



City of
KINGSTON

2018-19

ANNUAL REPORT



CONTENTS

overview

welcome	Inside front cover
our city	1
operational performance	2
financial performance	4
a message from the Mayor	6
a message from the CEO	7
Kingston Councillors	8
our organisation	10
our people	11
strategic planning and reporting framework	12

council plan reporting

goal 1: our well-planned, liveable city supported by infrastructure to meet future needs	13
goal 2: our sustainable green environment with accessible open spaces	18
goal 3: our connected, inclusive, healthy and learning community	23
goal 4: our free-moving, safe, prosperous and dynamic city	30
goal 5: our well-governed and responsive organisation	36

governance	40
------------	----

financial reporting

performance statement	51
financial report	65

appendices	117
------------	-----

WELCOME

The City of Kingston is proud to present the 2018/19 Annual Report to our community. The report describes Council's operations, accomplishments and challenges over the past financial year.

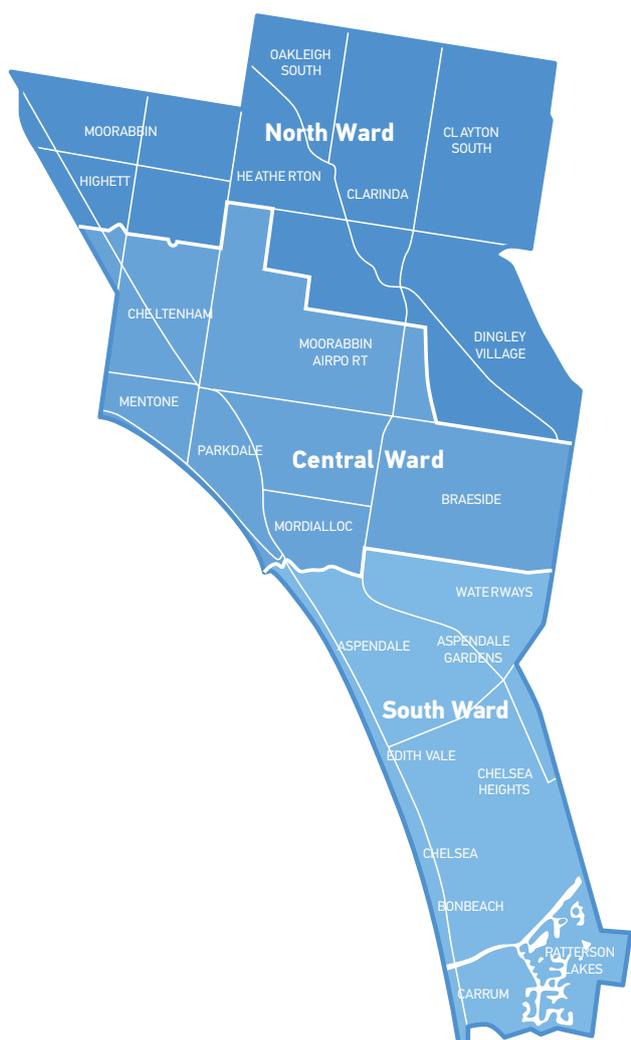
Council measures its performance in compliance with the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014* (the Regulations).

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.

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

The City of Kingston is located in the middle southern suburbs of Melbourne, approximately 20 kilometres south of Melbourne's CBD. Every suburb in Kingston offers something different – from diverse businesses, housing, shops and restaurants, to beaches, bushland, parks and playgrounds.



Who we are

Kingston is a diverse community, with a current estimated resident population of 163,431¹, 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, occupying an anticipated 78,155 dwellings.

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

The changing cultural make-up of Kingston is reflective of immigration trends across Australia, with the Italian and Greek population ageing, and an increase in people arriving from India and China. About 30 per cent of Kingston's population was born overseas, with 26 per cent of households speaking a language other than English, including Greek, Mandarin, Russian, Italian and Cantonese.

What we do

The City of Kingston is one of Victoria's major employment centres, and our industrial sector is one of the largest and most concentrated in the state.

We have a multi-skilled labour force. Just over 74,096 Kingston residents are employed, with almost 30 per cent of residents working locally, enjoying shorter travel times and improved work/life balance.

Kingston is home to approximately 16,625 businesses, many of which are small-to-medium enterprises.

Our community is well served by retailers. We have several major activity centres including Moorabbin, Cheltenham, Mentone, Mordialloc and Chelsea, and numerous smaller local and neighbourhood shopping precincts.

When we are not shopping, working or studying, we spend time in our open spaces, leisure centres, libraries and community centres. We also enjoy an impressive calendar of performing, visual and cinematic arts events and activities.

Our inviting beaches are popular year-round, with active residents swimming, sailing and kayaking in the bay, while others walk, jog, skate and cycle along our increasingly connected foreshore and park pathways and trails.

¹ Australian Bureau of Statistics, *Regional Population Growth, Australia (3218.0)*.

OPERATIONAL PERFORMANCE

The 2018/19 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 2018/19 against our five goals. A more detailed report of the goals can be found from page 13.



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



\$5.8 million
spent on renewing local roads



5.46 km
of footpaths renewed



822
Asset Protection Permits issued



1,194
planning application decisions made



13,000 km
of streets swept



Completed the annual drainage program for flood mitigation



Progressed the Kingston Housing and Neighbourhood Character Study



Commenced works on the Chelsea Structure Plan to rejuvenate local shopping strips



Progressed development of the Affordable Housing Implementation Plan



Adopted the Cheltenham Structure Plan Review and the Mentone Station and Gardens Urban Design Framework



2 A sustainable green environment with accessible open spaces



80,000
street and park trees maintained by Council



6,189,924
kerbside garbage and recycling and green collection bin lifts annually



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



28,224
tonnes of green waste and recyclables processed and diverted from landfill



Completed construction of the Cliff Sambell Pavilion at Gerry Green Reserve



Commenced works on the development of a new Edithvale Life Saving Club



More female-friendly fitouts in local sports clubs and increasing female participation in sport with improved facilities



Constructed new netball courts at Bonbeach and Chelsea recreation reserves



Established a disc golf course at Bald Hill Park



3 A connected, inclusive, healthy and learning community



166,905 hours of community care delivered to people who are older or have a disability



1,032,973 library loans



10,472 immunisations delivered



893,894 visits to Kingston's leisure centres



7,963 children enrolled in the Maternal and Child Health service



Made improvements to the Dingley Village Neighbourhood House and library



Distributed \$1.3 million in community grants to support local communities



Completed new Changing Places facilities at the Riding for the Disabled Centre in Moorabbin and at Bicentennial Park playground



Launched the inaugural Kingston Women of the Year Award



Completed refurbishment of the heritage-listed Chelsea Courthouse



4 A free-moving safe, prosperous and dynamic city



21,152 animals registered



992 food safety assessments of food premises



23,213 attendances at Kingston-run arts events



12,000 Kingston streetlights maintained



75 school crossings supervised



Purchased two sites in Cheltenham to create a plaza area outside the new Cheltenham Station



Purchased a site in Horscroft Place, Moorabbin to improve pedestrian access between Moorabbin Railway Station and Moorabbin Reserve



Participated in the Better Approvals project to help small businesses cut red tape and make permit approvals faster and more streamlined



Developed the Arts & Cultural Strategy 2018-22



5 A well-governed and responsive organisation



7,755 questions answered by Kingston's new Chatbot since its December 2018 launch



115,929 calls to Customer Care



7,308 live chat sessions on Council's website



44 freedom of information requests received



Over 120 community consultations



Launched an advocacy campaign to reduce the harm caused by poker machines in our community



Began collaborative procurement with other councils for LED lighting replacement and the road resurfacing program



Progressed relocation and consolidation of three of the Council depots into one location



Developed and implemented the Kingston Business Continuity Plan

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.

2018/19 Financial Performance Summary

- ▶ Council had an operating surplus of \$41.5 million, \$20.5 million favourable to the budgeted surplus of \$20.9 million (compared to \$40.8 million surplus in 2017/18). This was influenced by:
 - ▶ Rates and charges are \$2.6 million favourable to budget due to higher supplementary rates and include \$1.6 million in back rates for Kingswood Golf Course.
 - ▶ Operating Grants are \$4.1 million favourable to budget. The AccessCare department (Home Care Grants) are \$1.8 million favourable. In addition, the strong utilisation of Children's Centres contributed to an overall \$1.8 million favourable to budget.
 - ▶ Capital Grants are \$1.1 million favourable to budget due to budgeted projects receiving funding ahead of schedule.
 - ▶ Monetary contributions are \$9.7 million favourable due to \$8.8 million unbudgeted cash contributions from developers.
 - ▶ Employee costs on budget at a total cost of \$80.0 million.
 - ▶ Materials and Services are \$1.3 million unfavourable to budget due primarily to the additional \$0.9 million costs in waste management.
 - ▶ Other income is \$1.8 million favourable to budget due to strong interest income earned on higher than expected cash holdings.
- ▶ Council's total capital works expenditure was \$60.1 million (compared to \$49.6 million in 2017/18).
- ▶ Rates and charges comprised \$142.0 million (62%) of the total operating result of \$228.9 million compared to \$134.4 million (60%) of \$223.2 million in 2017/18.
- ▶ Cash holdings (including financial assets) increased by \$7.5 million to \$144.1 million (compared to \$136.6 million in 2017/18).
- ▶ Council's total assets were \$2.5 billion. This comprises significant assets including total land (\$1,456.8 million), infrastructure (\$623.4 million), buildings (\$263.7 million), and financial assets (\$136 million).

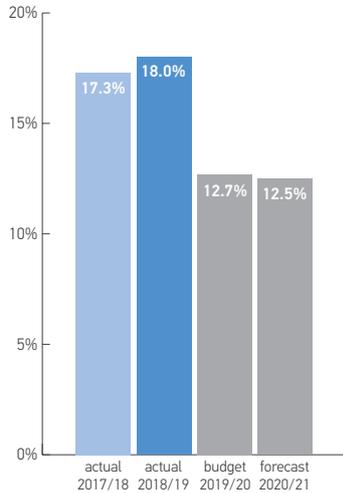
Victorian Auditor General Report

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.

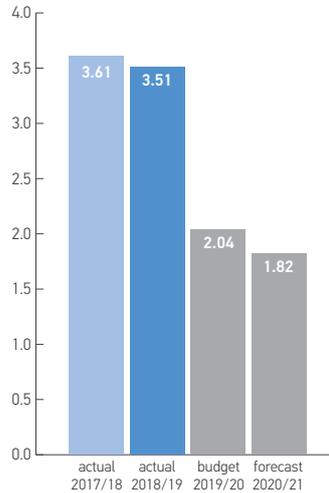
Kingston's performance in relation to these indicators, as shown over page, are based on the last two years of actual results along with the forecast for the next two years. The results show Kingston's overall financial risk rated as low, as assessed by the Auditor-General.

NET OPERATING RESULT



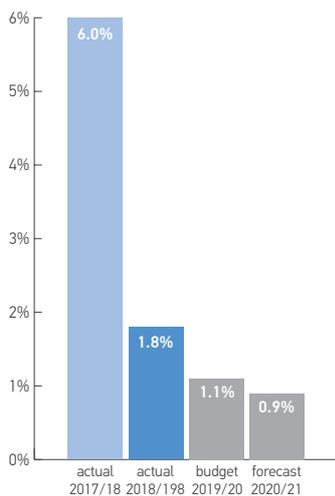
► The net operating result indicates if Council can generate enough revenue to cover operating costs (including the cost of replacing assets reflected in depreciation expenses). The 2018/19 result of 18.0% is a strong result. Sustaining a positive net operating result is a critical financial strategy that provides capacity to renew the \$2.5 billion of community assets under Council's control.

LIQUIDITY



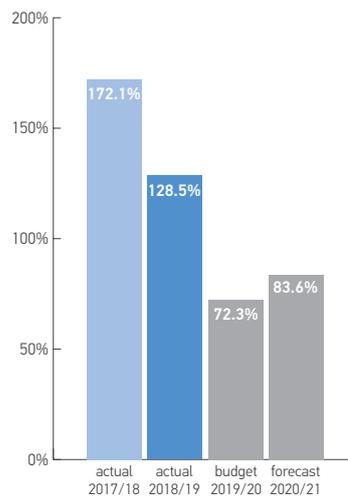
► Liquidity ensures that Council has sufficient working capital to meet short-term commitments. The liquidity result for 2018/19 was 3.51 times current liabilities, which is an excellent financial position and exceeds the target of 2.46 current liabilities.

INDEBTEDNESS



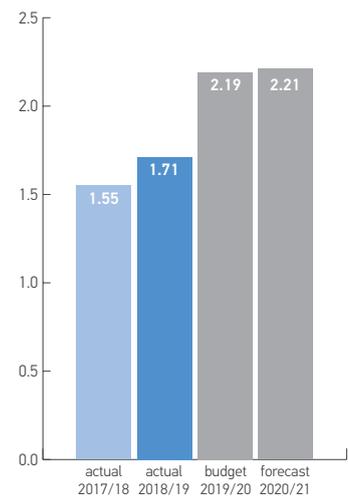
► Indebtedness measures how reliant on debt Council is to fund capital programs. The 2018/19 result of 1.8% is very low which reflected the additional debt payment in 2018/19. This further demonstrates that Council is in a very stable position and not reliant on debt and the expected trend is downwards as debt gets 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. The 2018/19 result of 128.5% indicates Council is in a very strong position to finance capital works.

RENEWAL GAP



► Council's renewal gap represents the maintenance of existing assets at a consistent rate. A score of more than 1 indicates a low risk of insufficient spending on our asset base. Council has a score of 1.71 for 2018/19 which indicates assets are being well maintained.

A MESSAGE FROM THE MAYOR



On behalf of my fellow Councillors, I am pleased to present the City of Kingston's 2018/19 Annual Report.

As Mayor, working alongside my fellow Councillors, I am proud to have had the opportunity to help shape an ambitious program of initiatives, services and capital works over the last 12 months to improve our great city.

Kingston Council's long-held vision for a Chain of Parks in the Green Wedge is one step closer thanks to the Victorian Government's \$25 million commitment to fund the transformational project. The Chain of Parks will create linked open spaces for the community to enjoy all the way from Karkarook Park to Braeside Park.

We have thrown our support behind encouraging better participation in local sport for children, women and girls, with significant investment in sport and recreation – including more female-friendly facilities.

We are mindful of the important role Council plays in minimising Kingston's impact on the environment and are leading the way in reducing greenhouse emissions and decreasing the burden of increasing energy costs on ratepayers, replacing over 7,500 of Kingston's street lights with energy-efficient LED globes.

Council is dedicated to sustainability, with other initiatives including:

- ▶ a move to use and purchase green energy
- ▶ saving approximately 1.12 million plastic bags, 25,200 printer cartridges and 352,800 glass bottles from being diverted to landfill by resurfacing Kingston roads with Reconophalt – a sustainable bitumen product
- ▶ upgrading lighting in the vast majority of Council buildings
- ▶ installing solar panels on key Council buildings.

In addition, of utmost importance is continuing our work with the Victorian Government to address the nation-wide recycling crisis and work towards a sustainable solution.

Working with the Kingston community is a privilege, and we continue to prioritise community engagement to assist us in the development of key strategic projects as well as local improvement works. In this last year, we conducted over 120 consultations, including on the Housing Strategy and Neighbourhood Character Study, Library Strategy, and Youth Strategy, as well as Council's first Prevention of Family Violence Action Plan.

Your feedback is incredibly important to us and we will continue to provide as many opportunities as we can for you to have your say on important issues that impact our city.

After almost fourteen years as Kingston's Chief Executive Officer, John Nevins retired, and I wholeheartedly thank him for his outstanding contribution. John's dedication to serving this beautiful city and its people has seen many great achievements. John leaves behind an admirable legacy that he should be very proud of.

Finally, I would like to thank everyone who has contributed towards delivering Council's vision and making Kingston a great place to live over the past year. All we have achieved has been with the support and efforts of our residents, local businesses, community groups, volunteers, Council officers and my fellow Councillors. I am proud to work with such dedicated, passionate people.

A handwritten signature in black ink that reads "G Oxley". The signature is fluid and cursive.

Cr Georgina Oxley
Mayor

A MESSAGE FROM THE CEO



I am proud to lead a motivated, innovative and passionate workforce, dedicated to making our great city thrive.

The City of Kingston continued to prosper in 2018/19, completing a range of major capital works, streamlining processes for residents and local businesses, and working to preserve a sustainable natural and built environment.

Our city has continued to put the customer at the heart of all we do, using technology to find innovative ways to improve customer service, engage with the community and drive efficiency improvements to contain and reduce costs without adversely affecting the high-quality services we provide to the community.

We are leveraging artificial intelligence to be available to our community 24/7 via our chatbot. We have implemented a range of online applications and payment options, and our Planning Department has transitioned from a manual, paper-heavy system, to become a completely paperless business unit.

We have also partnered with the Victorian Government in its Better Approvals Project to help small businesses by cutting red tape and making permit approvals faster and more streamlined.

In 2018/19, Council achieved a net operating surplus of \$41.5 million, and Kingston remains one of the top three most financially viable councils in Victoria, with a fully-funded program of capital works for the next four years, with no asset renewal gap. Kingston has been successful in securing \$25 million in capital grants for the next four years to pay for local projects and services, without placing further financial burden on our ratepayers.

Our capital works program remains one of the most ambitious of any Victorian Council. With a \$60 million program in 2018/19, we invested in maintaining our high-quality public infrastructure, including road reconstruction and resurfacing, and flood mitigation programs. Other strategic capital works included the Edithvale Life Saving Club redevelopment and improvement works that encouraged female participation in sport, including finalising the Cliff Sambell Pavilion development, Mentone Reserve Soppet Pavilion redevelopment, netball courts at Regent's Park, and upgrades to existing sportsgrounds and lighting.

Kingston remains a leader in the provision of learning and childcare services. We continue to invest in these important community assets, renovating the Washington Drive Preschool, building a new Acacia Avenue Preschool, and investing in the Dingley Village Neighbourhood House and Library improvements.

This will be my last Annual Report as CEO of Kingston. I would like to take this opportunity to thank and acknowledge the leadership and support of our 2018 Mayor Cr Steve Staikos, 2019 Mayor Cr Georgina Oxley, and Councillors.

I applaud the organisation for its outstanding work during the past year and thank and commend our capable and committed employees for their efforts. It has been a pleasure working with officers, Councillors and our community, and I leave with incredibly fond memories.

Thank you.

A handwritten signature in black ink, appearing to read 'John Nevins'. The signature is fluid and cursive, with a long horizontal stroke at the end.

John Nevins
CEO

KINGSTON COUNCILLORS



Cr Georgina Oxley, Mayor

Cr Oxley was elected to Council in October 2016. Cr Oxley is a local Chelsea resident, and runs a local Kingston business working in finance, marketing and web design, and is currently studying a diploma of leadership and management. She enjoys playing basketball and walking her dog Banjo on the beach.

Cr Oxley's highlights for the year included:

- ▶ overseeing more female-friendly fitouts in local sports clubs and increasing female participation in sport with improved facilities at Dales Park, Regents Park and Bonbeach Recreation Reserve
- ▶ commencing works on the *Chelsea Structure Plan*, to rejuvenate local shopping strips
- ▶ launching the *Family Violence Prevention Action Plan* to tackle the ongoing issue of family violence in Kingston.



Cr David Eden

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. His highlights for the year included:

- ▶ calling for stronger regulation of the building industry to protect consumers from sub-standard construction, particularly on apartment buildings
- ▶ replacing over 7,500 of Kingston's streetlights with energy-efficient LED globes to reduce greenhouse emissions and the burden of increasing energy costs
- ▶ consulting with the community on proposed sporting upgrades at Kerr Crescent Reserve.



Cr Geoff Gledhill

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 Gledhill's highlights for the year included:

- ▶ advocating for the best possible outcomes for the level crossing removals in Cheltenham and Mentone
- ▶ redeveloping the Cliff Sambell pavilion at Gerry Green Reserve in Parkdale
- ▶ helping to facilitate the Better Approvals Project to help small businesses by cutting red tape and making permit approvals faster and more streamlined.



Cr Tamsin Bearsley

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

Cr Bearsley's highlights for the year included:

- ▶ supporting increased female participation in sport with improved facilities and new netball courts at Regents Park
- ▶ investing \$2 million in redeveloping the Edithvale Life Saving Club to ensure the club can continue to provide this vital community service
- ▶ working to address the nationwide recycling crisis and move towards a sustainable solution.



Cr Ron Brownlees OAM

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. Cr Brownlees' highlights for the year included:

Cr Brownlees' highlights for the year included:

- ▶ commencing stage one works on the transformation of the G.H. Soppet Pavilion in Mentone Reserve
- ▶ deliberately engaging with the community to develop a new Library Strategy
- ▶ commencing the conversation to create a new youth services hub at the former Masonic Hall in Mordialloc.



Cr Rosemary West OAM

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 West's highlights for the year included:

- ▶ successfully advocating for more trees to be planted in our streets and parks to benefit human health and amenity as well as our biodiversity and wildlife
- ▶ progressing the Kingston Chain of Parks project to create linked open spaces for the community to enjoy all the way from Karkarook Park to Braeside Park in Kingston's Green Wedge
- ▶ promoting community awareness of Council's residential strategy review with a view to encouraging resident submissions and increasing the level of protection for our streets and neighbourhoods.



Cr Tamara Barth

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 Barth's highlights for the year included:

- ▶ launching the inaugural Kingston Woman of the Year Awards
- ▶ investing \$3 million in the Dingley Village Neighbourhood House and Library improvements, which will provide the Dingley community with access to a quality library and community space
- ▶ upgrading Washington Drive Preschool to increase the capacity of early years services to reflect the increasing population of young children in the area.



Cr Steve Staikos

Cr Staikos was elected to Council in 2008. Cr Staikos is passionate about social participation, multiculturalism, the environment and the arts. He also works as the Policy and Public Affairs Officer for the Community Housing Federation of Victoria. Cr Staikos' highlights for the year included:

- ▶ launching an advocacy campaign to reduce the harm caused by poker machines in our community
- ▶ working on an Affordable Housing Discussion Paper as the prelude to the Social and Affordable Housing Policy
- ▶ transforming Kingston's Green Wedge, marking the end of the waste industry in our community.



Cr George Hua

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 Hua's highlights for the year included:

- ▶ delivering a new state-of-the-art Changing Places all-abilities toilet and access ramp to serve Moorabbin's popular Riding for the Disabled group
- ▶ providing a new fenced dog off-lead park underneath the elevated rail line as part of the level crossing removal project at Clayton South
- ▶ introducing Disc Golf to Clarinda, with a new course being constructed at Bald Hill Park.

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. Parktone Primary School student Alice Roberts was inducted as the 2018/19 Junior Mayor. The 2019/20 Junior Mayor is Jack O'Connor, a student from Patterson Lakes Primary School, who will assist the Mayor at a range of official Council events.

Our organisational culture

At the heart of our organisational culture is Community Inspired Leadership. This is how we describe the way we work and our collective focus on delivering service that achieves Kingston's vision and meets community expectations.

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.

We are committed to creating a workplace that represents the diversity of the 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'.

In late 2017, the Diversity and Inclusion Group (DIG) was formed. The DIG is made up of a collection of staff from across the organisation committed to fostering a workplace culture that celebrates individual difference. The DIG has identified several opportunities to achieve this, ranging from Kingston's approaches to recruitment, a Diversity & Inclusion Strategy, through to a calendar of celebratory events.

In 2019, the DIG extended its reach through the establishment of six working groups representing the following areas of interest:

- ▶ Disability
- ▶ LGBTI+ (Lesbian, Gay, Bisexual, Transgender, Intersex)
- ▶ Mental Wellbeing
- ▶ Gender Equality
- ▶ Cultural Diversity
- ▶ Aboriginal & Torres Strait Islander People.

Building our culture and capacity

Internal learning programs provided ongoing professional development of our people. One of the continued areas of focus was our Leadership Development Program that supported and developed leaders to respond to the challenges of a changing city.

Kingston's Learning and Development Programs focus on curiosity, connection and culture, to embed the learnings into everyday work life. In addition, we offer staff a range of training on business systems, induction sessions, health and wellbeing, and compliance programs.

Our people profile

As at 30 June 2019, Kingston employed 1,369 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) show that the total number of Kingston employees is made up of 472 full-time, 524 part-time and 373 casual employees. Approximately 72 per cent of our workforce is female and 28 per cent male.

Our OHS performance

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

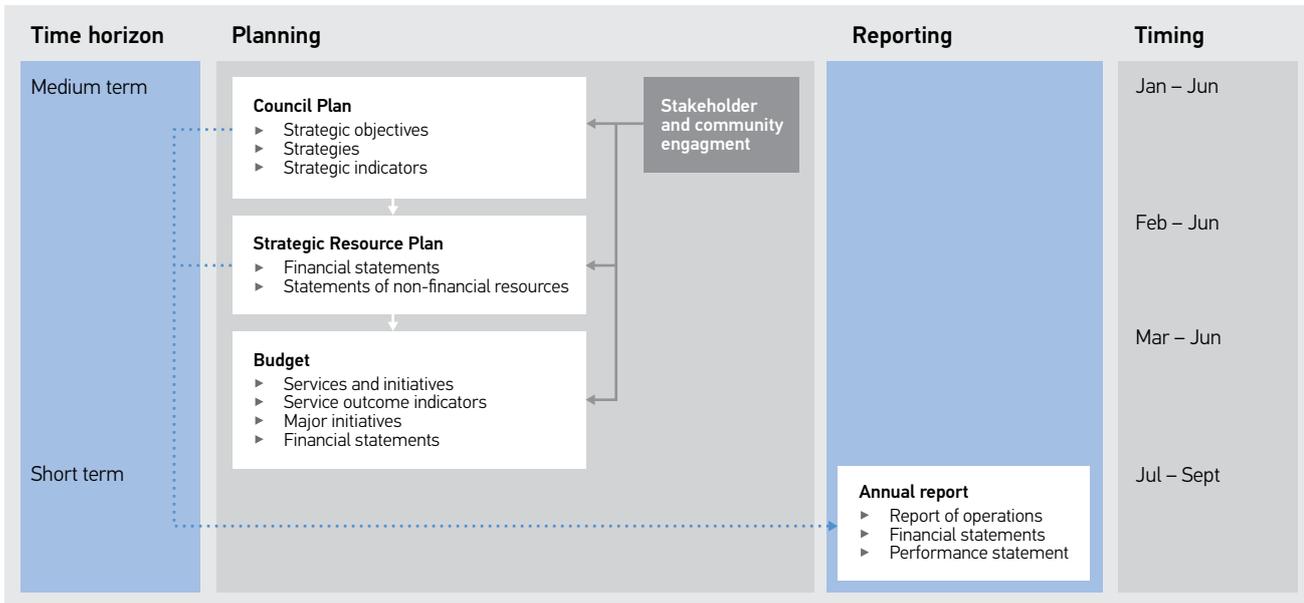
STRATEGIC PLANNING & REPORTING FRAMEWORK

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 2017–21* underpins and guides our work and actions.

Progress against the Council Plan is measured in quarterly Kingston Performance Reports and the Annual Report. The quarterly performance reports can be viewed on our website at kingston.vic.gov.au.

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 2018 to 30 June 2019.

We present our services, achievements and indicators of success under the five goals in the *Council Plan 2017-21*. We also describe our major initiatives and capital works projects and report on Council's financial operations during the year in relation to the 2018/19 Budget.

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

Know Your Council

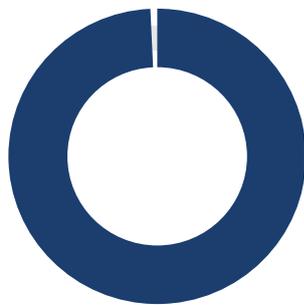
Know Your Council is a mandatory system of performance reporting based on the Local Government Performance Reporting Framework. It was introduced by the Victorian Government to ensure that all councils consistently measure and report on their performance. It comprises a set of performance measures and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

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

1 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 \$35.2M
Expenditure \$35M

Achievements and capital works highlights

- ▶ Delivered a \$5.8 million annual roads infrastructure renewal program.
- ▶ Implemented a significant annual drainage program to protect our neighbourhoods from floods.
- ▶ Completed the annual footpath renewal program.
- ▶ Adopted the Cheltenham Structure Plan Review and the Mentone Station and Gardens Urban Design Framework that were developed to support and respond to the level crossing removal program.
- ▶ Progressed the Kingston Housing and Neighbourhood Character Study, a twenty-year plan to manage housing growth and change across all residential areas in Kingston.
- ▶ Progressed development of the Affordable Housing Implementation Plan.

Our services

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

-  city assets and infrastructure maintenance
-  land use policy and planning
-  building consents and compliance
-  maintaining Council's buildings
-  managing Council's property portfolio
-  planning decisions
-  planning, design and development of Council's buildings
-  strategic asset management and capital works 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.
- ▶ Receiving and responding to over 8,000 public submissions on the Planning Scheme Amendment process to rezone Kingswood Golf Course – the largest number ever received by Council for a planning proposal. Council ultimately voted to abandon the process.

GOAL 1

CONTINUED

Performance measures

Council's achievement for Goal 1 of the *Council Plan 2017–21* (year two) is detailed below:

Target: 8.02km

Kilometres of footpath renewed

	2015/16	2016/17	2017/18	2018/19
	6.27	9.07	6.41	5.46

Footpaths were completed at Chandler and Imes Streets, Parkdale; Karen Street, Highett; Lehem and Luain Avenues, Oakleigh South; and McLeod Road and Station Street, Carrum. A shared path was constructed in Bricker Reserve, Moorabbin. Fewer kilometres were completed in 2018/19 than the previous year because a larger proportion were two-year projects that will have the bulk of the construction done in 2019/20.

Source: CAMMS Strategy

Target: Maintain or improve resident perception of performance

Community satisfaction: Council's general town planning policy

YEAR	2016	2017	2018	2019	Average
Kingston performance	52	56	50	53	53
Kingston importance	71	73	74	73	73
Metro performance	54	53	53	56	54
State-wide performance	52	53	54	55	54

Protecting the character of our neighbourhoods while accommodating new growth is a key challenge facing Kingston. To address local housing needs, location and design, Council is working with the community on a Housing Strategy and Neighbourhood Character Study. These will guide the long-term management of housing growth within our city and assess the neighbourhood character priorities in our residential areas.

Source: Local Government Community Satisfaction Survey 2019

Target: Maintain or improve resident perception of performance

Community satisfaction: Council's planning for population growth

YEAR	2016	2017	2018	2019	Average
Kingston performance	48	54	50	51	51
Kingston importance	72	77	77	77	76
Metro performance	51	51	50	52	51
State-wide performance	51	52	52	52	52

Community satisfaction with Council's planning for population growth remains in line with the state and metropolitan results. Kingston's new Housing Strategy and Neighbourhood Character Study will help inform the application of the new residential zones and reinforce the community goal of preserving the character of suburban areas while facilitating housing diversity.

Source: Local Government Community Satisfaction Survey 2019

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					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Roads					
Satisfaction of use					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	35.51	35.52	44.38	40.39	The number of sealed local road requests has decreased this year, largely due to Kingston maintaining the good condition of its road network.
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] x100	98.77%	98.92%	96.18%	96.48	Our road network is in good condition, and above renewal intervention levels, based on a three-yearly survey last conducted in 2016/17.
Service cost					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$85.00	\$87.84	\$90.70	\$107.27	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 increased cost per square metre in 2018/19 was due to increased demand for infrastructure construction across Melbourne.
Service cost					
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$19.28	\$19.55	\$27.32	\$24.20	The cost of sealed local road resealing is in line with expectations. The cost of resealing varies annually depending on the proportion of residential to industrial roads resealed. This is because industrial areas require specific treatments, whereas residential resurfacing is less costly.
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	67.00	69.00	69.00	This rating is sourced from the annual <i>Local Government Community Satisfaction Survey</i> 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 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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]	93.00	101.00	105.00	90.00	Process improvements in 2018/19 have 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] x100	53.94%	56.77%	45.26%	58.63%	In 2018/19, the statutory planning service continued to focus on continuous improvement initiatives including rolling out paperless planning applications and implementing a new software solution. This has resulted in a significant increase in the number of planning applications decided within required timeframes.
Service cost					
<i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$2,733.93	\$2,706.31	\$2,885.90	\$2,450.47	Process improvements in 2018/19 have resulted in a reduction in the cost of the statutory planning service per planning application.
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	44.44%	35.71%	30.00%	41.18%	Only a small percentage (51 of 901 or 5.7%) of Council's planning decisions were referred to VCAT in 2018/19. A number of these decisions were resolved at VCAT through consent or at mediation and, while these are reflected as decisions 'not upheld', Council considers this a good outcome as agreement was reached in mediation by all parties.

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

Major initiatives

The following statement reviews Council's progress in relation to major initiatives identified in the 2018/19 Budget. Many of the initiatives are also Council's capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Roads infrastructure renewal program	\$6.6m	\$5.8m	Near complete	<p>During the year, 1.8 km of road was reconstructed – largely as part of drainage upgrades. Additionally, 7.3 km of roads were resurfaced, exceeding the annual 5 km target. The remaining funds were carried over to 2019/20 for works being finalised.</p> <p>Grants: \$633,000 from VicRoads Roads to Recovery Program.</p> <p>Duration: Annual rolling program.</p>
Flood mitigation drainage program	\$2.8m	\$2.8m	Completed	<p>Key drainage improvement projects completed during 2018/19 included: Kinross Avenue and Fraser Avenue, Edithvale; and Garfield, May and Jean Streets, Cheltenham.</p> <p>Grants: None in 2018/19.</p> <p>Duration: Annual rolling program.</p>
Footpath renewal program	\$0.7m	\$0.76m	Completed	<p>Footpaths were completed across the municipality. A shared path was constructed in Bricker Reserve, Moorabbin. In April, construction commenced on a path along Whatleys Drain, Carrum.</p> <p>Grants: None.</p> <p>Duration: Annual rolling program.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2018/19 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 \$49.1M
Expenditure \$50.9M

Achievements and capital works highlights

- ▶ Commenced the remediation works on several former landfill sites, including the Elder Street South landfill.
- ▶ Completed construction of the Cliff Sambell Pavilion at Gerry Green Reserve.
- ▶ Refurbished the Dingley Reserve Pavilion.
- ▶ Commenced construction on the Edithvale Life Saving Club.
- ▶ Built female-friendly changeroom facilities at Curwood Hall, Bonbeach.
- ▶ Constructed new netball courts at Bonbeach Recreation Reserve and Chelsea recreation reserve.
- ▶ Installed floodlights at Edithvale Bowls Club in Edithvale Recreation Reserve.
- ▶ Established a disc golf course at Bald Hill Park.
- ▶ Adopted a *Sport and Recreation Strategy and Climate Change Strategy 2018-25*.
- ▶ Completed a masterplan for GR Bricker Reserve.

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:

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

Our challenges

- ▶ Providing sufficient 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.

Performance measures

Council's achievement for Goal 2 of the *Council Plan 2017-21* (year two) is detailed below:

Beach foreshore cleansing contract compliance

Target: 90%

2015/16	2016/17	2017/18	2018/19
95.18%	94.40%	95.89%	95.92%

The beach foreshore cleansing service has been consistently delivered to a high standard during the year, 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: 3,350 per year

2015/16	2016/17	2017/18	2018/19
4,000	3,715	4,836	6,220

Over 6 million domestic garbage, recycling and green waste bin lifts were undertaken in 2018/19 – up from 4.9 million lifts in 2016/17. The increase in the number of missed bins was influenced by a fall in service standards prior to Council changing its waste collection contractor in late 2018. Kingston is working closely with the new contractor to steadily reduce the number of missed bins. Every missed bin is collected within one business day of being reported.

Source: *Camms Strategy*

Open space mowing contract compliance

Target: 90%

2015/16	2016/17	2017/18	2018/19
93.79%	93.48%	95.44%	95.64%

The open space mowing service continued to be delivered to a high standard in 2018/19.

Source: *Camms Strategy (average)*

Community satisfaction: environmental sustainability

Target: Maintain or improve resident perception of performance

YEAR	2016	2017	2018	2019	Average
Kingston performance	65	62	63	60	63
Kingston importance	75	74	74	76	75
Metro performance	64	64	64	64	64
State-wide performance	63	64	63	62	63

Kingston was affected by the recycling crisis Melbourne faced in early 2019 – when 2% of recycling had to be sent to landfill following the EPA's closure of the recycling facility used by Kingston.

Council continues to focus on reducing energy usage through the Energy Efficient Streetlights program and water saving initiatives.

Other highlights included holding community composting workshops, supporting the Dolphin Research Institute's *I Sea, I Care* student leadership program, and helping Council's pre-school educators to learn about sensory garden building.

Source: *Local Government Community Satisfaction Survey 2019*

GOAL 2 CONTINUED

Performance measures (continued)

Community satisfaction: recreational facilities

Target: Maintain or improve resident perception of performance

YEAR	2016	2017	2018	2019	Average
Kingston performance	71	76	73	74	74
Kingston importance	71	74	72	75	73
Metro performance	73	73	74	75	74
State-wide performance	69	70	69	70	70

Significant improvements made to Kingston's popular recreational facilities during the year included establishing a disc golf course at Bald Hill Park, installing netball courts at Bonbeach Recreation Reserve and Regents Park, upgrades to our skate parks, a basketball half court at Moorabbin Reserve, completing construction of the Cliff Sambell Pavilion at Gerry Green Reserve, and building female-friendly changeroom facilities at Curwood Hall in Bonbeach.

A new Sport and Recreation Strategy was adopted by Council in September 2018 to respond to the increasing demands on facilities in Kingston.

Source: Local Government Community Satisfaction Survey 2019

Community satisfaction: the appearance of public areas

Target: Maintain or improve resident perception of performance

YEAR	2016	2017	2018	2019	Average
Kingston performance	73	75	72	76	74
Kingston importance	73	75	72	72	73
Metro performance	72	72	73	74	73
State-wide performance	71	71	71	72	71

Satisfaction with the appearance of public areas is above the state and metropolitan average. Improvement of public areas in 2018/19 included the annual tree planting program and maintenance of vegetation along rail corridors and Wells Road.

Council continued its proactive approach to removing graffiti on council buildings and assets.

Source: Local Government Community Satisfaction Survey 2019

Street and park trees planted for the financial year

Target: 2,400 trees

2015/16	2016/17	2017/18	2018/19
2,774	2,643	2,149	2,100

Kingston's streets and parks were enhanced with 1,827 new street trees and 273 new park trees in 2018/19. Slightly fewer trees were planted compared to previous years due to fewer trees being used in public places/horticultural projects and a lack of availability of grafted tree stock from suppliers. Overall, around 80,000 street and park trees are managed by the City of Kingston.

Source: Camms Strategy

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 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	128.76	130.48	139.34	158.06	Kerbside bin collection requests include any requests from the public relating to Council's formal kerbside garbage and recycling collection service. The increase in requests was influenced by a fall in service standards prior to Council changing its waste collection contractor in late 2018.
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] x10,000	6.62	6.10	7.97	9.29	The increase in the number of missed bins was influenced by a fall in service standards prior to Council changing its waste collection contractor in late 2018. Kingston is working closely with the new contractor to steadily reduce the number of missed bins with all missed bins collected within one business 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]	\$97.34	\$99.34	\$96.42	\$103.60	The cost of the kerbside garbage bin service is consistent with expectations and represents good value for money in both disposal and collection, based on a competitive tender process.
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]	\$13.67	\$14.16	\$19.05	\$43.29	The cost of the kerbside recyclables bin service has increased in line with expectations and is related to fees charged by recycling operators for the processing of recyclables.
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	48.85%	50.09%	50.85%	49.53%	The kerbside waste collection diverted from landfill decreased slightly due to EPA's closure of the recycling facility used by Kingston. This resulted in approximately 2% of Kingston's annual tonnage of recyclable material being sent to landfill in early 2019.

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 2018/19 Budget. Some major initiatives are also Council's major capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Redevelop Mentone Pavilion	\$3.4m	\$1.4m	Delayed	<p>This project (with a total cost of \$6.8 million over three years) had a delayed start due to scope changes in response to community needs. The remainder of the funding has been carried over to 2019/20 for project implementation.</p> <p>Grants: \$800,000 received in 2018/19 from the Victorian Government.</p> <p>Duration: 2018/19 – 2020/21.</p>
Elder St South landfill site remediation	\$1.0m	\$80,000	Delayed	<p>The Elder Street South landfill site remediation was delayed due to difficulty sourcing appropriate materials (i.e. correct quality of topsoil for the capping) at a reasonable price.</p> <p>The remaining funds were carried over to 2019/20.</p> <p>Grants: None.</p> <p>Duration: 2018/19 – 2019/20.</p>
Remediate four other former landfill sites	\$1.5m	\$0.87m	Delayed	<p>Most of the funding was for the Heatherton Park landfill remediation (1.3m). This project was delayed due to difficulty sourcing appropriate materials (i.e. correct sort of clay and topsoil for the capping) at a reasonable price.</p> <p>The remaining funds were carried over to 2019/20 for completion of the project.</p> <p>Grants: None received in 2018/19.</p> <p>Duration: 2018/19 – 2019/20.</p>
Construct the Cliff Sambell Pavilion at Gerry Green Reserve	\$1.3m	\$1.85m	Complete	<p>This \$3 million project (over two years) was completed in January 2018. Added to the \$1.3 million adopted budget was a \$241,000 carry-over from 2017/18, \$180,000 brought forward from 2019/20 for grant and club incomes yet to be received and \$130,000 for variations.</p> <p>Grants: \$35,000 received in 2018/19.</p> <p>Duration: 2017/18 – 2018/19.</p>

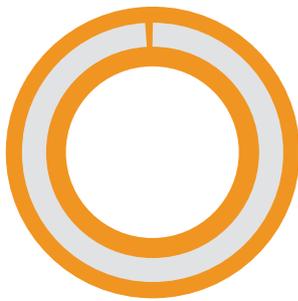
Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2018/19 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 \$64.9M

Expenditure \$65.4M

Achievements and capital works highlights

- ▶ Distributed \$1.3 million, to over 184 community groups.
- ▶ Completed the new Acacia Avenue Preschool and refurbished the Washington Drive Preschool in Oakleigh South.
- ▶ Progressed the \$4.5 million improvement of the Dingley Village Neighbourhood House and library.
- ▶ Developed and began to implement the *Kingston Prevention of Family Violence Action Plan* and launched Kingston's first Woman of the Year Award.
- ▶ Implemented a new library management software system to make it easier for our library users to find the resources they need.
- ▶ Completed the refurbishment of the heritage-listed Chelsea Courthouse.
- ▶ Completed new Changing Places facilities at the Riding for the Disabled Centre in Moorabbin and at Bicentennial Park playground.
- ▶ Renewed the public toilets at Dolamore Reserve.
- ▶ Purchased a site in Springs Road, Dingley for open space and Victory Road, Clayton South for Green Wedge open space.
- ▶ Updated the *MultiCultural Action Plan*, the *Safe and Secure Action Plan*, and the *Municipal Public Health and Wellbeing Plan*.

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
-  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 development and planning
-  social support
-  youth and family services.

Our challenges

- ▶ Supporting eligible residents to transition to the NDIS framework.
- ▶ Consolidating the Delivered Meals program services to the Bonbeach kitchen and closing the Moorabbin kitchen which had not been updated for many years.
- ▶ Working to prevent family violence in our community and better support those affected.

GOAL 3

CONTINUED

Performance measures

Council's achievement for Goal 3 of the *Council Plan 2017-21* (year two) is detailed below:

Target: Increase the number of compliant buildings

Buildings compliant with Disability Standards 2010

2015/16	2016/17	2017/18	2018/19
17	21	27	43

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* has increased year on year.

A Changing Places facility at the Riding for the Disabled Centre in Moorabbin was completed in September 2018 and a Changing Places facility at Bicentennial Park playground was officially opened in June 2019.

Source: *Camms Strategy*

Target: 93.20%

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

2015/16	2016/17	2017/18	2018/19
N/A*	94.37%	97.79%	99.13%

Usage of Council's childcare centres has continued to increase indicating that the service is meeting community needs and expectations.

*Data not available for this year.

Source: *Camms Strategy (average)*

Target: Maintain or improve resident perception of performance

Community satisfaction: disadvantaged support services

YEAR	2016	2017	2018	2019	Average
Kingston performance	62	64	62	62	63
Kingston importance	74	73	75	74	74
Metro performance	62	62	61	63	62
State-wide performance	61	62	62	62	62

Resident satisfaction with support services for disadvantaged people is similar to previous years and in line with metropolitan and state averages.

During the year, Kingston's Community Connections Program supported people who were homeless or at risk of homelessness. Additionally, library staff began working with people who are homeless to provide digital literacy skills and pathways into community support services.

Source: *Local Government Community Satisfaction Survey 2019*

Target: Maintain or improve resident perception of performance

Community satisfaction: elderly support services

YEAR	2016	2017	2018	2019	Average
Kingston performance	66	68	67	67	67
Kingston importance	77	79	80	79	79
Metro performance	69	67	67	67	68
State-wide performance	68	68	68	68	68

This measure includes services for elderly people and their carers, such as delivered meals and home help. In 2018/19, we delivered over 115,000 hours of home, personal and respite care to Kingston residents who are older and/or have a disability.

Satisfaction with Kingston's performance is similar to previous years and in line with the state and metropolitan results.

Source: Local Government Community Satisfaction Survey 2019

Target: Maintain or improve resident perception of performance

Community satisfaction: family support services

YEAR	2016	2017	2018	2019	Average
Kingston performance	68	70	68	69	69
Kingston importance	75	74	74	75	75
Metro performance	69	68	68	69	69
State-wide performance	66	67	66	67	67

Family support includes services such as maternal and child health, childcare, immunisation, family day care and outside school hours programs. In addition, Kingston's family and community hubs provide a welcoming place for the community. Resident satisfaction with Kingston's performance remains slightly above the state result and in line with the metropolitan result.

Source: Local Government Community Satisfaction Survey 2019

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 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Aquatic Facilities					
Service standard					
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	2.00	2.50	0.00	2.00	Two inspections were conducted at each of Council's aquatic facilities during the year, including obtaining water samples for analysis.
Health and Safety					
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	1.00	4.00	Council reported and responded as appropriate to all incidents to minimise future safety incidents and ensure the health and safety of staff and users.
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]	\$1.41	\$1.22	\$1.04	\$0.75	The centres have experienced good growth in memberships, learn to swim, school swimming and general attendances, which has led to a reduction in the cost per visit.
Service Cost					
<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	\$0.00	Kingston has no outdoor aquatic facilities.
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.33	4.55	5.49	5.47	Despite growth in general attendance, memberships, learn to swim and school swimming enrolments all contributing to an increase in attendance across both centres, the growth in municipal population means there has been a slight drop in this measure.

Service Performance Indicators					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Libraries					
Utilisation					
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	4.46	4.20	4.03	4.71	Kingston Libraries actively manages and promotes its collection to maximise utilisation. A new library management system was introduced in May to ensure the best possible collection management and analysis.
Resource standard					
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	60.70%	58.83%	60.51%	73.94%	The introduction of a new library management system in May has allowed a complete analysis of the collection to be undertaken. The collection has been updated to ensure the needs, preferences and interests of the community continue to be met. The prior year measures are not directly comparable due to the change in the library management system.
Service cost					
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$8.61	\$8.54	\$7.52	\$8.34	The increase in cost per visit is due to lower visitations, due in part to the closure of Dingley Village Library for renovations from December 2018. It is anticipated that Dingley Village Library will reopen in 2019/20.
Participation					
<i>Active library members</i> [Number of active library members / Municipal population] x100	17.81%	16.88%	17.16%	16.61%	The slight decrease in the percentage of active members can be related to the closure of Dingley Village Library for renovations from December 2018, combined with an increase in the municipal population.

GOAL 3

CONTINUED

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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] x100	102.68%	103.03%	102.56%	99.39%	Kingston continues to have a high participation rate in the first Maternal and Child Health home visit.
Service standard					
<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	100.00%	100.00%	100.55%	Enrolments in the Maternal and Child Health service remain high.
Service cost					
<i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$84.52	\$84.99	\$87.88	\$97.90	The increase in service costs is due to an increase in the length of each Maternal and Child Health session with the addition of vulnerability screening (e.g. for family violence).
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] x100	78.59%	78.12%	77.56%	73.97%	The participation rate is within expectations. Those not attending Council's Maternal and Child Health services may be choosing to attend the 4-year visit offered by a General Practitioner instead of Council's 3.5-year assessment.
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] x100	75.56%	71.21%	64.52%	63.72%	While disclosure of Aboriginal and Torres Strait Islander status is voluntary, Maternal and Child Health nurses continue to encourage disclosure and encourage attendance by reminding all families of appointments and offering access to an enhanced service where needed.

Note: Since 1 July 2016, the Home and Community Care (HACC) reporting has been removed from the Local Government Performance Reporting Framework (LGPRF) due to the introduction of the Commonwealth Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP). The last full reportable data for the City of Kingston is available in the 2015/16 Annual Report.

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 2018/19 Budget. Some major initiatives are also Council's major capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Dingley Village Neighbourhood House and library improvements	\$3.0m	\$1.98m	Delayed	Works began in March 2019 after a delayed start to reach agreement with community stakeholders on the scope of the improvements. The remaining funds were carried over to 2019/20. Grants: None in 2018/19. Duration: 2018/19 – 2019/20.
Construct Acacia Avenue Preschool	\$1.5m	\$2.02m	Complete	This project was completed ahead of schedule and the preschool is now fully operational. The extra amount spent over the adopted budget was due to \$140,000 carried over from 2017/18, an advanced grant payment of \$325,000 budgeted in 2019/20, and other adjustments. Grants: \$617,000 was received in 2018/19 from the Victorian Government. \$293,000 of this amount was originally budgeted for receipt in 2019/20. Duration: 2018/19.
Purchase Library Service book stock	\$1.0m	\$1.1m	Complete	New print materials – including multiple copies of high-demand titles were purchased to meet the community's requirements and enhance the love of reading for recreational and lifelong learning. Grants: None. Duration: Rolling program.
Renew public toilets at Dolamore Reserve	\$150,000	\$164,000	Complete	This project was completed as a priority under the Kingston Public Toilet Strategy and replaced very outdated toilets with new, accessible toilets that comply with Disability Discrimination Act standards. Grants: None. Duration: 2018/19.

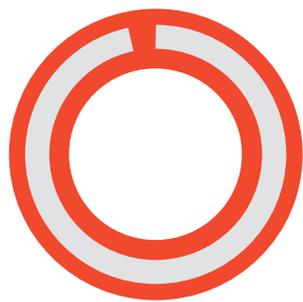
Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2018/19 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 \$24.6M
Expenditure \$25.4M

Achievements and capital works highlights

- ▶ Purchased two sites in Cheltenham in time to create a plaza area outside the new Cheltenham Station which is being developed as part of the level crossing removal.
- ▶ Purchased a site in Horscroft Place, Moorabbin to improve pedestrian access between Moorabbin Railway Station and Moorabbin Reserve/St Kilda Football club.
- ▶ Developed and adopted the *Arts and Cultural Strategy 2018-22*.
- ▶ Progressed the Mentone Renaissance project, with construction of the Piazza due for completion in early 2019/20.
- ▶ Created a new pedestrian crossing and traffic signals in Edithvale Road for the Edithvale Children's Hub.
- ▶ Rolled out the Emergency Prepare project (emergencyprepare.com.au) in collaboration with three other councils.
- ▶ Increased the number of job seekers using the Kingston Jobs Portal.
- ▶ Supported local businesses to improve their networking, business planning and marketing skills.
- ▶ Participated in the Better Approvals project to help small businesses cut red tape and make permit approvals faster and more streamlined.

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:

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

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.

Performance measures

Council's achievement for Goal 4 of the *Council Plan 2017-21* (year two) is detailed below:

Target: Increase in attendances

Attendances at Kingston Arts events

	2015/16	2016/17	2017/18	2018/19
	12,899	N/A*	14,726	23,213

Attendances have increased following the renovation of the Kingston City Hall foyer and forecourt last year. In particular, the new Live at City Hall music program and comedy shows have been very popular with local audiences.

*No data available for this year.

Source: *Camms Strategy*

Target: 80%

Community satisfaction with Kingston-delivered major festivals

	2015/16	2016/17	2017/18	2018/19
	65%	61.5%	81.7%	82%

Both the Mordialloc Food, Wine and Music Festival and Carols by Kingston received positive feedback. In particular, the new location for Carols by Kingston was well received.

Source: *Camms Strategy (average)*

Target: 90%

Satisfaction of participants at business education initiatives

	2015/16	2016/17	2017/18	2018/19
	97.75%	98.75%	96.25%	95.59%

Kingston supports the success of local businesses by offering assistance with networking, business planning and marketing skills. Most participants rated their satisfaction with the business education initiatives held during the year as 'very high' to 'excellent'.

Source: *Camms Strategy (average)*

Target: Maintain or improve resident perception of performance

Community satisfaction: Enforcement of local laws

YEAR	2016	2017	2018	2019	Average
Kingston performance	64	65	65	65	65
Kingston importance	68	74	71	72	71
Metro performance	64	64	64	64	64
State-wide performance	63	64	64	64	64

Council continues to educate our community about the local laws and enforce them when required. Kingston's performance in this measure is in line with metropolitan and state averages. In 2018/19, Council implemented a new returns protocol to enable more dogs found at large to be returned directly to their owners rather than impounded.

Source: *Local Government Community Satisfaction Survey 2019*

Target: Maintain or improve resident perception of performance

Community satisfaction: Performance in parking facilities

YEAR	2016	2017	2018	2019	Average
Kingston performance	57	57	55	53	56
Kingston importance	72	72	74	75	73
Metro performance	54	53	55	55	54
State-wide performance	56	55	56	56	56

Provision of parking facilities remains a challenge in our developing community, especially with the pressure experienced with level crossing removals. Satisfaction with parking facilities is slightly lower than previous years, though still similar to the metropolitan average.

Source: *Local Government Community Satisfaction Survey 2019*

GOAL 4

CONTINUED

Performance measures (continued)

Community satisfaction: Performance in traffic management

Target: Maintain or improve resident perception of performance

YEAR	2016	2017	2018	2019	Average
Kingston performance	56	56	58	59	57
Kingston importance	74	78	75	75	76
Metro performance	56	56	57	58	57
State-wide performance	59	59	57	58	58

Community satisfaction with traffic management has increased incrementally over the past few years and remains in line with state and metropolitan results. During the year, Kingston implemented several traffic management improvements including new signals and traffic calming measures.

Source: Local Government Community Satisfaction Survey 2019

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 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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]	1.58	1.66	1.73	1.68	Council officers continue to respond to requests in a timely manner and ensure risks are managed appropriately.
Service standard					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	69.07%	55.93%	60.98%	65.46%	Registered dogs found at large are either impounded or returned directly to owners or nominated contacts. Due to a new returns protocol developed in 2018/19, 67 pets were returned directly to their owners instead of being impounded. Kingston also continued its environmental program of pro-actively trapping stray or feral cats.
Service cost					
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$26.66	\$46.22	\$44.21	\$40.23	The cost of animal services in 2018/19 was slightly lower than expected despite increases in pound service fees.
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	17.00	11.00	13.00	7.00	Council officers proactively resolved animal-related issues directly with those involved, reducing the number of cases prosecuted in the Magistrates Court.

GOAL 4

CONTINUED

Local Government Performance Reporting Framework (continued)

Service Performance Indicators	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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]	1.49	1.61	1.73	1.87	Officers continue to action all food-related complaints as a priority to ensure risks are managed appropriately.
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>] x100	100.00%	99.90%	99.90%	100.00%	All operating class 1 and class 2 businesses were inspected during the 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>]	\$255.48	\$269.19	\$270.14	\$240.18	The cost of the service continues to be within expectations. There has also been a slight reduction in the number of registered or notified premises for the period.
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] x100	100.00%	100.00%	98.96%	100.00%	Major and critical non-compliances continue to be treated as a priority. Environmental Health Officers ensure that any high risk issues identified during the assessments are attended to immediately and action taken to remove or reduce the risk.

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 2018/19 Budget. Some major initiatives are also Council's major capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Develop Mentone Activity Centre - Piazza 'Triangle'	\$3.4m	\$2.6m	Delayed	<p>The project start date was delayed due to a private development in the neighbouring triangle site which needed to be completed before Council's project could begin.</p> <p>The remaining funds were carried over to 2019/20.</p> <p>Grants: None.</p> <p>Duration: 2018/19 – August 2019/20.</p>
Implement the Bay Trail shared path	\$2.7m	\$0.2m	Delayed	<p>This project was delayed due to VCAT appeals and negotiations with VicRoads; however, the contract has now been awarded and the project is due for completion in June 2020.</p> <p>The remaining funds were carried over to 2019/20.</p> <p>Grants: \$135,000 from Department of Justice.</p> <p>Duration: 2017/18 – 2019/20.</p>
Link Karkarook Park to Settlement Creek/Clayton Rd	\$0.8m	\$0.1m	Delayed	<p>A small section of trail linking Barkers Road trail to the Henry Street trail was completed. Works along Old Dandenong Road and Elder St South will be completed in 2019/20.</p> <p>The project was delayed due to the complexity of finding an alignment that enables the trail to be constructed on Council land and provide safe road crossings.</p> <p>The remaining funds (this project is fully funded from the Green Wedge fund) were carried over to 2019/20.</p> <p>Grants: None.</p> <p>Duration: Phase 1 from Henry St to Elder St South to be completed 2019/20.</p>
Develop the East/West Cycleway	\$0.5m	\$0.2m	Delayed	<p>The Springs Road to Bemboka Avenue section is completed. The next section, to Tomintoul Ct, is awaiting a signed agreement with the state government to construct the path on their land. The remaining funds were carried over to 2019/20.</p> <p>Grants: None.</p> <p>Duration: 2017/18 – 2019/20.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2018/19 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 \$73.1M
Expenditure \$71M

Achievements and capital works highlights

- ▶ Began collaborative procurement with other councils for LED lighting replacement and the road resurfacing program.
- ▶ Coordinated over 120 community consultations on projects ranging from small traffic improvements through to large scale infrastructure projects.
- ▶ Launched a Customer Care Chatbot to respond to customer queries.
- ▶ Developed and implemented the Kingston Business Continuity Plan.
- ▶ Progressed the consolidation and relocation of Council's three depots to one new home in Dingley Village.
- ▶ Replaced Council's desktop fleet of PCs and notebooks.
- ▶ Completed building works to maintain Council's buildings in good condition.
- ▶ Successfully moved the annual Christmas Carols community event to Bicentennial Park, Chelsea.

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

- ▶ Delivering Kingston's largest capital works budget as a result of significant grants committed during the last Victorian government election.
- ▶ The delay in the passage of the new Local Government Act following the last Victorian election.
- ▶ Implemented a process to refund 10 years of unsuccessfully appealed parking fines, following concerns raised over the wording of Victorian Government legislation governing how parking fine reviews should be handled.

Performance measures

Council's achievement for Goal 5 of the *Council Plan 2017-21* (year two) is detailed below:

First point of call contact resolution

Target: 80%

2015/16	2016/17	2017/18	2018/19
80%	85%	85%	84%

Kingston's Customer Care service received 115,929 phone calls from the community in 2018/19. Eighty-four per cent of requests and questions were answered on the one call without needing to be transferred to other parts of the organisation. This provided a more seamless and consistent experience to customers who contacted Kingston.

Source: *Camms Strategy*

Lost time injury frequency rate

Target: 30 per 1 million hours per year

2015/16	2016/17	2017/18	2018/19
N/A*	N/A*	20.56	29.64

Council implemented an enhanced safety reporting system in 2018/19, providing greater visibility of lost time injuries and the opportunity for employees to access early intervention programs to facilitate more effective injury rehabilitation and return to work.

* Council has aligned its definition of lost time injuries with the Australian Standards, resulting in previous year's data not being comparable.

Source: *Council data*

Community satisfaction: Lobbying on behalf of the community

Target: Maintain or improve resident perception of performance

YEAR	2016	2017	2018	2019	Average
Kingston performance	55	59	53	55	56
Kingston importance	66	70	67	66	67
Metro performance	56	56	56	57	56
State-wide performance	53	54	54	54	54

Council has successfully spoken up on behalf of the community to lobby for better outcomes on a range of issues including: design improvements on the level crossing removal projects; significant funding to create the Chain of Parks; funding to prepare a business case for a new regional sporting facility at the Delta site; and support for a host of community facility upgrades, including the new Roy Dore Reserve Pavilion and Dales Park Netball Centre Pavilion.

Source: *Local Government Community Satisfaction Survey 2019*

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 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Governance					
Transparency					
<p><i>Council decisions made at meetings closed to the public</i></p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</p>	8.04%	5.99%	4.51%	8.93%	The City of Kingston is committed to open and transparent decision-making processes. Due to the nature of the topics under consideration, 36 items were considered in a closed meeting of Council in 2018/19. Council endeavours to make confidential resolutions or parts of resolutions public at a later date where possible.
Consultation and engagement					
<p><i>Satisfaction with community consultation and engagement</i></p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	55.00	59.00	54.00	53.00	This rating is sourced from the annual <i>Local Government Community Satisfaction Survey</i> conducted by an independent research company. With an average score of 55 over the past four years, Kingston is committed to continuing to explore ways to improve consultation with the broader community.
Attendance					
<p><i>Councillor attendance at council meetings</i></p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	87.72%	93.43%	95.45%	87.30%	During the year, Councillors were absent due to illness, travel and in accordance with Council policy, when two Councillors contested elections for other levels of government. Apologies were accepted at the relevant Council meeting for all instances of non-attendance.
Service Cost					
<p><i>Cost of governance</i></p> <p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$51,526.11	\$50,700.44	\$52,442.56	\$58,490.33	The direct cost of delivering Council's governance service was in line with expectations.
Satisfaction					
<p><i>Satisfaction with council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	58.00	60.00	53.00	56.00	This rating is sourced from the annual <i>Local Government Community Satisfaction Survey</i> conducted by an independent research company. With an average score of 57 over the past four years, Council continues to explore ways to improve community consultation and assist the community to understand the reasons for decisions.

Major initiatives

The following table reviews Council's progress in relation to major initiatives identified in the 2018/19 Budget. Some major initiatives are also Council's major capital works projects.

Major Initiatives	Budget (\$)	Actual (\$)	Progress	Comment
Relocate the Council depot – including land purchase and redevelopment	\$5.6m	\$6.6m	In progress	<p>The purchase of the new depot site was completed in October 2018. Remodelling of the facility is in progress and due for completion in March 2020.</p> <p>The relocation of the depot is a \$10.6 million project in total.</p> <p>Additional expenditure was funded through bringing forward part of the 2019/20 budget allocation.</p> <p>Grants: None.</p> <p>Duration: 2017/18 – 2019/20.</p>
Replace the desktop fleet – PCs and notebooks	\$1.5m	\$1.6m	Complete	<p>The desktop fleet has been renewed across the organisation including replacement with laptops where applicable.</p> <p>Grants: None.</p> <p>Duration: 2017/18 – 2018/19.</p>

Other initiatives and actions

For a complete list of the initiatives and actions funded in the 2018/19 Budget and reported in the quarterly Kingston Performance Report, please visit kingston.vic.gov.au.

GOVERNANCE

Local government is the third tier of government in Australia and 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 municipal district (section 74A(1) of the *Constitution Act 1975* (Vic)).

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

Our governance system

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

Good governance involves two types of governance:

- ▶ Democratic governance – elected Councillors and the authority they have to make decisions
- ▶ Corporate governance – the way in which the Council is run and the framework in which its systems and processes operate.

Democratic governance

Delegation of powers

A number of duties, functions and powers are conferred on Council through legislation, including the *Local Government Act 1989* (Vic). 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 on a daily basis. 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. The Register of Delegations is available at kingston.vic.gov.au/contact-us/documents-available.

Council and committee meetings

Kingston's Ordinary Meetings of Council are usually held on the fourth Monday of each month and Planning Committee Meetings are held on the third Wednesday of each month at 1230 Nepean Highway, Cheltenham, commencing at 7pm, unless otherwise advertised. 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.

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

Council is sometimes required to discuss and consider confidential matters. Section 89(2) of the *Local Government Act 1989* (Vic) stipulates that councils can close meetings to discuss issues such as staffing, industrial relations, contractual matters, legal advice and matters affecting the security of Council property. If confidential reports are to be discussed by Council, the public is asked to leave the meeting during these discussions. Approximately 8% of decisions made by Council were during closed meetings, below the average for all Victorian councils.

In 2018/19, there were 13 Ordinary Meetings of Council and six Planning Committee Meetings.

Special Meetings of Council

Special Meetings of Council are called for matters that are urgent or where there are special circumstances that require a Council resolution. The dates for these meetings are advertised in The Age newspaper and on Council's website.

In 2018/19, there were ten Special Meetings of Council.

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	Meetings of Ordinary Council attended	Special Meetings of Council attended	Planning Committee Meetings attended
Current Councillors			
Cr Tamara Barth	9/13	9/10	5/6
Cr Tamsin Bearsley	11/13	10/10	6/6
Cr Ron Brownlees OAM	12/13	8/10	6/6
Cr David Eden	11/13	9/10	5/6
Cr Geoff Gledhill	10/13	9/10	5/6
Cr Georgina Oxley	13/13	10/10	5/6
Cr George Hua	9/13	7/10	5/6
Cr Steve Staikos	12/13	9/10	4/6
Cr Rosemary West OAM	13/13	10/10	6/6

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.

Mayor's role

At the annual Statutory Meeting of Council (which is a Special Meeting), Councillors elect a Mayor for a 12-month term. Council may resolve to elect a Mayor for a maximum term of two years, although the mayoral term at Kingston is usually one year. The Mayor is the leader of the Council and has a number of roles which are legislative and functional. The legislative requirements are prescribed in Section 73AA of the *Local Government Act 1989* (Vic).

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 Steve Staikos served as Mayor until 14 November 2018. Cr Georgina Oxley was elected as Mayor on 14 November 2018 for a one-year term.

Cr Steve Staikos was elected as Kingston's Deputy Mayor on 14 November 2018. The predominant role of the Deputy Mayor is to support the Mayor as required during their mayoral term. The Deputy Mayor role is subordinate to the role of the Mayor and any duties or functions carried out by the Deputy Mayor must be in accordance with Deputy Mayor Position Policy, which is available at kingston.vic.gov.au/About-Us/Plans-Policies-and-Publications/Policies.

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/s in question. Council decisions can only be made during Council Meetings.

GOVERNANCE

CONTINUED

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

Conflict of interest

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

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 2018. The annual allowance for the Mayor is \$92,434.27 and for Councillors is \$30,811.42 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 2018/19

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	\$33,462.87	\$2,654					
Cr Tamsin Bearsley	\$33,462.87	\$1,044					
Cr Ron Brownlees OAM	\$33,462.87	\$13					
Cr David Eden	\$33,462.87	\$1,629	\$100	\$399		\$1,126	
Cr Geoff Gledhill	\$33,462.87	\$1,203					
Cr George Hua	\$33,462.87	\$1,053	\$109	\$395		\$1,126	
Cr Georgina Oxley (Mayor from 15th November 2018)	\$75,764.64	\$1,157	\$241	\$1,046		\$1,126	
Cr Steve Staikos (Mayor from 15th November 2017 till 14th of November 2018)	\$58,086.84	\$1,101	\$54			\$2,018	\$305
Cr Rosemary West OAM	\$33,462.87	\$1,608	\$54			\$2,018	

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 Date of operation of current policy: 23/05/2015	✓
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 12/10/2017	✓
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)	Adopted in accordance with section 126 of the Act Date of adoption: 06/05/2019	✓
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: 24/06/2019	✓
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 Date of operation of current plans: Drainage – 01/03/2008 Transport – 01/03/2008 Community Facilities – 01/03/2008 Recreational Spaces – 01/03/2008 Capital Works Forward Plan – 25/06/2018 Asset Management Policy and Strategy adopted by Council 26/02/2018	✓
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 24/06/2019	✓
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 10/04/2019	✓
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 4/10/2016	✓
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 15/02/2017	✓
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> , outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act</i> Date of approval: 24/06/2019	✓
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 Date of operation of current plan: 19/06/2019	✓
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 Date of operation of current plan: 01/04/2015	✓

Governance and Management Items	Assessment
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 10/04/2019
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)	Established in accordance with section 139 of the Act Date of establishment: 01/01/1997
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 Date of engagement of current provider: 01/07/2019
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 Date of operation of current framework: 01/02/2019
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)	Council Plan Reports: Q1: 2018/19 – 26/11/2018 Q2: 2018/19 – 25/02/2019 Q3: 2018/19 – 27/05/2019 LGPRF Half-Year Update 2018/19: 04/03/2019
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act: ✓ Dates statements presented: June 2018: 27/08/2018 September 2018: 26/11/2018 December 2018: 25/02/2019 March 2019: 27/05/2019
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 12/11/18 and 06/05/19
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 Date of reports: LGPRF Half Year Update 2018/19: 04/03/2019 Kingston Performance Report and Quarterly Financial Statements December 2018: 25/02/2019
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)	Considered at a meeting of Council in accordance with section 134 of the Act ✓ Annual Report 2017/18 considered at a meeting of Council: 22/10/2018
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

GOVERNANCE

CONTINUED

Governance and Management Checklist (continued)

Governance and Management Items	Assessment
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act: ✓ Instrument of Delegation by Council to CEO: 23/04/2019 Instrument of Delegation by Council to Staff: 15/03/2019
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act: ✓ Date local law made: 24/7/2017 Amended by Council: 24/09/2018

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



Julie Reid
Chief Executive Officer

Dated: 26 August 2019



Cr Georgina Oxley
Mayor

Dated: 26 August 2019

Corporate governance

Chief Executive Officer (CEO) and delegations

City of Kingston CEO, John Nevins, is the only member of staff directly appointed by and responsible to Council. The CEO implements Council decisions, ensures Council achieves its Council Plan objectives, and manages the day-to-day operations of the organisation. The CEO's delegated powers include awarding contracts up to \$750,000. The CEO was extended from 9 November 2018 to 9th August 2019 for a term of nine months and his performance is reviewed annually by Council.

Senior Officers

A Senior Officer is the CEO or an officer of Council who has management responsibilities and reports directly to the CEO or any other member of Council staff whose total annual remuneration exceeds \$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 inspection pursuant to 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.

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 into 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)
- ▶ a 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 2018/19, Council's response to the Best Value Principles included:

- ▶ demonstrating and reporting quality and cost standards in Council's internal financial reporting, the annual City of Kingston Budget and the City of Kingston Annual Report. Council's rigorous approach to tendering for major services and works provides the community with the best value for money
- ▶ 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 older people. 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
- ▶ reporting on Council's performance in quarterly reports, the Local Government Reporting Framework and the Annual Report. Information on local issues is provided through the website and in print media.

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 2018/19, no Charter-related complaints were made.

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 2018/19, Kingston met its obligations in various ways, including:

- ▶ Carer needs were identified during AccessCare service assessments and review with appropriate services offered, including respite and, if necessary, referral for residential respite.
- ▶ AccessCare have Social Inclusion Officers who can spend time to understand the socialisation needs of people who are older and/or have a disability and their carers. Social Inclusion Officers remain informed about what is available and the referral pathways for services.
- ▶ AccessCare offer a group respite program for people who are older and/or have a disability and their carers, and offer a range of community bus day trips.
- ▶ The Infrastructure department continues to address pedestrian and road access as issues are identified to ensure continued access for all users. As part of the planning process for civil infrastructure projects, pedestrian ramps and improvement for path linkages are included. All road reconstruction projects include the building of accessible pedestrian ramps and footpaths if not currently to standard. In addition, all footpaths are proactively inspected for potential tripping points and any non-compliance is remedied through concrete grinding or replacement of the footpath bays.
- ▶ Council accepts the use of the Companion Card at the Kingston Arts centre, for the Community Bus service and Leisure Centres.
- ▶ AccessCare is engaged in a number of networks including local governments, peak bodies and local providers. AccessCare and Community Care have been partnering with the Brotherhood of St Laurence, the Local Area Coordinator of National Disability Insurance Scheme (NDIS) in our region, to build capacity for people with disabilities.

GOVERNANCE

CONTINUED

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.

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 through 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. By the end of June 2019, Council has 37 buildings that now meet the 2011 premises standards, which is 15% of Council's community buildings
- ▶ installing a Changing Places toilet facility at Bicentennial Park Chelsea in June 2019
- ▶ working with LXP and Office of Disability to install a Changing Places toilet at Carrum foreshore
- ▶ including a fully accessible toilet facility in the Westall Hub, which is now fully operational. While it is not a separate Changing Places facility, it is compliant with the design requirements. This has been commissioned and was fully operational during early 2018/19
- ▶ including a Changing Places fully accessible toilet facility at the Riding for the Disabled facility in Moorabbin which is installed and opened in August 2018
- ▶ using interpreters at the Carols by Kingston event
- ▶ providing grants to a number of disability support organisations and carers' organisations through Council's Community Grants Program
- ▶ 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
- ▶ 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 beach matting and accessible beach wheelchairs at Carrum foreshore in a partnership with the Office of Disability and Carrum Life Saving Club. Further matting was purchased by Carrum LSC by a State Government grant to provide similar functionality
- ▶ 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
- ▶ implementing diversity and inclusion – the Leisure Centre team has had over 100 staff undertake disability awareness training; they participated in the Diversity and Inclusion Group (DIG), proactively employed people with a disability; supported Active April with a free community wellbeing event; and implemented capital works improvements to provide accessible family change facilities at Waves
- ▶ maintaining Lifesaving Victoria Platinum Pool Accreditation for the 6th year running with near perfect scores highlighting an emphasis on the health and safety of the community
- ▶ Council officers continually reviewing the latest information on aged and disability sector reforms and provide feedback through State and Commonwealth Government consultation papers. Our National Disability Insurance Scheme (NDIS) transition workers continue to educate and assist Kingston's clients eligible for NDIS to prepare for the change and support them through the process
- ▶ Council NDIS transition officers continuing to engage with other councils, the Department of Health and Human Services and NDIS within the region to ensure accurate information is made available to clients to facilitate their transition.

Domestic Animal Management Plan

The *Domestic Animals Act 1994* requires all Victorian councils to have a plan in place for the management of dogs and cats within their municipality. At the Ordinary meeting of 23 May 2016, Council adopted the *Domestic Animal Management Plan 2016-2021*. This plan aims to facilitate the 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 plan also aims to promote responsible pet ownership and enhance the experience of animal ownership within the community. 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 2018/19 were completed during the year, including domestic animal business compliance inspections and dangerous/menacing/restricted breed compliance inspections.

Food Act 1984

In 2018/19, 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 2018/19, 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 8:30am until 5:00pm. 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 10:00am until 2:00pm.

Protected disclosure

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

One Protected Disclosure was made in 2018/19.

Risk management

The Chief Executive Officer approved a revised Risk Management Policy and Risk Management Procedure for Kingston City Council during the year.

The policy and procedure aligns with ISO 31000 Risk Management – Guidelines and the Victorian Government Risk Management Framework. The documentation together with associated process enhancements finalised the implementation of recommendations and actions from the 2017 Internal Audit Report of Risk Management undertaken by internal auditors Pitcher Partners.

The Corporate Leadership Group, Council's executive management team, has conducted a detailed review of Council's strategic risk profile giving regard to existing and emerging risks and benchmarking strategic risk against other local government entities. An updated strategic risk register has been endorsed by the Chief Executive Officer and is subject to quarterly review by the Corporate Leadership Group. All strategic risks are mapped to objectives detailed in the *Council Plan 2017–2021*. A review of operational risk profile has commenced across all functional and service areas of Council.

GOVERNANCE

CONTINUED

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 corporate 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 of the Chief Executive Officer.

The Audit Committee meets five times per year. Internal Audit representatives, the Chief Executive Officer and the General Manager Corporate Services attend all Audit Committee meetings. During 2018/19, 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

On 10 December 2018 Council resolved to award its existing auditor, Pitcher Partners Pty Ltd, the contract for the provision of internal audit services for three years concluding on 30 June 2022, with the option to extend for a further three years at the discretion of the Chief Executive Officer. 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 2018/19, the following reviews were reported on:

- ▶ Parking infringement management
- ▶ Asset management
- ▶ Payroll and HR management
- ▶ Building compliance
- ▶ Councillor expenses
- ▶ IT systems.

External audit

Council's current External Auditor is the Victorian Auditor-General. The Auditor-General elected to contract this activity for 2018/19 to Crowe Horwath, 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 2017/18.

Local Laws

Council has two Local Laws – the Community Local Law and the Meeting Procedures Local Law – and both of these 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 2019

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: 26 August 2019

In our opinion, the accompanying performance statement of the Kingston City Council for the year ended 30 June 2019 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.

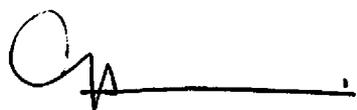
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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: 26 August 2019



Councillor
Cr G. Gledhill

Dated: 26 August 2019



J. Reid
Chief Executive Officer

Dated: 26 August 2019

INDEPENDENT AUDITOR'S REPORT

OFFICIAL

VAGO

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 2019• sustainable capacity indicators for the year ended 30 June 2019• service performance indicators for the year ended 30 June 2019• financial performance indicators for the year ended 30 June 2019• other information• 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 2019, 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>. 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 performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council 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 determine 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. 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

OFFICIAL

OFFICIAL

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 the 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
30 August 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

OFFICIAL

PERFORMANCE STATEMENT CONTINUED

for the Year Ended 30 June 2019

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

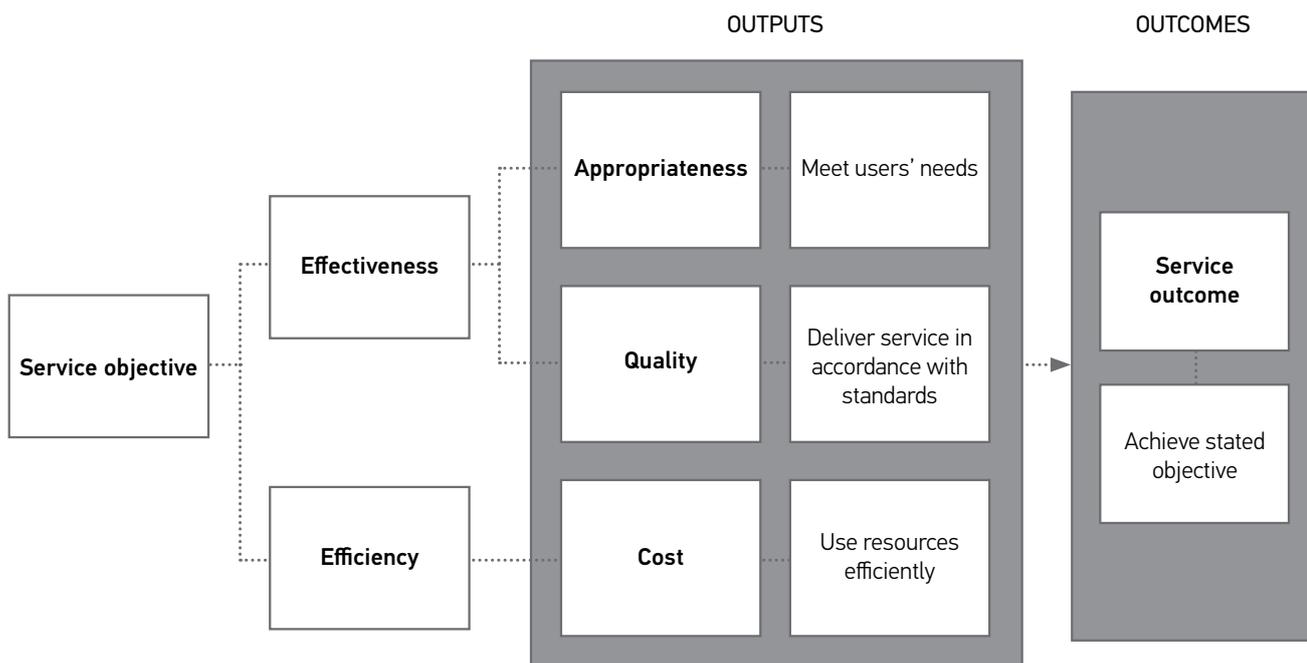
- ▶ Councils will have information to support strategic decision-making and continuous improvement
- ▶ Communities will have information about council performance and productivity
- ▶ Regulators will have information to monitor compliance with relevant reporting requirements
- ▶ State and Commonwealth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

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

The indicators will cover the Council service areas of:

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

Service Performance Framework



Dimensions of the Service Performance Indicator Framework

Dimension	Definition	Indicators/Measures
Appropriateness	Output indicators that measure the extent to which services <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 (inputs)</i> 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

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

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

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

Other Information

for the year ended 30 June 2019

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 114 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 approximately 16,625 businesses with over 93,000 people employed throughout the City of Kingston. Our significant industrial sector generates an annual economic output of about \$22.0 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 2019

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 of 163,431, 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 78,155 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 30 per cent of Kingston's population was born overseas, with 26 per cent 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 163,431 as at 30 June 2019.

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

The formulas used to determine the Results for 2018/19 are shown in the following tables.

Sustainable Capacity Indicators

for the year ended 30 June 2019

Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue/Municipal population]	\$1,152.22	\$1,059.19	\$1,062.00	\$1,080.61	The 2018/19 result is in line with prior years and consistent with budget expectations. The 2015/16 result contained a one-off \$13.5 million net gain on disposal of property and bed licences.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$209.29	\$234.07	\$209.65	\$230.91	The 2018/19 result is in line with expectations and reflects a continued strong level of operating grants.
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,095.61	\$1,087.86	\$1,132.57	\$1,146.86	The 2018/19 result is in line with expectations.

Sustainable Capacity Indicators (continued)

for the year ended 30 June 2019

Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Population (continued)					
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$5,429.19	\$5,250.27	\$4,961.23	\$5,567.22	The 2018/19 result is in line with budget expectations.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	252.00	254.71	261.75	264.72	The results demonstrate a gradual increase in population density as Kingston's population increases when compared to an already established road network.
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	9.00	9.00	9.00	9.00	The result reflects a relatively low average level of socio-economic disadvantage within Kingston's diverse communities, which is in line with results for neighbouring municipalities and prior years' results.

Note that definitions are at the end of this document

Service Performance Indicators

for the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58.00	60.00	53.00	56.00	This rating is sourced from the annual <i>Local Government Community Satisfaction Survey</i> conducted by an independent research company. With an average score of 57 over the past four years, Council continues to explore ways to improve community consultation and assist the community to understand the reasons for decisions.
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	44.44%	35.71%	30.00%	41.18%	Only a small percentage (51 of 901 or 5.7%) of Council's planning decisions were referred to VCAT in 2018/19. A number of these decisions were resolved at VCAT through consent or at mediation and, while these are reflected as decisions 'not upheld', Council considers this a good outcome as agreement was reached in mediation by all parties.

Service Performance Indicators (continued)

for the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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	67.00	69.00	69.00	This rating is sourced from the annual <i>Local Government Community Satisfaction Survey</i> conducted by an independent research company. Kingston's result is in line with other metropolitan councils.
Libraries					
Participation					
<i>Active library members</i> [Number of active library members / Municipal population] x100	17.81%	16.88%	17.16%	16.61%	The slight decrease in the percentage of active members can be related to the closure of Dingley Village Library for renovations from December 2018, combined with an increase in the municipal population.
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	48.85%	50.09%	50.85%	49.53%	The kerbside waste collection diverted from landfill decreased slightly due to EPA's closure of the recycling facility used by Kingston. This resulted in approximately 2% of Kingston's annual tonnage of recyclable material being sent to landfill in early 2019.
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.33	4.55	5.49	5.47	Despite growth in general attendance, memberships, learn to swim and school swimming enrolments all contributing to an increase in attendance across both centres, the growth in municipal population means there has been a slight drop in this measure.
Animal Management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	17.00	11.00	13.00	7.00	Council officers proactively resolved animal-related issues directly with those involved, reducing the number of cases prosecuted in the Magistrates Court.

Service Performance Indicators (continued)

for the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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] x100	100.00%	100.00%	98.96%	100.00%	Major and critical non-compliances continue to be treated as a priority. Environmental Health Officers ensure that any high risk issues identified during the assessments are attended to immediately and action taken to remove or reduce the risk.
Home and Community Care (HACC)					
Participation					
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	30.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation					
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	24.82%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
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] x100	78.59%	78.12%	77.56%	73.97%	The participation rate is within expectations. Those not attending Council's Maternal and Child Health services may be choosing to attend the 4-year visit offered by a General Practitioner instead of Council's 3.5-year assessment.
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] x100	75.56%	71.21%	64.52%	63.72%	While disclosure of Aboriginal and Torres Strait Islander status is voluntary, Maternal and Child Health nurses continue to encourage disclosure and encourage attendance by reminding all families of appointments and offering access to an enhanced service where needed.

Note that definitions are at the end of this document.

Financial Performance Indicators

for the year ended 30 June 2019

Forecasts are based on the Strategic Resource Plan adopted by Council in June 2019

Dimension/ indicator/ measure	Results				Forecasts				Material Variations and Comments
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	19.77%	18.16%	15.52%	16.44%	8.80%	9.09%	8.71%	8.26%	The better than expected result reflects strong revenue in supplementary rates and in operating grants in childcare and home care.
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	284.73%	349.37%	361.25%	351.16%	203.59%	182.21%	180.08%	195.33%	The 2018/19 result is in line with the prior year and reflects our level of cash holdings. The forecast years working capital ratio is expected to fall into a range of 180% to 204%. Over the next four years, Council's assured cashflows mean that Council is confident it can pay its debts as and when they fall due. The current state-wide average for inner metropolitan Melbourne Councils is approximately 306%.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	209.26%	321.73%	332.51%	326.63%	182.43%	159.19%	156.83%	172.20%	The 2018/19 result is consistent with the prior year driven by consistent strong cash reserves. The outlook forecasts this trend to be in the range of 156% to 183% in the future.

Financial Performance Indicators (continued)

for the year ended 30 June 2019

Dimension/ indicator/ measure	Results 2015/16	Results 2016/17	Results 2017/18	Results 2018/19	Forecasts				Material Variations and Comments
					2019/20	2020/21	2021/22	2022/23	
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	15.76%	14.50%	9.75%	3.61%	1.20%	0.23%	0.00%	0.00%	The result for 2018/19 is better than expected as Council made an extra loan repayment during the year. The decreasing forecast trend reflects the scheduled repayment of external debt with Council expected to be debt free by July 2021.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest-bearing loans and borrowings / Rate revenue] x100	3.97%	3.60%	4.64%	5.76%	2.56%	0.96%	0.23%	0.00%	The result for 2018/19 is in line with expectations and the future years reflect the debt reduction strategy with the Long Term Financial Strategy.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	9.73%	9.65%	6.00%	1.78%	1.07%	0.87%	0.88%	0.89%	The result for 2018/19 is in line with expectations and the future years reflect the debt reduction strategy with the Long Term Financial Strategy.
Asset renewal									
<i>Asset renewal compared to depreciation</i> [Asset renewal expense / Asset depreciation] x100	116.59%	109.29%	108.19%	117.11%	143.92%	149.73%	127.69%	115.42%	The 2018/19 result is consistent with the prior year with Council continuing to maintain current assets in line with expectations. The trend reflects Council's decisions to bring forward important Asset renewal projects to the next two years.

Financial Performance Indicators (continued)

for the year ended 30 June 2019

Dimension/ indicator/ measure	Results 2015/16	Results 2016/17	Results 2017/18	Results 2018/19	Forecasts				Material Variations and Comments
					2019/20	2020/21	2021/22	2022/23	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	59.45%	62.45%	62.16%	63.23%	68.56%	68.07%	68.31%	68.54%	The 2018/19 result is consistent with preceding years and in line with expectations. The 2015/16 result was influenced by the one-off gain on sale of assets.
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.29%	0.25%	0.25%	0.21%	0.22%	0.23%	0.23%	0.24%	The 2018/19 result is in line with preceding years and reflects budget expectations. The forecast reflects the Long Term projections of rate revenue.
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,361.13	\$2,343.03	\$2,470.70	\$2,496.74	\$2,617.36	\$2,670.15	\$2,714.34	\$2,762.40	The 2018/19 result is in line with expectations and reflects the 3% increase in expenditure to \$187 million and an increase in number of assessments.
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,658.81	\$1,716.68	\$1,743.52	\$1,840.48	\$1,852.57	\$1,877.79	\$1,908.26	\$1,939.02	The 2018/19 result is in line with expectations and the forecast years reflect the Long Term Financial Strategy.
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	28.31%	13.00%	13.56%	13.71%	13.06%	13.06%	13.06%	13.06%	The 2018/19 result is line with prior years and with expectations. The forecast years are expected to be stable and reflect average trends.

Note that definitions are at the end of this document

Definitions

Aboriginal child	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the <i>Aboriginal Heritage Act 2006</i>
Active library member	means a member of a library who has borrowed a book from the library
Adjusted underlying revenue	means total income other than: (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
Adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
Annual report	means an annual report prepared by a council under sections 131, 132 and 133 of the Act
Asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
Class 1 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 1 food premises under section 19C of that Act
Class 2 food premises	means food premises, within the meaning of the <i>Food Act 1984</i> , that have been declared as class 2 food premises under section 19C of that Act
Community Care Common Standards	means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
Critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
Culturally and Linguistically Diverse (CALD)	means Culturally and Linguistically Diverse people born outside Australia in a country whose national language is not English
Current assets	has the same meaning as in the Australian Accounting Standards (AAS)
Current liabilities	has the same meaning as in the AAS
Expenses	means expenses including employee costs, materials and services, bad and doubtful debts, depreciation and amortization, borrowing costs and other expenses
Food premises	has the same meaning as in the <i>Food Act 1984</i> and includes all street trader notifications
HACC program	means the Home and Community Care program established under the Agreement entered into for the purpose of the <i>Home and Community Care Act 1985</i> of the Commonwealth
HACC service	means home help, personal care or community respite provided under the HACC program
Infrastructure	means non-current property, plant and equipment excluding land
Local road	means a sealed or unsealed road for which the council is the responsible road authority under the <i>Road Management Act 2004</i>
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
Major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the <i>Food Act 1984</i> , or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
Non-current assets	means all assets other than current assets
Non-recurrent grant	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

Definitions (continued)

Non-current liabilities	means all liabilities other than current liabilities
Own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
Population	means the resident population estimated by council
Rate revenue	means revenue from general rates, municipal charges, service rates and service charges
Recurrent grant	means a grant other than a non-recurrent grant
Relative socio-economic disadvantage	in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of the Socio-Economic Indexes for Areas (SEIFA) published from time to time by the Australian Bureau of Statistics on its Internet website
Residential rates	means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
Restricted cash	means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
Target population	has the same meaning as in the Agreement entered into for the purposes of the <i>Home and Community Care Act 1985</i> of the Commonwealth
Unrestricted cash	means all cash and cash equivalents other than restricted cash
WorkSafe reportable aquatic facility safety incident	means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the <i>Occupational Health and Safety Act 2004</i> .

ANNUAL FINANCIAL REPORT

for the Year Ended 30 June 2019

Table of contents

Financial Report

Certification of the Financial Statements	66
Victorian Auditor-General's Office Report	67

Financial Statements

Comprehensive Income Statement	69
Balance Sheet	70
Statement of Changes in Equity	71
Statement of Cash Flows	72
Statement of Capital Works	73

Notes to Financial Report

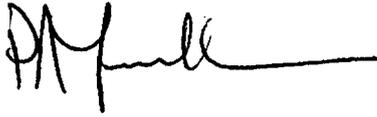
Overview	74
Note 1: Performance against budget	75
1.1: Income and Expenditure	75
1.2: Capital Works	77
Note 2: Analysis of Council results by program	79
2.1: Analysis of Council results by Division	79
Note 3: Funding for the delivery of our services	81
3.1: Rates and charges	81
3.2: Statutory fees and fines	81
3.3: User fees	82
3.4: Funding from other levels of government	83
3.5: Contributions	84
3.6: Net gain / (loss) on disposal of property, infrastructure, plant and equipment	85
3.7: Other income	85
Note 4: The cost of delivering services	86
4.1: Employee costs	86
4.2: Materials and services	87
4.3: Depreciation and amortisation	87
4.4: Bad and doubtful debts	88
4.5: Borrowing costs	88
4.6: Other expenses	88
Note 5: Our financial position	89
5.1: Financial assets	89
5.2: Non-financial assets	91
5.3: Payables	93
5.4: Interest bearing liabilities	93
5.5: Provisions	94
5.6: Financing arrangements	96
5.7: Commitments	96
Note 6: Assets we manage	98
6.1: Non-current assets classified as held for sale	98
6.2: Property, infrastructure plant and equipment	98
6.3: Investment property	104
Note 7: People and relationships	105
7.1: Council and key management remuneration	105
7.2: Related party disclosure	107
Note 8: Managing uncertainties	107
8.1: Contingent assets and liabilities	107
8.2: Change in accounting standards	109
8.3: Financial instruments	110
8.4: Fair value measurement	111
8.5: Events occurring after balance date	112
Note 9: Other matters	113
9.1: Reserves	113
9.2: Reconciliation of cash flows from operating activities to surplus/(deficit)	115
9.3: Superannuation	115

ANNUAL FINANCIAL REPORT CONTINUED

for the Year Ended 30 June 2019

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: 26 August 2019
Location: Cheltenham

In our opinion, the accompanying financial report presents fairly the financial transactions of Kingston City Council for the year ended 30 June 2019 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: 26 August 2019
Location: Cheltenham



Cr G. Gledhill
Councillor

Dated: 26 August 2019
Location: Cheltenham



Julie Reid
Chief Executive Officer

Dated: 26 August 2019
Location: Cheltenham

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 2019• 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 2019 and its 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 <i>APES 110 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>

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

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

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

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

MELBOURNE
30 August 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

for the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	141,953	134,353
Statutory fees and fines	3.2	9,895	9,468
User fees	3.3	20,446	22,548
Grants – operating	3.4	37,157	33,772
Grants – capital	3.4	4,841	4,631
Contributions – monetary	3.5	10,084	11,101
Contributions – non-monetary	3.5	199	2,626
Other income	3.7	4,263	4,707
Net Gain on disposal of property, infrastructure, plant and equipment	3.6	49	-
Total income		228,887	223,206
Expenses			
Employee costs	4.1	80,016	74,611
Materials and services	4.2	81,149	81,045
Depreciation and amortisation	4.3	25,392	24,568
Bad and doubtful debts	4.4	43	32
Borrowing costs	4.5	210	439
Other expenses	4.6	623	608
Net Loss on disposal of property, infrastructure, plant and equipment	3.6	-	843
Fair value adjustment for investment property	6.3	-	296
Total expenses		187,433	182,442
Surplus for the year		41,454	40,764
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods:			
Net asset revaluation increment/(decrement)	6.2	(80,315)	140,692
Total comprehensive result		(38,861)	181,456

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

Balance Sheet

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	8,067	16,601
Trade and other receivables	5.1	9,170	9,327
Other financial assets	5.1	136,046	120,026
Non-current assets classified as held for sale	6.1	-	885
Other assets	5.2	1,652	590
Total current assets		154,935	147,429
Non-current assets			
Trade and other receivables	5.1	-	-
Property, infrastructure, plant and equipment	6.2	2,366,620	2,416,983
Investment property	6.3	4,473	4,473
Intangible assets	5.2	882	699
Total non-current assets		2,371,975	2,422,155
Total assets		2,526,910	2,569,584
Liabilities			
Current liabilities			
Trade and other payables	5.3	15,370	15,041
Trust funds and deposits	5.3	6,310	5,752
Provisions	5.5	19,389	15,756
Interest bearing loans and borrowings	5.4	3,052	4,261
Total current liabilities		44,121	40,810
Non-current liabilities			
Provisions	5.5	1,070	1,446
Interest bearing loans and borrowings	5.4	2,073	8,821
Total non-current liabilities		3,143	10,267
Total liabilities		47,264	51,077
Net assets		2,479,646	2,518,507
Equity			
Accumulated surplus		1,418,060	1,377,984
Asset revaluation reserve	9.1	1,025,000	1,105,315
Other reserves	9.1	36,586	35,208
Total equity		2,479,646	2,518,507

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

Statement of Changes in Equity

for the Year Ended 30 June 2019

2019	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Asset Replacement Reserve \$'000	Asset Development Reserve \$'000	Other Reserves \$'000
Balance as at 1 July 2018		2,518,507	1,377,984	1,105,315	1,483	16,688	17,037
Surplus for the year		41,454	41,454	-	-	-	-
Net asset revaluation increment/(decrement)	9.1	(80,315)	-	(80,315)	-	-	-
Transfers to other reserves	9.1	-	(13,568)	-	-	8,852	4,716
Transfer from other reserves	9.1	-	12,190	-	(972)	(7,514)	(3,704)
Balance as at 30 June 2019		2,479,646	1,418,060	1,025,000	511	18,026	18,049

2018	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Asset Replacement Reserve \$'000	Asset Development Reserve \$'000	Other Reserves \$'000
Balance as at 1 July 2017		2,337,051	1,342,370	964,623	2,075	14,487	13,496
Surplus for the year		40,764	40,764	-	-	-	-
Net asset revaluation increment/(decrement)	9.1	140,692	-	140,692	-	-	-
Transfers to other reserves	9.1	-	(12,989)	-	-	8,457	4,532
Transfer from other reserves	9.1	-	7,839	-	(592)	(6,256)	(991)
Balance as at 30 June 2018		2,518,507	1,377,984	1,105,315	1,483	16,688	17,037

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 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		141,574	134,096
Grants – operating		34,628	33,772
Grants – capital		4,841	4,631
Contributions – monetary		10,084	11,102
Statutory fees and fines		9,895	9,468
User fees		22,794	21,968
Interest received		3,417	2,973
Other receipts		845	728
Trust funds and deposits taken		4,826	11,300
Repayment of trust funds and deposits		(4,268)	(9,311)
Employee costs		(78,338)	(75,668)
Materials and services		(80,251)	(77,220)
Net cash provided by operating activities	9.1	70,047	67,839
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(54,492)	(39,407)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	98	62
Payments for investments		(151,150)	(120,550)
Proceeds from sale of investments		135,130	103,550
Net cash used in investing activities		(70,414)	(56,345)
Cash flows from financing activities			
Finance costs		(210)	(439)
Repayment of borrowings		(7,957)	(5,783)
Net cash provided by financing activities		(8,167)	(6,222)
Net (decrease)/increase in cash and cash equivalents		(8,534)	5,272
Cash and cash equivalents at the beginning of the financial year		16,601	11,329
Cash and cash equivalents at the end of the financial year	5.1	8,067	16,601
Restrictions on cash assets	5.1	6,310	5,752

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 2019

	2019 \$'000	2018 \$'000
Property		
Land	8,061	2,694
Land improvements	1,060	582
Total land	9,121	3,276
Buildings	24,668	16,699
Total buildings	24,668	16,699
Total property	33,809	19,975
Plant and equipment		
Plant, machinery and equipment	90	-
Fixtures, fittings and furniture	27	-
Computers and telecommunications	2,845	865
Library books	1,053	1,041
Total plant and equipment	4,015	1,906
Infrastructure		
Roads	6,187	9,772
Footpaths and cycleways	1,811	1,554
Drainage	4,421	4,962
Recreational, leisure and community facilities	4,213	5,317
Parks, open space and streetscapes	5,436	4,544
Off street car parks	60	904
Other infrastructure	1,889	648
Total infrastructure	22,317	27,701
Total capital works expenditure	60,141	49,582
Represented by:		
New asset expenditure	11,012	6,845
Asset renewal expenditure	29,401	27,766
Asset expansion expenditure	5,705	4,543
Asset upgrade expenditure	14,023	10,428
Total capital works expenditure	60,141	49,582

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 2019

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.

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 and infrastructure, plant and equipment and intangibles (refer to note 6.2)
- ▶ the determination of depreciation for buildings, property, infrastructure, plant and equipment (refer to note 6.2)
- ▶ the determination of amortisation of intangible assets (refer note 5.2 b)
- ▶ the determination of employee provisions (refer to note 5.5).

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

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.

The budget figures detailed below are those adopted by Council on 25 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and Expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	F/U	Ref
Income						
Rates and charges	139,367	141,953	2,586	1.9	F	1
Statutory fees and fines	9,705	9,895	190	2.0	F	
User fees	20,113	20,446	333	1.6	F	
Grants – Operating	33,027	37,157	4,130	12.5	F	2
Grants – Capital	3,697	4,841	1,144	30.9	F	3
Contributions – monetary	389	10,084	9,695	2,492.3	F	4
Contributions – non-monetary	-	199	199	-	F	
Other income	2,494	4,263	1,769	70.9	F	5
Net profit on disposal of property, infrastructure, plant and equipment	-	49	49	-	F	
Total income	208,792	228,887	20,095	9.6	F	
Expenses						
Employee costs	79,960	80,016	(56)	-	U	
Materials and services (includes other expenses)	80,469	81,772	(1,303)	(1.6)	U	
Bad and doubtful debts	50	43	7	14.0	F	6
Depreciation and amortisation	27,000	25,392	1,608	6.0	F	7
Borrowing costs	396	210	186	47.0	F	8
Total expenses	187,875	187,433	442	0.2	F	
Surplus (deficit) for the year	20,917	41,454	20,537	98.2	F	

* 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	Rates and Charges	Rates and Charges of \$142.0 million are \$2.6 million favourable to budget due to higher supplementary rates during the year than budgeted and include \$1.6 million in back rates for Kingswood Golf Course.
2	Grants – Operating	Operating grants of \$37.2 million are \$4.1 million favourable to budget mainly due to home care grants \$1.8 million favourable and Family Youth and Children's department \$1.8 million favourable with better than expected utilisation in childcare, before and after school and family day care.
3	Grants – Capital	Capital grants of \$4.8 million are \$1.1 million favourable to budget due to budgeted projects receiving funding ahead of schedule – Acacia Ave Pre School (\$293k) and the Soppett Pavilion Redevelopment (\$250k). Funding was also received for the following projects – Edithvale Life Saving Club \$750k, Roy Dore Pavilion (\$320k), Dales Park Pavilion (\$200k), Bay Trail Shared Path (\$135k), Dales Park Playground (\$125k), Moorabbin Lawn Bowls (\$113k), Le Page Master Plan (\$113k), Chelsea Kinder Renewal (\$100k), Chapel Rd & Perry Street Moorabbin Traffic Management (\$91k) and Sportsground Lighting Renewal (\$86k). \$750k of funding that was budgeted for the Dingley Village Neighbourhood House was not received but is expected in 2019/20.
4	Contributions – Monetary	Monetary contributions of \$10.1 million are \$9.7 million favourable due to \$8.8 million in unbudgeted cash contributions from developers which are transferred to a reserve for use on open space and stormwater projects at a later date.
5	Other Income	Other income of \$4.3 million is \$1.8 million favourable to budget due to strong interest income earned on higher than expected cash holdings.
6	Bad and Doubtful Debts	Bad and doubtful debts of \$43k are slightly below the expected budget of \$50k due to a strong level of debt recovery.
7	Depreciation and Amortisation	Depreciation of \$25.4 million was \$1.6 million lower than budget which reflects Council's asset register.
8	Borrowing Costs	Borrowing costs of \$210k are lower than the budget of \$396k due to an extra loan repayment of \$1.8m made during the year.

NOTE 1: Performance against budget (continued)

1.2 Capital Works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	F/U	Ref
Property						
Land	1,000	8,061	(7,061)	(706.1)	U	1
Land improvements	2,020	1,060	960	47.5	F	2
Total land	3,020	9,121	(6,101)	(202.0)	U	
Buildings	24,193	24,688	(495)	(2.0)	U	
Total buildings	24,193	24,688	(495)	(2.0)	U	
Total property	27,213	33,809	(6,596)	(24.2)	U	
Plant and equipment						
Plant, machinery and equipment	400	90	310	77.5	F	3
Fixtures, fittings and furniture	-	27	-	-		
Computers and telecommunications	2,605	2,845	(240)	(9.2)	U	
Library books	1,056	1,053	3	0.3	F	
Total plant and equipment	4,061	4,015	73	1.8	F	
Infrastructure						
Roads	5,701	6,187	(486)	(8.5)	U	
Footpaths and cycleways	6,150	1,811	4,339	70.6	F	4
Drainage	4,560	4,421	139	3.0	F	
Off street car parks	170	60	110	64.7	F	6
Recreational, leisure and community facilities	4,273	4,213	60	1.4	F	
Parks, open space and streetscapes	6,441	5,436	1,005	15.6	F	5
Other infrastructure	420	189	231	55.0	F	7
Total infrastructure	27,715	22,317	5,398	19.5	F	
Total capital works expenditure	58,989	60,141	(1,152)	(2.0)	U	
Represented by:						
New asset expenditure	8,733	11,012	(2,279)	(26.1)	U	
Asset renewal expenditure	27,272	27,568	(296)	(1.1)	U	
Asset expansion expenditure	5,371	5,705	(334)	(6.2)	U	
Asset upgrade expenditure	15,229	14,023	1,206	7.9	F	
Non Asset	2,384	1,833	551	23.1	F	
Total capital works expenditure	58,989	60,141	(1,152)	(2.0)	U	

NOTE 1: Performance against budget (continued)

1.2 Capital Works (continued)

(i) Explanation of material variances

Ref	Item	Explanation
1	Land	Expenditure of \$8.1 million is \$7.1 million unfavourable to adopted 2018/19 Budget due to Council resolutions to purchase properties during 2018/19 in Charman Rd, Cheltenham, Victory Road, Clayton South, Spring Road, Dingley Village and Horsecroft Place, Moorabbin. These purchases were funded from Developer Open Space contributions made in prior years.
2	Land improvements	Land improvements are associated to management and remediation of former landfill sites. Sourcing appropriate quantities and quality of capping and top soils caused delays to delivery. At 30 June 2019 there are \$0.9 million of contractual commitments for works in progress but not yet commenced.
3	Plant, machinery and equipment	Expenditure is less than forecast expenditure due to delivery lag for imported trucks. Vehicle replacements valued at \$260k are on order pending delivery early in 2019/20.
4	Footpaths & cycle ways	Expenditure is less than forecast following VCAT appeals and delays in obtaining necessary approvals for the Bay Trail Shared Path project, requiring a Carry Over of funds totalling to 2019/20 \$3.2 million. This contract has now been awarded noting that VCAT and regulatory matters are now resolved. The link between Henry St and Elder St Park has been delayed requiring a \$0.5 million carry over of funds to 2019/20 while land acquisition and design issues are resolved.
5	Parks, open space and streetscapes	Less than forecast variance of \$1.0 million is due to delays commencing the Mentone Piazza Project. Works are well advanced and due for completion August 2019.
6	Off street car parks	Less than forecast expenditure is due to \$170k for Foreshore Ticket Parking machine replacements being carried over to 2019/20.
7	Other infrastructure	Less than forecast expenditure of \$0.23 million is due to \$60k program savings with Parks Victoria assuming maintenance responsibilities in Mordialloc Creek, \$60k for Smart City Initiative and \$100k for Christmas decorations being carried over to 2019/20 for planned implementation.

NOTE 2: Analysis of Council results by program

Note 2.1 Analysis of Council results by Division

Planning and Development Division

Planning and Development comprises four 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 five 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 and 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 two leisure centres.

Community Sustainability Division

Community Sustainability comprises four 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 six departments. The Finance and Corporate Performance team is responsible for the reporting and management of Council's finances 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.

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

Note 2.1 Analysis of Council results by Division (continued)

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	4,618	-
	228,887	187,433	41,454	37,156	2,526,910

2018	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
Planning and Development	9,689	15,807	(6,118)	123	580
City Assets and Environment	14,303	48,705	(34,402)	488	1,227,345
Community Sustainability	37,139	55,746	(18,607)	28,531	1,194,111
Corporate Services	1,132	20,231	(19,099)	-	147,549
Central Executive Services	160,943	41,953	118,990	4,631	-
	223,206	182,442	40,764	33,773	2,569,585

NOTE 3: Funding for the delivery of our services

3.1 Rates and charges

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

The valuation base used to calculate general rates for 2018/19 was \$65.4 billion (2017/18 \$52.6 billion). The 2018/19 declared rate in the dollar was 0.18018 cents (2017/18 0.21580 cents).

A Municipal charge is levied at the rate of \$100 (2017/18 \$100) per rateable property and a waste service fee (choices A to F) is levied at the rate of \$160 to \$255 (2017/18 \$137 to \$230) per rateable property.

	2019 \$'000	2018 \$'000
General rates	118,095	112,358
Municipal charge	7,359	7,249
Waste service fee	13,846	12,197
Special rates and charges	118	116
Supplementary rates	2,073	1,931
Interest on rates and charges	462	502
Total rates and charges	141,953	134,353

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019 and the valuation will be 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

	2019 \$'000	2018 \$'000
Infringements and costs	1,480	1,984
Parking infringements	3,418	3,518
Permits	460	454
Town planning fees	3,644	2,665
Family day care and school age care	539	491
Land Information Certificates	143	168
Other	211	188
Total statutory fees and fines	9,895	9,468

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

	2019 \$'000	2018 \$'000
Aged and health services	2,021	2,027
Building services	989	1,263
Family and children	4,689	5,746
Leisure centre and recreation	7,600	7,396
Registration and other permits	864	708
Waste management services	170	639
Rental income	3,630	4,004
Other	483	765
Total user fees	20,446	22,548

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

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:

	2019 \$'000	2018 \$'000
Summary of grants		
Commonwealth funded grants	29,874	27,041
State funded grants	12,124	11,362
Total grants received	41,998	38,403
a) Operating grants		
Recurrent – Commonwealth Government		
Financial Assistance Grants ⁽ⁱ⁾	4,618	4,631
AccessCare Southern	8,884	8,590
Home and Community Care	7,410	6,872
Family and Children	7,800	5,705
Other	582	70
Recurrent – State Government		
AccessCare Southern	3,667	3,902
Family and Children	2,066	2,183
Libraries and Education	1,451	1,208
Beach cleaning	272	194
Community Safety and Education	214	76
Other	193	340
Total recurrent grants	37,157	33,772
Total operating grants	37,157	33,772
<i>There were no non-recurrent operating grants in 2017/18 or 2018/19</i>		
b) Capital grants		
Recurrent – Commonwealth Government		
Roads to Recovery	581	1,172
Total Recurrent grants	581	1,172
Non-recurrent – State Government		
Sporting facilities	2,018	1,598
Foreshore Environment	12	172
Civil Infrastructure	383	482
Community Facilities	1,847	1,207
Total non-recurrent grants	4,260	3,459
Total capital grants	4,841	4,631

(i) Victorian Grants Commission funding for 2018/19 includes \$2.1 million received in advance being 50% of the next year's payment. This also occurred in 2017/18 in that the first two instalments for 2018/19 were received in June 2018.

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

3.4 Funding from other levels of government (continued)

	2019 \$'000	2018 \$'000
c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	788	835
Received during the financial year and remained unspent at balance date	1,138	788
Received in prior years and spent during the financial year	(788)	(835)
Balance at year end	1,138	788

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured.

3.5 Contributions

	2019 \$'000	2018 \$'000
Monetary		
Donations/contributions from developers	9,509	9,185
Various capital projects – contributions	348	1,616
Community sustainability	65	45
Environmental sustainability	129	232
Other	33	23
	10,084	11,101
Non Monetary ⁽ⁱ⁾		
Asset Contributions from Developers	199	2,626
	199	2,626
Total contributions	10,283	13,727

(i) There were \$0.2 million received in non-monetary contributions for land under roads in 2019

(ii) Non-monetary contributions in 2018 includes Land Under Roads (\$0.7 million), Transport (\$1.1 million), Drainage (\$0.5 million) and Land (\$0.4 million).

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

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

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

	2019 \$'000	2018 \$'000
Proceeds from sale	98	62
Written down value of assets disposed	(49)	(905)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	49	(843)
Comprising:		
Profit on disposal of property, plant and equipment	49	62
Loss on disposal of property, plant and equipment ⁽ⁱ⁾	-	(905)
	49	(843)

(i) The loss on disposal in 2018 includes the demolition of 7 buildings. The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

	2019 \$'000	2018 \$'000
Interest Income		
Interest on cash and investments	3,418	3,022
	3,418	3,022
Other Income		
Found assets ⁽ⁱ⁾	-	958
Other	845	727
	845	1,685
Total other income	4,263	4,707

(i) There were no found assets in 2018/19. Found assets in FY 2017/18 includes road and drainage of \$0.9 million and land of \$47k. 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

	2019 \$'000	2018 \$'000
(a) Employee costs		
Wages and salaries	60,475	57,286
Casual staff	8,494	8,014
Fringe benefits tax and WorkCover	1,396	1,260
Superannuation	6,115	5,884
Annual Leave and Long Service Leave	3,536	2,167
Total employee costs	80,016	74,611
(b) Superannuation		
Council made contributions to the following funds:		
Defined Benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	448	568
	448	568
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	4,605	4,382
Employer contributions – other funds	1,776	1,924
Total contributions	6,381	6,306
Employer contributions payable at reporting date:	630	562

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

	2019 \$'000	2018 \$'000
Road infrastructure maintenance	14,889	19,218
Building maintenance	4,344	3,466
Waste and cleansing	14,844	12,835
Aged services	8,821	8,321
Parks, gardens and reserves	10,055	9,834
Leisure and culture	5,447	5,052
Accommodation expense	1,183	1,061
Information systems and telecommunications	3,885	3,801
Family services	3,311	3,460
Community engagement	1,964	1,929
Parking, monitoring and enforcement	4,999	3,130
Procurement and fleet management	1,723	1,636
Council business	580	598
People and culture	601	498
Finance and legal	2,268	3,481
Planning and building	1,182	1,228
Other	1,053	1,497
Total materials and services	81,149	81,045

4.3 Depreciation and amortisation

	2019 \$'000	2018 \$'000
Land improvements	1,663	1,436
Buildings	6,573	6,641
Building improvements	483	372
Leasehold improvements	125	187
Roads/Bridges/Footpaths	10,308	10,176
Drainage	2,907	2,871
Plant and equipment	2,110	1,647
Heritage and culture	17	17
Library books	919	724
Software amortisation	287	497
Total depreciation and amortisation	25,392	24,568

Refer to Note 5.2(b) and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

NOTE 4: The cost of delivering services (continued)

4.4 Bad and doubtful debts

	2019 \$'000	2018 \$'000
Other debtors	43	32
Total bad and doubtful debts	43	32
Movement in provisions for doubtful debts		
Balance at the beginning of the year	130	160
New Provisions recognised during the year	24	37
Amounts already provided for and written off as uncollectable	-	31
Amounts provided for but recovered during the year	-	(98)
Balance at end of year	154	130

A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

4.5 Borrowing costs

	2019 \$'000	2018 \$'000
Interest – borrowings	210	439
Total borrowing costs	210	439

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.

4.6 Other expenses

	2019 \$'000	2018 \$'000
Auditors' remuneration (VAGO) – audit of the financial statements, performance statement and grant acquittals	62	61
Auditors' remuneration – internal	182	171
Councillor Allowances	379	376
Total other expenses	623	608

NOTE 5: Our financial position

5.1 Financial assets

	2019 \$' 000	2018 \$' 000
a) Cash and cash equivalents		
Cash on hand	13	14
Cash at bank	8,054	9,587
Short term deposits	-	7,000
Total cash and cash equivalents	8,067	16,601
Councils 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)	6,310	5,752
Total restricted funds	6,310	5,752
Total unrestricted cash and cash equivalents	1,757	10,849
b) Other financial assets		
Term deposits – current	136,046	120,026
Total other financial assets	136,046	120,026
Total financial assets	136,046	120,026
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	18,026	16,688
Green wedge and foreshore reserves	9,158	10,241
Aged care reserve	6,625	4,842
Asset replacement reserve	511	1,483
Defined benefit call reserve	1,000	1,000
Other reserves	1,266	954
Total funds subject to intended allocations	36,586	35,208

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)

	2019 \$'000	2018 \$'000
c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rate debtors	4,769	4,387
Net GST receivable	1,800	1,507
Infringement debtors	6,267	4,542
Provision for doubtful debts – infringements	(5,677)	(3,962)
	7,159	6,474
<i>Non statutory receivables</i>		
Other debtors	2,165	2,983
Provision for doubtful debts – other debtors	(154)	(130)
	2,011	2,853
Total current trade and other receivables	9,170	9,327
Total trade and other receivables	9,170	9,327

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.

NOTE 5: Our financial position (continued)

5.1 Financial assets (continued)

	2019 \$' 000	2018 \$' 000
c) Trade and other receivables (continued)		
(i) Ageing of receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	797	1,509
Past due by up to 30 days	654	155
Past due between 31 and 180 days	280	595
Past due between 181 and 365 days	224	476
Past due by more than 1 year	56	119
Total trade and other receivables	2,011	2,854
(i) Ageing of individually impaired receivables		
At balance date, other debtors representing financial assets with a nominal value of \$153k (2018: \$130k) were impaired. The amount of the provision raised against these debtors was \$153k (2018: \$130k). 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	-	11
Past due by more than 1 year	154	119
Total trade and other receivables	154	130

5.2 Non-financial assets

	2019 \$' 000	2018 \$' 000
a) Other assets		
Prepayments	614	519
Accrued income	1,038	71
Total other assets	1,652	590
b) Intangible assets		
Software	882	699
Total intangible assets	882	699

NOTE 5: Our financial position (continued)

5.2 Non-financial assets (continued)

	Software \$'000	Total \$'000
c) Movement in gross carrying amount		
Gross carrying amount		
Balance at 1 July 2018	5,474	5,474
Additions from internal developments	470	470
Balance at 1 July 2019	5,944	5,944
Accumulated amortisation and impairment		
Balance at 1 July 2018	4,776	4,776
Amortisation expense	287	287
Balance at 30 June 2019	5,063	5,063
Net book value at 30 June 2018	699	699
Net book value at 30 June 2019	882	882

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

	2019 \$' 000	2018 \$' 000
a) Trade and other payables		
<i>Unsecured</i>		
Trade payables	10,709	8,874
Salary accruals	1,234	1,424
Other accruals	3,427	4,743
Total trade and other payables	15,370	15,041
b) Trust funds and deposits		
Refundable deposits	53	227
Fire services levy	534	635
Retention amounts	5,723	4,890
Total trust funds and deposits	6,310	5,752

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 lapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

5.4 Interest-bearing liabilities

	2019 \$' 000	2018 \$' 000
Current		
Loans – secured ⁽ⁱ⁾	3,052	4,261
	3,052	4,261
Non-current		
Loans – secured ⁽ⁱ⁾	2,073	8,821
	2,073	8,821
Total	5,125	13,082
(a) The maturity profile for Council's loans is:		
Not later than one year	3,052	4,261
Later than one year and not later than five years	2,073	8,821
Later than five years	-	-
	5,125	13,082

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

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

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

NOTE 5: Our financial position (continued)

5.5 Provisions

	Employee Leave \$'000	Landfill restoration \$'000	Enterprise Agreement \$'000	Parking Refunds ⁽ⁱ⁾ \$'000	Total \$'000
2019					
Balance at the beginning of the financial year	15,870	1,332	-	-	17,202
Additional Provisions	-	-	-	2,048	2,048
Amounts Used	-	(140)	-	(329)	(469)
Change in the discounted amount arising because of the time and the effect of any change in the discount rate	1,678	-	-	-	1,678
Balance at the end of the financial year	17,548	1,192	-	1,719	20,459

2018					
Balance at the beginning of the financial year	15,373	392	1,553	-	17,318
Additional Provisions	-	1,023	-	-	1,023
Amounts Used	-	(83)	(1,553)	-	(1,636)
Change in the discounted amount arising because of the time and the effect of any change in the discount rate	497	-	-	-	497
Balance at the end of the financial year	15,870	1,332	-	-	17,202

(i) A new provision was created in 2019 to reflect parking fines issued in the City of Kingston between 2006 and 2016 that were appealed under the Infringements Act 2006 where unsuccessful appeals were reviewed by a third party.

	2019 \$'000	2018 \$'000
(a) Employee leave provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	4,002	4,754
Long service leave	845	684
	4,847	5,438
Current provisions expected to be wholly settled after 12 months		
Annual leave	1,786	758
Long service leave	9,845	8,228
	11,631	8,986
Total current employee leave provisions	16,478	14,424
Other provisions		
Current provisions expected to be wholly settled within 12 months		
Landfill restoration	1,192	1,332
Parking Refunds	1,719	-
	2,911	1,332
Total current provisions	19,389	15,756

NOTE 5: Our financial position (continued)

5.5 Provisions (continued)

	2019 \$'000	2018 \$'000
Non-current employee provisions		
Long Service Leave	1,070	1,446
Total non-current provisions	1,070	1,446
Aggregate carrying amount of provisions:		
Current	19,389	15,756
Non-current	1,070	1,446
Total aggregate carrying amount of provisions	20,459	17,202

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. The discount rates range from 1.035% in year 1 to 1.32% in year 10.

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 current value 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.

NOTE 5: Our financial position (continued)

5.6 Financing arrangements

	2019 \$'000	2018 \$'000
Bank overdraft	5,000	5,000
Credit card facilities	150	150
Loans	5,125	13,082
Total facilities	10,275	18,232
Used facilities – credit cards	27	32
Used facilities – loans	5,125	13,082
Unused facilities	5,152	13,114

The municipality has an arrangement for offset of overdraft against bank balances including on-call accounts. As at balance date there was no use of the overdraft facility. Bank Overdraft and Credit Card facilities are held with the Commonwealth Bank with security mortgage over rates revenue. Loans are held with the CBA, ANZ and NAB.

5.7 Commitments

The 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 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 ⁽ⁱ⁾	13,763	-	-	-	13,763
- Transport ⁽ⁱ⁾	8,817	-	-	-	8,817
	22,580	-	-	-	22,580
Total	38,214	11,282	17,984	22,113	89,593

(i) Major capital expenditure commitments as at 30 June 2019 include: Soppett Pavilion (\$4.8 million); Edithvale Life Saving Club (\$2.7 million); and Dingley Village Neighbourhood House precinct (\$2.8 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 not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2018					
Operating					
- Infrastructure works	2,166	222	-	-	2,388
- Parks, gardens, reserves	7,723	764	-	-	8,487
- Waste and cleansing	3,424	-	-	-	3,424
- Community sustainability	1,833	159	139	-	2,131
- Corporate services	1,848	237	-	-	2,085
	16,994	1,382	139	-	18,515
Capital					
- Buildings ⁽ⁱ⁾	5,883	-	-	-	5,883
- Transport ⁽ⁱ⁾	4,123	-	-	-	4,123
	10,006	-	-	-	10,006
Total	27,000	1,382	139	-	28,521

Operating lease commitments (incl GST)

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

	2019 \$'000	2018 \$'000
Not later than one year	1,450	2,482
Later than one year and not later than five years	2,333	2,568
Later than five years	1,076	997
	4,859	6,047

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

NOTE 6: Assets we manage

6.1 Non-current assets classified as held for sale

	2019 \$'000	2018 \$'000
Cost of acquisition (property)	-	885
Total non current assets classified as held for sale	-	885

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

6.2 Property, infrastructure, plant and equipment

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

	At Fair Value 30 June 2018 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Fair Value 30 June 2019 \$'000
Land	1,617,784	12,646	199	(172,687)	(1,663)	(49)	536	1,456,766
Buildings	249,437	16,278	-	1,099	(7,181)	-	4,109	263,742
Plant and equipment	9,376	6,009	-	-	(3,046)	-	-	12,339
Infrastructure	536,626	8,699	-	91,273	(13,215)	-	-	623,383
Works in progress	3,760	10,390	-	-	-	-	(3,760)	10,390
	2,416,983	54,022	199	(80,315)	(25,105)	(49)	885	2,366,620

Summary of works in progress

	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Buildings	3,760	9,853	(3,760)	-	9,583
Plant and Equipment	-	90	-	-	90
Infrastructure	-	447	-	-	447
	3,760	10,390	(3,760)	-	10,390

NOTE 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)												
	Land under roads	Land - specialised	Land - non specialised	Land improvements	Total Land & Improvements	Heritage buildings	Buildings - specialised	Building improvements	Leasehold improvements	Total buildings	Works in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
a) Property												
At fair value 1 July 2018	679,443	637,016	260,861	4,7726	1,625,046	8,156	460,460	9,937	1,867	480,420	3,760	2,109,226
Accumulated depreciation at 1 July 2018	-	-	-	(7,262)	(7,262)	(4,198)	(223,980)	(1,516)	(1,289)	(230,983)	-	(238,245)
Movements in fair value	679,443	637,016	260,861	40,464	1,617,784	3,958	236,480	8,421	578	249,437	3,760	1,870,981
Acquisition of assets at fair value	-	5,459	2,862	4,325	12,646	-	13,780	2,498	-	16,278	9,853	38,777
Contributed Assets	199	-	-	-	199	-	-	-	-	-	-	199
Revaluation increments/decrements	(70,987)	(79,687)	(22,013)	-	(172,687)	(602)	6,717	-	-	6,115	-	(166,572)
Fair value of assets disposed	-	(49)	-	-	(49)	-	-	-	-	-	-	(49)
Transfers	-	536	-	-	536	-	4,404	-	-	4,404	(3,760)	1,180
	(70,788)	(73,741)	(19,151)	4,325	(159,355)	(602)	24,900	2,498	-	26,796	6,093	(126,466)
Movements in accumulated depreciation												
Depreciation and amortisation	-	-	-	(1,663)	(1,663)	(113)	(6,460)	(483)	(125)	(7,181)	-	(8,844)
Revaluation increments/decrements	-	-	-	-	-	240	(5,256)	-	-	(5,016)	-	(5,016)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	(1,663)	(1,663)	127	(12,010)	(483)	(125)	(12,492)	-	(14,154)
	608,655	563,275	241,710	43,126	1,456,766	3,483	249,370	10,436	453	263,742	9,853	1,730,361
At fair value 30 June 2019	608,655	563,275	241,710	44,789	1,465,691	7,554	485,360	12,435	1,867	507,216	9,853	1,982,760
Accumulated depreciation at 30 June 2019	-	-	-	(8,925)	(8,925)	(4,071)	(235,990)	(1,999)	(1,414)	(243,474)	-	(252,399)

NOTE 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

	Heritage plant and equipment \$'000	Plant machinery and equip \$'000	Library books \$'000	Work in progress \$'000	Total plant and equipment \$'000
b) Plant and Equipment					
At fair value 1 July 2018	1,821	26,285	18,122	-	46,228
Accumulated depreciation at 1 July 2018	(523)	(20,779)	(15,550)	-	(36,852)
	1,298	5,506	2,572	-	9,376
Movements in fair value					
Acquisition of assets at fair value	-	5,051	958	90	6,099
	-	5,051	958	90	6,099
Movements in accumulated depreciation					
Depreciation and amortisation	(17)	(2,110)	(919)	-	(3,046)
	(17)	(2,110)	(919)	-	(3,046)
At fair value 30 June 2019	1,821	31,336	19,080	90	52,327
Accumulated depreciation at 30 June 2019	(540)	(22,889)	(16,469)	-	(39,898)
	1,281	8,447	2,611	90	12,429

NOTE 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
c) Infrastructure							
At fair value 1 July 2018	560,694	10,516	101,914	289,580	13,468	-	976,172
Accumulated depreciation at 1 July 2018	(196,908)	(8,431)	(70,665)	(150,075)	(13,468)	-	(439,547)
	363,786	2,085	31,249	139,505	-	-	536,626
Movements in fair value							
Acquisition of assets at fair value	5,265	53	1,073	2,309	-	447	9,147
Found assets	-	-	-	-	-	-	-
Revaluation increments/ decrements	74,065	-	12,678	61,906	-	-	148,649
Fair value of assets disposed	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
	79,330	53	13,751	64,215	-	447	157,796
Movements in accumulated depreciation							
Depreciation and amortisation	(8,495)	(105)	(1,708)	(2,907)	-	-	(13,215)
Revaluation increments/ decrements	(18,146)	-	(8,239)	(30,991)	-	-	(57,376)
Found assets	-	-	-	-	-	-	-
	(26,641)	(105)	(9,947)	(33,898)	-	-	(70,591)
At fair value 30 June 2019	640,024	10,569	115,665	353,795	13,468	447	1,133,968
Accumulated depreciation at 30 June 2019	(223,549)	(8,536)	(80,612)	(183,973)	(13,468)	-	(510,138)
	416,475	2,033	35,053	169,822	-	447	623,830

Acquisition

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

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

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

NOTE 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods:

	Depreciation Period Years	Purchase/ Construction \$'000	Asset Improvement \$'000
Property			
Land	N/A	-	N/A
Land under roads	N/A	10	N/A
Land improvements (excluding building)	10-50	N/A	20
Buildings			
Buildings	20-150	-	20
Leasehold improvements	10	-	20
Plant and equipment			
Plant and machinery	3-10	5	N/A
Equipment	3-5	2	N/A
Infrastructure			
Road pavements and seals	25-100	-	50
Road kerb, channel and minor culverts	80	-	50
Bridges	100	-	50
Footpaths and cycleways	60	-	50
Drainage	100	-	25
Street furniture	10	10	10
Traffic control	10	10	10
Heritage and culture	100	1	25
Library books	5	-	-
Intangibles – software	5	50	N/A

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 the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

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

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

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

Repairs and maintenance

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

Leasehold improvements

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

NOTE 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Valuation of land and buildings

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 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 2019.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land under roads	-	-	608,655	June 2019
Land – specialised	-	-	563,275	June 2019
Land – non-specialised	-	241,710	-	June 2019
Land improvements	-	-	43,126	June 2019
Heritage buildings	-	-	3,483	June 2019
Buildings – specialised	-	-	249,370	June 2019
Building improvements	-	-	10,436	June 2019
Leasehold improvements	-	-	455	June 2019
Total	-	241,710	1,478,800	

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 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	416,475	June 2019
Bridges	-	-	2,033	June 2019
Footpaths and cycleways	-	-	35,053	June 2019
Drainage	-	-	169,822	June 2019
Total	-	-	623,383	

NOTE 6: Assets we manage (continued)

6.2 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 \$8 to \$6,000 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 \$20 to \$33,583. 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.

	2019 \$'000	2018 \$'000
Reconciliation of specialised land		
Land under roads	608,655	679,443
Parks and reserves	563,275	622,727
Total specialised land	1,171,930	1,302,170

6.3 Investment property

	2019 \$'000	2018 \$'000
Balance at beginning of financial year	4,473	4,769
Fair value adjustments	-	(296)
Balance at the end of financial year	4,473	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 Assets consist of buildings at Peter Scullin Reserve, Mordialloc that are leased by a third party to operate a commercial restaurant and land and buildings at 42 Florence Street Mentone that are leased by a third party for office accommodation.

Valuation 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.

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 S Staikos	(Mayor – 01 July 2018 – 15 Nov 2018)
	Councillor G Oxley	(Mayor – 16 Nov 2018 – 30 June 2019)
	Councillor T Barth	
	Councillor T Bearsley	
	Councillor R Brownlees OAM	
	Councillor D Eden	
	Councillor G Gledhill	
	Councillor G Hua	
	Councillor R A West OAM	
CEO	Mr John Nevins	
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)
	Mr Jonathan Guttman	(General Manager Planning and Development)

	2019 No.	2018 No.
Total Number of Councillors	9	9
Chief Executive Officer and other Key Management Personnel	5	5
Total key management personnel	14	14

(c) Key Management Personnel

Total remuneration of key management personnel was as follows:

	2019 \$'000	2018 \$'000
Short-term benefits	1,722	1,675
Long-term benefits	146	142
Total	1,868	1,817

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

NOTE 7: People and relationships (continued)

7.1 Council and key management remuneration (continued)

(c) Remuneration of Key Management Personnel (continued)

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

	2019 No.	2018 No.
\$30,000 – \$39,999	7	7
\$50,000 – \$59,999	-	1
\$60,000 – \$69,999	1	-
\$70,000 – \$79,999	-	1
\$80,000 – \$89,999	1	-
\$250,000 – \$259,999	-	1
\$260,000 – \$269,999	1	1
\$270,000 – \$279,999	1	2
\$280,000 – \$289,999	2	-
\$380,000 – \$389,999	-	1
\$390,000 – \$399,999	1	-
	14	14

(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 \$148,000.

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

	2019 No.	2018 No.
\$150,000 – \$159,999	1	4
\$160,000 – \$169,999	5	5
\$170,000 – \$179,999	4	2
\$180,000 – \$189,999	7	4
\$190,000 – \$199,999	1	2
	18	17
	\$'000	\$'000
Total Remuneration for the reporting year of Senior Officers included above amounted to:	3,172	2,918

NOTE 7: People and relationships (continued)

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

(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:

	2019 \$'000	2018 \$'000
Not later than one year	1,451	2,722
Later than one year and not later than five years	2,333	7,380
Later than five years	1,075	3,332
	4,859	13,434

(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 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 paid unfunded liability payments to Vision Super totalling nil. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$0.4 million. At this point in time it is not known if additional contributions will be required, their timing or potential amount. 28 Council staff (2018: 37) 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 (2018: \$1 million).

NOTE 8: Managing uncertainties (continued)

8.1 Contingent assets and liabilities (continued)

(b) Contingent liabilities (continued)

Contingent liabilities arising from public liability

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council is regularly met with claims and demands allegedly arising from incidents which occur on land belonging to the Council. There are a number of outstanding claims against the Council in this regard. The Council carries \$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 is CGU Insurance Limited. 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, the Council is met with claims and demands for damages allegedly arising from the actions of Council or its officers. The Council carries \$50 million of professional indemnity insurance and the maximum liability of the Council in any single claim is the extent of its excess. The primary insurer is CGU Insurance Limited. There are no instances or claims, which Council is aware of which would fall outside the terms of the Council's policy.

Other contingent liabilities

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

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 (earlier claims \$10,000). 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.

Liability Mutual Insurance (where applicable)

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 the 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 2019 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.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$4.8 million in lease related assets and an equivalent liability

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 *Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

NOTE 8: Managing uncertainties (continued)

8.3 Financial instruments

(a) Objectives and policies

The 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 financial instruments will fluctuate because of changes in market prices. The 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 the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

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

(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 have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- ▶ Council have a policy for establishing credit limits for the entities Council 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 the council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

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

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.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1, 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, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- ▶ A parallel shift of +1% and -1% in market interest rates (AUD).

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

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.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

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

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

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 5.2 Property, infrastructure, plant and equipment. In addition, Council usually undertakes a formal valuation of land, buildings and infrastructure assets on a regular basis ranging from 2 to 4 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

No matters have occurred after balance date that 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
2019			
Property⁽ⁱ⁾:			
- 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⁽ⁱⁱ⁾:			
- 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
2018			
Property:			
- Land	239,454	71,095	310,549
- Land under roads	178,828	99,684	278,512
- Buildings	141,098	(33,889)	107,209
	559,380	136,890	696,270
Infrastructure:			
- Transport	287,745	4,342	292,087
- Drainage	112,216	(529)	111,687
	399,961	3,813	403,774
Other:			
- Heritage and culture	1,316	(11)	1,305
- Other	3,966	-	3,966
	5,282	(11)	5,271
Total asset revaluation reserve	964,623	140,692	1,105,315

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 were valued by Opteon Solutions and land under roads by K.A Reed Group.

(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
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)	35,586
2018				
Asset replacement reserve	2,075	-	(592)	1,483
Asset development reserve	14,487	8,457	(6,256)	16,688
Drainage contributions	88	-	-	88
Special rates	127	1	-	128
Aged care	3,148	1,694	-	4,842
Foreshore	559	1,336	(407)	1,488
Green wedge	8,317	1,020	(584)	8,753
Defined benefit call	1,000	-	-	1,000
Stormwater Quality reserve	-	470	-	470
Other	257	11	-	268
Total other reserves	30,058	12,989	(7,839)	35,208

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 \$8.8m were received in 2018/19 (2017/18: \$8.5m). 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 include 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 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.

NOTE 9: Other matters (continued)

9.1 Reserves (continued)

(b) Other reserves (continued)

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.

9.2 Reconciliation of cash flows from operating activities to surplus / (deficit)

	2019 \$' 000	2018 \$' 000
Surplus/(deficit) for the year	41,454	40,764
Depreciation/amortisation	25,392	24,568
(Profit)/Loss on disposal of property, infrastructure, plant and equipment	(49)	843
Found assets/other	-	(958)
Fair value adjustments for investment property	-	296
Borrowing costs	210	439
Developer asset contributions (non cash)	(199)	(2,626)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	156	(1,120)
Increase/(decrease) in accrued income	(967)	(120)
Increase/(decrease) in trade and other payables	235	3,879
Increase/(decrease) in trust funds and deposits	558	1,990
Increase/(decrease) in other liabilities and provisions	1,579	940
Increase/(decrease) in employee benefits	1,678	(1,056)
Net cash provided by / (used in) operating activities	70,047	67,839

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 2019, 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.

As at 30 June 2018, 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 106.0%.

The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the actual VBI at June 2019 was 107.1%. The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim 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 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation 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.

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$131.9 million (2017 \$69.8 million);
- A total service liability surplus of \$218.3 million (2017 \$193.5 million); and
- A discounted accrued benefits surplus of \$249.1 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 2018.

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed in October 2019.

APPENDICES

Appendix 1 – HR tables

TABLE 1 – CITY OF KINGSTON PEOPLE PROFILE

Employment Type/Gender	Executive services FTE	Community Sustainability FTE	Corporate Services FTE	Planning & Development FTE	City Assets & Environment FTE	Total FTE
Permanent FT – Female	2	127	44	31	26	230
Permanent FT – Male	1	50	29	33	89	202
Permanent PT – Female	0.8	173.53	23.32	25.58	20.11	243.34
Permanent PT – Male	0	10.55	2.3	12.11	3.12	28.08
Temporary FT – Female	0	6	6	8	2	22
Temporary FT – Male	0	1	5	4	8	18
Temporary PT – Female	0	3.48	2.4	4.7	0.6	11.18
Temporary PT – Male	0	0	0	0.87	0	0.87
Casual – Female	0	0	0	0	0	0
Casual – Male	0	0	0	0	0	0
TOTAL	3.8	371.56	112.02	119.26	148.83	755.47

Permanent FT – Female	2	127	44	31	26	230
Permanent FT – Male	1	50	29	33	89	202

TABLE 2 – CITY OF KINGSTON EMPLOYMENT CLASSIFICATIONS

Employment Classification	Female FTE	Male FTE	Total FTE
Band 1	10.4	10.4	20.8
Band 2	62.75	11.88	74.63
Band 3	47.13	41.4	88.53
Band 4	110.23	29.34	139.57
Band 5	89.34	40.1	129.44
Band 6	107.75	51.03	158.78
Band 7	36.61	36.8	73.41
Band 8	14.54	9	23.54
Band not applicable (MCH/IMM,GF)	19.77	0	19.77
Senior Officers / SEO	8	19	27
TOTAL	506.52	248.95	755.47

Appendix 2 – OH&S Performance

- ▶ Number of Workcover claims accepted – 7
- ▶ Number of notifiable incidents (employee) – 5
- ▶ Number of notifiable incidents (non-employee) – 5
- ▶ There was an average of 3.67 Lost Time Injuries (LTIs) per month in 2018/19.
- ▶ Medically Treated Injuries had an average of 3.5 workers per month.
- ▶ First Aid Injuries decreased by 1.55 in 2018/19 to an average of 3.75 workers receiving first aid treatment, compared to 5.3 in 2017/18.

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



City of
KINGSTON

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

 1300 653 356

 131 450

 info@kingston.vic.gov.au

 kingston.vic.gov.au

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

 [@kingstoncc](https://twitter.com/kingstoncc)