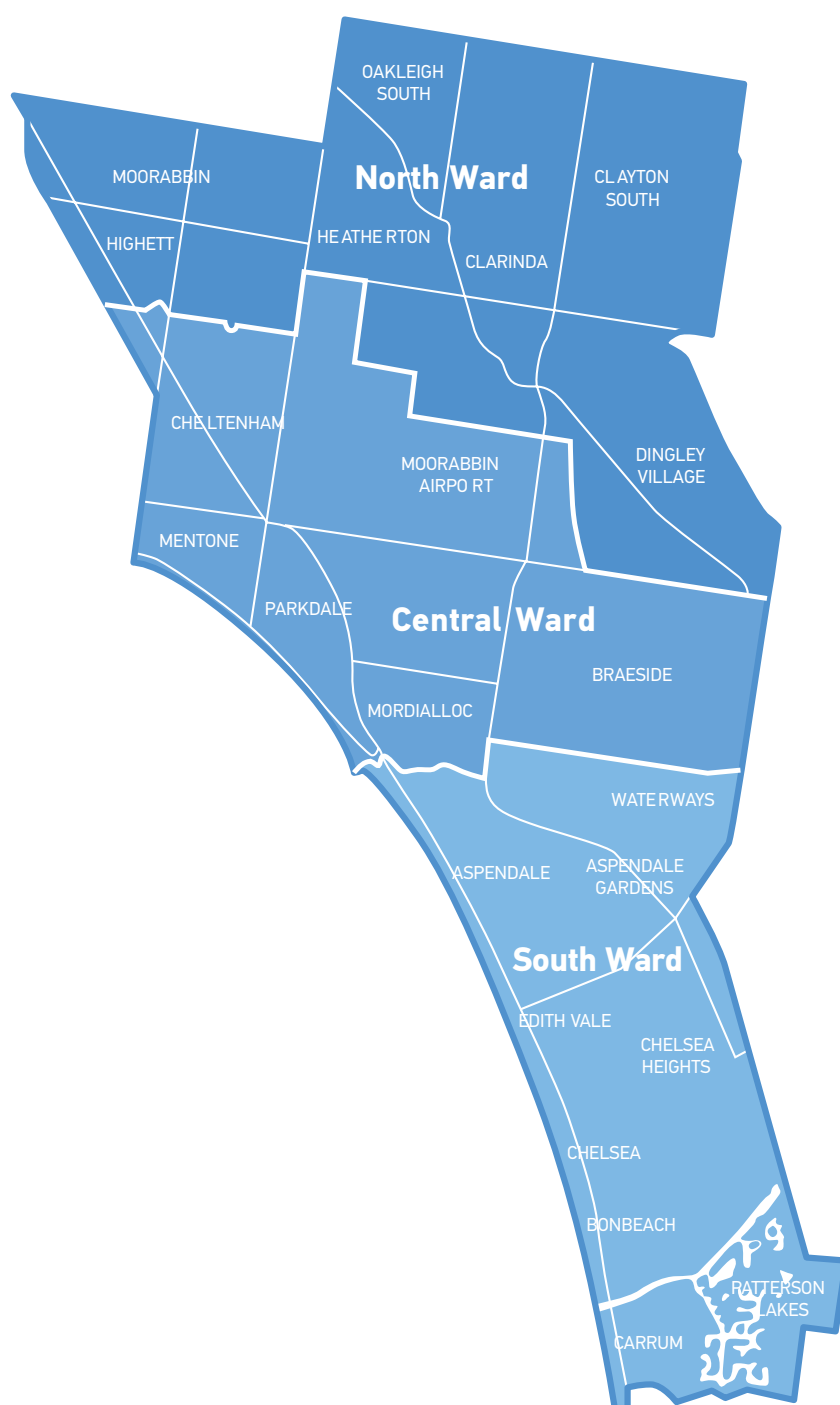
Julie Reid
CEO

COUNCIL WARDS

The City of Kingston is divided into three wards, with each of the wards represented by three Councillors. The nine elected Councillors make up Kingston City Council, and it is this group which represents the interests of residents and ratepayers.

Our current Council was elected in October 2016 and the current Mayor is Cr Georgina Oxley who was elected at the Special (Statutory) Meeting of Council held on 13 November 2019. Elected Councillors work together with the community and CEO Julie Reid, to set our city's strategic direction.

The Victorian Government has announced that, from the 2020 October Local Government elections, the City of Kingston will have a new ward system. The City of Kingston will have 11 wards, each with a single Councillor representative.



KINGSTON COUNCILLORS



Cr Georgina Oxley, Mayor
South ward

Cr Oxley was elected to Council in October 2016. She was elected as Mayor in 2018 and re-elected to lead the Kingston community for another 12 months in 2019. Cr Oxley is a local Chelsea resident, and runs a local Kingston business working in finance, marketing and web design. She enjoys playing basketball and walking her dog Banjo on the beach.



Cr Tamsin Bearsley
South ward

Cr Bearsley was elected to Council in October 2012 and lives in Aspendale Gardens with her husband and two children. She was motivated to join Council to improve community consultation. As a primary school teacher, she has a particular interest in supporting community groups and residents' associations, improving local amenities and strengthening budget controls.



Cr David Eden
South ward

Cr Eden was elected to Council in 2012 following years of community involvement at many different levels, including participating on committees, fundraising and coordinating initiatives such as Clean Up Australia. He is passionate about protecting the environment and open spaces, keeping rates down and regularly assessing the many services offered by Council to ensure they remain responsive to community needs.



Cr Ron Brownlees OAM
Central ward

Cr Brownlees OAM has been a Kingston Councillor from 1997 to 2003 and 2008 to the present. He is married with three adult 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.

KINGSTON COUNCILLORS

CONTINUED



Cr Geoff Gledhill
Central ward

Cr Gledhill was first elected to Council in October 2012, is a resident of Central Ward and is heavily involved in the local community. He is a volunteer lifesaver at Mordialloc and an active Rotarian, supporting projects such as the Sandringham Hospital expansion.



Cr Rosemary West OAM
Central ward

Cr West OAM 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 Tamara Barth
North ward

Cr Barth was elected to Council in October 2012. She lives in Kingston with her young family and 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 George Hua
North ward

Cr Hua was elected to Council in October 2016. Through his experience in starting a financial technology business and running a local cafe, George is passionate about supporting small, family-owned businesses.



Cr Steve Staikos
North ward

Cr Staikos was elected to Council in 2008. Cr Staikos is passionate about social participation, multiculturalism, the environment and the arts. His priority policy areas on Council include the Green Wedge, Sandbelt Open Space – Chain of Parks project and the delivery of more social housing.

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. The 2019/20 Junior Mayor is Jack O'Connor, a student from Patterson Lakes Primary School, who assisted the Mayor at a range of official Council events.

FINANCIAL PERFORMANCE

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

2019/20 Financial Performance Summary

Council had an operating surplus of \$25.3 million, \$2.7 million unfavourable to the budgeted surplus of \$28.0 million (compared to \$41.5 million surplus in 2018/19). This result was influenced by:

COVID-19 impact

For the 2019/20 financial year, Council's COVID-19 Community and Business Support Package saw a number of initiatives implemented which reduced Council's budgeted income in the following areas:

- ▶ Health and Food premises registrations for eligible businesses were refunded (\$0.6 million);
- ▶ Footpath Trading permits for eligible businesses were also refunded (\$50k);
- ▶ Family Day Care parent administration fees were waived (\$142k);
- ▶ Unpaid interest on rates was waived (\$0.3 million);
- ▶ Council buildings commercial rent relief (\$.4 million);
- ▶ Sports clubs winter season fees were waived (\$130k).

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

- ▶ Arts & Cultural Services loss of event income (\$0.4 million);
- ▶ Family, Youth and Children Services experienced lower attendance levels and the Government's free childcare support package resulted in a \$0.6 million unfavourable result for this activity, including Family Day Care parent administration levies which were waived (\$142k);
- ▶ Leisure Centre User Fees were \$1.9 million unfavourable following the temporary closure of the Waves Leisure Centre during lockdown combined with Council's decision to close the Don Tatnell Leisure Centre in February due to structural issues.
- ▶ Parking monitoring and enforcement was reduced (\$0.5 million);
- ▶ Employee costs were \$2.9 million unfavourable to budget predominantly due to less leave able to be taken during the COVID-19 pandemic.

Rates and charges

Rates and charges comprised \$145.2 million (62%) of the total operating income of \$232.6 million compared to \$142.0 million (62%) of \$228.9 million in 2018/19).

Grants

- ▶ Operating grants are \$5.5 million favourable to budget predominately due to the unbudgeted early receipt of half of the 2020/21 Victorian Grants Commission funding in May 2020 (\$2.3 million).
- ▶ An adjustment has also been made for unspent grants as at 1 July 2019 for \$3.4 million as required under the new income standard AASB 15.

FINANCIAL PERFORMANCE

CONTINUED

Planning and development

- ▶ Statutory Planning Fees were \$0.4 million unfavourable due to lower than budgeted applications received.
- ▶ Cash Contributions of \$5.1 million were received from developers, to be held in reserve for use on future open space and storm water projects.

Materials and Services

- ▶ Materials and Services are \$2.9 million unfavourable to budget due to an additional \$3 million of project expenditure expensed to the income statement. This was budgeted for in the capital budget and did not meet the thresholds of our accounting policies to be capitalised.

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

Capital works

Council's total capital works expenditure was \$65.7 million (compared to \$60.1 million in 2018/19).

Cash flow

Cash holdings (including financial assets) decreased by \$14.3 million to \$129.8 million (compared to \$144.1 million in 2018/19).

Balance sheet

Council's net assets were \$2.6 billion. This included total land (\$1,480.1 million), infrastructure (\$727.0 million) and buildings (\$276.9 million).

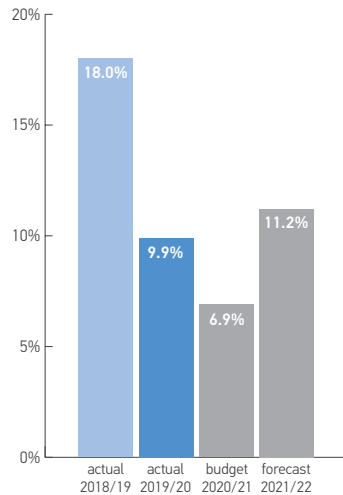
Future financial sustainability

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

- ▶ Net Operating Result
- ▶ Liquidity
- ▶ Indebtedness
- ▶ Internal Financing
- ▶ Renewal Gap

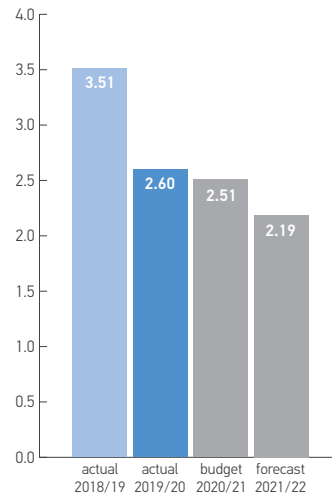
Kingston's performance in relation to these indicators are based on the last two years of actual results along with the forecast for the next two years. The results highlight the trend of Kingston's financial sustainability as assessed by the Auditor-General – they show Kingston's overall financial risk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

NET OPERATING RESULT



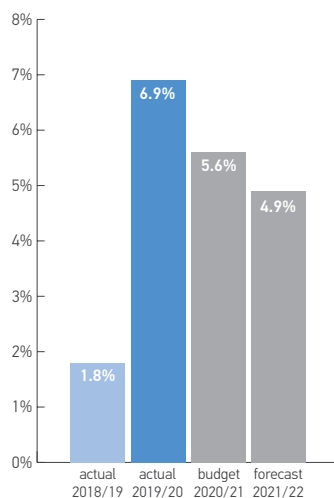
- The net operating result reflects whether Council can generate enough revenue to cover operating costs (including the cost of replacing assets reflected in its depreciation expense). The result is calculated through dividing the underlying result by the underlying revenue for the year. The underlying revenue is Council's total revenue, less any non-monetary items. The 2019/20 result of 9.9% represents a decrease from the 2018/19 result but is still a strong result. Sustaining a positive net operating result is a critical financial strategy that provides capacity to renew the \$2.6 billion of community assets under Council's control.

LIQUIDITY



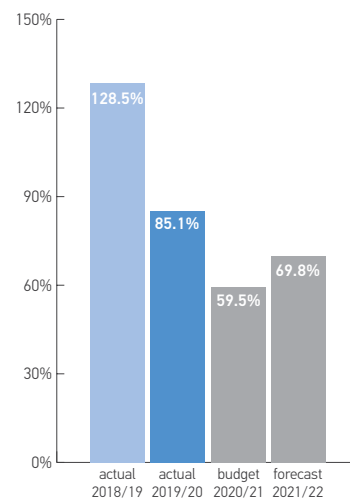
- Liquidity ensures that Council has sufficient working capital to meet short-term commitments. It is calculated through dividing the total current assets by total current liabilities. The liquidity result for 2019/20 was 2.60 which is an indicator of an excellent financial position and exceeds the target of 2.04.

INDEBTEDNESS



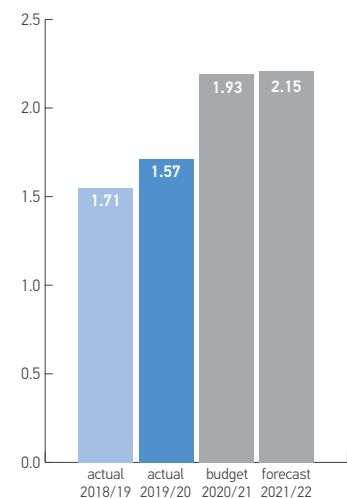
- Indebtedness measures how reliant on debt Council is to fund its capital programs. It is calculated by dividing total non-current liabilities by Council's own source revenue. Own source revenue is the revenue Council is able to generate from its own sources, which essentially excludes grant income. The 2018/19 result of 1.8% is very low which reflected the additional debt payment in 2018/19. The actual result for 2019-20 is higher due to the addition of \$9.6 million in non-current lease liabilities to the balance sheet in 2020 as per the requirements of the new accounting standard AASB 16 (Leases). Council is still in a very stable position and not reliant on debt and the expected trend is downwards as debt and leases are repaid.

INTERNAL FINANCING



- Internal financing measures the ability of Council to finance capital works from generated cash flow. The higher the percentage, the greater the ability for an entity to finance capital works from their own funds. It is calculated by dividing the net inflow of operating activity cash by actual cash outflows for capital works. The 2019/20 result of 85.1% is a decrease compared to 2018/19 but still indicates Council is in a strong position to finance capital works.

RENEWAL GAP




- Council's renewal gap represents the renewal and upgrade of existing assets at a consistent rate. It is calculated by adding the renewal and upgrade expenditure together, and then dividing that by Council's depreciation expense. A score of more than 1 indicates a low risk of insufficient spending on our asset base. Council has a score of 1.57 for 2019/20 which indicates assets are being well maintained.

OPERATIONAL PERFORMANCE

The 2019/20 Annual Report measures Council's performance against what we said we would do in our *Council Plan 2017-21*. The following table summarises Council's achievements and results in 2019/20 against our five goals. A more detailed report of the goals can be found from page 11.




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




\$6.46 million

spent on renewing local roads




8.00 km

of footpaths renewed




965

planning application decisions made




13,000 km

of streets swept



836 km

of storm water drains maintained

-  Progressed works to shape the future of two key areas of Moorabbin (East and West precincts)
-  Completed the annual drainage program for flood mitigation
-  Delivered the annual roads infrastructure renewal and resurfacing programs
-  Received over 1,600 submissions for the Kingston Housing and Neighbourhood Character Study



2 A sustainable green environment with accessible open spaces



81,000

street and park trees maintained by Council



2,442

street and park trees planted



13 km

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



32,574

tonnes of green waste and recyclables processed and diverted from landfill



708.59

tonnes of beach litter collected

-  Rolled out the new food recycling service to residents with 48,500 kitchen caddies delivered
-  Completed redevelopment of a new Edithvale Life Saving Club
-  Developed multiuse sports field facilities at Aspendale Gardens Sports Ground
-  Built more female-friendly fit outs in local sports clubs to increase female participation in sport
-  Joined hundreds of councils around the world in declaring a climate and ecological emergency
-  Reduced the use of glyphosate in Council's parks and gardens



3 A connected, inclusive, healthy and learning community

 **168,474**
hours of community care delivered to people who are older or have a disability


 **710,586**
library loans

 **12,099**
immunisations delivered


 **649,767**
visits to Kingston's leisure centres


 **7,544**
children enrolled in the Maternal and Child Health service


 **1,993**
home modifications completed

 Developed a funding package to support bushfire victims

 Distributed \$1.6 million in community grants to support local communities

 Progressed the restoration of the former Masonic Hall to create a hub for Youth Services

 Committed to preventing gender-based violence

 Advocated to reduce the harm caused by poker machines in our community




4 A free-moving safe, prosperous and dynamic city


 **21,907**
animals registered

 **1,026**
food safety assessments of food premises


 **14,230**
attendances at Kingston-run arts events


 **77**
school crossings supervised

 Partnered with the LXP to drive maximum community benefit out of the level crossing removals

 Completed the Bay Trail shared path (Mentone to Rennison Street)

 Supported local businesses to improve their business planning and marketing skills

 Provided COVID-19 support to businesses including refunding current Health and Food Premises registrations and Footpath Trading fees

 Created an "Open for Business" directory and #keepitinKingston campaign to support local businesses during COVID-19



5 A well-governed and responsive organisation

 **19,334**
questions answered by Kingston's Chatbot


 **123,145**
calls to Customer Care

 **3,490**
live chat sessions on Council's website


 **75,030**
property rates assessments


 **161,559**
correspondence items received

 **100+**
community consultations held

 Activated Kingston's Pandemic Plan and Business Continuity Plan in March in response to the COVID-19 pandemic

 Launched a \$12 million COVID-19 Community Support Package

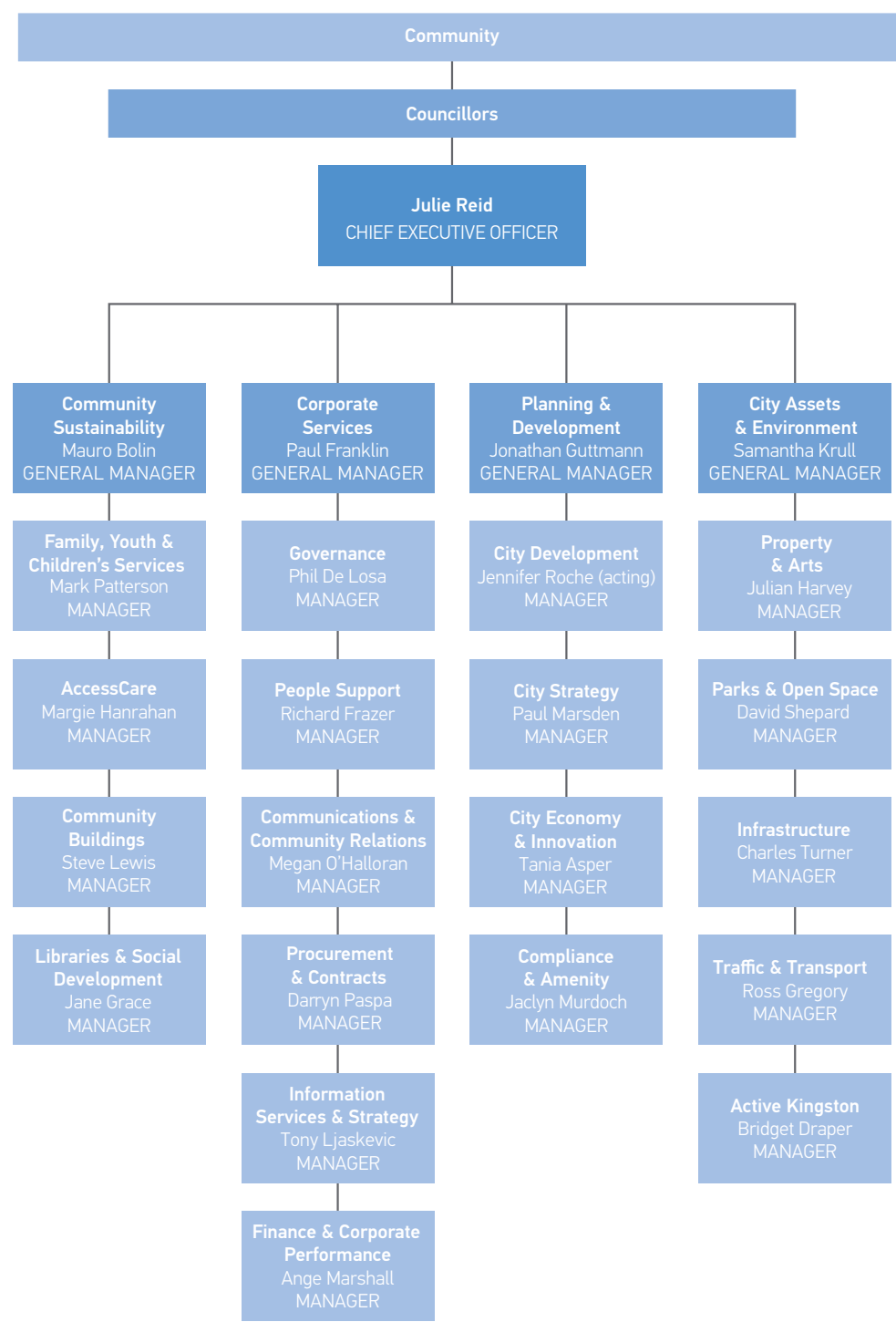
 Relocated and consolidated Council's depots into one location

 Completed programmed building works to maintain Council's buildings in good condition

OUR ORGANISATION

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

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



OUR PEOPLE

Our organisational culture

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

This year, the organisation started on a journey Towards Exceptional – a plan designed to build on our strong foundation but find ways to innovate and adapt to ensure we can provide exceptional service to our community now and in the future.

The Towards Exceptional Plan centres on six key pillars of focus for the future:

- ▶ good governance
- ▶ exceptional customer experience
- ▶ speaking out for our community
- ▶ community engagement and connection
- ▶ caring for the needs of our place
- ▶ being a diverse, dynamic and contemporary organisation.

To support employees in living the values and moving Towards Exceptional, we have an internal learning program to build on the ongoing professional development of our people. We also offer our employees a range of training on business systems, health and wellbeing, and compliance programs.

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

As an organisation, we are committed to creating a workplace that represents the diversity of our community. A stronger and more overt focus on diversity and inclusion is an important priority of a contemporary organisation. We aim to achieve this by:

- ▶ fostering talent, skills and growing employees' experiences
- ▶ creating an inquisitive culture where innovation by collaboration is fostered
- ▶ creating a safe and respectful workplace culture where all staff are 'able to be their true self'.

We also have a vibrant Diversity and Inclusion Group (DIG) which is made up of a collection of employees from across the organisation all committed to fostering a workplace culture that celebrates individual difference.

Building our culture and capacity

Each quarter, we measure the engagement of the organisation in a pulse survey which assists in tracking pain points in the culture across the board through trend data. Over that past year, the organisational culture has demonstrated its change capability through the COVID-19 pandemic, the pulse survey data indicated that staff reported feeling more supported and engaged throughout this period.

Our people profile

As at 30 June 2020, Kingston employed 1,390 people in a diverse range of positions, including community and aged services, engineering, customer service, maternal child health, finance, youth and children's services, sport and recreation, parks and gardens, planning and arts.

Table 1 and 2 (Appendix 1) provide more detail around Kingston's Full Time Equivalent (FTE) staff numbers. Approximately 67 per cent of our workforce is female and 33 per cent male.

Our OHS performance

A summary of Council's occupational health and safety performance can be found in Appendix 2.

STRATEGIC PLANNING & REPORTING FRAMEWORK

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

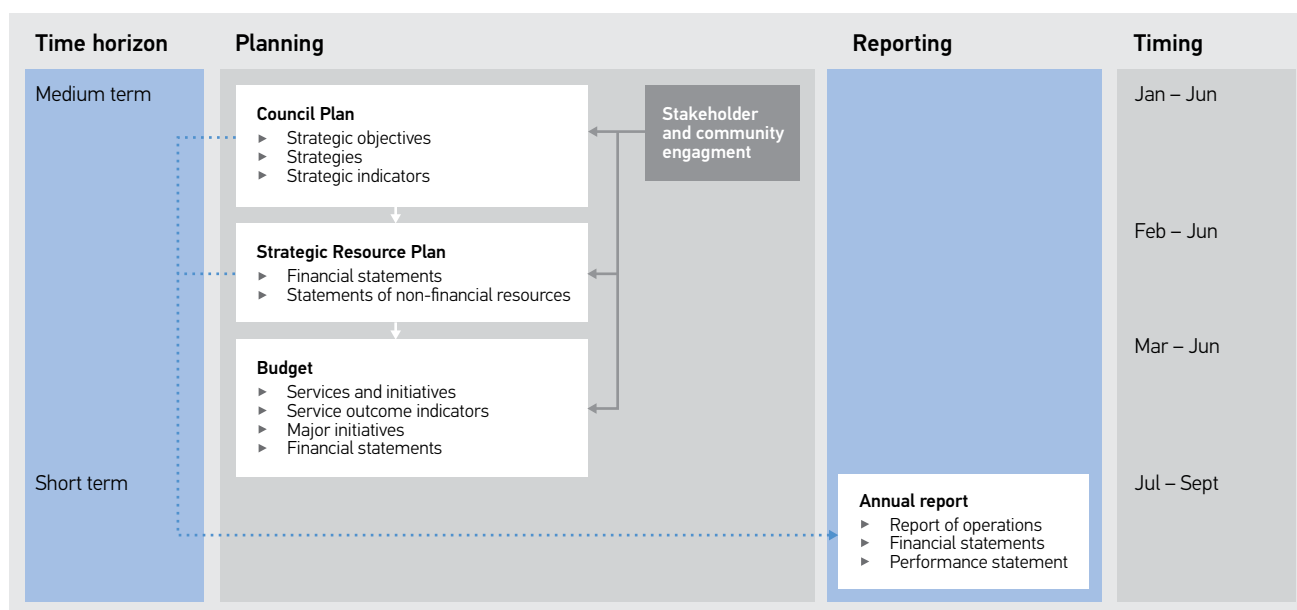
Kingston's *Council Plan 2017-2021* sets out Council's goals for the community over its four-year term. It was prepared with reference to the Living Kingston 2035¹ community plan and Council's rolling ten-year Long-Term Financial Strategy and Asset Management Strategy.

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

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

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

The diagram below shows the planning and accountability framework that applies to all local governments in Victoria.



Source: Department of Environment, Land, Water and Planning

About this report

This Annual Report describes Council's operations for the financial year from 1 July 2019 to 30 June 2020.

We present our services, achievements and indicators of success under the five goals in the *Council Plan 2017-2021*. We also describe our major initiatives and capital works projects and report on Council's financial operations during the year in relation to the 2019/20 Budget.

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

Know Your Council

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

For more information and to compare Kingston to other Victorian councils, visit knowyourcouncil.vic.gov.au.

¹ Living Kingston 2035 – developed through extensive community engagement and launched in 2013. For more information, visit kingston.vic.gov.au/Livingkingston2035.

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



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










Budget \$34.5M
Expenditure \$37.1M

Achievements and capital works highlights

- ▶ The annual road resurfacing program was completed earlier than usual in 2019/20, with 4.6 km resurfaced so part of the 2020/21 program was brought forward with an extra 2.7 km resurfaced in June 2020.
- ▶ Delivered the annual roads infrastructure renewal program.
- ▶ Completed the annual drainage program for flood mitigation.
- ▶ Completed the annual footpath renewal program.
- ▶ Improved our systems to achieve an easy to access, online planning and building approvals service.
- ▶ Consulted widely for the draft Kingston Housing and Neighbourhood Character Study and the draft Affordable Housing Implementation Plan.

Our services

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

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

Our challenges

- ▶ Meeting the demands of a growing population by providing high-quality services and sustainable infrastructure.
- ▶ Accommodating more people without losing the much-loved character of our neighbourhoods.
- ▶ The closure of Don Tatnell Aquatic Centre due to a structural building issue, highlighting the ongoing pressure to renew ageing assets.
- ▶ Collaborating with State Government to deliver significant infrastructure projects, such as level crossing removals and the Mordialloc Freeway.

GOAL 1

CONTINUED

Performance measures

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

Kilometres of footpath renewed

Target: 8.0 km

2016/17	2017/18	2018/19	2019/20
9.07	6.41	5.46	8.00

All planned projects were completed.

Source: CAMMS Strategy

Community satisfaction: Council's general town planning policy

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	56	50	53	53	53
Kingston importance	73	74	73	71	73
Metro performance	53	53	56	55	54
State-wide	53	54	55	54	54

To address local housing needs, location and design, we worked with the Department of Environment, Water, Land and Planning on developing Kingston's Housing Strategy and Neighbourhood Character Study. Council also developed a draft Affordable Housing Strategy and Policy.

Source: Local Government Community Satisfaction Survey 2020

Community satisfaction: Council's planning for population growth

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	54	50	51	50	51
Kingston importance	77	77	77	74	76
Metro performance	51	50	52	52	51
State-wide performance	52	52	52	51	52

Community satisfaction with Council's planning for population growth remains in line with the state and metropolitan results. When adopted, Kingston's new Housing Strategy and Neighbourhood Character Study will reinforce the community goal of preserving the character of suburban areas while facilitating housing diversity. Kingston's draft Affordable Housing Strategy and Policy aims to ensure that living in Kingston remains attainable.

Source: Local Government Community Satisfaction Survey 2020

Local Government Performance Reporting Framework

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

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Roads					
Satisfaction of use					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x 100	35.52	44.38	40.39	46.62	The number of sealed local road requests increased slightly this year, largely due to the flooding caused by very wet weather in summer and autumn. In addition, the heavy vehicles used during the development of the Mordialloc freeway and the level crossing removal project (LXRP) affected the road surface.
Condition					
<i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	98.92%	96.18%	96.48%	97.05%	Work undertaken in 2019/20 has ensured that 97.05% of our road network is in good condition and above renewal intervention levels.
Service cost					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$87.84	\$90.70	\$107.27	\$99.25	The cost of sealed local road reconstruction is in line with expectations. Road reconstruction contracts are awarded following a tender process to ensure best value. The cost per square metre is slightly reduced in 2019/20 due to competitive rates.
Service cost					
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$19.55	\$27.32	\$24.20	\$27.73	The cost of sealed local roads resealing is in line with expectations. The cost of resealing varies annually depending on the proportion of residential to industrial roads resealed. This is because industrial areas require specific treatments, whereas residential resurfacing is less costly.
Satisfaction					
<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]	67.00	69.00	69.00	65.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. Kingston's result is in line with other metropolitan councils.

GOAL 1

CONTINUED

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Statutory Planning					
Timeliness					
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	101.00	105.00	90.00	77.00	Process improvements have reduced the time taken to assess planning applications and resulted in a significant improvement in the median time taken to decide planning applications.
Service standard					
<i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x 100	56.77%	45.26%	58.63%	68.29%	Continuous improvement initiatives including updated online services and the roll out of paperless planning applications, have resulted in a significant improvement in the number of planning applications decided within the required timeframes.
Service cost					
<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,706.31	\$2,885.90	\$2,450.47	\$2,412.83	The cost of the statutory planning service reduced in 2019/20. This is due to a significant drop in the number of new applications received, following the slow down in the property market and the COVID-19 pandemic. This indicator now includes amended, combined and new planning applications.
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] x 100	35.71%	30.00%	41.18%	44.44%	VCAT stopped all hearings from March to May due to the COVID-19 pandemic, so fewer matters were referred to VCAT compared to last year. Only a small percentage (2.8%) of Council's planning decisions were referred to VCAT in 2019/20. A number of these were resolved at VCAT through consent or at mediation. Although these are still reflected as decisions 'not upheld', Council considers this a good outcome as agreement was reached by all parties through mediation.

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

Major initiatives

The following statement reviews Council's progress in relation to major initiatives identified in the 2019/20 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Road infrastructure – renewal and reconstruction program	\$6.4M	\$6.5M	100%	<p>During the year, 32,285m² of local roads were reconstructed.</p> <p>Grants: \$818,000 from VicRoads Roads to Recovery Program and contributions from Bayside Council of \$143,000 for asphalt resurfacing of Charman Rd.</p> <p>Duration: Annual rolling program.</p>
Flood mitigation – drainage program	\$3.0M	\$2.2M	100%	<p>Drainage improvement projects have been completed at Ti-Tree Grove in Parkdale, French Avenue in Edithvale and Aisha Crescent Reserve in Dingley Village.</p> <p>In March, Council confirmed the carryover of \$800,000 to 2020/21 as two projects, at Peace St, Clayton South and Chadwick Reserve drainage, were still awaiting the Cultural Heritage Management Plans from the Victorian Government.</p> <p>Grants: None in 2019/20.</p> <p>Duration: Annual rolling program.</p>
Footpath renewal program	\$0.7M	\$0.7M	100%	<p>All planned footpath renewal or repair works in 2019/20 were completed.</p> <p>Grants: None in 2019/20.</p> <p>Duration: Annual rolling program.</p>
Install a bridge and signalling at Canterbury Road, Braeside	\$0.7M	\$0.0M	0%	<p>This project did not proceed due to the decision to first determine the effect of the Mordialloc Freeway on traffic flows. Once construction of the Mordialloc Freeway is completed, traffic flows will be assessed to determine the future requirements.</p> <p>Grants: None in 2019/20.</p> <p>Duration: None.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2019/20 Budget and reported in the quarterly Kingston Performance Report, please visit kingston.vic.gov.au.

2 Our sustainable green environment with accessible open spaces



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



Budget \$71.4M







Expenditure \$74.6M

Achievements and capital works highlights

- ▶ Rolled out the new food recycling service, with 48,500 kitchen caddies delivered to residents.
- ▶ Redeveloped the Edithvale Life Saving Club.
- ▶ Completed the new Corboy Pavilion at Mentone Reserve.
- ▶ Installed the final boardwalk over the Monica Avenue drain in Bonbeach as part of the Boardwalk Program.
- ▶ Opened the redeveloped Dingley Village Library to residents in June.
- ▶ Audited Kingston's 20 Gross Pollutant Traps which help keep our waterways, including Mordialloc Creek, clean.
- ▶ Significantly reduced the use of glyphosate on Council parks and gardens.
- ▶ Developed multi-use sports field facilities at Aspendale Gardens Sports Ground with Stage 1 works completed.
- ▶ Completed Stage 1 of the Chadwick Reserve multipurpose sporting facility in April with sporting fields now available for community use.
- ▶ Updated the Southern Road Reserve Pavilion, Mentone, to include female-friendly change facilities, and improved disabled access, spectator standing and kitchen.
- ▶ Completed construction of playgrounds at Ben Kavanagh Reserve, Lochiel Reserve, Palm Grove, Winners Circle and Dingley Village.

Our services

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

-  foreshore management and maintenance
-  maintaining open space
-  planning and improving open space
-  sports and recreation coordination and facilities
-  environment management and education
-  bin collection and waste services.

Our challenges

- ▶ Providing enough open space to meet the needs of a diverse and growing community that is increasingly living in medium-density housing.
- ▶ Finding a sustainable and affordable means of processing the city's recyclables in light of the ongoing recycling crisis experienced throughout Melbourne.
- ▶ Managing the impact of climate change on Kingston and reducing carbon emissions.

Performance measures

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

Beach foreshore and open space is monitored for cleanliness, safety and usability²

Target: 90%

2016/17	2017/18	2018/19	2019/20
94.40%	95.89%	95.92%	88.44%

The beach foreshore cleansing service was delivered to a high standard for 11 months of the year (no audits were conducted in December due to the availability of the contractor) with services provided according to the scheduled program and meeting OHS and asset condition audits.

Source: Camms Strategy (average)

Missed bins – domestic garbage, recycling and green waste

Target: 4,200 per year

2016/17	2017/18	2018/19	2019/20
3,715	4,836	6,220	5,375

The number of missed bins declined in 2019/20 due to Kingston working closely with the new waste contractor to steadily improve performance. The reduction would have been higher; however, the COVID-19 pandemic increased the number of missed bins due to a greater number of cars parked on the streets as residents worked remotely. Every missed bin is collected within one business day of being reported.

Source: Camms Strategy

Standard of park presentation³

Target: 90% average

2016/17	2017/18	2018/19	2019/20
93.48%	95.44%	95.64%	93.56%

The presentation of parks remains high despite challenges with increased weed cover and access issues due to above average rainfall during the year. The addition of redeployed staff and extra contractor resources continues to ensure public spaces are well maintained.

Source: Camms Strategy (average)

Community satisfaction: environmental sustainability

Target: 65 (index score)

YEAR	2017	2018	2019	2020	Average
Kingston performance	62	63	60	61	62
Kingston importance	74	74	76	73	74
Metro performance	64	64	64	62	64
State-wide performance	64	63	62	60	62

The rollout of the new food recycling service to residents was completed in June, with 48,500 kitchen caddies delivered. This service enhancement will reduce the amount of food waste going to landfill.

Other highlights included launching the Gardens for Wildlife program and reducing the use of glyphosate.

Eleven community workshops/film nights/webinars on sustainable living were enjoyed by residents. Council's waste education officer also facilitated three workshops on composting, worm farming, and recycling.

We reduced carbon emissions by almost 30% through installing more than 800kW of solar panels on community facilities and other efficiencies. Kingston has signed a new electricity purchase agreement that will see at least 80% of Council's electricity needs powered by renewable energy.

In January 2020, Kingston joined hundreds of councils around the world in declaring a Climate and Ecological Emergency.

Source: Local Government Community Satisfaction Survey 2020

² Formerly called 'Beach foreshore cleansing contract compliance'

³ Formerly called 'Open space mowing contract compliance'

GOAL 2

CONTINUED

Performance measures (continued)

Community satisfaction: recreational facilities

Target: 76 (index score)

YEAR	2017	2018	2019	2020	Average
Kingston performance	76	73	74	76	75
Kingston importance	74	72	75	71	73
Metro performance	73	74	75	74	74
State-wide	70	69	70	70	70

Significant improvements made to Kingston's popular recreational facilities during the year included redevelopment of the Edithvale Lifesaving Club, pavilion development at Mentone Reserve and an update of facilities at the Southern Road Reserve Pavilion, Mentone, including female-friendly change facilities.

New multi-use sports field facilities were completed at Aspendale Gardens Sports Ground and Chadwick Reserve as part of developing multi-purpose sporting facilities to meet community needs.

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

Source: Local Government Community Satisfaction Survey 2020

Community satisfaction: the appearance of public areas

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	75	72	76	71	74
Kingston importance	75	72	72	71	73
Metro performance	72	73	74	73	73
State-wide performance	71	71	72	72	72

Completion of the Mentone Piazza and Mentone Parade works improved the amenity and useability of the Mentone shopping precinct. We continued to keep Kingston's parks and streets green, with 2,442 street and park trees planted in Kingston as part of the annual tree planting program.

Council continued to prioritise removing graffiti on Council buildings and assets.

Source: Local Government Community Satisfaction Survey 2020

Annual street and park trees planted⁴

Target: 2,400 trees

2016/17	2017/18	2018/19	2019/20
2,643	2,149	2,100	2,442

Kingston's success rate for newly planted trees is high, with 99% surviving the two-year establishment period, which includes periodic watering. Of the 2,442 trees planted in 2019/20, 77 trees were vandalised or stolen. Overall, the City of Kingston manages around 81,000 street and park trees.

Source: Camms Strategy

⁴ Formerly called 'Street and park trees planted for the financial year'

Local Government Performance Reporting Framework

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

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1,000	130.48	139.34	158.06	168.77	Kerbside bin collection requests include any request from the public relating to Council's formal kerbside garbage and recycling collection service. While the number of missed bins has dropped overall, there has been an increase in the number of requests being recorded through Kingston's social media channels and website as they provide more options to customers contacting Council.
Service standard					
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	6.10	7.97	9.29	7.79	Kingston has worked closely with the new kerbside waste collection contractor to steadily reduce the number of bins missed during the year. The service standard is now stable, with the number of missed bins consistent. All missed bins are collected within one working day of being reported.
Service cost					
<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$99.34	\$96.42	\$103.60	\$104.47	The cost of providing the kerbside garbage service has remained relatively stable due to the minimal increases in diesel fuel prices and landfill gate fees.
Service cost					
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$14.16	\$19.05	\$43.29	\$68.41	The cost of providing a kerbside recycling service increased significantly in 2019/20 due to the closure of Council's recycling processing contractor in July 2019. This resulted in large price increases with alternate suppliers. The recycling processing market is also very small, meaning that there is a lack of competitive options available.
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] x 100	50.09%	50.85%	49.53%	52.83%	There was an increase in the weight of the organic material collected through the last quarter of the year. This has increased the overall diversion away from landfill.

For more information, visit the Know Your Council website at knowyourcouncil.vic.gov.au.

GOAL 2

CONTINUED

Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2019/20 Budget. Some major initiatives are also Council's major capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Redevelop the Edithvale Life Saving Club	\$3.2M	\$3.0M	100%	<p>Practical completion of the new building (a \$4.95M project, in total) was achieved in December 2019 and the club returned to the new building in January 2020.</p> <p>Planning and design for the project began in 2016/17, and construction started in 2018/19.</p> <p>Grants: \$750,000 received from Lifesaving Victoria in 2019/20.</p> <p>Duration: 2016/17 to 2019/20.</p>
Redevelop the Corboy and Soppet Pavilions at Mentone Reserve	\$5.2M	\$4.6M	90%	<p>The multi-use sports pavilion works were completed, with clubs provided access in April 2020.</p> <p>The historic Soppet Pavilion redevelopment was due to be completed in 2019/20 but was delayed by the COVID-19 pandemic restrictions. It will now be completed in September 2020.</p> <p>Planning for the multi-use sports pavilion project began in 2017/18, and construction started in 2018/19.</p> <p>Grants: \$1.0M from the Victorian government (DELWP) but paid in advance in 2018/19.</p> <p>Duration: 2017/18 to 2020/21.</p>
Design development of additional multiuse sports field facilities at Aspendale Gardens Sports Ground	\$3.5M	\$3.9M	100%	<p>The sports fields, sports lighting and car park (Stage 1) were completed in June and are available for community use, subject to COVID-19 restrictions.</p> <p>Stage 2 will occur in 2020/21.</p> <p>Grants: \$1.8M received from the Victorian government – Sport and Recreation Victoria.</p> <p>Duration: 2019/20.</p>

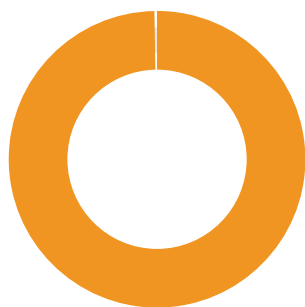
Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2019/20 Budget and reported in the quarterly Kingston Performance Report, please visit kingston.vic.gov.au.

3 Our connected, inclusive, healthy and learning community



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



Budget \$65.4M

Expenditure \$65.3M

Achievements and capital works highlights

- ▶ Developed the Dingley Village Neighbourhood House Precinct, including the redeveloped Dingley library.
- ▶ Administered over 12,000 immunisations during the financial year.
- ▶ Adopted the *Youth Strategy 2019-2022*.
- ▶ Investigated the establishment of a Farm Museum to hold the farm machinery bequeathed to the City of Kingston by the estate of Fred LeBon.
- ▶ Bestowed the second Kingston Woman of the Year Award to June Rea, a tireless advocate for vulnerable people in the community.
- ▶ Focused on the prevention of family violence including the 16 Days of Activism campaign against gender-based violence.

Our services

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

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

Our challenges

- ▶ Working to prevent family violence in our community, especially during the COVID-19 pandemic, which has seen an escalation in demand for support services.
- ▶ Providing social support to the community throughout the COVID-19 pandemic.

GOAL 3 CONTINUED

Performance measures

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

Buildings compliant with Disability Standards 2010

Target: Increase the number of compliant buildings

2016/17	2017/18	2018/19	2019/20
21	27	43	50

Due to Council's commitment to accessibility, the number of Council buildings that meet the Disability (Access to Premises – Buildings) Standards 2010 under the *Disability Discrimination Act* continues to increase year on year.

Source: Camms Strategy

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

Target: 93.20%

2016/17	2017/18	2018/19	2019/20
94.37%	97.79%	99.13%	96.12%

Childcare centres were initially impacted significantly by the COVID-19 pandemic in March, with some families choosing to withdraw from the service.

However, the introduction of 'no gap' payments for users in April saw most families re-establish their booking patterns.

Source: Camms Strategy (average)

Community satisfaction: disadvantaged support services

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	64	62	62	64	63
Kingston importance	73	75	74	71	73
Metro performance	62	61	63	62	62
State-wide	61	61	62	60	61

During the COVID-19 pandemic, Kingston staff phoned isolated residents to check on their welfare. When supermarket shelves were bare due to panic buying, vulnerable residents found it hard to get essential items. By approaching suppliers directly, Council was able to deliver care parcels to vulnerable residents with essential items such as bread, milk, soap and toilet paper.

During the year, Kingston Libraries held 178 one on one digital literacy classes targeted to disadvantaged people and six Tea and Technology support sessions.

Kingston's Community Connections Program continued to support people who were homeless or at risk of homelessness. Demand for this service lessened during the COVID-19 pandemic as those experiencing homelessness were housed by the Victorian government.

Source: Local Government Community Satisfaction Survey 2020

Target: Maintain or improve resident perception of performance

Community satisfaction: elderly support services

YEAR	2017	2018	2019	2020	Average
Kingston performance	68	67	67	66	67
Kingston importance	79	80	79	77	79
Metro performance	67	67	67	67	67
State-wide	68	68	68	68	68

In 2019/20, we delivered over 114,000 hours of home, personal and respite care to Kingston residents who are older and/or have a disability.

In addition, there were 5,000 community bus trips for shopping and community outings. To make life easier and safer for residents, 1,993 home modifications were completed, including ramps and handrails.

Source: Local Government Community Satisfaction Survey 2020

Target: Maintain or improve resident perception of performance

Community satisfaction: family support services

YEAR	2017	2018	2019	2020	Average
Kingston performance	70	68	69	69	69
Kingston importance	74	74	75	73	74
Metro performance	68	68	69	69	69
State-wide performance	67	66	67	66	67

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

Residents in the North Ward were most satisfied, closely followed by residents aged 35-49 and women.

During the COVID-19 pandemic, there has been an increased need to support families in lockdown.

This is a time of increased stress which has placed higher demands on families. Many families do not have extended family to support them, or their support networks may be unavailable.

With the COVID-19 related lockdowns, there has been an escalation in family violence and maternal and child health nurses have provided support and referrals.

Source: Local Government Community Satisfaction Survey 2020

GOAL 3

CONTINUED

Local Government Performance Reporting Framework

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

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	2.50	0.00	2.00	1.00	One inspection was conducted at each of Council's two aquatic facilities during the first half of 2019/20. No further inspections were conducted as Don Tatnell Leisure Centre was permanently closed in February 2020 due to a structural building issue, and Waves Leisure Centre was closed from 18 March to 2 June 2020 due to COVID-19 restrictions.
Utilisation					
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.55	5.49	5.47	3.92	Kingston saw a significant reduction in utilisation of its aquatic leisure centres during 2019/20. This was due to the permanent closure of the Don Tatnell Leisure Centre in January, due to a structural building issue, as well as the temporary closure of the Waves Leisure Centre in March, due to the Victorian Government's COVID-19 restrictions. Waves Leisure Centre reopened on 2 June at a significantly reduced capacity, in line with the COVID-19 restrictions.
Service cost					
Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	\$1.96	There was a reduction in attendance, following the permanent closure of the Don Tatnell Leisure Centre in late January due to a structural building issue. The closure of Waves Leisure Centre from 18 March to 2 June, due to the COVID-19 restrictions, also affected attendance. Waves Leisure Centre reopened on 2 June at a significantly reduced capacity, in line with the COVID-19 restrictions. <i>Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.</i>
Libraries					
Utilisation					
Physical library collection usage [Number of physical library collection item loans / Number of physical library collection items]	4.20	4.03	4.71	3.75	Usage of the collection was impacted by the COVID-19 pandemic and the resulting closure of the libraries. <i>Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i>

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Libraries (continued)					
Resource standard					
Recently purchased library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x 100	58.83%	60.51%	73.94%	84.14%	The libraries' collections are continually assessed and refreshed to meet the needs of library customers.
Participation					
Active library borrowers in municipality [Number of active library borrowers in the last three years / The sum of the population for the last three years] x 100	16.88%	17.16%	16.61%	16.05%	The COVID-19 pandemic closures slightly affected the number of customers borrowing from the libraries' collections. Modified library services including home delivery and Click & Collect, and greater access to on-line resources, reduced the effect of library closures on the community.
Service cost					
Cost of library service per population [Direct cost of the library service / Population]	\$29.79	\$30.56	\$30.27	\$31.56	Council continues to invest in the libraries to provide a cost effective service, in line with the Library Strategy and the Council Plan. <i>Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures.</i>
Maternal and Child Health (MCH)					
Service standard					
Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	100.00%	100.00%	100.55%	100.82%	Enrolments in Kingston's Maternal and Child Health service remain consistently high.
Service cost					
Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$84.99	\$87.88	\$97.90	\$96.53	The cost of the MCH service has remained consistent over the last two years.
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] x 100	78.12%	77.56%	73.97%	76.74%	Due to COVID-19, services concentrated on vulnerable babies and children. Although there were fewer reminder follow ups sent for over the phone appointments for older children, participation remained high.

GOAL 3

CONTINUED

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Maternal and Child Health (MCH) (continued)					
Participation					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	71.21%	64.52%	63.72%	77.67%	Among Kingston families, there is a high level of engagement with the Maternal and Child Health service.
Satisfaction					
<i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received] x 100	New in 2020	New in 2020	New in 2020	97.59%	Among Kingston families, there is a high level of engagement with the Maternal and Child Health service.
Retired measures					
Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Aquatic Facilities					
Service cost					
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.22	\$1.04	\$0.75	Retired in 2020	This measure was replaced by <i>Cost of aquatic facilities</i> from 1 July 2019.
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$0.00	\$0.00	\$0.00	Retired in 2020	This measure was replaced by <i>Cost of aquatic facilities</i> from 1 July 2019. Kingston has no outdoor aquatic facilities.
Libraries					
Service cost					
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$8.54	\$7.52	\$8.34	Retired in 2020	This measure was replaced by <i>Cost of library service per population</i> from 1 July 2019.
Maternal and Child Health (MCH)					
Satisfaction					
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x 100	103.03%	102.56%	99.39%	Retired in 2020	This measure was replaced by <i>Participation in 4-week Key Age and Stage visit</i> from 1 July 2019.

For more information, visit the Know Your Council website at knowyourcouncil.vic.gov.au.

Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2019/20 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Develop the Dingley Village Neighbourhood House Precinct – Stage 1	\$3.4M	\$3.3M	100%	<p>The new facility (\$4.03M cost in total) opened in March 2020 with very positive user feedback. Planning for the project began in 2016/17, and construction started in 2018/19.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2016/17 – 2019/20.</p>
Restore and 'fit out' the Masonic Hall in Mordialloc	\$1.5M	\$2.0M	100%	<p>Construction of the new facility was completed, with a tender awarded for provision of furniture and fittings. The extra expenditure in 2019/20 was the result of funds being carried over from 2018/19 – as a result of the time incurred in complying with Heritage Victoria requirements in that year.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2018/19 – 2019/20.</p>
Enhance the library resources and facilities	\$1.4M	\$1.3M	100%	<p>New books, furniture, shelving and other equipment were purchased to support the community's literacy requirements and enhance the love of reading for recreational and lifelong learning.</p> <p>Grants: Public Libraries Funding Program grant of \$1.0M.</p> <p>Duration: Rolling program.</p>
Provide all-abilities change/toilet facilities at Peter Scullin Reserve	\$0.2M	\$0.1M	80%	<p>The design work planned for this year was not completed because of the effect of the COVID-19 pandemic on the community consultation process. The design was adjusted in response to community input and gained Council endorsement in June 2020.</p> <p>When completed, this project will provide an accessible 'changing place' facility that complies with Disability Discrimination Act standards.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2019/20 – 2020/21.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2019/20 Budget and reported in the quarterly Kingston Performance Report, please visit kingston.vic.gov.au.

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



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



Budget \$23.9M
Expenditure \$27.3M

Achievements and capital works highlights

- ▶ Completed the Mentone Piazza and Mentone Parade works in September 2019.
- ▶ Held the new North Ward Festival in October, receiving great feedback from the local community.
- ▶ Supported local businesses during COVID-19 to improve their business planning and marketing skills.
- ▶ Provided COVID-19 support to businesses including refunding current Health and Food Premises registrations and Footpath Trading fees.
- ▶ Completed the Bay Trail Stage 2 (Mentone to Rennison Street) in May, a month ahead of schedule.
- ▶ Successfully negotiated with the LXP for no net loss of car parking at the Bonbeach, Chelsea and Edithvale level crossing removals.

Our services

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

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

Our challenges

- ▶ Advocating for improved public transport and encouraging active transport such as walking and cycling.
- ▶ Addressing parking considerations with new building developments.
- ▶ Advocating to the Victorian Government for high-quality public infrastructure outcomes, such as open space and streetscape improvements as part of the railway level crossing removals.
- ▶ Supporting local businesses during the Victorian Government works to remove railway level crossings.
- ▶ Supporting local businesses through the COVID-19 pandemic.

Performance measures

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

Attendances at Kingston Arts events

Target: Increase in attendances

2016/17	2017/18	2018/19	2019/20
N/A*	14,726	23,213	14,230

There were 11,470 attendances for the year from July to March. From April, when attendance was significantly affected by the shutdown of arts centres during the COVID-19 pandemic, Kingston's arts centres transitioned to providing programs online.

Activities held online included the Trash Puppets' Easter special craft activity for children and their parents. In addition, Kingston commissioned a series of nine mindful drawing videos from Fox Box Studios that were shared fortnightly on social media.

Exhibitions also went online, with a time lapse video of artist Deb McNaughton painting her mural on the front window of the Shirley Burke Theatre.

Other online workshops included a series of ceramic and sustainable art workshops. Online workshops and storytelling also featured as part of the 'Bukjeh' multicultural project, held during Refugee Week.

**No data available for this year.*

Source: Camms Strategy

Community satisfaction rating for community and cultural events⁵

Target: 80%

2016/17	2017/18	2018/19	2019/20
61.5%	81.7%	82%	86.67%

Kingston events such as Carols, the new Spring Fair and Mordi Fest continued to be popular. No events were held between April to June 2020.

Source: Camms Strategy (average)

Satisfaction of participants at business education initiatives

Target: 95%

2016/17	2017/18	2018/19	2019/20
98.75%	96.25%	95.59%	97.11%

Kingston's support for local businesses included 26 education workshops on topics including starting a business, marketing and digital skills, and business planning. In partnership with Business Victoria, six workshops were held online in June.

An 'Open for Business' directory was added to the Kingston Business website to support the arts, entertainment, hospitality and entrepreneurs in our community.

Council's Business Directions team also adapted its communication channels to keep businesses informed of the support and financial assistance available during the COVID-19 pandemic trading restrictions. A social media #keepitinkingston campaign is encouraging the community to support local creatives and entrepreneurs.

Source: Camms Strategy (average)

⁵ Formerly called 'Community Satisfaction with Kingston-delivered major festivals'

GOAL 4

CONTINUED

Performance measures (continued)

Community satisfaction: Enforcement of local laws

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	65	65	65	65	65
Kingston importance	74	71	72	70	72
Metro performance	64	64	64	65	64
State-wide performance	64	64	64	63	64

Council continued to educate our community about the local laws and enforced them when necessary.

During the COVID-19 pandemic restrictions, enforcement focussed primarily on safety breaches including statutory prohibitions and disabled parking bays, and some timed areas in shopping centres and around LXR works.

Officers continued to respond to animal complaints and dog attacks; collect found dogs; and patrol reserves, streets and the foreshore, promoting responsible pet ownership. 57 dogs were returned to their owners as part of Council's 'on-road' reunion protocol which avoids unnecessary impoundments.

Source: Local Government Community Satisfaction Survey 2020

Community satisfaction: Performance in parking facilities

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	57	55	53	55	55
Kingston importance	72	74	75	71	73
Metro performance	53	55	55	56	55
State-wide performance	55	56	56	55	56

Provision of parking facilities remained a challenge in our developing community, especially with the pressure experienced with level crossing removals.

Following negotiation by Kingston during the year, LXR has committed to no net loss of car parking at the Bonbeach, Chelsea and Edithvale level crossing removals.

Source: Local Government Community Satisfaction Survey 2020

Community satisfaction: Performance in traffic management

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	56	58	59	55	57
Kingston importance	78	75	75	73	75
Metro performance	56	57	58	59	58
State-wide performance	59	57	58	58	58

Over the year, Kingston completed several raised pavement and pedestrian crossing works to improve traffic and pedestrian safety. These improvements were undertaken in Como Parade East and West, Parkdale; Edithvale Primary School; Perry St, Moorabbin; and Gladesville Boulevard, Patterson Lakes.

To encourage children to walk to school, 'safe routes to school' projects were developed for Dingley Village.

In addition, works to reduce hooning activities were completed in several locations in the Braeside industrial area.

Source: Local Government Community Satisfaction Survey 2020

Local Government Performance Reporting Framework

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

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Animal Management					
Timeliness					
<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.66	1.73	1.68	1.88	Officers responded to requests in a timely manner and ensured all risks were managed appropriately. Due to the COVID-19 pandemic, there was a reduction in the number of animal management requests and a slight increase in the time taken to action them.
Service standard					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x 100	55.93%	60.98%	65.46%	75.84%	Of the 361 animals reclaimed, 57 were returned to their owners as part of Council's 'on-road' reunion protocol which avoids unnecessary impoundments. The increase in the percentage of animals reclaimed is due to the exclusion of feral animals (usually cats) from this measure from 2019/20 onwards. Due to more residents working from home during the COVID-19 restrictions, there were fewer animals at large compared to last year.
<i>Animals rehomed</i> [Number of animals rehomed / Number of animals collected] x 100	New in 2020	New in 2020	New in 2020	8.19%	Thirty nine animals were adopted and found a new, permanent home after their original owner couldn't be found. <i>Note: New measure for 2019-20 financial year.</i>
Service cost					
<i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	\$6.08	\$5.82	\$5.21	\$5.83	The cost of the animal management service is within expectations. <i>Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals, see retired measures.</i>
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	100.00%	Council officers continue to proactively resolve animal-related issues directly with those involved. There were no cases presented at court between March and June as a result of the COVID-19 pandemic. <i>Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion, see retired measures.</i>
Food Safety					
Timeliness					
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.61	1.73	1.87	1.87	The time taken to respond to food-related complaints is consistent with previous years and includes weekends and public holidays. Council officers continue to action complaints as a priority to ensure risks are managed appropriately.

GOAL 4

CONTINUED

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Food Safety (continued)					
Service standard					
<i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x 100	99.90%	99.90%	100.00%	100.00%	All 1,026 operating Class 1 and Class 2 premises received an assessment during the year. The number of premises increased by 34 compared to the previous year.
Service cost					
<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$269.19	\$270.14	\$240.18	\$259.92	While the number of registered or notified Streatrader and food premises has increased, the cost of the service remains consistent with previous years.
Health and safety					
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	98.96%	100.00%	98.60%	All major and critical non-compliances continue to be treated as a priority. Environmental Health Officers ensure that any high risk issues identified during an assessment are attended to immediately and action taken to remove or reduce the risk. 100% of outcome notifications were followed up shortly after the reporting period closed.
Retired measures					
Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Animal Management					
Service cost					
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$46.22	\$44.21	\$40.23	Retired in 2020	This measure was replaced by <i>Cost of animal management service per population</i> from 1 July 2019.
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	11.00	13.00	7.00	Retired in 2020	This measure was replaced by new measure <i>Animal management prosecutions</i> from 1 July 2019.

For more information, visit the Know Your Council website at knowyourcouncil.vic.gov.au.

Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2019/20 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Implement the Bay Trail shared path	\$4.4M	\$5.5M	100%	<p>Stage 2 works (Mentone to Rennison Street) were completed in May, a month ahead of schedule.</p> <p>A delayed start in 2018/19, due to objections heard at VCAT, meant that \$2.5M of unused funds (which included a \$1.6M allowance for Stage 3) was carried over to 2019/20. This \$1.6M has now been carried over to 2020/21 for Stage 3 works.</p> <p>Grants: \$700,000 from the Department of Transport.</p> <p>Duration: 2017/18 – 2019/20 for Stage 2.</p>
Construct a trail as part of the Chain of Parks between Karkarook Park to Clayton Road	\$0.7M	\$0.3M	50%	<p>The section along Old Dandenong Road, to the north of Henry St, was completed.</p> <p>Further progress was delayed due to the time needed for land acquisitions to enable the trail to be constructed on Council land and provide safe road crossings.</p> <p>This project is fully funded from the Green Wedge fund and the unspent funds remain in the reserve.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2012 – 2025.</p>
Enhance Parkdale Local Shopping Centre	\$0.4M	\$0.1M	90%	<p>Design and planning for this project was scheduled for 2019/20.</p> <p>After reviewing the scope, concept plans were created. The detailed design phase will occur in 2020/21, though there may be delays due to COVID-19.</p> <p>The remaining funds were carried over to 2020/21.</p> <p>Council is applying for grants from the Victorian government to boost the budget for this project.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2019/20 – 2020/21.</p>
Construct a park at Elder Street South, Clarinda as part of the Chain of Parks	\$1.1M	\$0.3M	80%	<p>This project was delayed due to wet weather and will be resumed in Spring 2020, once the ground dries out.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2019/20 – 2020/21.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2019/20 Budget and reported in the quarterly Kingston Performance Report, please visit kingston.vic.gov.au.

5 Our well-governed and responsive organisation



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



Budget \$77.8M







Expenditure \$69.9M

Achievements and capital works highlights

- ▶ Activated Kingston's Pandemic Plan and Business Continuity Plan in March to guide Council's effective initial response to the COVID-19 pandemic and guide Council's COVID-19 recovery efforts.
- ▶ Kingston's information services ensured that Kingston could continue essential services to our community during the COVID-19 restrictions.
- ▶ Rates deferrals and a rates discount were provided to ratepayers to assist them financially during the COVID-19 pandemic.
- ▶ Adopted the Good Governance Framework in May, with an education and compliance program to be delivered in 2020/21.
- ▶ Registered users for electronic and emailed notices reached 13,006 (around 17% of ratepayers) following a campaign to increase uptake. Residents can also now manage their properties and rates information online.

Our services

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

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

Our challenges

- ▶ Continuing to administer local democracy, via a virtual medium, during the COVID-19 restrictions.
- ▶ Establishing "work from home" systems and processes for over 400 staff during the COVID-19 lockdown periods.

Performance measures

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

First point of call contact resolution

Target: 80%

2016/17	2017/18	2018/19	2019/20
85%	85%	84%	93%

Kingston's Customer Care service received over 123,000 phone calls from the community in 2019/20. Most requests (93%) were answered in one call, without needing to be transferred to other parts of the organisation. This provided a more seamless and consistent experience to Kingston's customers.

Source: Camms Strategy

Lost time injury frequency rate

Target: 30 per 1 million hours per year

2016/17	2017/18	2018/19	2019/20
N/A*	20.56	29.64	32.53

The minor increase in lost time injuries is due to the enhancement of the Council's safety reporting system, which now provides greater visibility of lost time injuries.

Employees continue to be supported by having access to early intervention programs that facilitate more effective injury rehabilitation and return to work.

Source: Council data

Community satisfaction: Lobbying on behalf of the community

Target: Maintain or improve resident perception of performance

YEAR	2017	2018	2019	2020	Average
Kingston performance	59	53	55	57	56
Kingston importance	70	67	66	64	67
Metro performance	56	56	57	57	57
State-wide performance	54	54	54	53	54

Council has successfully advocated to achieve positive outcomes on a range of projects, including enhancing Level Crossing Removals Projects, securing millions in state funding to improve local facilities, and progressing the long-held community vision for the Chain of Parks project.

Source: Local Government Community Satisfaction Survey 2020

GOAL 5

CONTINUED

Local Government Performance Reporting Framework

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

Service Performance Indicators	Results 2017	Results 2018	Results 2019	Results 2020	Comments
Service/indicator/measure					
Governance					
Transparency					
<i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x 100	5.99%	4.51%	8.93%	12.67%	The City of Kingston is committed to open and transparent decision-making processes. In 2019/20, Council considered an increased number of personnel matters, property-related matters, and issues involving other authorities, such as LXP, that were deemed confidential. Council endeavours to make confidential resolutions or parts of resolutions public at a later date, where possible.
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	59.00	54.00	53.00	56.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. Kingston is committed to continuing to explore ways to improve consultation with the broader community.
Attendance					
<i>Councillor attendance at Council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x 100	93.43%	95.45%	87.30%	89.71%	Councillor attendance has remained consistent with previous years.
Service cost					
<i>Cost of elected representation</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$50,700.44	\$52,442.56	\$58,490.33	\$58,239.33	The direct cost of delivering Council's governance service was in line with expectations and consistent with the previous financial year.
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]	60.00	53.00	56.00	55.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. With an average score of 56 over the past four years, Council continues to explore ways to improve community consultation and assist the community to understand the reasons for decisions.

For more information, visit the Know Your Council website at knowyourcouncil.vic.gov.au.

Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2019/20 Budget. These initiatives are also some of Council's significant capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Invest in capability and security enhancements in information and communication technology (hardware and cloud transition)	\$1.0M	\$0.2M	60%	<p>Following an initial delay due to resolving technical issues, the contract has been awarded and work has commenced. It is due for completion by November 2020. \$445,000 has been declared as savings on the project and \$200,000 carried over to 2020/21.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2019/20 – 2020/21.</p>
Upgrade the Garden Boulevard depot to accommodate the consolidated depot requirements	\$3.7M	\$3.5M	100%	<p>Staff from the former depot sites in Braeside and Bonbeach moved into the new depot on schedule and commenced operating from the site in February 2020. Vacant possession was delivered to the owner of the Braeside site in early March. The Bonbeach site was cleared and made available for lease in early July 2020, on schedule.</p> <p>Grants: None in 2019/20.</p> <p>Duration: 2019/20.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2019/20 Budget and reported in the quarterly Kingston Performance Report, please visit kingston.vic.gov.au.

GOVERNANCE

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

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

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

Our governance system

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

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

Democratic governance

Delegation of powers

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

Council and committee meetings

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

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

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

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

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

If confidential reports are to be discussed by Council, the public is asked to leave the meeting during these discussions. 12.67% of decisions made by Council were during closed meetings.

In 2019/20, there were 12 Council Meetings and 7 Planning Committee Meetings.

Special Meetings of Council

Special Meetings of Council are called when an urgent item requires a Council resolution that 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. In 2019/20 there were 14 Special Meetings of Council.

Councillor information sessions

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

Live streaming and recording of Council Meetings

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

The live stream and archives of previous streams can be found at kingston.vic.gov.au/about-us/council-meetings/live-council-meetings.

The Recording of Public Council Meetings Policy is available on Council's website at kingston.vic.gov.au/about-us/plans-policies-publications/policies.

Table: Councillor Attendance at Council Meetings

Councillor	Council Meetings attended	Special Meetings of Council attended	Planning Committee Meetings attended
Current Councillors			
Cr Tamara Barth	10/12	14/14	7/7
Cr Tamsin Bearsley	11/12	14/14	7/7
Cr Ron Brownlees OAM	12/12	13/14	7/7
Cr David Eden	11/12	13/14	4/7
Cr Geoff Gledhill	12/12	11/14	6/7
Cr Georgina Oxley	11/12	14/14	6/7
Cr George Hua	10/12	11/14	6/7
Cr Steve Staikos	12/12	13/14	6/7
Cr Rosemary West OAM	12/12	14/14	7/7

Minutes of meetings

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

Conflict of interest

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

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 several roles which are legislative and functional. The legislative requirements are prescribed in the *Local Government Act 1989*.

The Mayor must chair all Council Meetings at which they are present. The Mayor's role also includes providing leadership, promoting positive relationships and modelling good governance. Cr Oxley was re-elected on 13 November 2019.

GOVERNANCE

CONTINUED

Cr Steve Staikos was elected as Kingston's Deputy Mayor on 13 November 2019. The predominant role of the Deputy Mayor is to assist the Mayor as required during their mayoral term. The Deputy Mayor role supports duties or functions carried out by the Mayor and must be in accordance with Deputy Mayor Position Policy, which is available at kingston.vic.gov.au/About-Us/Plans-Policies-and-Publications/Policies.

Junior Mayor

The Junior Mayor program gives primary schools within the City of Kingston the opportunity to showcase the talents and attributes of young people. The Junior Mayor election is coordinated by Kingston Youth and Family Services. The Junior Mayor program has been running for over 50 years and is sponsored by the Chelsea Rotary Club. It aims to help educate and engage young people about how government works and how they can get involved, while also providing support and experience to our budding future leaders. The 2019/20 elected Junior Mayor is Jack O'Connor from Patterson Lakes Primary School.

Councillor representation on committees

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

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 Act, has an advisory role.

Legislative Committees	2019/20 Appointee/s
Planning Committee	All
Audit Committee	Mayor Cr Oxley, Cr Gledhill
Municipal Emergency Planning Committee	Cr Gledhill
Advisory Committees	2019/20 Appointee
Access and Equity	Cr Barth
Arts and Culture	Cr Bearsley, Cr Staikos (alternate)
Business and Economic Development	Cr Hua, Cr Gledhill
Community Safety	Cr Brownlees
Public Spaces and Environment	Cr West
Sport and Recreation	Cr Gledhill, Cr Brownlees
Youth	Cr Eden, Mayor Cr Oxley
Consultative Committees	2019/20 Appointee
LF Payne Hall Usage Committee	Cr Eden, Cr Bearsley, Mayor Cr Oxley
Kingston Charitable Fund (KCF) Community Grants Panel	Mayor Cr Oxley, Cr Brownlees
Kingston Interfaith Network	Cr Bearsley
Kingston Historic Network	Cr Gledhill, Cr West (alternate)
External Committees/Organisations	2019/20 Appointee
Association of Bayside Municipalities	Cr West, Cr Gledhill (alternate)
Friends of Manatuto Committee	Cr Gledhill
Inter Council Aboriginal Consultative Committee	Cr West, Cr Barth (alternate)
Local Government Waste Management Forum	Cr Staikos, Cr Barth (alternate)
Metropolitan South Eastern Region MAV Representatives and Mayors	Mayor Cr Oxley
Metropolitan Transport Forum	Cr West, Cr Gledhill (alternate)
Moorabbin Airport Consultative Committee	Cr Brownlees, Cr West, Cr Staikos (alternate), Cr Gledhill (alternate)
Municipal Association of Victoria	Mayor Cr Oxley
Municipal Association of Victoria Environment Committee	Cr West
Municipal Association of Victoria Planning Committee	Cr West
SEM City Deal	Cr Staikos
South East Councils Climate Change Alliance (SECCA)	Cr West
Victorian Local Governance Association	Cr Staikos

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%, which took effect on 1 December 2019. The annual allowance for the Mayor is \$94,282.96 and for Councillors is \$31,427.65 plus an amount equivalent to the superannuation guarantee contribution (9.5%). In addition to their allowances, Councillors can elect to receive a mobile phone, iPad, laptop computer and a phone/fax for Council use. They can also claim expenses incurred while performing their duty as Councillors and use office administration and support. The Mayor receives a dedicated office and support from an Executive Assistant.

Reimbursement of expenses of Councillors

Council is required to reimburse a Councillor for expenses incurred in the performance of his/her duties (Section 75 of the *Local Government Act 1989* (Vic)). Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. Council adopted the Councillor Support and Reimbursement of Expenses Policy (the Policy) on 14 December 2015, which is available at kingston.vic.gov.au/about-us/plans-policies-publications/policies.

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

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

Councillor allowances and expenses for 2019/20

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

	Councillor Allowances	Communications Expenses	Travel Intrastate	Travel Interstate	Travel Overseas	Training, Conferences & Education	Other Expenditure
Cr Tamara Barth	\$31,427.65	\$756.00					
Cr Tamsin Bearsley	\$31,427.65	\$1,032.00					
Cr Ron Brownlees OAM	\$31,427.65	\$732.00					
Cr David Eden	\$31,427.65	\$1,032.00	\$100.00				
Cr Geoff Gledhill	\$31,427.65	\$1,032.00					
Cr George Hua	\$31,427.65	\$852.00	\$182.00			\$70.00	
Cr Georgina Oxley (Mayor from 13/11/18)	\$94,282.96	\$1,356.00	\$147.00				
Cr Steve Staikos (Deputy Mayor from 13/11/18)	\$31,427.65	\$1,032.00	\$314.00			\$455.00	
Cr Rosemary West OAM	\$31,427.65	\$1,032.00					

GOVERNANCE

CONTINUED

Governance and Management Checklist

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

Governance and Management Items	Assessment	
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Current policy in operation: 28/10/2019	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation: 12/10/2017 Council guidelines are formed by multiple documents referenced from the policy.	✓
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan Adopted in accordance with section 126 of the Act Date of adoption: 24/6/2019	✓
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act. Date of adoption: 24/6/2019	✓
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)	Plans Current plans in operation: Asset Management Policy and Strategy adopted by Council 26/2/2018 Asset Management Plans: Drainage 01/03/2008 Transport 01/03/2008 Community Facilities 01/03/2008 Recreational Spaces 01/03/2008 Capital Works Forward Plan 25/6/2018.	✓
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy The Rating Strategy is Section 8 of the Annual Budget 2019/20. Current strategy in operation: 24/6/2019	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Current policy in operation: 10/4/2019	✓
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Current policy in operation: 8/7/2019	✓
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Plan Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Plan currently in operation: 19/02/2014	✓
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)	Policy Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> : Current policy in operation: 22/6/2020	✓
11 Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Plan Current plan in operation: 19/6/2018	✓
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)	Plan Current plan in operation: 12/1/2020	✓

Governance and Management Items	Assessment
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework ✓ Current framework in operation: 10/4/2019
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)	Kingston's Audit Committee was established in 1997, prior to the legislative requirement that made Audit Committees mandatory. The current Audit Committee Charter was approved by Council on 23/04/2018. Committee established in accordance with section 139 of the Act: 1997 ✓
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged ✓ Current Internal auditor engaged: 1/07/2013 Current auditor expiry: 30/6/2022
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)	Framework ✓ Current framework in operation: 26/2/2020
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)	Report ✓ Kingston Performance Report: Q1 2019/20 – 28/10/2019 Q2 2019/20 – 24/2/2020 Q3 2019/20 – 25/5/2020 LGPRF Half Year Update 2019/20: 10/3/2020 2019/20 Annual Report: Estimated 30/11/2020
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act: ✓ Quarterly Financial Statements: September 2019 – 28/10/2019 December 2019 – 24/2/2020 March 2020 – 25/5/2020 2019/20 Annual Financial Statements: 21/09/2020
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports ✓ Prepared and presented: Strategic & Operational Risk Updates: 22/6/2020 – 6 monthly Strategic Risk Reporting September 2019 Strategic Risk Reporting October 2019 Strategic Risk Reporting February 2020 Strategic Risk Reporting June 2020
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: LGPRF Half Year Update 2019/20: 10/3/2020 Kingston Performance Report: September 2019 – 28/10/2019 December 2019 – 24/2/2020 March 2020 – 25/5/2020 LGPRF Half-Year Update – 10/3/2020 2019/20 Annual Report – Estimated 30/11/2020

GOVERNANCE

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Governance and Management Checklist (continued)

Governance and Management Items	Assessment
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 performance statements)	Report ✓ 2019/20 Annual report considered at a meeting of Council in accordance with section 134 of the Act Date of consideration: 28/10/2019
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 of Review: 26/6/2017 – 26/6/2021 Amended Code of Conduct adopted 26/6/2017.
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: ✓ Review date of Instrument of Delegation by Council to CEO: 23/4/2019. Review date of Instrument of Delegation by Council to Staff: 25/5/2020 Review date of Instrument of Sub Delegation by CEO to Staff: 15/3/2019
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Procedure ✓ Meeting procedures local law made in accordance with section 91(1) of the Act. Date Local Law was made: 24/9/2018

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



Julie Reid
Chief Executive Officer

Dated: 22 September 2020



Cr Georgina Oxley
Mayor

Dated: 22 September 2020

Organisational governance

Chief Executive Officer (CEO) and delegations

City of Kingston CEO, Julie Reid, 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 appointed on 26 August 2019 for a term of four years.

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 \$147,900.

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 the *Local Government (General) Regulations 2015*, the following is a list of the prescribed documents that are available for inspection. 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 1300 653 356.

Note: For the purposes of this report, the below list prescribes the documents that Council were obliged to release before section 222 of the *Local Government Act 1989* (Vic) and the *Local Government (General) Regulations 2015* were repealed during the later stages of the 2019/2020 financial year. The way the below documents will be released in the future will be outlined in Council's Public Transparency Policy to be adopted by 1 September 2020.

The documents include:

- ▶ 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). These documents are available at **kingston.vic.gov.au/about-us/council-meetings/agendas-and-minutes**.
- ▶ register of delegations kept under sections 87 and 98 of the *Local Government Act 1989* (Vic). This register is available at **kingston.vic.gov.au/contact-us/documents-available**.
- ▶ details of all leases involving land entered by Council as lessor, including the lessee and the terms and the value of the lease.
- ▶ register of authorised officers appointed under section 224(1A) of the *Local Government Act 1989* (Vic).
- ▶ list of donations and grants made by Council in the previous 12 months, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.

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 compliance. These principles are based on:

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

Kingston has adopted a 'whole of organisation' approach to embedding the Best Value principles into Council operations. These principles are also linked strongly to our Community Inspired Leadership approach and strategic planning process.

In 2019/20, Council's response to the Best Value Principles included:

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

Charter of Human Rights

The *Victorian Charter of Human Rights and Responsibilities Act 2006* ('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 2019/20 there was one complaint, which was later withdrawn.

GOVERNANCE

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Legislative Reporting

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 2019/20, Kingston met its obligations in various ways, including:

- ▶ identifying carer needs during AccessCare (a group respite program for people who are older and/or have a disability and their carers) service assessments and reviewing with appropriate services offered, including respite and, if necessary, referral for residential respite
- ▶ Kingston's Social Inclusion Officers engaging with older residents and people with a disability. Their carers improve their access to socialisation activities and access to the community
- ▶ social inclusion officers offering AccessCare and a range of community bus day trips
- ▶ accepting the use of the Companion Card at the Kingston Arts centre for the Community Bus service and Leisure Centres
- ▶ AccessCare engaging with a number of networks including local governments peak bodies and local providers.

Disability Act 2006

Kingston's *Disability Action Plan 2015–19* was endorsed by Council in November 2014. The implementation of this plan is guided by Council's Access and Equity Advisory Committee. The Action Plan has four key priority areas:

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

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

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

- ▶ liaising with and seeking advice from people with a disability and disability service providers and the Access and Equity Advisory Committee
- ▶ continuing to meet Australian Standards for accessibility when delivering new and renovated facilities, which is an ongoing statutory commitment under the Premises Standards. As of 30 June 2020, Council has 50 buildings that are compliant, which equates to 20% of Council's community buildings
- ▶ issuing building permits in accordance with the Building Code of Australia which requires Disability Discrimination Act compliance which is an ongoing statutory commitment under the Premises Standards
- ▶ using interpreters at the Carols by Kingston event
- ▶ providing grants to several disability support organisations and carers' organisations through Council's Community Grants Program
- ▶ continuing to address pedestrian and road access, as issues are identified to ensure access for all
- ▶ continuing to distribute Disabled Parking Permits through Council
- ▶ providing advice on accessible parking
- ▶ continuing to facilitate 'Big Break', an arts and cultural program which invites members of the community living with a disability to participate in a series of skills development workshops and events run by professional artists
- ▶ providing disability awareness training to staff to ensure better service provision to people with disabilities
- ▶ maintaining Lifesaving Victoria Platinum Pool Accreditation for the 7th year running with near perfect scores highlighting an emphasis on the health and safety of the community
- ▶ employment of officer on the Autism spectrum
- ▶ providing volunteering opportunities for people with disability
- ▶ establishing a Diversity and Inclusion Group focussing on disability
- ▶ continuing to work with the NDIA on improving employment opportunities in local government
- ▶ continuing to audit and improve pedestrian and road access for all
- ▶ continuing to prioritise venues that are accessible to support events like Refugee Week Movie Night; Centenarian Luncheon; and Seniors Festival Events
- ▶ continuing to provide information about the accessibility of events in the Seniors Festival Booklet specifying hearing loop, wheelchair and scooter access
- ▶ continuing to review and update information on disability access and inclusion on Council's webpage
- ▶ hosting two events to celebrate the International Day of People with Disabilities.

Domestic Animal Management Plan

Council continues the *Domestic Animal Management Plan 2016-2021*. This plan aims to facilitate co-existence of pets, pet owners and the general population whilst addressing the welfare and legislative issues relating to animal management in urban areas. The *Domestic Animal Management Plan 2016-2021* is available on Council's website at kingston.vic.gov.au/Community/Pets/Domestic-Animal-Management-Plan.

Actions for 2019/20 were completed during the year, including domestic animal business compliance inspections and dangerous/menacing/restricted breed compliance inspections.

Food Act 1984

In 2019/20, 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 2019/20, 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. Enquiries about access to personal information can be made to Council's Privacy Officer by phoning 1300 653 356 or post to: Privacy Officer, City of Kingston, PO Box 1000, Mentone VIC 3194. Further information is available at kingston.vic.gov.au/contact-us/privacy.

Freedom of Information

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

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

Council has two Customer Care Centres, where trained Customer Care officers provide information to members of the public about Council and the services it provides. The Cheltenham Customer Care Centre is located at the municipal offices at 1230 Nepean Highway, Cheltenham and is open Monday to Friday from 9am until 5pm. The Cheltenham Centre has two meeting rooms that are available to the public on request and may be used as reading rooms. The Chelsea Customer Care Centre is co-located with the Chelsea Library at 1 Chelsea Road, Chelsea and is open Monday to Friday from 10am until 2pm.

Public Interest Disclosure

Kingston's Public Interest Disclosure establishes a system to facilitate the making of disclosures of improper conduct or detrimental action by Kingston or its employees. Such conduct can be reported to our Public Interest Disclosure Coordinator on 1300 653 356 or by emailing pid@kingston.vic.gov.au. Further details of the procedures are available at kingston.vic.gov.au/governance.

One Public Interest Disclosure was made in 2019/20.

Risk management

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

Non-compliance of the Local Government Act 1989

In 2019/20 there were two instances of non-compliance with s186(1) (restriction on power to enter into contracts) of the *Local Government Act 1989*. They are as follows:

Services Threshold – \$150,000 inc GST: Temporary Staff Engagement through Rec People Pty Ltd for \$158,735.44 including GST
Works Threshold – \$200,000 inc GST: Emergency Works at Don Tatnell Leisure Centre through Cornerstone Construction Pty Ltd for \$200,256.95 including GST

GOVERNANCE

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Audit Program

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 and effectiveness of significant Council programs
- ▶ compliance with laws and regulations, as well as use of best-practice guidelines
- ▶ monitoring, reviewing and advising the Council on the standard of financial control, risk management and organisational governance
- ▶ the effectiveness of the audit functions.

The Audit Committee comprises 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 2019/20, 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/about-us/audit-committee.

Internal audit

Council's current Internal Auditor, Pitcher Partners, commenced its contract in July 2013 for an initial three-year period. Following a review of their performance by the Audit Committee, the Committee recommended that Council exercise the option of a further three-year term of appointment for Pitcher Partners. The Internal Audit Strategic Plan, which is reviewed by Internal Audit and management, is adopted annually by the Audit Committee. The Internal Audit program that the Audit Committee oversees is in place to help Council and management achieve sound control over all Council activities.

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

Before accepting each report submitted by the Internal Auditor, the Committee examines the recommendations made in each report and management's comments. These reviews give the Audit 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 2019/20, the following reviews were reported on:

- ▶ Parking Infringement Refunds
- ▶ Cyber Security Governance
- ▶ Project Management
- ▶ Food Safety (Environmental Health)
- ▶ Waste Management
- ▶ Rates Revenue Management
- ▶ Emergency Management
- ▶ Data Analysis
- ▶ IA Plan Refresh.

External audit

Council's current External Auditor is the Victorian Auditor-General. The Auditor-General elected to contract this activity for 2019/20 to Crowe Australasia, who are responsible for providing a recommendation to the Auditor-General that the Annual Financial Statements of Council present fairly and in accordance with applicable Accounting Standards. It is normal practice for the External Auditor to review the Internal Audit program to better understand the internal control framework that exists at Council.

National Competition Policy Compliance

A key objective of National Competition Policy (NCP) is the promotion of more efficient public resource allocation decisions by all levels of government. There were no issues raised by the community related to NCP in 2019/20.

Local Laws

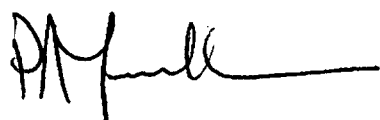
Council has two Local Laws – the Community Local Law and the Meeting Procedures Local Law – and both Local Laws can be viewed at kingston.vic.gov.au/about-us/local-laws-and-health/local-laws.

PERFORMANCE STATEMENT

for the Year Ended 30 June 2020

Certification of the Performance Statement

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



Principal Accounting Officer
P.A. Franklin

Dated: 22 September 2020

In our opinion, the accompanying performance statement of the Kingston City Council for the year ended 30 June 2020 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. Oxley

Dated: 22 September 2020



Councillor
Cr G. Gledhill

Dated: 22 September 2020



J. Reid
Chief Executive Officer

Dated: 22 September 2020

INDEPENDENT AUDITOR'S REPORT



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Kingston City Council

Opinion	<p>I have audited the accompanying performance statement of Kingston City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2020• sustainable capacity indicators for the year ended 30 June 2020• service performance indicators for the year ended 30 June 2020• financial performance indicators for the year ended 30 June 2020• other information and• the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
5 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

PERFORMANCE STATEMENT CONTINUED

for the Year Ended 30 June 2020

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

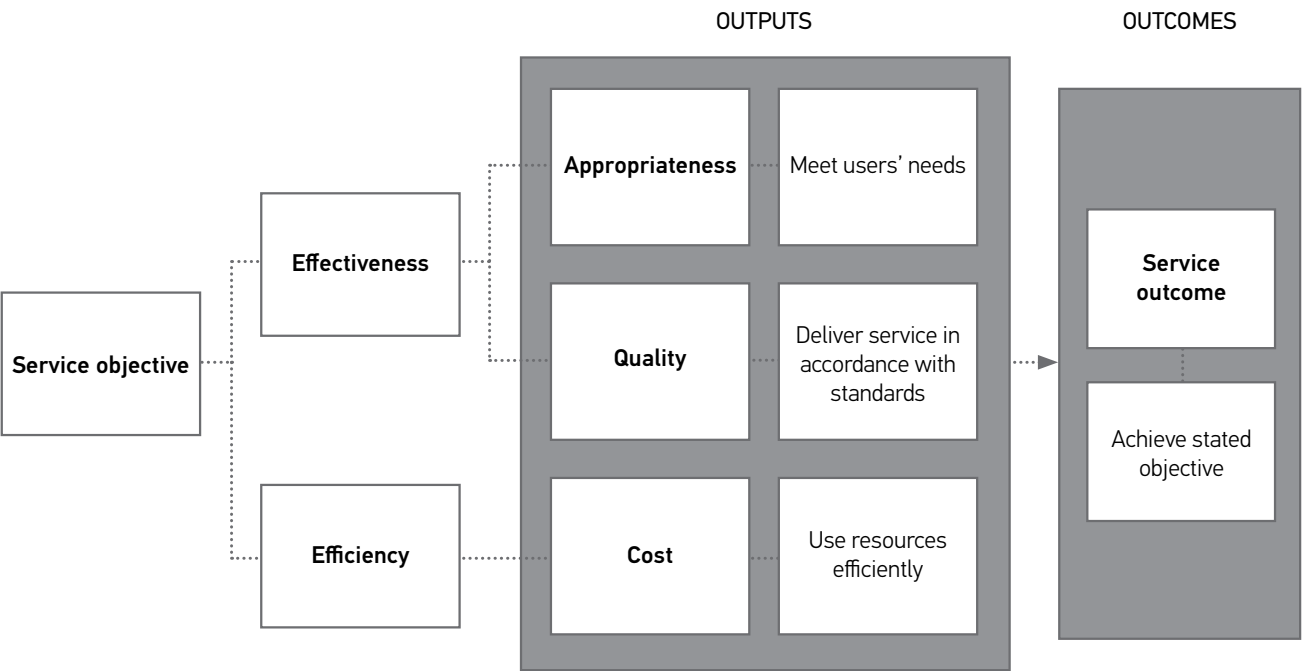
- ▶ Councils will have information to support strategic decision-making and continuous improvement;
- ▶ Communities will have information about council performance and productivity;
- ▶ Regulators will have information to monitor compliance with relevant reporting requirements; and
- ▶ State and Commonwealth 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:

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

Service Performance Framework



Dimensions of the Service Performance Indicator Framework

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

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

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

Other Information

for the year ended 30 June 2020

Basis of preparation

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

Where applicable the results in the Performance Statement have been prepared on an accounting basis consistent with those reported in the Financial Statements. The other results are based on information drawn from Council Information systems or from third parties (e.g. Australian Bureau of Statistics and the Community Satisfaction Survey).

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators, the forecast results as adopted in Council's Strategic Resource Plan which forms part of the Council Plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variations in the results contained in the Performance Statement. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

Our City

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

Kingston is one of the state's main employment centres, having one of the largest and most concentrated industrial sectors in Victoria. There are over 17,000 businesses with over 95,000 people employed throughout the City of Kingston. Our significant industrial sector generates an annual economic output of about \$22.4 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, DFO Moorabbin and major activity centres in Moorabbin, Cheltenham, Mentone, Mordialloc and Chelsea.

Other Information (continued)

for the year ended 30 June 2020

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 estimated resident population in excess of 165,000, spanning a wide range of ages, household types and cultures. Our community is constantly growing; by 2036 Kingston's population is expected to reach 186,967, making up an anticipated 78,156 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 153 countries who speak over 132 languages. About 37% of Kingston's population was born overseas, with 26% from non-English speaking backgrounds including Vietnamese, Indian, Sri Lankan, Greek, Italian and Chinese societies.

For the purpose of this report we are using a population of 165,782 as at 30 June 2020.

COVID-19 Pandemic

In March 2020, a State of Emergency was declared due to the Coronavirus pandemic, and restrictions were introduced. For Council, this meant the closure of its libraries and swimming pools, in addition to other Council services.

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

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

Council's significant community and business support package will continue on into 2020/21 with a \$118 waste rebate for residents with a primary waste service, and JobKeeper/JobSeeker rate rebates for residents and businesses on those benefits. There will also be no interest charged on overdue rates until 1 July 2021, and rates can be deferred until 30 June 2021 upon application under Council's hardship policy.

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

Sustainable Capacity Indicators

for the year ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,087.86	\$1,132.57	\$1,146.86	\$1,250.51	The result is consistent with budget expectations and the additional \$3M of expenditure that was budgeted as capital but was expensed.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$5,250.27	\$4,961.23	\$5,567.22	\$6,170.08	The result is consistent with budget expectations and has risen from 2018/19 due to Council's increased investment in its strong capital works program and the effect of the revaluation of infrastructure assets.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	254.71	261.75	264.72	268.53	The result demonstrates a gradual increase in population density as Kingston's population increases when compared to an already established road network.

Sustainable Capacity Indicators (continued)

for the year ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,059.19	\$1,062.00	\$1,080.61	\$1,066.44	The result has decreased slightly due to Council's reduction in revenue this year because of the COVID-19 pandemic impacting on services as well as Council contributing towards significant community and business support initiatives in response to the pandemic.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$234.07	\$209.65	\$230.91	\$234.67	The result is in line with expectations and reflects a continued strong level of operating grants being received by Council.
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	9	9	9	9	The result reflects a relatively low level of socio-economic disadvantage within Kingston's diverse communities and is consistent with prior year results.
Workforce turnover					
<i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	13.0%	13.6%	13.7%	9.7%	The result is better than prior years which is a positive result.

Note that definitions are at the end of this document.

Service Performance Indicators

for the year ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.55	5.49	5.47	3.92	Kingston saw a significant reduction in utilisation of its aquatic leisure centres during 2019/20. This was due to the permanent closure of the Don Tatnell Leisure Centre in January, due to a structural building issue, as well as the temporary closure of the Waves Leisure Centre in March, due to the Victorian Government's COVID-19 restrictions. Waves Leisure Centre reopened on 2 June at a significantly reduced capacity, in line with the COVID-19 restrictions.

Service Performance Indicators (continued)

for the year ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Total number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	100.00%	Council officers continue to proactively resolve animal-related issues directly with those involved. There were no cases presented at court between March and June as a result of the COVID-19 pandemic.
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.00%	98.96%	100.00%	98.60%	All major and critical non-compliances continue to be treated as a priority. Environmental Health Officers ensure that any high risk issues identified during an assessment are attended to immediately and action taken to remove or reduce the risk. 100% of outcome notifications were followed up shortly after the reporting period closed.
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]	60.00	53.00	56.00	55.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. With an average score of 56 over the past four years, Council continues to explore ways to improve community consultation and assist the community to understand the reasons for decisions.
Libraries					
Participation					
<i>Active library members in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x 100	16.88%	17.16%	16.61%	16.05%	The COVID-19 pandemic closures slightly affected the number of customers borrowing from the libraries' collections. Modified library services including home delivery and Click & Collect, and greater access to on-line resources, reduced the effect of library closures on the community.
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	78.12%	77.56%	73.97%	76.74%	Due to COVID-19, services concentrated on vulnerable babies and children. Although there were fewer reminder follow ups sent for over the phone appointments for older children, participation remained high.

Service Performance Indicators (continued)

for the year ended 30 June 2020

Indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Maternal and Child Health (MCH) (continued)					
Participation					
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	71.21%	64.52%	63.72%	77.67%	Among Kingston families, there is a high level of engagement with the Maternal and Child Health service.
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]	67.00	69.00	69.00	65.00	This rating is sourced from the annual Local Government Community Satisfaction Survey, conducted by an independent research company. Kingston's result is in line with other metropolitan councils.
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] x 100	35.71%	30.00%	41.18%	44.44%	VCAT stopped all hearings from March to May due to the COVID-19 pandemic, so fewer matters were referred to VCAT compared to last year. Only a small percentage (2.8%) of Council's planning decisions were referred to VCAT in 2019/20. A number of these were resolved at VCAT through consent or at mediation. Although these are still reflected as decisions 'not upheld', Council considers this a good outcome as agreement was reached by all parties through mediation.
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] x 100	50.09%	50.85%	49.53%	52.83%	There was an increase in the weight of the organic material collected through the last quarter of the year. This has increased the overall diversion away from landfill.

Note that definitions are at the end of this document.

Financial Performance Indicators

for the year ended 30 June 2020

Forecasts are based on the Strategic Resource Plan adopted by Council in July 2020

Dimension/ indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Material Variations and Comments
					2021	2022	2023	2024	
Efficiency									
Expenditure level									
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,343.03	\$2,470.70	\$2,496.74	\$2,764.16	\$2,736.56	\$2,771.81	\$2,836.39	\$2,907.83	The indicator is higher than expected due to a significant increase in depreciation of \$3.75M, attributable to Kingston's strong capital works program, and an unbudgeted net loss on disposal of assets of \$2.9M – predominantly buildings being either demolished or rebuilt by Council. The forecast trend going forward is that expenses will remain around this level, with a small increase each year.
Revenue level									
Average rate per property assessment [General rates and Municipal charges / Number of property assessments]	New in 2020	New in 2020	New in 2020	\$1,741.24	\$1,763.71	\$1,794.30	\$1,829.94	\$1,866.34	This is a new indicator this year, and the indicator is consistent with the adopted budget. The forecast trend going forward is that the indicator will remain around this level, with a small increase each year.
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x 100	349.37%	361.25%	351.16%	260.46%	251.08%	218.76%	214.68%	222.48%	The indicator is consistent with the adopted budget and has decreased due to Council utilising its cash reserves to deliver another strong capital works program, in addition to current liabilities increasing as a result of accounting standard changes in relation to leases and revenue. The forecast trend, while still a strong result, is expected to continue to decline as Kingston utilises its cash to deliver its capital works program as well as the ongoing impact of the accounting standard changes.

Financial Performance Indicators (continued)

for the year ended 30 June 2020

Dimension/ indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Material Variations and Comments
					2021	2022	2023	2024	
Liquidity (continued)									
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x 100	321.73%	332.51%	326.63%	224.43%	167.92%	114.79%	90.18%	77.34%	The indicator is consistent with the adopted budget and has decreased due to Council utilising its cash reserves to deliver another strong capital works program, in addition to current liabilities increasing as a result of accounting standard changes in relation to leases and revenue. The forecast trend is expected to continue to decline as Kingston utilises its cash to deliver its capital works program as well as the ongoing impact of the accounting standard changes.
Obligations									
Loans and borrowings									
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x 100	14.50%	9.75%	3.61%	1.43%	0.00%	0.00%	0.00%	0.00%	The indicator is in line with budget expectations as Kingston has focused on reducing debt, with Council expecting to be debt free by July 2021.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	3.60%	4.64%	5.76%	2.17%	1.08%	0.00%	0.00%	0.00%	The indicator is in line with budget expectations as Kingston has focused on reducing debt, with Council budgeting to be debt free by July 2021.

Financial Performance Indicators (continued)

for the year ended 30 June 2020

Dimension/ indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Material Variations and Comments
					2021	2022	2023	2024	
Obligations (continued)									
Indebtedness									
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x 100	9.65%	6.00%	1.78%	6.77%	5.56%	4.91%	4.53%	4.22%	The indicator has increased due to the introduction of the Leases Accounting Standard. The forecast trend is for this to decrease as the leases recognised are amortised each year.
Asset renewal and upgrade									
Asset renewal and upgrade expense compared to depreciation [Asset renewal expense / Asset depreciation] x 100	New in 2020	New in 2020	New in 2020	158.49%	193.03%	215.05%	172.54%	159.14%	This is a new indicator this year, and the indicator is favourably higher than the 150% threshold used by the Victorian Auditor-General in their 2018/19 report of the Results of 2018/19 Audits: Local Government as an indicator of the sustainable level of capital expenditure. The forecast trend going forward is that the indicator will increase over the next couple of years due to Council's strong capital works investment, and will then begin to decline, whilst still remaining above the current threshold of 150%.
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x 100	18.16%	15.52%	16.44%	6.78%	3.24%	7.06%	6.61%	5.71%	The result has decreased in 2019/20 due to a decreased surplus result because of the COVID-19 pandemic impacting on revenue for some services, in addition to Council's community and business support initiatives which also reduced revenue. Increases in depreciation, and higher than expected loss on disposal of assets have also contributed to a lower result. The forecast trend going forward is that the surplus position will still be a positive result; however, it will begin to decline over the coming years as the capital grant revenue declines.

Financial Performance Indicators (continued)

for the year ended 30 June 2020

Dimension/ indicator/ measure	Results 2017	Results 2018	Results 2019	Results 2020	Forecasts				Material Variations and Comments
					2021	2022	2023	2024	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	62.45%	62.16%	63.23%	65.25%	66.70%	68.26%	68.58%	68.84%	The indicator is consistent with the previous year. The forecast trend is for this indicator to gradually increase.
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.25%	0.25%	0.21%	0.23%	0.22%	0.24%	0.25%	0.25%	The indicator is consistent with the previous year. The forecast trend is for this indicator is to marginally increase each year.

Note that definitions are at the end of this document.

Retired Indicators

for the year ended 30 June 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	11	13	7	Retired in 2020	This measure was replaced by AM7 Animal management prosecutions from 1 July 2019.
Efficiency					
Revenue level					
<i>Average residential rate per property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,716.68	\$1,743.52	\$1,840.48	Retired in 2020	This measure was replaced by E4 Average rate per property assessment from 1 July 2019.
Obligations					
Asset renewal					
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x 100	109.29%	108.19%	117.11%	Retired in 2020	This measure was replaced by O5 Asset renewal and upgrade expense compared to depreciation from 1 July 2019.

Definitions

Aboriginal child	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
active library member	means a member of a library who has borrowed a book from the library
adjusted underlying revenue	means total income other than: (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under sections 131, 132 and 133 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
Australian Accounting Standards (AAS)	means the accounting standards published by the Australian Accounting Standards Board
class 1 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 1 food premises under section 19C of that Act
class 2 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 2 food premises under section 19C of that Act
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the AAS
current liabilities	has the same meaning as in the AAS
food premises	has the same meaning as in the <i>Food Act 1984</i>
infrastructure	means non-current property, plant and equipment excluding land
local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current assets	means all assets other than current assets
non-current liabilities	means all liabilities other than current liabilities
non-recurrent grant	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
recurrent grant	means a grant other than a non-recurrent grant

Definitions (continued)

relative socio-economic disadvantage	in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
residential rates	means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
restricted cash	means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website
unrestricted cash	means all cash and cash equivalents other than restricted cash
WorkSafe reportable aquatic facility safety incident	means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the <i>Occupational Health and Safety Act 2004</i>

ANNUAL FINANCIAL REPORT

for the Year Ended 30 June 2020

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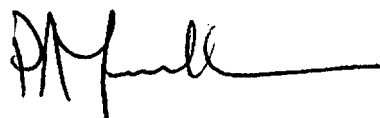
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ANNUAL FINANCIAL REPORT CONTINUED

for the Year Ended 30 June 2020

Certification of the Financial Statements

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



P.A. Franklin
Principal Accounting Officer

Dated: 22 September 2020
Location: Cheltenham

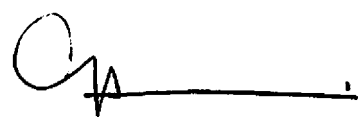
In our opinion, the accompanying financial report presents fairly the financial transactions of Kingston City Council for the year ended 30 June 2020 and the financial position of the Council as of that date.

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



Cr G. Oxley
Mayor

Dated: 22 September 2020
Location: Cheltenham



Cr G. Gledhill
Councillor

Dated: 22 September 2020
Location: Cheltenham



Julie Reid
Chief Executive Officer

Dated: 22 September 2020
Location: Cheltenham

VICTORIAN AUDITOR-GENERAL'S REPORT



Victorian Auditor-General's Office

Independent Auditor's Report

To the Councillors of Kingston City Council

Opinion	<p>I have audited the financial report of Kingston City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2020• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

VICTORIAN AUDITOR-GENERAL'S REPORT CONTINUED

Auditor's responsibilities for the audit of the financial report	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none">• identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.• obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors• conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.• evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
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MELBOURNE
5 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

for the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	145,219	141,953
Statutory fees and fines	3.2	7,889	9,895
User fees	3.3	17,134	20,446
Grants – operating	3.4	38,086	37,157
Grants – capital	3.4	8,614	4,841
Contributions – monetary	3.5	6,678	10,084
Contributions – non-monetary	3.5	2,403	199
Net gain on disposal of property, infrastructure, plant and equipment	3.6	-	49
Other income	3.7	6,555	4,263
Total income		232,578	228,887
Expenses			
Employee costs	4.1	86,262	80,016
Materials and services	4.2	86,056	81,149
Depreciation	4.3	28,861	25,105
Amortisation – Intangible assets	4.4	303	287
Amortisation – Right of use assets	4.5	1,526	-
Bad and doubtful debts	4.6	78	43
Borrowing costs	4.7	97	210
Finance costs – leases	4.8	501	-
Other expenses	4.9	673	623
Net loss on disposal of property, infrastructure, plant and equipment	3.6	2,955	-
Total expenses		207,312	187,433
Surplus for the year		25,266	41,454
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods:			
Net asset revaluation increment/(decrement)	6.1, 9.1(a)	96,316	(80,315)
Total comprehensive result		121,582	(38,861)

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

Balance Sheet

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	23,346	8,067
Trade and other receivables	5.1	13,780	9,170
Other financial assets	5.1	106,514	136,046
Other assets	5.2	1,532	1,652
Total current assets		145,172	154,935
Non-current assets			
Property, infrastructure, plant and equipment	6.1	2,502,965	2,366,620
Right-of-use assets	5.8	10,571	-
Investment property	6.2	3,750	4,473
Intangible assets	5.2	999	882
Total non-current assets		2,518,285	2,371,975
Total assets		2,663,457	2,526,910
Liabilities			
Current liabilities			
Trade and other payables	5.3	18,590	15,370
Trust funds and deposits	5.3	4,772	6,310
Unearned income	5.3	8,442	-
Provisions	5.5	21,362	19,389
Interest bearing loans and borrowings	5.4	1,385	3,052
Lease liabilities	5.8	1,186	-
Total current liabilities		55,737	44,121
Non-current liabilities			
Provisions	5.5	1,707	1,070
Interest bearing loans and borrowings	5.4	687	2,073
Lease liabilities	5.8	9,570	-
Total non-current liabilities		11,964	3,143
Total liabilities		67,701	47,264
Net assets		2,595,756	2,479,646
Equity			
Accumulated surplus		1,441,379	1,418,060
Asset revaluation reserve	9.1	1,121,316	1,025,000
Other reserves	9.1	33,061	36,586
Total equity		2,595,756	2,479,646

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

Statement of Changes in Equity

for the Year Ended 30 June 2020

2020	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance as at 1 July 2019		2,479,646	1,418,060	1,025,000	36,586
Impact of change in accounting policy – AASB 15 <i>Revenue from Contracts with Customers</i>	10	(4,500)	(4,500)	-	-
Impact of change in accounting policy – AASB 1058 <i>Income of Non-for-Profit Entities</i>	10	(972)	(972)	-	-
Adjusted balance as at 1 July 2019		2,474,174	1,412,588	1,025,000	36,586
Surplus for the year	6.1	25,266	25,266	-	-
Net asset revaluation increment	9.1	96,316	-	96,316	-
Transfers to other reserves	9.1	-	(8,473)	-	8,473
Transfer from other reserves	9.1	-	11,998	-	(11,998)
Balance as at 30 June 2020		2,595,756	1,441,379	1,121,316	33,061

2019	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance as at 1 July 2018		2,518,507	1,377,984	1,105,315	35,208
Surplus for the year	6.1	41,454	41,454	-	-
Net asset revaluation decrement	9.1	(80,315)	-	(80,315)	-
Transfers to other reserves	9.1	-	(13,568)	-	13,568
Transfer from other reserves	9.1	-	12,190	-	(12,190)
Balance as at 30 June 2019		2,479,646	1,418,060	1,025,000	36,586

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 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		140,998	141,574
Grants – operating		39,577	34,628
Grants – capital		7,614	4,841
Contributions – monetary		6,678	10,084
Statutory fees and fines		7,889	9,895
User fees		17,245	22,794
Interest received		2,509	3,417
Other receipts		819	845
Trust funds and deposits taken		2,237	4,826
Short-term, low value and variable lease payments		(322)	-
Repayment of trust funds and deposits		(1,775)	(4,268)
Employee costs		(82,246)	(78,338)
Materials and services		(89,920)	(80,251)
Net cash provided by operating activities		51,303	70,047
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(60,303)	(54,492)
Payments for intangibles	5.2(b)	(420)	-
Proceeds from sale of property, infrastructure, plant and equipment	3.6	159	98
Payments for investments		(117,414)	(151,150)
Proceeds from sale of investments		146,946	135,130
Net cash used in investing activities		(31,032)	(70,414)
Cash flows from financing activities			
Finance costs		(97)	(210)
Repayment of borrowings		(3,053)	(7,957)
Repayment of lease liabilities		(1,842)	-
Net cash provided by financing activities		(4,992)	(8,167)
Net increase/(decrease) in cash and cash equivalents		15,279	(8,534)
Cash and cash equivalents at the beginning of the financial year		8,067	16,601
Cash and cash equivalents at the end of the financial year	5.1	23,346	8,067
Financing arrangements	5.6	5,119	5,123
Restrictions on cash assets	5.1	4,772	6,310

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

Statement of Capital Works

For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
Property		
Land	9,546	8,061
Land improvements	9,215	1,060
Total land	18,761	9,121
Buildings	25,549	24,688
Total buildings	25,549	24,688
Total property	44,310	33,809
Plant and equipment		
Plant, machinery and equipment	279	90
Fixtures, fittings and furniture	1,424	27
Computers and telecommunications	259	2,845
Library books	1,046	1,053
Total plant and equipment	3,008	4,015
Infrastructure		
Roads	9,247	6,187
Footpaths and cycleways	7,133	1,811
Drainage	1,928	4,421
Recreational, leisure and community facilities	-	4,213
Parks, open space and streetscapes	-	5,436
Off street car parks	-	60
Other infrastructure	24	189
Total infrastructure	18,332	22,317
Total capital works expenditure	65,650	60,141
Represented by:		
New asset expenditure	15,180	11,012
Asset renewal expenditure	29,032	29,401
Asset expansion expenditure	4,727	5,705
Asset upgrade expenditure	16,711	14,023
Total capital works expenditure	65,650	60,141

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

Notes to the Financial Report

for the year ended 30 June 2020

Overview

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

Statement of compliance

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

Significant accounting policies

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.

Judgements and estimates about the impact of the COVID-19 pandemic on Council's financial results have also been made.

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

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

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 (except where transitional requirements of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

NOTE 1: Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of 10 percent and/or over \$2 million where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

1.1 Income and Expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	F/U	Ref
Income						
Rates and charges	144,924	145,219	295	0.2%	F	
Statutory fees and fines	10,364	7,889	(2,475)	(23.9%)	U	1
User fees	19,750	17,134	(2,616)	(13.3%)	U	2
Grants – Operating	32,559	38,086	5,527	17.0%	F	3
Grants – Capital	10,115	8,614	(1,501)	(14.8%)	U	4
Contributions – monetary	309	6,678	6,369	2,061.2%	F	5
Contributions – non-monetary	-	2,403	2,403	100%	F	6
Other income	2,554	6,555	4,001	156.7%	F	7
Total income	220,575	232,578	12,003	5.4%	F	
Expenses						
Employee costs	83,328	86,262	(2,934)	(3.5%)	U	8
Materials and services	83,106	86,056	(2,950)	(3.6%)	U	9
Bad and doubtful debts	50	78	(28)	(56.0%)	U	10
Depreciation	26,000	28,861	(2,861)	(11.0%)	U	11
Amortisation – Intangible assets	-	303	(303)	(100%)	U	
Amortisation – Right of use assets	-	1,526	(1,526)	(100%)	U	12
Borrowing costs	99	97	2	2.0%	F	
Finance costs – Leases	-	501	(501)	(100%)	U	12
Other expenses	-	673	(673)	(100%)	U	13
Net Loss on disposal of property, infrastructure, plant and equipment	-	2,955	(2,955)	(100%)	U	14
Total expenses	192,583	207,312	(14,729)	(7.6%)	U	
Surplus (deficit) for the year	27,992	25,266	(2,726)	(9.7%)	U	

* F = Favourable, U = Unfavourable

NOTE 1: Performance against budget (continued)

1.1 Income and Expenditure (continued)

(i) Explanation of material variances

Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines are \$2.5 million unfavourable to budget. Parking fine income was \$1.1 million unfavourable due to an optimistic budget estimate and the reduced level of parking monitoring and enforcement during the COVID-19 lockdown periods. Statutory Planning Fees were \$0.4 million unfavourable due to lower than budgeted applications received. Health Services were \$0.6 million unfavourable due to the Environmental Health refunds as part of Council's COVID-19 Business Support Package. In addition, Family Day Care waived the parent administration levy resulting in being \$142k unfavourable to budget, also as part of Council's COVID-19 community support package.
2	User fees and charges	User fees and charges are \$2.6 million unfavourable to budget. Leisure Centre User Fees were \$1.9M unfavourable following the closure of the Waves Leisure Centre as a consequence of the pandemic temporary closure and the Council decision to close the Don Tatnell Leisure Centre in February due to building structural issues. Arts & Cultural Services are \$0.4 million unfavourable to budget due to loss of event income from the COVID-19 shutdown. Family, Youth and Children Services have reported a \$0.6 million unfavourable result also due to the pandemic.
3	Grants – Operating	Operating grants are \$5.5 million favourable to budgeted which is predominately due to the unbudgeted early receipt of half of the 2020/21 Victorian Grants Commission funding in May 2020 (\$2.3 million). There was also an adjustment to grants for unspent grants as at 1 July 2019 for \$3.4 million as required under the new income standard AASB 15.
4	Grants – Capital	Capital grants are \$1.5 million unfavourable to budget. \$4 million in grants were budgeted to be received in 2019/20 for Aspendale and Bonbeach Life Saving Club. This funding is no longer to be received upfront and will be received as milestones in the projects are reached. A total of \$0.8 million was invoiced for these projects in 2019/20. This is offset by the receipt of an extra \$0.4 million for Roads to Recovery funding and an extra \$0.2 million of unbudgeted grants for a number of smaller capital projects. There was also an adjustment (increase) to grants for unspent grants as at 1 July 2019 for \$1.1 million as required under the new income standard AASB 15.
5	Contributions – monetary	Monetary contributions are favourable to budget by \$6.4 million which is predominately due to the unbudgeted receipt of \$5.1 million in stormwater cash and open space cash contributions from developers. These contributions are transferred to a reserve for use on future open space and stormwater projects. In addition, a total of \$0.7 million was received for capital project contributions and \$0.4 million unbudgeted recycling rebate from the State Government.
6	Contributions – non-monetary	Non-monetary contributions are favourable to budget by \$2.4 million as we recorded \$2.4 million in non-monetary contributions which was not budgeted. This is represented by donated land (\$2.3 million) and buildings (\$0.1 million). The land includes two reserves at Clayton South and a small parcel of land in Carrum which are now to be maintained by Council.
7	Other Income	Other income is \$4.0 million favourable to budget. Other income includes \$3.2 million in 'found' drainage assets and represents 1.6% of the total value of drainage assets. These are not newly constructed or purchased assets for the year, they represent asset additions due to improved accuracy of data since moving to the new asset management system. Other income also includes unbudgeted \$0.3 million for workcover insurance reimbursements and \$0.1 million for the sale of right of way parcels of land within disused laneways.
8	Employee Costs	Employee costs are \$2.9 million unfavourable to budget predominately due to the unbudgeted oncost adjustments to top up the annual and long service leave provisions (\$2.4 million adjustment). This adjustment was due to an increase in leave balances during the year following significantly less leave being taken during the COVID-19 pandemic.
9	Materials & Services	Materials and services are \$2.9 million unfavourable to budget due to an additional \$3.0 million project expenditure expensed to the income statement than was budgeted. This was originally budgeted in the capital budget and did not meet the thresholds of our accounting policies to be capitalised.
10	Bad and doubtful debts	Bad and doubtful debts are \$28k unfavourable to budget represented by a write off of low value old debts which are now considered unrecoverable due to a variety of reasons.
11	Depreciation	Depreciation is \$2.8 million unfavourable to budget in part reflecting Council's largest capital works program to date resulting in additions of \$65.7 million to property, infrastructure, plant and equipment in 2019/20.
12	Amortisation – right of use assets & finance costs – leases	Amortisation of right of use assets and finance costs for leases are recorded for the first time in 2020 due to the implementation of the new lease standard AASB16. This standard now requires almost all leases to be recognised in the balance sheet as a 'right-of-use' asset and a lease liability. This recognition results in an amortisation and lease interest expense in the income statement (\$1.8 million total). These items were unbudgeted as the values were unknown at the time of adopting the 2019/20 budget.
13	Other expenditure	Other expenditure is \$0.7 million unfavourable and includes \$0.3 million of audit fees and \$0.4 million in Councillor remuneration which were budgeted under materials and services.
14	Net loss on disposal of property, infrastructure, plant and equipment	Net loss on sale of property, infrastructure, plant and equipment is predominately due to the demolition of 13 buildings which have been rebuilt or are currently being re-built by Council. Total written down value of these demolished buildings was \$3.1 million.

NOTE 1: Performance against budget (continued)

1.2 Capital Works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	F/U	Ref
Property						
Land	2,000	9,546	(7,546)	(377.3)	U	1
Land improvements	1,710	9,215	(7,505)	(438.9)	U	2
Total land	3,710	18,761	(15,051)	(405.7)	U	
Buildings	350	-	350	100	F	
Building improvements	34,850	25,549	9,301	26.7	F	3
Total buildings	35,200	25,549	9,651	27.4	F	
Total property	38,910	44,310	(5,400)	(13.9)	U	
Plant and equipment						
Plant, machinery and equipment	300	279	21	7.0	F	
Fixtures, fittings and furniture	1,810	1,424	386	21.3	F	4
Computers and telecommunications	2,477	259	2,218	89.5	F	5
Library books	1,077	1,046	31	2.9	F	
Total plant and equipment	5,664	3,008	2,656	46.9	F	
Infrastructure						
Roads	6,409	9,247	(2,838)	(44.3)	U	6
Footpaths and cycleways	7,093	7,133	(40)	(0.6)	U	
Drainage	4,255	1,928	2,327	54.7	F	7
Recreational, leisure and community facilities	10,140	-	10,140	100.0	F	8
Parks, open space and streetscapes	7,050	-	7,050	100.0	F	9
Off street car parks	1,125	-	1,125	100.0	F	10
Other infrastructure	1,010	24	986	97.6	F	11
Total infrastructure	37,082	18,332	18,750	50.6	F	
Total capital works expenditure	81,656	65,650	16,006	19.6	F	
Represented by:						
New asset expenditure	17,571	15,180	2,391	13.6	F	
Asset renewal expenditure	36,110	29,032	7,078	19.6	F	
Asset expansion expenditure	5,879	4,727	1,152	19.6	F	
Asset upgrade expenditure	20,786	16,711	4,075	19.6	F	
Non Asset	1,310	-	1,310	100.0	F	
Total capital works expenditure	81,656	65,650	16,006	19.6	F	

* F = Favourable, U = Unfavourable

NOTE 1: Performance against budget (continued)

1.2 Capital Works (continued)

(i) Explanation of material variances

Ref	Item	Explanation
1	Land	Land purchases are \$7.5 million unfavourable to budget and includes the unbudgeted purchase of 62 Mills Road Braeside (\$5.4 million) and 19 Tarella Rd Chelsea (\$4.9 million) which is being funded from Council's Open Space Reserve. This is partially offset by the budgeted purchase of land in Mentone Precinct for open space which is now expected to occur in 2020/21 (\$2.0 million).
2	Land improvements	Land improvements are \$7.5 million unfavourable to budget. The budget includes \$1.7 million for landfill remediation which doesn't meet the criteria for capitalisation and is therefore expensed to the income statement. Actual land improvements of \$9.2 million includes \$3.5 million for Kerr St Soccer field redevelopment, Aspendale Gardens and \$1.1 million for Dingley sports ground, which are budgeted under recreational, leisure and community facilities, plus \$2.7 million for new playgrounds and park improvements and \$1.0 million for Elder Street Reserve Clarinda development which are budgeted for under parks, open space and streetscapes.
3	Building Improvements	Building Improvements are \$9.3 million favourable to the budget. The budget includes \$2.0 million for Parkdale Yacht Club, \$1.3 million for Aspendale Life Saving Club, \$4.4 million for Roy Dore Sports Precinct and \$2.5 million for Dales Park Pavilion. These are all projects still not complete as at 30 June 2020 due to a slow down in construction due to the COVID pandemic and planning matters.
4	Fixtures, fittings and furniture	Fixtures, fittings and furniture are \$0.4 million favourable to budget predominately due to the delay with renovations and fit-out for the ground floor 1230 Nepean Hwy.
5	Computers and telecommunications	Computer and telecommunications expenditure is \$2.2 million favourable to budget. The budget includes \$1.0 million for Council's hardware and cloud transition which is still underway as at 30th June. The budget also includes expenditure on the mobile work order solution (\$0.3 million), IS Strategy implementation (\$0.2 million) and corporate systems (\$0.4 million) which did not meet the capitalisation threshold criteria and hence were expensed to the income statement.
6	Roads	Road expenditure is \$2.8 million unfavourable to budget predominately due to \$3.2 million in streetscape works which are budgeted under parks, open space and streetscapes.
7	Drainage	Drainage spend is \$2.3 million favourable to budget. The budget includes \$3.0 million for flood mitigation strategy projects. These projects did not meet the capitalisation threshold and were expensed to the income statement. Major capital expenditure completed on drainage in 2019/20 includes McDonald Street Mordialloc, Sherwood Avenue Chelsea and Kangaroo Road Chelsea.
8	Recreational, leisure and community facilities	Recreational, leisure and community facility actual expenditure is categorised as either land improvements (sports ground improvements) or building improvements.
9	Parks, open space and streetscapes	Capital expenditure on parks, open space and streetscapes was \$7.0 million favourable to budget. The budget includes \$1.0 million for Elder Street reserve Clarinda development and \$2.7 million for new playgrounds which are also recorded under land improvements. In addition, the budget includes \$3.2 million for streetscape works which are recorded under road expenditure.
10	Off street car parks	The budget of \$1.1 million for off street car parks is not yet spent. This includes \$0.75 million for Parkdale Yacht Club car park and \$0.2 million for foreshore ticket parking machine replacements.
11	Other infrastructure	The budget of \$1.0 million for other infrastructure includes \$0.25 million for street light LED conversion, \$0.3 million for smart city initiatives and other minor projects which either remain unspent as at 30 June or do not meet the capitalisation threshold and were expensed.

NOTE 2: Analysis of Council results by program

Planning and Development Division

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

City Assets and Environment Division

The City Assets and Environment division comprises 5 departments. The Property and Arts Department manages Council's property portfolio and arts facilities. Property functions include commercial and community leases, acquisitions, disposals, title management, lease register, the provision of valuations for open spaces, pre-sale and purchase activities, land and buildings asset insurance and management of the Arts Program.

The Parks Department manages, maintains and develops Council's Public Places, including the 13 kilometres of Kingston's foreshore, parks, reserves and gardens, sports grounds, shopping centres and streetscapes. The Infrastructure Department is responsible for all civil infrastructures. This includes the asset management, condition assessment and planning for the upgrading and renewal of road, footpath, drainage, bridges and other infrastructure. The Traffic and Transport Department has a strong focus on the strategic response to major transport infrastructure projects including grade separations, activity centre planning and active transport provision. The Active Kingston Department encourages community participation in sport and leisure activities to increase physical and mental health and wellbeing including the operation of Council's leisure centre.

Community Sustainability Division

Community Sustainability comprises 4 areas of responsibility. Libraries and Social Development are responsible for the provision of library and information services and Council community hubs to the Kingston community. The Social Development team works directly with the community to foster strong community networks by supporting the work of a diverse range of community organisations to identify and address the needs of vulnerable community members.

The AccessCare department's purpose is to encourage and support a connected community with enhanced health, wellbeing and independence of individuals, groups and communities. Family, Youth and Children's Services is responsible for the planning and delivery of community-based support services within the municipality including Long Day Care, Maternal Child Health and immunisation programs. The purpose of the Community Buildings service is to facilitate the provision of 'fit for purpose' community buildings and facilities, that support the delivery of services to the Kingston community.

Corporate Services Division

Corporate Services comprises 6 departments. The Finance and Corporate Performance team is responsible for the reporting and management of Council's finance and corporate performance and ensuring Council's compliance with statutory financial and reporting obligations, accounts receivable, accounts payable, payroll and banking functions as well as the management and maintenance of Council's property and rating database along with the overseeing of the general revaluation. The role of Information Services and Strategy is to provide information systems and services that ensure the quality, security and accessibility of data and information to Council. The objective of the Procurement and Contracts Department is to drive excellence in procurement and contracting. The department is responsible for providing information and specialist advice to the organisation on procurement and contracts, overseeing tendering and contract compliance, reporting organisational activity and driving best value outcomes from procurement. People Support is responsible for all employment related issues, including policy development and provision of advice and support on workplace relations issues; training and professional development; performance management; risk management; occupational health and safety and injury management and rehabilitation for the organisation. The role of the Governance Department is to support the function of democratic local government through the Council and Councillors by promoting and assisting effective decision making and the implementation of those decisions. The Communications and Community Relations Department provides the Kingston community with timely, relevant and accurate information and service through creative communication, multiple contact and service channels, engagement opportunities as well as delivery of family-friendly festivals and events.

Central Executive Services

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

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

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

2019	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
Planning and Development	10,383	17,991	(7,608)	548	590
City Assets and Environment	13,671	52,406	(38,735)	659	1,176,945
Community Sustainability	38,913	58,793	(19,880)	31,331	1,194,149
Corporate Services	846	20,933	(20,087)	-	155,226
Central Executive Services	165,074	37,310	127,764	9,460	-
	228,887	187,433	41,454	41,998	2,526,910

NOTE 3: Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2019/20 was \$62.0 billion (2018/19 \$65.4 billion). The 2019/20 declared rate in the dollar was \$0.0019763 (2018/19 \$0.0018018).

A Municipal charge is levied at the rate of \$100 (2018/19 \$100) per rateable property and a waste service fee (choices A to F) is levied at the rate of \$110 to \$261 (2018/19 \$125 to \$255) per rateable property.

	2020 \$'000	2019 \$'000
General rates	120,988	118,095
Municipal charge	7,468	7,359
Waste service fee	14,294	13,846
Special rates and charges	120	118
Supplementary rates	2,137	2,073
Interest on rates and charges	212	462
Total rates and charges	145,219	141,953

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019 and the valuation was first applied in the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

	2020 \$'000	2019 \$'000
Infringements and costs	1,307	1,480
Parking infringements	2,462	3,418
Permits	728	460
Town planning fees	2,606	3,644
Family day care and school age care	428	539
Land Information Certificates	157	143
Other	201	211
Total statutory fees and fines	7,889	9,895

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

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

3.3 User fees

	2020 \$'000	2019 \$'000
Aged and health services	2,239	2,021
Building services	1,059	989
Family and children	3,983	4,689
Leisure centre and recreation	5,470	7,600
Registration and other permits	684	864
Waste management services	209	170
Rental income	3,166	3,630
Other	324	483
Total user fees	17,134	20,446

User fees by timing of revenue recognition		
User fees recognised over time	8,858	10,836
User fees recognised at a point in time	8,276	9,610
Total user fees	17,134	20,446

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

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

3.4 Funding from other levels of government

Grants were received in respect of the following:

	2020 \$'000	2019 \$'000
Summary of grants		
Commonwealth funded grants	31,790	29,874
State funded grants	14,910	12,124
Total grants received	46,700	41,998
a) Operating grants		
Recurrent – Commonwealth Government		
Financial Assistance Grants ⁽ⁱ⁾	4,422	4,618
AccessCare Southern	11,957	8,884
Home and Community Care	6,317	7,410
Family and Children	8,072	7,800
Other	205	582
Recurrent – State Government		
AccessCare Southern	2,238	3,667
Family and Children	2,771	2,066
Libraries and Education	1,404	1,451
Beach cleaning	190	272
Community Safety and Education	-	214
Level crossing income	295	-
Other	215	193
Total recurrent grants	38,086	37,157
Total operating grants	38,086	37,157
<i>(i) Victorian Grants Commission funding for includes \$2.3 million received in advance, being 50% of the 2020/21 payment. This also occurred in 2018/19 in that the first two instalments for 2019/20 were received in June 2019.</i>		
b) Capital grants		
Recurrent – Commonwealth Government		
Roads to Recovery	818	581
Total Recurrent grants	818	581
Non-recurrent – State Government		
Sporting facilities	4,871	2,018
Lifesaving clubs	1,150	-
Children's facilities	397	-
Foreshore Environment	-	12
Civil Infrastructure	121	383
Community Facilities	1,138	1,847
Other	119	-
Total non-recurrent grants	7,796	4,260
Total capital grants	8,614	4,841
Total Grants	46,700	41,998

There were no non-recurrent operating grants in 2018/19 or 2019/20.

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

3.4 Funding from other levels of government (continued)

	2020 \$'000	2019 \$'000
c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	-	-
Received during the financial year and remained unspent at balance date	6,852	-
Received in prior years and spent during the financial year	-	-
Balance at year end ⁽ⁱ⁾	6,852	-
Capital		
Balance at start of year	1,138	788
Received during the financial year and remained unspent at balance date	888	1,138
Received in prior years and spent during the financial year	(1,138)	(788)
Balance at year end ⁽ⁱ⁾	888	1,138

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

(i) Unspent grants are reported as unearned income in note 5.3c.

3.5 Contributions

	2020 \$'000	2019 \$'000
Monetary	6,678	10,084
Non-monetary	2,403	199
Total contributions	9,081	10,283

Contributions of non-monetary assets were received in relation to the following asset classes:

Land under roads	-	199
Buildings	83	-
Land	2,320	-
Total non-monetary contributions	2,403	199

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

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

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

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

	2020 \$'000	2019 \$'000
Proceeds from sale	159	98
Written down value of assets disposed	(42)	(49)
Written down value of assets demolished	(3,072)	-
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(2,955)	49

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

Proceeds from sale includes the sale of 5 items of machinery and various items of computer equipment as well as equipment from Don Tatnell Leisure Centre following its closure in February 2020.

The loss on disposal is predominately due to the demolition of 13 buildings.

3.7 Other income

	2020 \$'000	2019 \$'000
Interest Income		
Interest on cash and investments	2,509	3,418
	2,509	3,418
Other Income		
Found assets ⁽ⁱ⁾	3,227	-
Other	819	845
	4,046	845
Total other income	6,555	4,263

(i) Found assets in 2020 includes \$3.2 million of drainage assets. These are not newly constructed or purchased assets for the year, they represent asset additions due to improved accuracy of data since moving to the new asset management system.

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

NOTE 4: The cost of delivering services

4.1 Employee costs

	2020 \$'000	2019 \$'000
(a) Employee costs		
Wages and salaries	65,222	60,475
Casual staff	8,194	8,494
Fringe benefits tax and WorkCover	1,371	1,396
Superannuation	6,579	6,115
Annual Leave and Long Service Leave	4,896	3,536
Total employee costs	86,262	80,016
(b) Superannuation		
Council made cash contributions to the following funds:		
Defined Benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	403	448
	403	448
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,893	4,605
Employer contributions – other funds	1,930	1,776
Total contributions	6,823	6,381
Employer contributions payable at reporting date:	643	630

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

NOTE 4: The cost of delivering services (continued)

4.2 Materials and services

	2020 \$'000	2019 \$'000
Road infrastructure maintenance	16,388	14,889
Building maintenance	4,190	4,344
Waste and cleansing	17,680	14,844
Aged services	10,117	8,821
Parks, gardens and reserves	11,099	10,055
Leisure and culture	5,185	5,447
Accommodation expense	933	1,183
Information systems and telecommunications	4,024	3,885
Family services	3,406	3,311
Community engagement	1,902	1,964
Parking, monitoring and enforcement	3,038	4,999
Procurement and fleet management	1,771	1,723
Council business	585	580
People and culture	580	601
Finance and legal	2,526	2,268
Planning and building	1,379	1,182
Other	1,253	1,053
Total materials and services	86,056	81,149

4.3 Depreciation

	2020 \$'000	2019 \$'000
Property	9,614	8,844
Infrastructure	15,411	13,215
Plant and equipment	3,836	3,046
Total depreciation	28,861	25,105

Refer to Note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Amortisation – Intangible assets

	2020 \$'000	2019 \$'000
Software	303	287
Total Amortisation – Intangible assets	303	287

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

NOTE 4: The cost of delivering services (continued)

4.5 Amortisation – Right of use assets

	2020 \$'000	2019 \$'000
Property	222	-
Vehicles	559	-
Waste	665	-
Equipment	80	-
Total Amortisation – Right of use assets	1,526	-

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

4.6 Bad and doubtful debts

	2020 \$'000	2019 \$'000
Other debtors	78	43
Total bad and doubtful debts	78	43

Movement in provisions for doubtful debts

Balance at the beginning of the year	154	130
New provisions recognised during the year	5	24
Amounts already provided for and written off as uncollectable	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	159	154

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

4.7 Borrowing costs

	2020 \$'000	2019 \$'000
Interest – borrowings	97	210
Total borrowing costs	97	210

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

4.8 Finance Costs – Leases

	2020 \$'000	2019 \$'000
Interest – Lease Liabilities	501	-
Total borrowing costs	501	-

4.9 Other expenses

	2020 \$'000	2019 \$'000
Auditors' remuneration (VAGO) – audit of the financial statements, performance statement and grant acquittals	62	62
Auditors' remuneration – internal	219	182
Councillor Allowances	392	379
Total other expenses	673	623

NOTE 5: Our financial position

5.1 Financial assets

	2020 \$'000	2019 \$'000
a) Cash and cash equivalents		
Cash on hand	11	13
Cash at bank	23,335	8,054
Total cash and cash equivalents	23,346	8,067

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

Trust fund and deposits (Note 5.3b)	4,772	6,310
Total restricted funds	4,772	6,310

Total unrestricted cash and cash equivalents	18,574	1,757
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b) Other financial assets		
Term deposits – current	106,514	136,046
Term deposits – non-current	-	-
Total other financial assets	106,514	136,046

Total financial assets	106,514	136,046
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Intended allocations

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

Asset development reserve	15,327	18,026
Green wedge and foreshore reserves	9,294	9,158
Aged care reserve	5,542	6,625
Asset replacement reserve	368	511
Defined benefit call reserve	1,000	1,000
Other reserves	1,530	1,266
Total funds subject to intended allocations	33,061	36,586

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

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

NOTE 5: Our financial position (continued)

5.1 Financial assets (continued)

	2020 \$'000	2019 \$'000
c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rate debtors	8,990	4,769
Net GST receivable	1,674	1,800
Infringement debtors	7,003	6,267
Provision for doubtful debts – infringements	(6,711)	(5,677)
	10,956	7,159
<i>Non statutory receivables</i>		
Other debtors	2,982	2,165
Provision for doubtful debts – other debtors	(158)	(154)
	2,824	2,011
Total current trade and other receivables	13,780	9,170
Total trade and other receivables	13,780	9,170

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

	2020 \$'000	2019 \$'000
(i) Ageing of receivables		
The ageing of Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	860	797
Past due by up to 30 days	1,016	654
Past due between 31 and 180 days	474	280
Past due between 181 and 365 days	379	224
Past due by more than 1 year	95	56
Total trade and other receivables	2,824	2,011

(ii) Ageing of individually impaired receivables		
At balance date, other debtors representing financial assets with a nominal value of \$159k (2019: \$154k) were impaired. The amount of the provision raised against these debtors was \$159k (2019: \$154k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements. The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	159	154
Total trade and other receivables	159	154

NOTE 5: Our financial position (continued)

5.2 Non-financial assets

	2020 \$'000	2019 \$'000
a) Other assets		
Prepayments	715	614
Accrued income	817	1,038
Total other assets	1,532	1,652
b) Intangible assets		
Software	777	882
Software – Work in progress ⁽ⁱ⁾	222	-
Total intangible assets	999	882

(i) Work in progress includes design and progress expenditure for Council's cloud transition.

	Software \$'000	Software – work in progress \$'000	Total \$'000
b) Intangible assets (continued)			
Movement in gross carrying amount			
Gross carrying amount			
Balance at 1 July 2019	5,945	-	5,945
Additions from internal developments	198	-	198
Additions still in work in progress	-	222	222
Balance at 30 June 2020	6,143	222	6,365
Accumulated amortisation and impairment			
Balance at 1 July 2019	5,063	-	5,063
Amortisation expense	303	-	303
Balance at 30 June 2020	5,366	-	5,366
Net book value at 30 June 2019	882	-	882
Net book value at 30 June 2020	777	222	999

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

Software

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

NOTE 5: Our financial position (continued)

5.3 Payables

	2020 \$'000	2019 \$'000
a) Trade and other payables		
<i>Unsecured</i>		
Trade payables	5,107	10,709
Salary accruals	1,856	1,234
Other accruals	11,627	3,427
Total trade and other payables	18,590	15,370
b) Trust funds and deposits		
Refundable deposits	62	53
Fire services levy	783	534
Retention amounts ⁽ⁱ⁾	3,927	5,723
Total trust funds and deposits	4,772	6,310

(i) 2019 retention amount includes \$2.0 million for Home Care Package unspent funds. This is now recorded under unearned income (note 5.3 c) as per the new income standard AASB 15.

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

Purpose and nature of items

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

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

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

	2020 \$'000	2019 \$'000
c) Unearned Income		
Grants received in advance – operating	6,852	-
Grants received in advance – capital	888	-
User fees received in advance	702	-
Total unearned income	8,442	-

NOTE 5: Our financial position (continued)

5.4 Interest-bearing liabilities

	2020 \$'000	2019 \$'000
Current		
Borrowings – secured	1,385	3,052
	1,385	3,052
Non-current		
Borrowings – secured	687	2,073
	687	2,073
Total interest bearing liabilities	2,072	5,125

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

(a) The maturity profile for Council's loans is:		
Not later than one year	1,385	3,052
Later than one year and not later than five years	687	2,073
Later than five years	-	-
	2,072	5,125

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.

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.

NOTE 5: Our financial position (continued)

5.5 Provisions

	Employee Leave \$'000	Landfill restoration \$'000	Parking Refunds \$'000	Personal Leave Bank ⁽ⁱ⁾ \$'000	Total \$'000
2020					
Balance at the beginning of the financial year	17,548	1,192	1,719	-	20,459
Additional Provisions	6,939	-	-	154	7,093
Amounts Used	(4,443)	(259)	(525)	(66)	(5,293)
Change in the discounted amount arising because of the time and the effect of any change in the discount rate	810	-	-	-	810
Balance at the end of the financial year	20,854	933	1,194	88	23,069

2019					
Balance at the beginning of the financial year	15,870	1,332	-	-	17,202
Additional Provisions	5,322	-	2,048	-	7,370
Amounts Used	(4,704)	(140)	(329)	-	(5,173)
Change in the discounted amount arising because of the time and the effect of any change in the discount rate	1,060	-	-	-	1,060
Balance at the end of the financial year	17,548	1,192	1,719	-	20,459

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

	2020 \$'000	2019 \$'000
(a) Employee leave provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	5,694	4,002
Long service leave	964	845
	6,658	4,847
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,317	1,786
Long service leave	11,172	9,845
	12,489	11,631
Total current employee leave provisions	19,147	16,478
Other provisions		
Current provisions expected to be wholly settled within 12 months		
Landfill restoration	933	1,192
Personal leave bank	88	-
Parking Refunds	1,194	1,719
	2,215	2,911
Total current provisions	21,362	19,389

NOTE 5: Our financial position (continued)

5.5 Provisions (continued)

	2020 \$'000	2019 \$'000
Non-current employee provisions		
Long Service Leave	1,707	1,070
Total non-current provisions	1,707	1,070
Aggregate carrying amount of provisions:		
Current	21,362	19,389
Non-current	1,707	1,070
Total aggregate carrying amount of provisions	23,069	20,459

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

Key Assumptions:

	2020	2019
- Discount rate	0.872%	1.324%
- Index rate	2.3%	2.3%

Landfill restoration

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

Key Assumptions:

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

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

Parking refunds

Council has raised a provision to correct the consequences of an administrative process error that has occurred between 2006 and 2016 in processing of parking infringement reviews under the *Infringements Act 2006*. This provision will fund a reimbursement scheme for individuals who sought an internal review of a parking infringement issued under the *Infringements Act 2006* and were unsuccessful in having it overturned generally between 1 July 2006 and 26th December 2016. Analysis has identified that 21,851 infringements were impacted and the total value of the infringements issued that fall within this category was \$2 million. As at 30 June 2020, a total of \$1.2 million remains unclaimed.

Personal leave bank

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

NOTE 5: Our financial position (continued)

5.6 Financing arrangements

	2020 \$'000	2019 \$'000
Bank overdraft	5,000	5,000
Credit card facilities	150	150
Loans	2,072	5,125
Total facilities	7,222	10,275
Used facilities – credit cards	31	27
Used facilities – loans	2,072	5,125
Total used facilities	2,103	5,152
Total unused facilities	5,119	5,123

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

5.7 Commitments

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

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

(i) Major capital expenditure commitments as at 30 June 2020 include: Roy Dore Pavilion (\$4.5 million); Dales Park Pavilion (\$1.6 million); Parkdale Yacht Club (\$1.5 million); a new road at Chelsea Road Chelsea (\$2.4 million) and Bay Trail Stage 3 (\$1.4 million).

NOTE 5: Our financial position (continued)

5.7 Commitments (continued)

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2019					
Operating					
- Infrastructure works	2,674	403	-	-	3,077
- Parks, gardens, reserves	3,949	3,208	1,036	-	8,193
- Waste and cleansing	7,155	6,232	16,948	22,113	52,448
- Community sustainability	1,296	1,117	-	-	2,413
- Corporate services	560	322	-	-	882
	15,634	11,282	17,984	22,113	67,013
Capital					
- Buildings	13,763	-	-	-	13,763
- Transport	8,817	-	-	-	8,817
	22,580	-	-	-	22,580
Total	38,214	11,282	17,984	22,113	89,593

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, Council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement. In addition, minimum operating lease payments were recognised as an expense on a straight-line-basis over the lease term, except where another systematic basis was more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied AASB16 *Leases* using a modified retrospective approach with the cumulative effect of initial application recognised at date of initial application (1 July 2019). The right-of-use asset is initially recognised at the present value of the lease liability adjusted by the value of any accrued or prepaid lease payments. Comparative information in the entity's financial statements is not restated and there is nil impact on retained earnings. Council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB16 *Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. Council has applied this practical expedient to all of its contracts and therefore applied AASB16 *Leases* only to contracts that were previously identified as leases.

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

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

NOTE 5: Our financial position (continued)

5.8 Leases (continued)

Policy applicable after 1 July 2019 (continued)

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

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

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

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

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

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

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

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

Right-of-Use Assets	Property \$'000	Vehicles \$'000	Waste \$'000	Equipment \$'000	Total \$'000
Balance as at 1 July 2019	1,102	1,146	9,092	161	11,501
Additions	112	484	-	-	596
Amortisation charge	(222)	(559)	(665)	(80)	(1,526)
Balance as at 30 June 2020	992	1,071	8,427	81	10,571

Lease Liabilities	2020 \$'000
Maturity analysis – contractual undiscounted cash flows	
Less than one year	1,645
One to five years	3,751
More than five years	10,020
Total undiscounted lease liabilities as at 30 June	15,416
Lease liabilities included in the Balance Sheet at 30 June:	
Current	1,186
Non-current	9,570
Total lease liabilities	10,756

NOTE 5: Our financial position (continued)

5.8 Leases (continued)

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

i. Leases classified as operating leases under AASB 117 Leases

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying AASB 16 *Leases* to leases previously classified as operating leases under AASB 117 *Leases*.

- ▶ Applied a single discount rate to a portfolio of leases with similar characteristics.
- ▶ Adjusted the right-of-use assets by the amount of any AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- ▶ Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- ▶ Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under AASB 117 *Leases*, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under AASB 117 *Leases* immediately before that date.

Council is not required to make any adjustments on transition to AASB 16 *Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with AASB 16 *Leases* from the date of initial application.

NOTE 5: Our financial position (continued)

5.8 Leases (continued)

Impact on financial statements

On transition to AASB 16 *Leases*, Council recognised an additional \$11.5 million of right-of-use assets and \$11.5 million of lease liabilities.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate or the inherent rate in the lease at 1 July 2019. The weighted-average rate applied is 4.67%.

	2019 \$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	4,859
Waste and Streetsweeper embedded leases not included in 30 June 2019 operating lease commitment	9,092
Discounted using the incremental borrowing rate 1 July 2019	(2,128)
Finance lease liability recognised as at 30 June 2019	11,823
- Recognition exemption for:	
Short-term leases	-
Leases of low-value assets	(322)
- Lease liabilities recognised as at 1 July 2019	11,501

NOTE 6: Assets we manage

6.1 Property, infrastructure, plant and equipment

(a) Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019 \$'000	Acquisitions \$'000	Contributions & Found Assets \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2020 \$'000
Property	1,720,508	36,882	2,403	(711)	(9,614)	(3,082)	10,576	1,756,962
Plant and equipment	12,339	3,008	-	14	(3,836)	(32)	90	11,583
Infrastructure	623,383	17,217	3,228	97,013	(15,411)	-	447	725,877
Works in progress	10,390	8,543	-	-	-	-	(10,390)	8,543
	2,366,620	65,650	5,631	96,316	(28,861)	(3,114)	723	2,502,965

Summary of works in progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Buildings	9,853	7,428	(9,853)	-	7,428
Plant and Equipment	90	-	(90)	-	-
Infrastructure	447	1,115	(447)	-	1,115
	10,390	8,543	(10,390)	-	8,543

NOTE 6: Assets we manage (continued)

6.1 Property, infrastructure, plant and equipment (continued)

a) Property												
	Land under roads \$'000	Land – specialised \$'000	Land – non specialised \$'000	Land improvements \$'000	Total Land & improvements \$'000	Heritage buildings \$'000	Buildings – specialised \$'000	Building improvements \$'000	Leasehold improvements \$'000	Total buildings \$'000	Works in progress \$'000	Total property \$'000
At fair value 1 July 2019	608,655	559,350	245,635	52,051	1,465,691	38,417	454,497	12,435	1,867	507,216	9,853	1,982,760
Accumulated depreciation at 1 July 2019	-	-	-	(8,925)	(8,925)	(25,066)	(214,995)	(1,999)	(1,414)	(243,474)	-	(252,399)
	608,655	559,350	245,635	43,126	1,456,766	13,351	239,502	10,436	453	263,742	9,853	1,730,361
Movements in fair value												
Acquisition of assets at fair value	-	-	9546	9,215	18,761	-	18,121	-	-	18,121	7,428	44,310
Contributed Assets	-	2,320	-	-	2,320	-	83	-	-	83	-	2,403
Revaluation increments/decrements	-	8,553	(4,424)	-	4,129	(1,152)	735	-	-	(417)	-	3,712
Fair value of assets disposed	-	(10)	-	-	(10)	(1,061)	(12,209)	-	-	(13,270)	-	(13,280)
Transfers	-	-	-	-	-	-	10,576	-	-	10,576	(9,853)	723
	-	10,863	5,122	9,215	25,200	(2,213)	17,306	-	-	15,093	(2,425)	37,868
Movements in accumulated depreciation												
Depreciation and amortisation	-	-	-	(1,889)	(1,889)	(375)	(6,688)	(546)	(116)	(7725)	-	(9,614)
Revaluation increments/decrements	-	-	-	-	-	283	(4,706)	-	-	(4,423)	-	(4,423)
Accumulated depreciation of disposals	-	-	-	-	-	1,061	9,137	-	-	10,198	-	10,198
	-	-	-	(1,889)	(1,889)	969	(2,257)	(546)	(116)	(1,950)	-	(3,839)
At fair value 30 June 2020	608,655	570,213	250,757	61,266	1,490,891	36,204	471,803	12,435	1,867	522,309	7,428	2,020,628
Accumulated depreciation at 30 June 2020	-	-	-	(10,814)	(10,814)	(24,097)	(217,252)	(2,545)	(1,530)	(245,424)	-	(256,238)
	608,655	570,213	250,757	50,452	1,480,077	12,107	254,551	9,890	337	276,885	7,428	1,764,390

NOTE 6: Assets we manage (continued)

6.1 Property, infrastructure, plant and equipment (continued)

	Heritage plant and equipment \$'000	Plant machinery and equip \$'000	Library books \$'000	Work in progress \$'000	Total plant and equipment \$'000
b) Plant and Equipment					
At fair value 1 July 2019	1,821	31,336	19,080	90	52,327
Accumulated depreciation at 1 July 2019	(540)	(22,889)	(16,469)	-	(39,898)
	1,281	8,447	2,611	90	12,429
Movements in fair value					
Acquisition of assets at fair value	-	1,962	1,046	-	3,008
Revaluation increments	15	-	-	-	15
Fair Value of assets disposed	-	(2,956)	-	-	(2,956)
Transfers	-	90	-	(90)	-
	15	(904)	1,046	(90)	67
Movements in accumulated depreciation					
Depreciation and amortisation	(17)	(2,803)	(1,016)	-	(3,836)
Revaluation increments/decrements	(1)	-	-	-	(1)
Accumulated depreciation of disposals	-	2,924	-	-	2,924
	(18)	121	(1,016)	-	(913)
At fair value 30 June 2020	1,836	30,432	20,126	-	52,394
Accumulated depreciation at 30 June 2020	(558)	(22,768)	(17,485)	-	(40,811)
	1,278	7,664	2,641	-	11,583

NOTE 6: Assets we manage (continued)

6.1 Property, infrastructure, plant and equipment (continued)

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
c) Infrastructure							
At fair value 1 July 2019	640,024	10,569	115,665	353,795	13,468	447	1,133,968
Accumulated depreciation at 1 July 2019	(223,549)	(8,536)	(80,612)	(183,973)	(13,468)	-	(510,138)
	416,475	2,033	35,053	169,822	-	447	623,830
Movements in fair value							
Acquisition of assets at fair value	8,905	24	6,858	1,430	-	1,115	18,332
Found assets	-	-	5	6,720	-	-	6,725
Revaluation increments/ decrements	103,084	-	3,156	51,378	-	-	157,618
Fair value of assets disposed	-	-	-	-	-	-	-
Transfers	447	-	-	-	-	(447)	-
	112,436	24	10,019	59,528	-	668	182,675
Movements in accumulated depreciation							
Depreciation and amortisation	(9,708)	(106)	(1,985)	(3,612)	-	-	(15,411)
Revaluation increments/ decrements	(34,088)	-	(2,127)	(24,390)	-	-	(60,605)
Found assets	-	-	(3)	(3,494)	-	-	(3,497)
	(43,796)	(106)	(4,115)	(31,496)	-	-	(79,513)
At fair value 30 June 2020	752,460	10,593	125,684	413,323	13,468	1,115	1,316,643
Accumulated depreciation at 30 June 2020	(267,345)	(8,642)	(84,727)	(215,469)	(13,468)	-	(589,651)
	485,115	1,951	40,957	197,854	-	1,115	726,992

Acquisition

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

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

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

NOTE 6: Assets we manage (continued)

6.1 Property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods:

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

Straight line depreciation is charged based on the residual useful life as determined each year. Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

NOTE 6: Assets we manage (continued)

6.1 Property, infrastructure, plant and equipment (continued)

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.

Valuation of land and buildings

Valuation of land and buildings was undertaken by a qualified independent valuer Opteon Solutions. 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 (land under roads) was also valued by Opteon Solutions and is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interest of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

The most recent valuation of land and buildings was 30 June 2020.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 are as follows. Refer to note 8.4 – Fair value measurement, for a description of the fair value hierarchy levels.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land under roads	-	-	608,655	June 2020
Land – specialised	-	-	570,213	June 2020
Land – non-specialised	9,850	240,907	-	June 2020
Land improvements	-	-	50,452	June 2020
Heritage buildings	-	-	12,107	June 2020
Buildings – specialised	-	-	254,551	June 2020
Building improvements	-	-	9,890	June 2020
Leasehold improvements	-	-	337	June 2020
Total	9,850	240,907	1,506,205	

Valuation of infrastructure

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	485,115	June 2020
Bridges	-	-	1,951	June 2020
Footpaths and cycleways	-	-	40,957	June 2020
Drainage	-	-	197,854	June 2020
Total	-	-	725,877	

NOTE 6: Assets we manage (continued)

6.1 Property, infrastructure, plant and equipment (continued)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 90%. The market value of land varies significantly depending on the location of the land and the current market conditions. Current land values range from \$6 to \$5,880 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis ranging from \$260 to \$36,300. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 20 years to 150 years. Replacement cost is sensitive to changes in market conditions with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020 \$'000	2019 \$'000
Reconciliation of specialised land		
Land under roads	608,655	608,655
Parks and reserves	570,213	563,275
Total specialised land	1,178,868	1,171,930

6.2 Investment property

	2020 \$'000	2019 \$'000
Balance at beginning of financial year	4,473	4,473
Transfers to property, infrastructure, plant and equipment	(723)	-
Balance at the end of financial year	3,750	4,473

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

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

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by Opteon Solutions who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property. The latest valuation of investment property is at 30 June 2020.

NOTE 7: People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Kingston Council is a stand-alone entity.

(b) Key Management Personnel

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

Councillors	Councillor G Oxley	(Mayor)
	Councillor T Barth	
	Councillor T Bearsley	
	Councillor R Brownlees OAM	
	Councillor D Eden	
	Councillor G Gledhill	
	Councillor G Hua	
	Councillor S Staikos	
	Councillor R A West OAM	
CEO	Mr John Nevins	(01 July 2019 – 08 August 2019)
	Ms Julie Reid	(26 August 2019 – 30 June 2020)
General Managers	Mr Paul Franklin	(General Manager Corporate Services)
	Mr Mauro Bolin	(General Manager Community Sustainability)
	Mr Daniel Freer	(General Manager City Assets and Environment: 1st July 2019 – 5th November 2019)
	Ms Bridget Draper	(Acting General Manager City Assets and Environment 6th November 2019 – 1st June 2020)
	Ms S Krull	(General Manager City Assets and Environment 1st June 2020 – 30th June 2020)
	Mr Jonathan Guttman	(General Manager Planning and Development)

	2020 No.	2019 No.
Total Number of Councillors	9	9
Chief Executive Officer and other Key Management Personnel	8	5
Total Key Management Personnel	17	14

NOTE 7: People and relationships (continued)

7.1 Council and key management remuneration (continued)

(c) Key Management Personnel

Total remuneration of key management personnel was as follows:

	2020 \$'000	2019 \$'000
Short-term benefits	1,714	1,722
Post employment benefits (incl super)	150	146
Termination benefits	219	-
Total	2,083	1,868

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

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

	2020 No.	2019 No.
\$20,000 – \$29,999	1	-
\$30,000 – \$39,999	8	7
\$40,000 – \$49,999	-	-
\$50,000 – \$59,999	-	-
\$60,000 – \$69,999	-	1
\$80,000 – \$89,999	-	1
\$90,000 – \$99,999	1	-
\$110,000 – \$119,999	1	-
\$150,000 – \$159,999	1	-
\$260,000 – \$269,999	1	1
\$270,000 – \$279,999	1	1
\$280,000 – \$289,999	2	2
\$310,000 – \$319,999	1	-
\$380,000 – \$389,999	-	-
\$390,000 – \$399,999	-	1
	17	14

NOTE 7: People and relationships (continued)

7.1 Council and key management remuneration (continued)

(d) Senior officer remuneration

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

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

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

	2020 No.	2019 No.
\$151,000 – \$159,999	1	1
\$160,000 – \$169,999	3	5
\$170,000 – \$179,999	5	4
\$180,000 – \$189,999	6	7
\$190,000 – \$199,999	4	1
\$200,000 – \$209,999	1	-
	20	18

	\$'000	\$'000
Total Remuneration for the reporting year of Senior Officers included above amounted to:	3,589	3,172

7.2 Related party disclosure

(a) Transactions with related parties

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

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

NOTE 8: Managing uncertainties

8.1 Contingent assets and liabilities

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

(a) Contingent assets

Operating lease receivables

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

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

	2020 \$'000	2019 \$'000
Not later than one year	2,509	2,159
Later than one year and not later than five years	6,193	6,926
Later than five years	3,541	3,104
	12,243	12,189

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme; matters relating to this potential obligation are outlined below and in Note 9.3. As a result of the volatility in financial markets, the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Council has not paid any unfunded liability payments to Vision Super. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$0.4 million. At this point in time it is not known if additional contributions will be required, their timing or potential amount. 24 Council staff (2019: 28) are members of Vision Super's multi-employer defined benefits fund. Council established a Defined Benefit Call Reserve in 2014 to help provide for possible future calls on any unfunded liability of the fund. This reserve currently has a balance of \$1 million (2019: \$1 million).

Contingent liabilities arising from public liability

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, Council is regularly met with claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$120 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 was AXA Corporate Solutions. There are no claims, which Council is aware of which would fall outside the terms of the Council's policy.

Contingent liability arising from professional indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, Council is met with claims and demands for damages allegedly arising from the actions of Council or its officers. Council carries \$50 million of professional indemnity insurance and the maximum liability of Council in any single claim is the extent of its excess. The primary insurer was AXA Corporate Solutions. There are no instances or claims, which Council is aware of which would fall outside the terms of the Council's policy.

NOTE 8: Managing uncertainties (continued)

8.1 Contingent assets and liabilities (continued)

(b) Contingent liabilities (continued)

Other contingent liabilities

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

Insurance claims

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

Legal matters

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

Building cladding

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

Liability Mutual Insurance

Council was a participant of the MAV Liability Mutual Insurance (LMI) Scheme up until 2014. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(c) Guarantees for loans to other entities

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

NOTE 8: Managing uncertainties (continued)

8.2 Change in accounting standards

The following new Australian Accounting Standards (AAS's) have been issued that are not mandatory for the 30 June 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing for the arrangement from the grantor's perspective.

Based on Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

NOTE 8: Managing uncertainties (continued)

8.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of Council's financial instruments will fluctuate because of changes in market prices. Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as receivables from sporting clubs and associations. To help manage this risk:

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provides a guarantee for another party. Council has no guarantees to other parties. Details of our contingent liabilities are disclosed in note 8.1 (b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

NOTE 8: Managing uncertainties (continued)

8.3 Financial instruments (continued)

(d) Liquidity risk

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

To help reduce these risks Council:

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

Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and any amounts related to financial guarantees disclosed in Note 8.1 (c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets (and particularly the impact of COVID-19), Council believes there will be minimal movement over the next 12 months from the already low base cash rate of 0.25% (Base rates are sourced from Reserve Bank of Australia)

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

NOTE 8: Managing uncertainties (continued)

8.4 Fair value measurement (continued)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 6.1 Property, Infrastructure, Plant and Equipment. In addition, Council usually undertakes a formal valuation of land, buildings and infrastructure assets on a regular basis ranging from 1 to 2 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

8.5 Events occurring after balance date

Since balance date, the COVID-19 pandemic continues to impact Council and some of its operations. The enforcement of Stage 4 restrictions from 2nd August to 27th September 2020 has had further impact to the community and restricted Council's operations. These restrictions are, however, not expected to have an impact on the going concern assumption upon which the financial statements are prepared.

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

NOTE 9: Other matters

9.1 Reserves

(a) Asset revaluation reserve

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
2020			
Property ⁽ⁱ⁾:			
- Land	208,849	4,129	212,978
- Land under roads	207,525	-	207,525
- Buildings	108,308	(4,840)	103,468
	524,682	(711)	523,971
Infrastructure ⁽ⁱⁱ⁾:			
- Transport	352,446	70,025	422,471
- Drainage	142,601	26,988	169,589
	495,047	97,013	592,060
Other:			
- Heritage and culture	1,305	14	1,319
- Other	3,966	-	3,966
	5,271	14	5,285
Total asset revaluation reserve	1,025,000	96,316	1,121,316
2019			
Property:			
- Land	310,549	(101,700)	208,849
- Land under roads	278,512	(70,987)	207,525
- Buildings	107,209	1,099	108,308
	696,270	(171,588)	524,682
Infrastructure:			
- Transport	292,087	60,359	352,446
- Drainage	111,687	30,914	142,601
	403,774	91,273	495,047
Other:			
- Heritage and culture	1,305	-	1,305
- Other	3,966	-	3,966
	5,271	-	5,271
Total asset revaluation reserve	1,105,315	(80,315)	1,025,000

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

(i) Valuation of property was performed by qualified independent valuers. Land and buildings and land under roads were valued by Opteon Solutions.

(ii) Valuation of Infrastructure assets was performed by qualified engineers at Council. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Valuation levels can fluctuate depending on contract rates incurred by Council during each year.

NOTE 9: Other matters (continued)

9.1 Reserves (continued)

(b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from Accumulated Surplus \$'000	Transfer to Accumulated Surplus \$'000	Balance at end of reporting period \$'000
2020				
Asset replacement reserve	511	-	(143)	368
Asset development reserve	18,026	4,757	(7,456)	15,327
Drainage contributions	88	-	-	88
Special rates	129	-	-	129
Aged care	6,625	909	(1,992)	5,542
Foreshore	2,310	1,400	(1,530)	2,180
Green wedge	6,848	1,069	(803)	7,114
Defined benefit call	1,000	-	-	1,000
Stormwater quality reserve	856	334	(8)	1,182
Other	193	4	(66)	131
Total other reserves	36,586	8,473	(11,998)	33,061
2019				
Asset replacement reserve	1,483	-	(972)	511
Asset development reserve	16,688	8,852	(7,514)	18,026
Drainage contributions	88	-	-	88
Special rates	128	1	-	129
Aged care	4,842	1,783	-	6,625
Foreshore	1,488	1,366	(544)	2,310
Green wedge	8,753	1,043	(2,948)	6,848
Defined benefit call	1,000	-	-	1,000
Stormwater quality reserve	470	506	(120)	856
Other	268	17	(92)	193
Total other reserves	35,208	13,568	(12,190)	36,586

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

The asset development reserve recognises the cash contributions made by developers, pursuant to the requirements of the *Subdivision of Land Act*. Total open space cash contributions of \$4.7 million were received in 2019/20 (2018/19: \$8.8m). Council has elected to utilise these contributions for open space purchase and development.

Drainage contributions relate to contributions from developers for drainage related levies to be used for wider drainage projects.

Special rates reserve includes special charges for traders in Mordialloc and Chelsea to be used for specific purposes.

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

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

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

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

Other reserves represent appropriations provided by the community to be used for specific purposes.

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

NOTE 9: Other matters (continued)

9.2 Reconciliation of cash flows from operating activities to surplus

	2020 \$'000	2019 \$'000
Results from ordinary activities	25,266	41,454
Depreciation/amortisation	29,164	25,392
Amortisation – Finance leases	1,526	-
Loss/(gain) on sale of property, infrastructure, plant & equipment	2,955	(49)
Found assets / other (note 3.7)	(3,227)	-
Finance costs – leases	501	-
Borrowing costs (included in profit but not operating cash flow)	97	210
Developer Asset Contributions	(2,403)	(199)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(4,610)	156
(Increase)/decrease in accrued income	222	(967)
(Increase)/decrease in prepayments	(101)	-
(Decrease)/Increase in payables	(2,130)	235
Increase/(decrease) in unearned income, including 1 July 2019 adjustment to accumulated surplus)	2,971	-
Increase/(decrease) in trust funds and deposits	(1,538)	558
Increase/(decrease) in other liabilities	(784)	1,579
Increase/(decrease) in employee benefits	3,394	1,678
Net cash provided by / (used in) operating activities	51,303	70,047

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefits, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ending 30 June 2020, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

NOTE 9: Other matters (continued)

9.3 Superannuation (continued)

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1% as at 30 June 2019 (30 June 2018: 106.0%). The financial assumptions used to calculate the VBIs were:

	30 June 2019	30 June 2018
Net investment returns	6.0% p.a	6.0% p.a
Salary information	3.5% p.a	3.5% p.a
Price inflation (CPI)	2.0% p.a	2.0% p.a

Vision Super has advised that the estimated VBI at 30 June 2020 is 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/19). This rate will increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

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

Funding calls

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

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

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

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

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

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

NOTE 9: Other matters (continued)

9.3 Superannuation (continued)

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations in their 2019 interim investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

- A VBI surplus of \$151.3 million (2017 \$69.8 million);
- A total service liability surplus of \$233.4 million (2017 \$193.5 million); and
- A discounted accrued benefits surplus of \$256.7 million (2017 \$228.8 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 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

The 2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020. The financial assumptions for the purposes of this investigation are:

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.5% pa for the first two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

NOTE 10: Change in accounting policy

Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019.

a) AASB 15 *Revenue from Contracts with Customers* – Impact of Adoption

AASB 15 *Revenue from Contracts with Customers* applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted AASB 15 *Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under AASB 118 *Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 *Revenue from Contracts with Customers* requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 *Leases*

AASB 16 *Leases* requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 *Income of Not-for-Profit Entities*

AASB 1058 *Income of Not-for-Profit Entities* applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted AASB 1058 *Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 *Income of Not-for-Profit Entities* requires income to be recognised as Council satisfies the performance obligations under the contract.

d) Transition impacts

The following table summarises the impact of transition to the new standards on accumulated surplus at 1 July 2019.

	2019 \$'000
Accumulated surplus at 30 June 2019	1,418,060
Revenue adjustment – impact of AASB 15 <i>Revenue from Contracts with Customers</i>	(4,500)
Income adjustment – impact of AASB 1058 <i>Income of Not-for-Profit Entities</i>	(972)
Other revenue adjustments	(5,472)
Adjusted accumulated surplus at 1 July 2019	1,412,588

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on accumulated surplus on the adoption of AASB 16 *Leases*.

NOTE 10: Change in accounting policy (continued)

d) Transition impacts (continued)

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustments \$'000	Post adoption \$'000
Assets			
Right of use assets	-	11,501	11,501
Grants receivable	-	-	-
	-	11,501	11,501
Liabilities			
Unearned income – operating grants	-	(3,362)	(3,362)
Unearned income – capital grants	-	(1,138)	(1,138)
Unearned income – user fees	-	(972)	(972)
Lease liability – current	-	(1,278)	(1,278)
Lease liability – non-current	-	(10,223)	(10,223)
	-	(16,973)	(16,973)

APPENDICES

Appendix 1 – HR tables

TABLE 1 – CITY OF KINGSTON PEOPLE PROFILE

Employment Type/Gender	Central / Executive Services FTE	Planning & Development FTE	City Assets & Environment FTE	Community Sustainability FTE	Corporate Services FTE	Total FTE
Permanent full time – female	3.80	35.72	24.36	134.66	43.44	241.98
Permanent full time – male	6.00	31.00	88.00	47.94	28.00	200.94
Permanent part time – female	0.67	22.06	19.45	165.34	17.84	225.36
Permanent part time – male	0.00	11.85	3.12	9.77	3.09	27.83
Casual Council staff – female	0.00	11.25	8.89	10.87	7.65	38.66
Casual Council staff – male	0.00	5.34	10.62	1.60	5.03	22.59
Total FTE	10.47	117.22	154.44	370.18	105.05	757.36

TABLE 2 – CITY OF KINGSTON EMPLOYMENT CLASSIFICATIONS

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	10.85	10.70	21.55
Band 2	70.60	13.81	84.41
Band 3	48.53	42.69	91.22
Band 4	118.28	28.05	146.33
Band 5	86.10	41.19	127.29
Band 6	95.97	54.03	150.00
Band 7	35.10	33.80	68.90
Band 8	12.61	8.00	20.61
All other (Senior Officers/SEO; band not applicable: MCH & leisure centre sessional staff)	27.96	19.09	47.05
Total FTE	506.00	251.36	757.36

APPENDICES (CONTINUED)


Appendix 2 – OH&S Performance

- ▶ Number of Workcover claims accepted – 10
- ▶ Number of notifiable incidents (employee) – 8
- ▶ Number of notifiable incidents (non-employee) – 11
- ▶ There was an average of 3.58 Lost Time Injuries (LTIs) per month in 2019/20.
- ▶ Medically Treated Injuries had an average of 2.58 workers per month.
- ▶ First Aid Injuries increased by 2.42 in 2019/20 to an average of 6.17 workers receiving first aid treatment per month, compared to 3.75 in 2018/19.

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



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