

knox

annual report

2014-15





Knox City Council acknowledges the traditional custodians of the City of Knox, the Wurundjeri and Bunurong people of the Kulin Nation.



welcome

Welcome to Knox City Council's Annual Report for the 2014-15 financial year.

The Annual Report provides a thorough account of Council's achievements, challenges and performance from 1 July 2014 to 30 June 2015. It also provides audited financial statements and a performance statement.

If you would like a printed copy or you would like to provide feedback, please contact Council on 9298 8000 or email knoxcc@knox.vic.gov.au

knox annual report -15

at a glance

Theme

What our future could and should look like



Theme 1 Healthy Connected Communities

- An active, vibrant, resilient and sustainable community. It has the support it needs to be strong and is motivated to shape its own future.
- A community where each member enjoys good health, both physically and mentally, feels safe, is connected to others and has access to excellent health and leisure facilities and services.
- A place that nurtures its children and young people, and values and supports its older adults. The community embraces learning for all ages, is engaged in meaningful work – be it paid or unpaid – and values the efforts of its volunteers.



Theme 2 Prosperous, Advancing Economy

- A city where innovation and creativity are valued, and the local economy thrives, recognising that work is vital for community wellbeing. Whether inside or outside the home, work makes a valuable contribution to our individual wellbeing and the economy.
- Where local employment is highly desired and encouraged as it minimises the personal and environmental costs of travel. Because people work locally they are embedded in the local community and are more inclined to contribute to the social life of the community.
- Where businesses benefit from strong collaborative networks and increased skills and capabilities created locally, and Knox is well regarded as a business and investment destination. Knox businesses are also well recognised as being leaders in corporate social responsibility and because of this Knox is a place of choice for business and talent.



Theme 3 Vibrant & Sustainable Built & Natural Environments

- A place where residents identify with and strongly value Knox being made up of a series of villages with access to a full range of urban facilities and services. Growth and change through development occurs at a rate and type that is responsive to Knox's character while meeting the needs of a changing community.
- Where community and businesses are leaders in sustainable management and living, valuing and protecting significant environmental assets, celebrating a healthy local environment, a green and leafy municipality, and sustainable living opportunities for all.
- Through continued advocacy and increased investment, public transport networks in Knox are reliable and accessible. Knox has a strong functioning network of bicycle and walking paths, thereby reducing the reliance on the car and minimising greenhouse gas emissions.



Theme 4 Culturally Rich & Active Communities

- A community that values diversity, creativity and artistic expression and enjoys a range of major and local events and festivals.
- A place where public open space is accessible and plentiful, and public art is a valued aspect of community life. Diverse leisure and recreational activities are abundant, and people have access to shared open spaces and facilities.
- A city whose unique local character is valued and preserved, through celebration of local heritage sites, villages and neighbourhoods. The contribution and role of the local indigenous community is recognised and celebrated.
- A place that encourages participation, physical activity and connection and supports an active community life through its transport infrastructure.



Theme 5 Democratic & Engaged Communities

- A community that is engaged and values opportunities to be actively involved in community life. Community members regularly participate in community groups and organisations, and have a genuine opportunity to influence decision-making.
- Where the community has confidence that Council and other key local agencies will work in partnership to make decisions for the greater good of the community.
- A City with a Council that operates in an efficient and effective manner, applies contemporary practices, has processes that are transparent and accountable, and exercises sound financial management.

Below you will find a snapshot of some of our achievements over the 2014-15 year, under the themes of our City Plan (incorporating the Council Plan) 2013-17

How we're tracking

2014-15 Highlights

More info

Annual Plan 2014-15 Initiatives

5 of 5 are 100% achieved

4 Year Council Plan Strategies

4 of 11 = completed

2 of 11 = progressing well

4 of 11 = commenced

1 of 11 = not yet commenced

- Implemented year two of the Physical Activity and Healthy Eating action plans.
- Delivered six 'Healthy Living' programs.
- Completed a review on Knox's Senior Citizens Centres..

Annual Plan Initiatives **p45**
Council Plan Strategies **p40**

Annual Plan 2014-15 Initiatives

3 of 3 are 100% achieved

4 Year Council Plan Strategies

4 of 4 = completed

- Completed Phase One of the Strategic Investment and Development Program for the Bayswater/Bayswater North/Kilsyth Employment Precinct.
- Completed a midterm strategic review of the Knox Economic Development Strategy.
- Promoted connections between educational institutions and businesses in Knox through STEM (Science, Technology, Engineering and Mathematics) Festival

Annual Plan Initiatives **p55**
Council Plan Strategies **p53**

Annual Plan 2014-15 Initiatives

2 of 4 are 100% achieved

2 of 4 are 95% achieved

4 Year Council Plan Strategies

4 of 10 = progressing well

3 of 10 = completed

3 of 10 = commenced

- Completion of a comprehensive review of Knox's Housing Policy.
- Active participation in the State Government's review of the Metropolitan Planning Strategy.
- Revision of the Knox Integrated Transport Plan.
- Completion of a midterm review of Council's Sustainable Environment Strategy.
- Progression of the Sustainability Accord Partnership - Sustainability in Early Years Project (the 'Seedlings' Project).

Annual Plan Initiatives **p61**
Council Plan Strategies **p58**

Annual Plan 2014-15 Initiatives

2 of 3 are 100% achieved

1 of 3 is 90% achieved

4 Year Council Plan Strategies

1 of 1 = commenced

- Held the Knox Seniors Festival in October 2014 with 110 events throughout Knox, including introducing 39 new facilitated events.
- Eastern Regional Library Corporation (ERLC) in partnership with Coonara Community House delivered a Seniors Technology project.
- Developed a draft project brief which focuses on how Council can best incorporate multiculturalism within existing Council events and festivals.

Annual Plan Initiatives **p71**
Council Plan Strategies **p70**

Annual Plan 2014-15 Initiatives

3 of 4 are 100% achieved

1 of 4 is 90% achieved

4 Year Council Plan Strategies

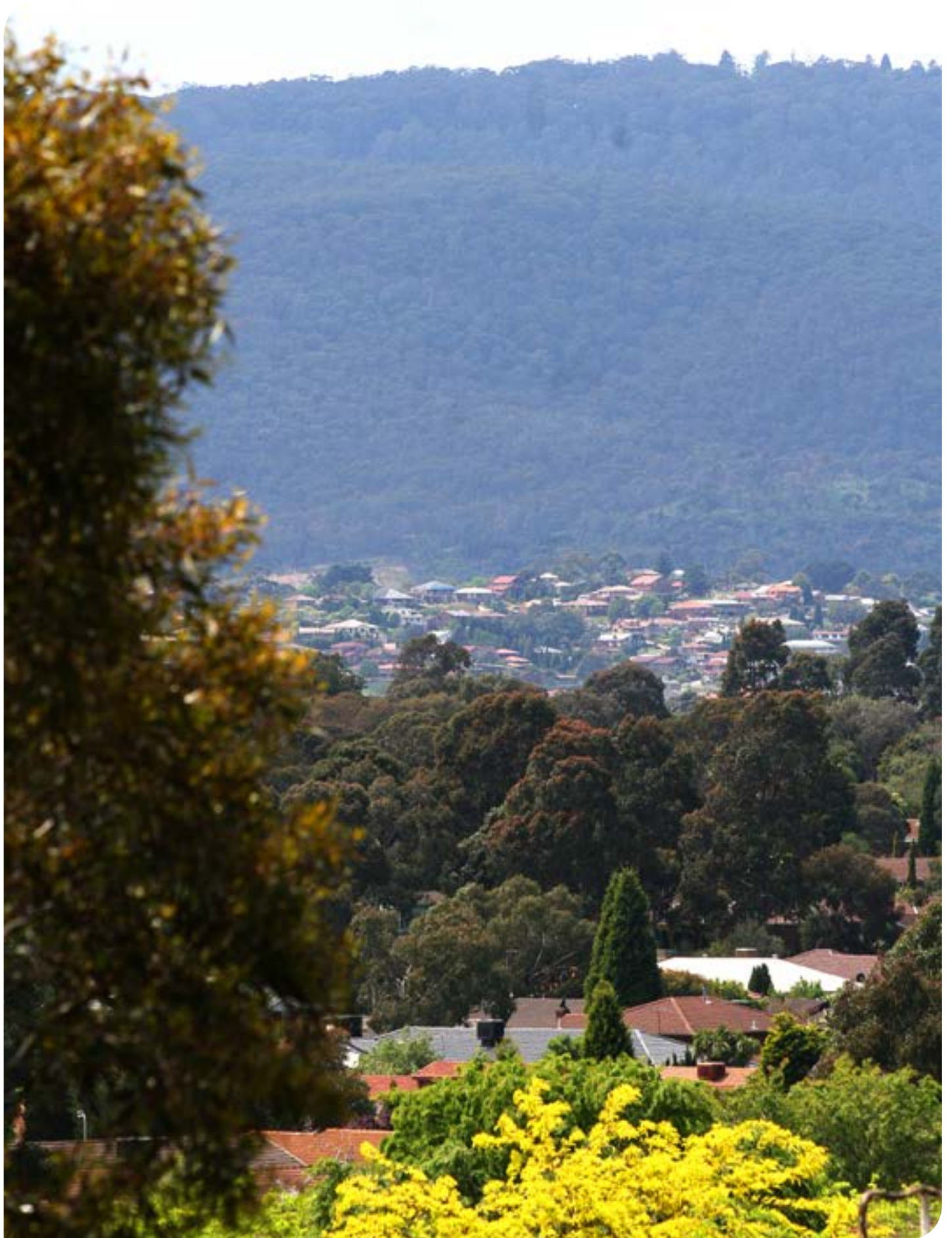
1 of 8 = completed

4 of 8 = progressing well

3 of 8 = commenced

- Completed an engagement process with community organisations to identify how Council can best support their effectiveness.
- Completed seven service reviews as part of Council's four-year rolling service review program.
- Prepared a Draft Multipurpose Community Facility Planning Policy.
- Implemented the new funding agreement and approach to delivering Council's Volunteer Resource Centre Service Model.

Annual Plan Initiatives **p81**
Council Plan Strategies **p78**



contents

- 1 Welcome to the Annual Report
- 2 2014-15 At a Glance
- 6 Mayor's Message
- 7 Chief Executive Officer's Message
- 8 Highlights of 2014-15
- 12 Challenges of 2014-15
- 14 Facts about Knox's Services
- 15 Our Purpose
- 15 Our Vision
- 16 Our Values
- 18 The Year in review
- 23 Our Council
- 24 Our Councillors
- 26 Our Organisation
- 35 Our Performance



38 Theme 1 – Healthy, Connected Communities.

- City Plan indicators
- Four year Council Plan strategies
- Annual Plan initiatives
- Services



52 Theme 2 – Prosperous, Advancing Economy

- City Plan indicators
- Four year Council Plan strategies
- Annual Plan initiatives
- Services.



56 Theme 3 – Vibrant and Sustainable Built and Natural Environments

- City Plan indicators
- Four year Council Plan strategies
- Annual Plan initiatives
- Services.



68 Theme 4 – Culturally Rich and Active Communities

- City Plan indicators
- Four year Council Plan strategies
- Annual Plan initiatives
- Services.



76 Theme 5 – Democratic and Engaged Communities

- City Plan indicators
- Four year Council Plan strategies
- Annual Plan initiatives
- Services

- 84 Governance and Statutory Information
- 102 Performance Statement for 2014-15
- 117 Understanding the Financial Statements
- 122 Financial Report for 2014-15
- 177 How to Access our Annual Report
- 177 Contact Us

Chief Executive Officer's message

The past year has seen significant progress in delivering the Council Plan, City Plan and our Vision for the future of Knox.

There are many highlights which we have been able to deliver thanks to the deep commitment of our Councillors, the hard work of our staff and the valuable input of our community.

In 2014-15, we developed an Integrated City Strategy. This strategy combines Council's Health and Wellbeing Strategy 2013-17, Economic Development Strategy 2008-18, Sustainable Environment Strategy 2008-18 and elements of the Council Plan. For the first time, it provides Council with a single platform to implement the Knox Vision and City Plan. It also provides a robust strategic direction, will reduce duplication of effort across key initiatives and will improve community outcomes.

A very detailed implementation plan accompanies the Integrated City Strategy to make sure we have the right resources and programs in place to deliver.

Council continues to be in a strong financial position, having completed the year again with an operating surplus. One of Council's key priorities is ensuring our capital works program keeps pace with the renewal needs of our community infrastructure. This priority ensures our facilities and infrastructure will meet the needs of our community, now and into the future.

In 2014-15 we progressed major projects at Stamford Park and Knox Central and commenced a major upgrade at the Mountain Gate Shopping Centre. Council also officially endorsed the Rowville Plan, a new strategic document that will guide the decisions that shape the future of Rowville. The plan, titled 'Rowville: Next', was adopted by Council in January and is now with the Minister for Planning for final approval.

Organisationally, Council continues to invest in a range of initiatives aimed at building a values-based culture focusing on leadership development, authenticity, trust and respect.



Workplace safety remains a priority and we have achieved very positive results in 2014-15. Council's performance has been assessed as 19.98 per cent better than its industry cohort. This is due to our robust injury management program, an improved safety management system and a newly developed health and safety framework.

In presenting this 2014-15 Annual Report, I extend sincere appreciation to our Knox Councillors for their enormous commitment to, and passion for, building a healthier and more prosperous Knox.

I would also like to thank our talented and dedicated staff who deliver on our shared vision for Knox. Their commitment to excellence, integrity and continuous improvement allow us to deliver great outcomes for the community all year round.

I commend the 2014-15 Annual Report to you.

Dr Graeme Emonson
Chief Executive Officer

challenges of 2014-15

The National Disability Insurance Scheme

The local government sector is preparing for the introduction of the National Disability Insurance Scheme (NDIS) from 2016. The NDIS supports people with a permanent and significant disability that affects their ability to take part in everyday activities.

This new model will support people with disabilities and help them achieve their goals, including independence, involvement in their community, education, employment and health and wellbeing. Preparing for the new model and its impact on service delivery has been a major focus in 2014-15, and this work will continue in 2015-16 and beyond.



Preparing for rate capping

Knox Council has responded to the Essential Services Commission consultation paper regarding its Local Government Rates Capping and Variation Framework.

Council's submission dealt with key aspects of the state government's proposed framework that would cap local government rates.

It urged the Commission to consider all impacts of a potential rate-capping framework, particularly those that could impact on local government's ability to adequately fund asset renewal, community facilities and services, and undertake long-term financial planning. Council also requested that the commission consider the diverse nature of each Victorian council, accounting for the various geographical, population and physical characteristics that determine the infrastructure needs of each individual municipality. The ESC's final report and recommendations are expected in September 2015

Cost reduction and streamlining processes

The local government sector is experiencing a time of change. The communities we serve are changing, both in terms of demographics and their needs and expectations. Local government is also facing ongoing cost shifting and funding freezes from other tiers of government, as well as the imminent introduction of rate capping. Knox Council has been looking at ways to streamline its processes and deliver services in the most effective, efficient and customer-focused way.

Using its service planning process, Knox will continue work in 2015-16 to evaluate ways it can deliver services that provide value for money.



Keeping pace with technological change

Knox Council is stepping up its social media presence and local residents are embracing the push.

Council's Twitter and Facebook platforms are fast becoming trusted sources of Council information and are now important communication channels for residents to make genuine connections with Council at any time.

Increasingly, social media is being used as a powerful customer service tool and news service for Council. Twitter and Facebook are places where people are having real-time conversations with Council while finding out the most relevant news and developments in their city.

Statistics show that the push towards social media is having a huge impact. The most recent government

statistics placed Knox as the fifth most influential Victorian council using social media. Each week, Council's tweets and Facebook posts reach up to 40,000 people.

The challenge for Council is to keep providing the right information, to the right people at the right time.

Sustainability

An emerging challenge is the increasing costs involved in upgrading community facilities to remain contemporary and efficient – both from an energy and water efficiency point of view – but also from a construction perspective. The costs to operate these facilities in terms of utility expenses and insurance premiums need to remain sustainable so that the buildings' users can continue to operate successfully from them.



facts about knox city council's services

Knox Council was responsible for the delivery and maintenance of a range of facilities, assets and services during 2014-15.

Some facts about Council's services, facilities and infrastructure in 2014-15 included the following:

- 62 sports grounds and major reserves were maintained (including five school sites)
- 1,219km of footpaths were maintained
- 1,147km of drainage pipes and 36,464 drainage pits were maintained
- 246 Council buildings were maintained
- 208 playgrounds were maintained
- 1,550 planning applications were received and processed
- 104,711 trees were planted of which 85% are native to Knox
- 134,828 incoming customer calls were received, of which 91 per cent were resolved at the first point of contact
- 94,000 service requests were received
- 39,000 visits were made to Council's customer service centre

our purpose

The role of Knox City Council is to guide and lead the community through action, decision making and advocacy. We will work with our community to achieve our vision for the future.

our vision

The Knox Vision: Our City, Our Future provides a picture of the future City of Knox that will deliver the lifestyle, jobs and industry, health and wellbeing desired by members of the Knox community. This aspirational future is outlined under five themes, each containing a description of our ideal future, and identifying the features that will be in place when that future is achieved.





our values

Knox City Council prides itself on being a 'values based' organisation. It has a strong reputation, both within the local government sector and among its staff, for having a workplace culture that genuinely lives up to its values.

Our values guide the way we conduct our work, interact with one another and engage with external stakeholders and our community. They provide a basis for consistent planning and decision making across the organisation.

Teamwork

Working and acting together in the interests of a common cause

- Working collaboratively with team members, other work areas and stakeholders
- Actively contributing to and supporting the team
- Working with others in a way that displays an attitude of being part of the Knox team
- Dealing with any conflict in an open, constructive manner
- Being inclusive and treating others with respect at all times

Integrity

Adhering to moral and ethical principles, being honest and trustworthy and being authentic

- Displaying trust, respect, honesty and accountability
- Making realistic commitments and keeping promises
- Communicating in an honest, open manner without breaching confidentiality
- Taking responsibility for our own actions
- Being respectful when speaking about others
- Operating within organisational parameters and values, even in the face of opposition or when this is unpopular

Innovation

Change that adds value

- Learning from our own and others' experiences
- Being creative and trying new ideas
- Sharing ideas
- Willingly taking on new challenges and supporting organisational initiatives
- Being prepared to challenge the current situation and taking considered risks if necessary to improve outcomes
- Seeking ways to improve processes or perform tasks



Service Excellence

Quality work performed for or on behalf of others

- Keeping our customers/community in mind in what we do
- Demonstrating a desire to meet agreed organisational performance and service standards
- Demonstrating understanding and respect for diversity and inclusion
- Aspiring to achieve high standards of personal performance
- Communicating clearly and showing understanding for the views of others
- Showing energy and commitment to the goals of the organisation

Enjoying Work

Achieving satisfaction and a sense of wellbeing from work

- Having a positive attitude about your own work
- Contributing to the development of good team spirit and morale
- Supporting systems and agreed procedures to ensure a safe, healthy workplace
- Taking responsibility for the impact of our own actions
- Joining others in appropriately celebrating team and organisational success



Knox City Council staff

the year in review

Description of Operations

Knox City Council delivers a broad range of services. These include but are not limited to family and children's services, traffic regulation, open space, youth services, waste management, business development activities, and planning for appropriate development. The services Council provides and the infrastructure it maintains supports the wellbeing and prosperity of the Knox community.

In addition to ongoing service delivery, Council establishes a set of specific priorities aimed at mobilising in key areas where action is required. We plan for the City of Knox in this way in order to achieve the Knox community's vision for the future.

Financial Overview

Council ended the year in a sound financial position having achieved an operating surplus for the year. Council's Balance Sheet reflects key measures being within guidelines including a strong working capital ratio (which measures Council's ability to meet current commitments).

Financial Sustainability

Council prepares a 10 year long-term financial forecast (LTFF) each year to progress Council towards a position of long-term financial sustainability.

Council also prepares and formally adopts a Strategic Resource Plan (SRP) annually. The SRP describes both financial and non-financial resources (including human resources) for at least the next five financial years to achieve the strategic objectives in the City Plan 2013-17 (incorporating the Council Plan). This was adopted by Council on 23 June 2015 and can be found on Council's website at knox.vic.gov.au

The key objective of Council's long-term financial forecast (LTFF) is to provide a financial framework to facilitate the delivery of the outcomes expressed in the Knox Vision: Our City, Our Future and the City Plan 2013-17 (incorporating the Council Plan). The LTFF essentially links the strategic priorities and direction of Council to its financial planning, in sustainable financial terms. Council's key priorities are:

- achieving a balance between ensuring that the Knox community's needs are met, with services adjusted to meet changing demand and changed legislative requirements where required and ensuring that Council continues to be financially sustainable in the long-term
- increasing Council's financial commitment to asset renewal and maintenance of community assets as the first priority for annual capital funding as detailed in asset management plans
- loan borrowings are maintained at a sustainable level
- maintaining a strong cash position for financial sustainability
- maintaining a healthy working capital (liquidity) ratio
- achieving and maintaining financially sustainable operational surpluses with rate and fee increases that are both manageable and sustainable
- strengthening the effectiveness and efficiency of Council's services by clearly prioritising Council business to identify projects and services that will deliver the best return on the investment of scarce Council resources
- achieving efficiencies through targeted savings and an ongoing commitment to contain costs
- continuing to apply the principles of sound financial management as outlined in the *Local Government Act 1989*
- ensuring that all Council decisions have regard to their effect on future generations.

Council always remains mindful of the need to comply with the following principles of sound financial management as outlined in the *Local Government Act 1989* which are to:

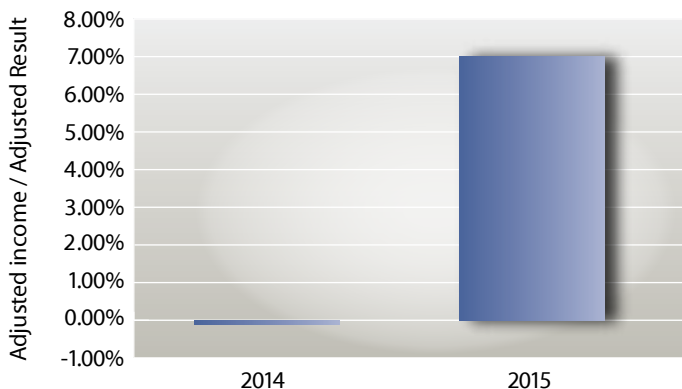
- prudently manage the financial risks relating to debt, assets and liabilities
- provide reasonable stability in the level of rate burden
- consider the financial effects of Council decisions on future generations
- provide full, accurate and timely disclosure of financial information

Operating Position

Operating Result for 2014-15

Council's surplus resulting from Operations was \$16.990 million for the year, which compares favourably to the surplus from Operations of \$5.073 million in 2013-14. The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$10.607 million or 7% when compared to adjusted underlying revenue. This compares favourably to the expected target of greater than 0%. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew the \$1.5 billion of community assets under Council's control.

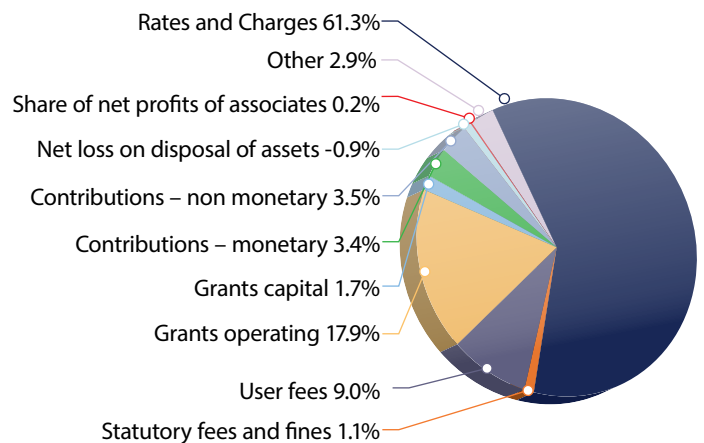
Adjusted Underlying Result Ratio



Operating Income 2014-15

The total operating income for the year of \$156.859 million was derived from a number of sources. The graph below displays the main sources:

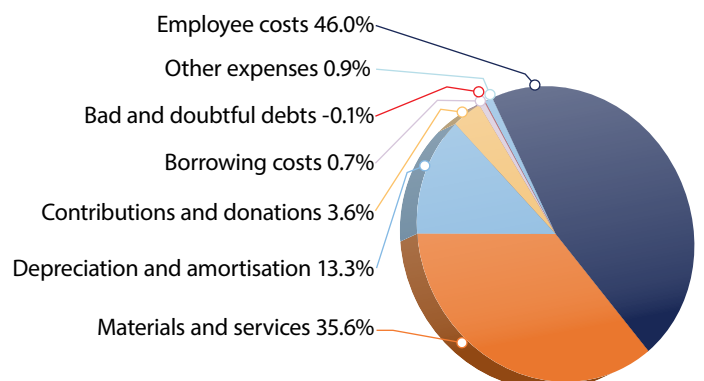
Operating Income 2014-15 \$156.859 million



Operating Expenditure 2014-15

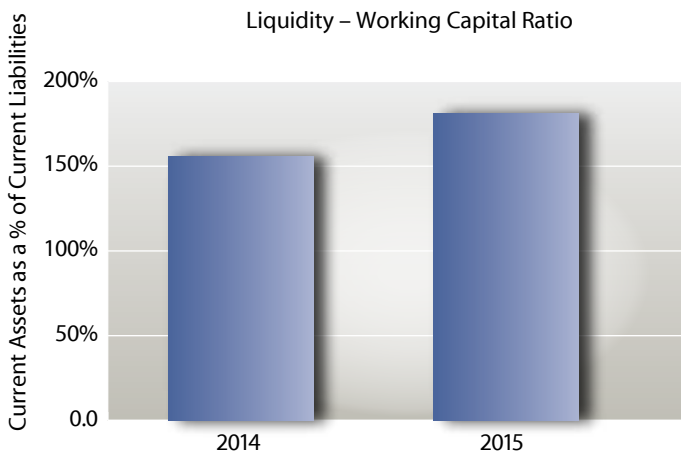
The total operating expenditure for the year of \$139.869 million comprises the following main categories:

Operating Expenditure 2014-15 \$139.869 million



Liquidity

Council's working capital (liquidity) ratio has increased in 2014-15 when compared to 2013-14. This ratio assesses Council's ability to meet current commitments and is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 181% (156% in 2013-14) is an indicator of a strengthening financial position and is within the expected target band of 120% to 200%.



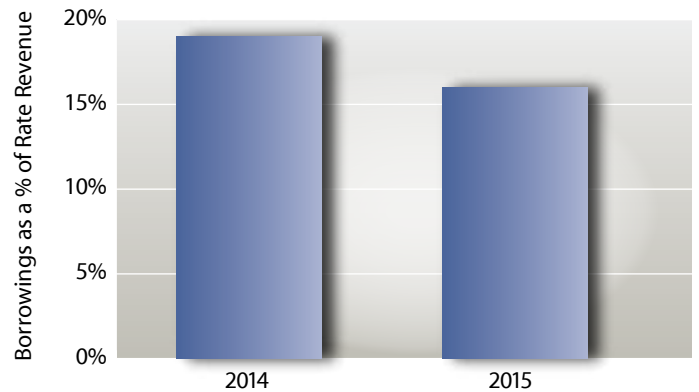
Obligations

At the end of the 2014-15 year Council's loans and borrowings ratio which is measured by comparing interest-bearing loans and borrowings to rate revenue was 16%.

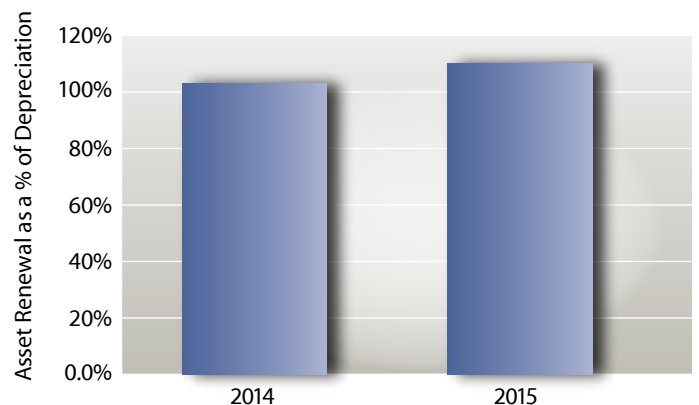
Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by the community. To bridge the infrastructure gap, Council invested \$20.460 million in asset renewal works during the 2014-15 year.

Council's asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was 110%, which was in the expected target band of 90%-110%.

Loans and Borrowings Ratio



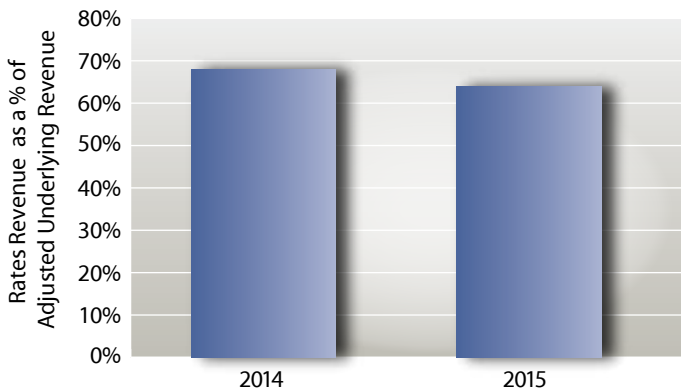
Asset Renewal Ratio



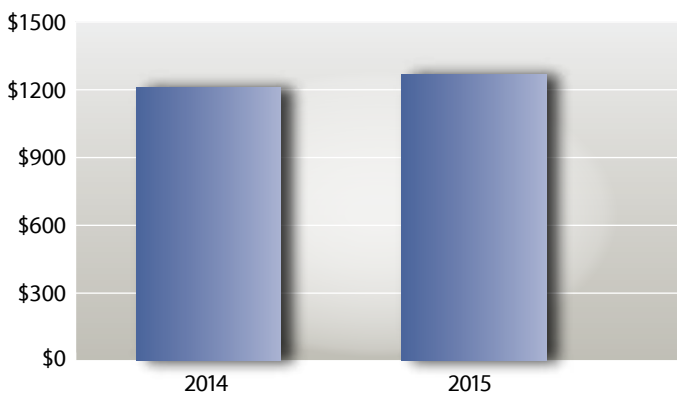
Stability and Efficiency

Council derives a wide range of revenue to fund its operations including rates, user fees, fines, grants and contributions. Council's rates concentration (which compares rate revenue to adjusted underlying revenue) was 64% for the 2014-15 year, which is within the expected target band of 40% – 80%. Council continues to focus on broadening its revenue base. The average residential rate per residential assessment of \$1,267 compares favourably to similar councils in the Melbourne metropolitan area.

Rates Concentration Ratio



Revenue Level Ratio



Further information can be obtained by referring to the Financial Statements and Performance Statement contained within this Annual Report.

Capital Works Program

Knox City Council was largely developed between the 1960s and 1980s, with most of the roads, footpaths, drains and community buildings constructed during this time. Detailed condition assessments of many of Knox's major assets show that Council needs to allocate more funding on infrastructure renewal now to avoid larger costs in the future. To achieve long-term financial sustainability, effective asset management is essential.

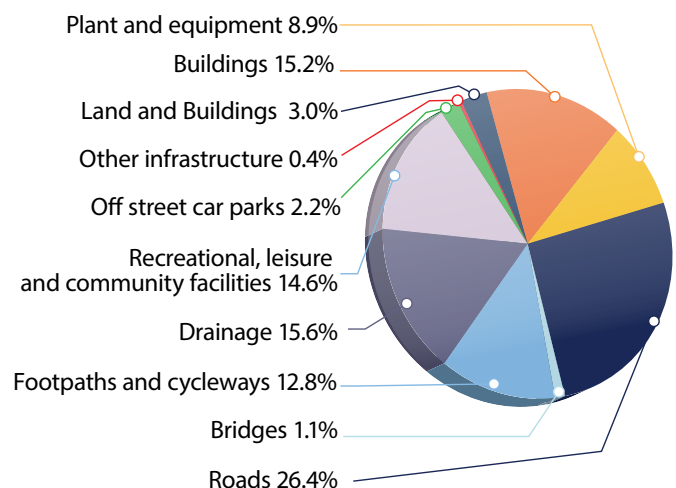
Council allocates funding on an annual basis to the renewal of the community's assets, which are valued at over \$1.5 billion. Funding is also allocated to the new, upgrade, asset expansion and legal requirements programs to deliver a number of works that enhance the city and its infrastructure.

In 2014-15, Council delivered capital works to the value of \$31.153 million. Out of 171 projects, 98% were completed, commenced or tendered during 2014-15. A number of projects are in progress at year end, some of which will be completed in the early part of the 2015-16 financial year. Eight additional projects were included in the program during the course of the year, with an extra \$233,000 unscheduled, out-of-budget funding from various grants, contributions and reserve fund transfers.

In overall financial terms, 90.6% of the capital works adjusted budget was committed in 2014-15, with 82.4% expended. The key areas of capital expenditure in 2014-15 were as follows:

- Buildings: \$5.236 million
- Roads, kerb and channel: \$7.444 million
- Drainage: \$4.309 million
- Parks furnishings, other infrastructure: \$6.582 million
- Car parks: \$0.593 million
- Footpaths, bicycle and shared paths: \$3.539 million
- Plant and equipment: \$1.605

Capital Expenditure 2014-15 \$31.153 million



Asset Management

Council continues to move towards provision of a sustainable level of asset renewal funding to support its objective of financial sustainability. In total, Council allocated \$25.3 million in 2014-15 towards renewal of existing assets incorporating roads, bridges, buildings, drainage, footpaths, shared paths, street trees, open space and recreation facilities.

The 2014-15 Asset Renewal program continued to implement key recommendations from Council's endorsed asset management plans. With the completion of the playground asset management plan and the development of a draft street tree asset management plan, a full complement of asset management plans for Council will ensure that key management directions have been established across all infrastructure asset classes.

The Asset Renewal program includes rehabilitation and re-surfacing of local roads, footpath rehabilitations, tennis court renewals, conversion of sporting reserve surfaces, drainage upgrades, car park renewals, plant and machinery replacement, closed landfill rehabilitation and open space enhancements incorporating landscaping works, re-planting and parks furniture renewal.

Council also continues its program of ongoing condition audits to better inform its awareness of asset performance and to assist in future asset renewal forecasting. Key assets assessed in 2014-15 included shared paths, bridges and stormwater assets.

Major Asset Renewals in 2014-15

- Road pavement, kerb and channel reconstruction program, including:
 - Golden Grove, The Basin
 - Winderemere Drive, Ferntree Gully
 - Hadlow Drive, Wantirna
 - Roxburgh Road, Wantirna
 - Selkirk Ave, Wantirna

- The Active Open Space program included the following works:
 - HV Jones Reserve Oval renovation
 - Knox Park Reserve renovation
 - Dobson and Picketts reserves practice wickets renewal
- Passive open space enhancements included the following:
 - Bush boulevard rehabilitation of garden beds and replacement vegetation
 - Continued renewal of aged parks furniture in reserves
- Rehabilitation programs for footpaths, buildings and facilities included the following :
 - Knox Community Arts Centre – kitchen retrofit
 - Knox Leisureworks – pool overflow drainage rectification
 - Footpaths and shared paths in Bunjil Way, Knox Gardens and Segarta Reserve
- Ongoing flood mitigation program

New assets – built or upgraded in 2014-15

- New bicycle shared path program – Kelletts Road shared path
- Hutton Avenue and Napoleon Road footpath bus stop connections
- Preschool office and storage upgrades
- Park Ridge Reserve floodlighting installation
- Dobson Park stormwater harvesting commencement

our council



Our City; Our People

The region of Knox is named after Sir George Hodges Knox (1885–1960) who was a local and State parliamentarian. Sir George Knox was elected in 1923 to the Fern Tree Gully Shire Council. In 1927 he won the Legislative Assembly seat of Upper Yarra for the Nationalists. Sir George Knox was a diligent local member and remained unopposed throughout the period 1929–40. From 1945 onwards, until his passing in 1960, he represented Scoresby and is now commemorated by the City of Knox.

The City of Knox is located 20–25 kilometres south-east of Melbourne's CBD. It is a diverse municipality with residents living in 12 suburbs, Knox has a dynamic business, education and industrial presence that continues to grow.

Our people reside in Bayswater, Boronia, The Basin, Ferntree Gully, Upper Ferntree Gully, Knoxfield, Lysterfield, Rowville, Scoresby, Wantirna, Wantirna South and Sassafra.

Facts about the Knox region

- Knox covers an area of 114km²
- We have a total population of 155,508—expected to reach 184,821 by the year 2036, an increase of 18.71 percent
- 14 percent of our residents are aged between 35 years–49 years
- 18 percent are over 60 years of age
- 21 percent speak a language other than English at home
- 41,444 residents were born overseas
- 20% of our residents are from non-English speaking backgrounds
- 28% of residents live and work in Knox
- 18,765 people are aged between 25 - 34 years
- There are 11,900 primary school students in Knox

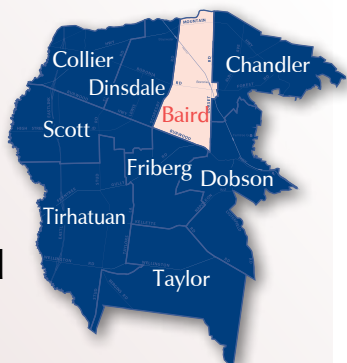
Source: ABS Statistics 2011

our councillors



Cr Peter Lockwood
Mayor
Baird Ward

Mobile: 0419 970 565
Email: peter.lockwood@knox.vic.gov.au
Term: 1993-1994, 2000-2003, 2012 - current
Mayoral Term: November 2014 - current



Cr Adam Gill
Dinsdale Ward

Mobile: 0439 650 260
Email: adam.gill@knox.vic.gov.au
Term: 2003 - current
Mayoral term: 2011 - 2012



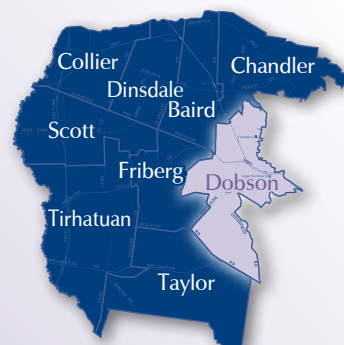
Cr John Mortimore
Chandler Ward

Mobile: 0402 780 942
Email: john.mortimore@knox.vic.gov.au
Term: 2008 - current



Cr Karin Orpen
Dobson Ward

Mobile: 0427 468 207
Email: karin.orpen@knox.vic.gov.au
Term: 1990-1994, 1997-2008, 2012 - current
Mayoral Terms: 1999-2000, 2002-2003, 2012 -2013,



Cr Joe Cossari
Collier Ward

Mobile: 0402 780 933
Email: joe.cossari@knox.vic.gov.au
Term: 2008 - current
Mayoral term: 2009 - 2010



Cr Tony Holland
Friberg Ward

Mobile: 0427 190 389
Email: tony.holland@knox.vic.gov.au
Term: 2012- current





Cr Lisa Cooper
Scott Ward

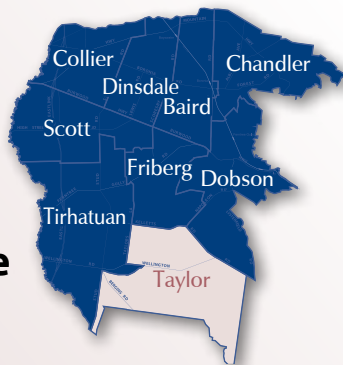
Mobile: 0407 240 275
Email: lisa.cooper@knox.vic.gov.au
Term: April 2015 – current

Cr Lisa Cooper was the successful candidate in the Scott Ward by-election held on 25 April 2015. She was sworn in as a Councillor at the Council meeting held on 28 April 2015.



Cr David Cooper
Scott Ward

Term: 2004 - 2015
Councillor and former Knox Mayor David Cooper sadly passed away on Thursday 15 January 2015.



Cr Darren Pearce
Taylor Ward

Mobile: 0402 780 950
Email: darren.pearce@knox.vic.gov.au
Term: 2008 - current
Mayoral Term: December 2013 - November 2014



Cr Nicole Seymour
Tirhatuan Ward

Mobile: 0427 245 834
Email: nicole.seymour@knox.vic.gov.au
Term: 2012 - current



our organisation

Our Executive Management Team

Council's organisation is led by the Chief Executive Officer and four directors. Collectively, they form the Executive Management Team.

Dr Graeme Emonson Chief Executive Officer

Dr Graeme Emonson is Council's Chief Executive Officer (CEO) and was appointed in February 2002.

Involved in local government for more than 34 years, Graeme's career includes serving at this level with the Wangaratta Rural City Council and Southern Grampians Shire Council.

As CEO of Knox City Council, Graeme has been appointed in accordance with the Local Government Act 1989 and holds responsibility for the leadership and management of Council's organisation.

Supported by an executive management team of four directors, the CEO's responsibility is to deliver on the decisions of Council and be accountable for all Council operations.

Graeme's qualifications include a Doctor of Philosophy in Leadership, a Masters of Business Administration (MBA) in public sector management and a Bachelor of Business.

Graeme is a Fellow of Local Government Professionals (LGPro) and the Institute of Public Administration Australia, as well as being a member of the International City/Country Managers Association and the Australasian Local Government Chief Officers' Group.



Joanne Truman, Director – Corporate Development

Joanne Truman commenced as Director of Corporate Development in January 2015.

Joanne joined Knox after working with the Victorian Department of Parliamentary Services for nine years, most recently as the Director Information Services. Joanne's previous roles have included leading a range of functions and services within legislative, technical and professional teams, including being a part of the department's executive team. Prior to her state government experience, Joanne worked in local government for more than 15 years in governance roles, including as the Manager of Governance at the City of Boroondara.

Joanne is a Member of the Australian Institute of Company Directors, has completed a Bachelor of Business (Local

Government) and has completed postgraduate study in a range of areas such as project management, industrial relations, continuous improvement and leadership, and the Cranlana ethical leadership program.

Joanne's directorate includes:

- Finance and Property Services
- Governance and Innovation
- Information Management
- People Performance
- Communications and Customer Service



Kerry Stubbings Director – Community Services

Kerry Stubbings has extensive experience as an executive and senior manager in a wide range of community service and development programs for local and state government and the community sector.

Kerry's skills encompass strategic planning, policy development, research, community engagement, project management, facility development and service delivery management.

Kerry's qualifications include a Bachelor of Arts, a Diploma of Education, a Graduate Diploma in Management and a Diploma in Project Management.

She is a member of Local Government Professionals (LGPro) and the Australian Institute of Company Directors.

Kerry's directorate includes:

- Active Ageing and Disability Services
- Community Wellbeing
- Family and Children's Services
- Youth, Leisure & Cultural Services



Angelo Kourambas Director – City Development

Angelo Kourambas joined Knox as the Director of City Development in November 2007, having previously served at Knox as the Manager of City Strategy between 1999 and 2005.

Angelo's role encompasses the areas of strategic land use planning, statutory planning, building control, place management, economic development, environmental sustainability, local laws, environmental health and emergency management.

Angelo holds a Bachelor of Arts in Urban Studies and a Graduate Diploma in Urban Planning and is a member

of the Planning Institute of Australia and Local Government Professionals (LGPro). He has more than 27 years experience in local government working in a broad range of service areas.

Angelo's directorate includes:

- City Safety and Health
- City Planning
- City Futures



Dr Ian Bell Director – Engineering and Infrastructure

For more than 30 years, Dr Ian Bell has held senior roles in the areas of strategy formulation and implementation, project management and major project delivery. He has also performed roles in planning and delivering capital and operational works programs including natural resource management, waste management and urban and landscape architectural design. He was appointed to the position of Director of Engineering and Infrastructure in July 2005.

Ian holds a Diploma of Applied Science, a Masters Degree in Landscape Architecture (MLA), a Master of Business Administration (MBA) and a Doctorate of Philosophy (PhD) from La Trobe University. The topic

of his thesis was Sustainability and Business Strategy. He is also a member of the Australian Institute of Landscape Architects (AILA), the Institute of Public Works Engineering Australasia (IPWEA) and Local Government Managers Australia (LGMA) and Local Government Professionals (LGPro).

Ian's directorate includes:

- Sustainable Infrastructure
- Community Infrastructure
- Operations



Dr Jason Matthews Knox Central Project Director

Dr Jason Matthews oversees the investment partnerships and development agenda to deliver the vision for Knox Central and the critical role that the precinct will play in the economic future of the municipality.

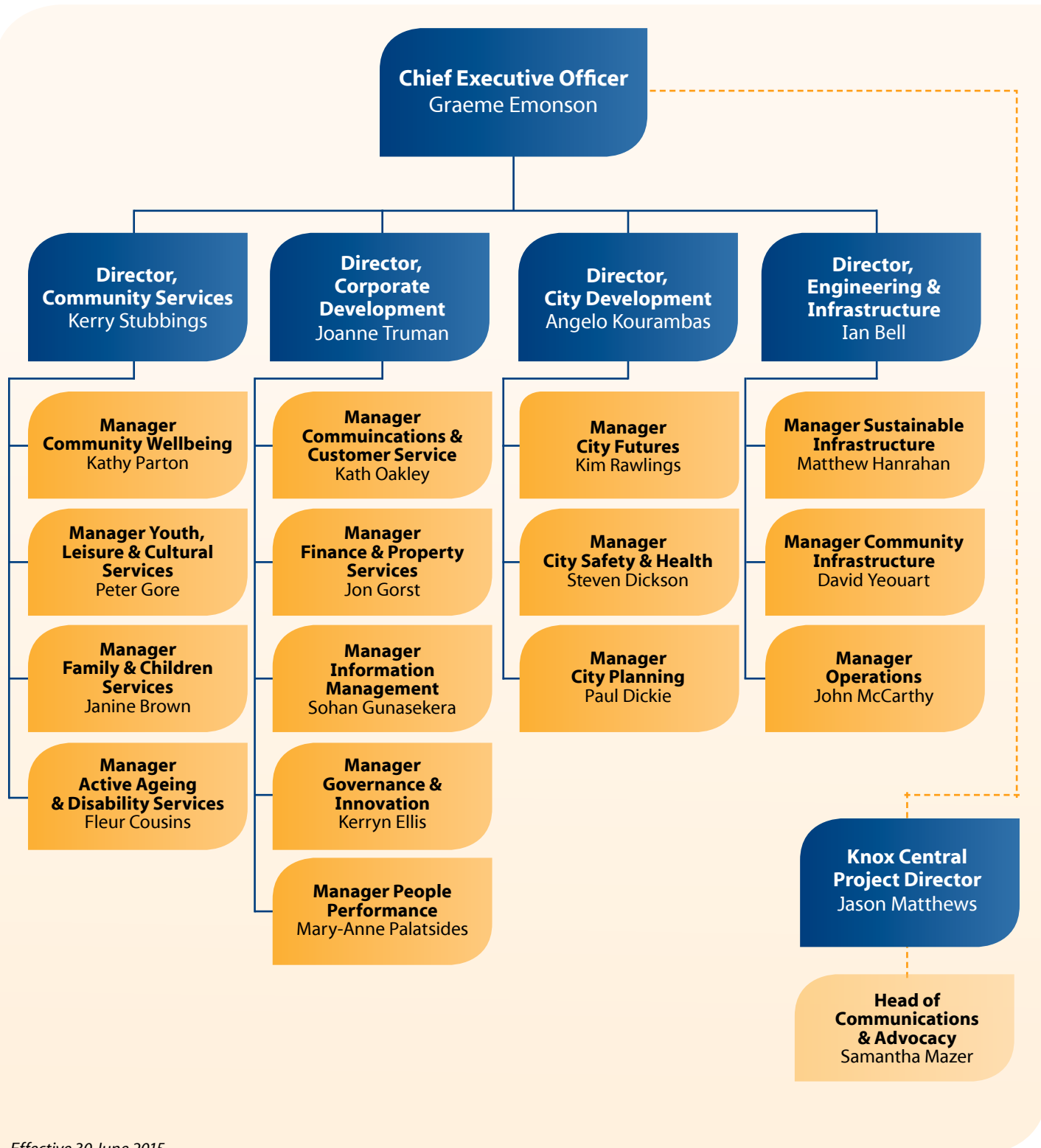
For almost 20 years, Jason has been involved in strategic development including five years as Head of Research and Strategy for Lend Lease in the United Kingdom, as well as having held senior executive positions with several international property groups.

His emphasis has been on building investment and development partnerships where outcomes align with broader business and social objectives.

Jason holds a PhD in property development and strategic alliances and is also a member of a number of international professional property institutions.



Knox City Council Organisation Structure



Effective 30 June 2015

Council's people and organisation performance.

A total of 1,097 staff were employed by Council as at 30 June 2015, comprising full-time, part-time, temporary and casual positions.

Overall, 89 permanent or temporary staff joined Council during the year, filling vacant positions and to meet increased legislative, project or operational requirements.

The permanent staff retention rate for 2014-15 was 92.91 per cent which is approximately 0.38 per cent lower than last year but has continued to remain relatively stable over the last five years.

Staff by functional area 2014-15

Directorate	Gender				Headcount						TOTAL	FTE*
	Female		Male		Full Time		Part Time		Casual			
	Female	FTE*	Male	FTE*	Female	Male	Female	Male	Female	Male		
Chief Executive's Office¹	2	2.00	2	2.00	2	2	0	0	0	0	4	4.00
City Development	137	53.03	94	47.52	30	38	87	46	20	10	231	100.55
Engineering & Infrastructure	36	29.13	109	107.08	20	106	15	2	1	1	145	136.21
Community Services	523	295.96	61	32.26	116	19	339	32	68	10	584	328.22
Corporate Development	91	65.56	42	37.08	44	30	35	11	12	1	133	102.64
TOTAL	789	445.68	308	225.94	212	195	476	91	101	22	1097	671.62

NB: 1 - Includes Knox Central Project * - Excludes Casual Staff & vacant positions

Historical Comparison and Turnover

	2009-10	2010-2011	2011-12	2012-13	2013-14	2014-15
Female staff numbers *	836 (434.23)	838(450.87)	645 (404.91)	678 (429.46)	706 (453.48)	688 (445.68)
Male staff numbers *	292 (212.04)	314 (224.87)	277 (222.06)	281 (229.93)	282 (226.74)	286 (225.94)
TOTAL*	1138 (648.69)	1152 (675.74)	922 (626.97)	959 (659.39)	988 (680.22)	974 (671.62)
Staff turn-over rate (%)	7.32	8.85	7.29	8.58	6.71	7.09

* All figures in this table exclude casual staff and vacant positions. The numbers in brackets show the full time equivalent (FTE).

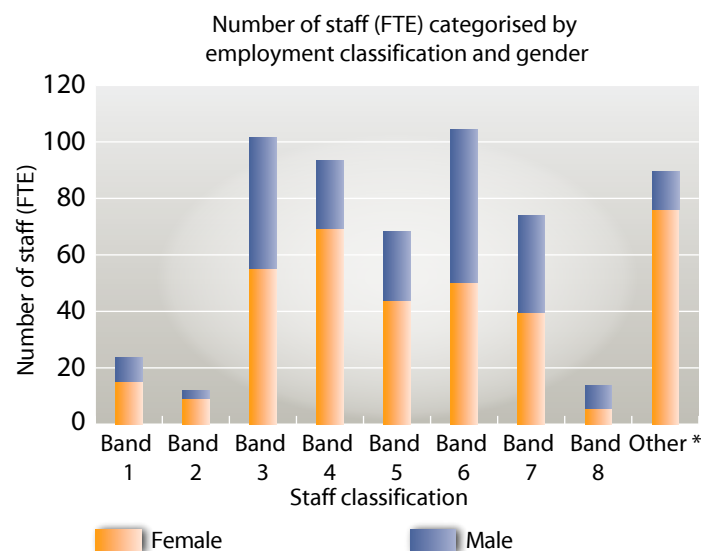
Council Staff

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Employment Classification [^]	Female FTE	Male FTE	Total FTE
Band 1	15.15	8.56	23.71
Band 2	9.27	2.7	11.97
Band 3	55.26	46.14	101.4
Band 4	69.28	24.23	93.51
Band 5	43.93	24.47	68.4
Band 6	50.15	54.4	104.55
Band 7	39.57	34.55	74.12
Band 8	5.74	8	13.74
Other *	76.1	13.39	89.49
TOTAL	364.45	216.44	580.89

[^] Temporary EFT have been excluded (which was 90.73 EFT)

* "Other" includes non-banded workforce members including Health Professionals and Nurses (27.09 EFT), Teachers, Assistants (61.99 EFT), Family Day Care Educators (20.40 EFT), Senior Officers (22 EFT).



People Strategy

'Our People, Our Place' is Knox Council's people strategy for the next three years. Its focus is the evolving organisational culture and the people who work for Council, delivering services that benefit the people who live in, work in and visit Knox. The strategic objective of Our People, Our Place is:

To maximise organisational performance by building the capacity and capability of our people; enhancing the quality of our culture; meeting legislative obligations and building a dynamic, evolving organisation.

The framework for achieving this strategic intent is composed of four driving themes and two critical enablers. The driving themes define what needs to be worked on to realise the strategic intent of Council's People Strategy. These are:

- **Theme 1:** Outstanding Leadership
- **Theme 2:** Organisational Health
- **Theme 3:** A Sustainable Workforce
- **Theme 4:** A Learning Organisation

The enablers are the essential elements that will determine the success of people strategy outcomes. These include the following:

- **Leadership:** a critical influence to the organisational culture, the successful implementation of every driving theme and the overall success of this strategy.
- **People performance in partnership:** defines how people performance will work with business units across Council to lead implementation of its people strategy.

Workforce Planning

A critical component of Council's people strategy is effective workforce planning and building its capacity and capability to anticipate changing workforce needs and develop high-quality, short- and long-range workforce plans to meet those needs.

The purpose of workforce planning at Knox is 'to have the right people in the right place at the right time'. This approach will enable Council to effectively achieve its strategic and operational objectives and deliver the services the community needs now and in the future.

To ensure that Council's workforce needs are reviewed and analysed on a regular basis, the workforce planning process is fully integrated into Council's business and resource planning cycle. This ensures that workforce planning is considered a critical business and strategic planning process that will enable Council to better plan for its future organisational needs.

Workforce planning also aligns with Council's service planning process to ensure that service and workforce needs are adequately considered and assessed.



Equal Opportunity

Knox City Council takes its equal opportunity responsibilities seriously in promoting a workplace that aims to be free from all forms of unlawful discrimination, harassment, vilification and workplace bullying. Council's commitment to upholding the principles of the Equal Opportunity Act 2010 is affirmed in Council's Enterprise Agreement.

The objectives of the equal opportunity program are as follows:

- Achieve and maintain an environment that is free from discrimination, vilification, bullying and sexual harassment
- Establish an internal contact officer program to provide a support and referral service to other staff who may have queries/concerns regarding equal opportunity in the workplace
- Offer equity of access to training opportunities and career paths, particularly to those from disadvantaged groups in the workforce
- Consistently apply the relevant policies and procedures throughout the organisation

Equal opportunity, inclusion awareness and the prevention of workplace bullying and sexual harassment are compulsory training programs for all staff.

The program draws on education of staff, staff feedback and opportunities for positive initiatives and implementation of any changes in legislation.



Health and Wellbeing at Work

Council's health improvement program (HIP) has continued to support and promote a safe, healthy and productive work environment. The aim of the HIP program is to encourage self-engagement and motivation to adopt healthy habits that are beneficial for both work and home life.

The 2014-15 program saw a continuation of the monthly calendar program which included the following initiatives:

- Healthy heart interactive workshop
- Healthy cooking and nutrition demonstrations
- Stretch sessions
- Sunsmart display
- Backcare and posture assessments
- Brain chemistry information session
- Free fitness month at Fitness First
- Mood food presentation
- Women's health information
- Monthly health tips

In alignment with the HIP program, Council's Wellbeing Works Committee continues to focus on physical activity and healthy eating which is supported by the Healthy Together Knox program, which is delivered in partnership with the Victorian government.



Safety Activities

Workplace safety continues to be a major focus for the organisation. This year Council further improved its safety management system with the implementation of its newly developed health and safety framework. The framework consists of 17 high-level elements of health and safety that guide the review and improvement of the organisation's health and safety procedures and practices. Council continues to adapt its health and safety system to be responsive to both compliance and best practice.

Other safety-focused initiatives included the following:

- Developing an improved contractor and contract manager health and safety training package
- Introducing a web-based chemical management system
- Introducing a web-based health and safety incident reporting management system

Knox Council continues its focus on incident reporting. Over the last 12 months, incidents have been managed by the same electronic system used for injury management. This has enabled more sophisticated reporting and tracking of higher-risk areas. As in previous years, Council staff and contractors were encouraged to report all incidents including those that did not result in injury. This allows Council to be proactive in managing potential injuries or recurring incidents.

There were fewer incidents reported across the organisation this year (331 reports compared to 452 last year) of which 66 were proactive 'near miss' reports. Reports to Worksafe as required under the OHS Act 2004 have continued to decline: 5 compared to 22 in the previous year.



Injury Management

Injury costs increased marginally in 2014-15. However, Council continued to achieve and maintain positive return-to-work results. This was reflected in Council's performance rating (in relation to its workers' compensation premium), which is 19.98 per cent better than its industry cohort as assessed and credited by Council's Work Safe insurance agent.

Council's injury management program was recognised in the Summer 2014 edition of Council Manager, a national publication.

Risk Management

Business Continuity Planning

In May 2014, Council completed a desktop crisis scenario rehearsal. Over the course of 2014-15, Council has focused on implementing the recommended actions resulting from this exercise. The objective is to further improve Council's business continuity plans and framework. These actions will increase Council's ability to effectively respond in the event of a crisis.

Risk Review

As part of its ongoing risk review, Council has assessed its strategic risks and developed mitigating actions that align with the objectives of Knox's Council Plan. The organisation's strategic risks will be reviewed every six months to ensure they remain up to date.

Council's risk register is reviewed quarterly by the Executive Management Team, with regular reports provided to Council's Audit Committee. This ensures that risks are effectively reported and monitored. The overall number of high operational risks identified in 2014-15 remains unchanged from 2013-14.

Vehicle Insurance Claims

Council's fleet of registered vehicles, including cars, trucks, tractors and trailers, has decreased from 198 last year to 192.

The number of 'over excess' vehicle insurance claims increased this year from five to 18. The number of 'under excess' claims was 46. Council is investigating options to minimise fleet vehicle accidents.

Insurance Claims against Council

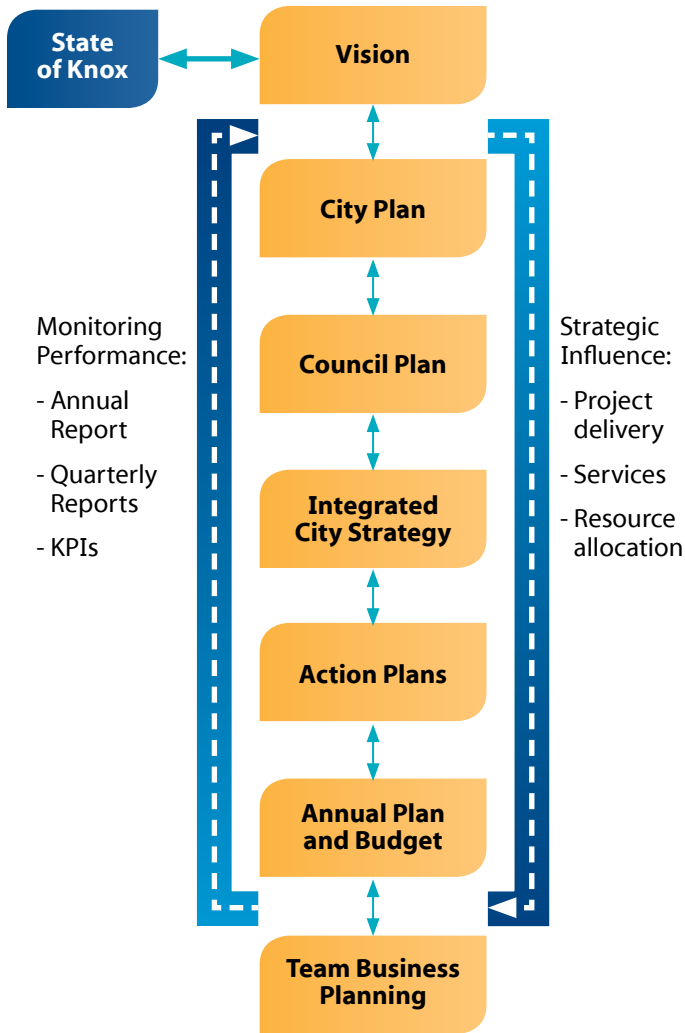
The number of 'under excess' insurance claims rose from 114 to 142 in this financial year. They were most commonly related to tree fall, tree root damage, trips and falls, damage to motor vehicles and flooding. 'Over excess' claims continued to increase, particularly those relating to tree damage and flooding – a trend being reported nationally.

Managing Risk

Council's risk management framework, which includes its risk policy and plan and procedures, forms the basis of risk management activities applicable to all of Council's services. The risk management framework is reviewed every three years and amended as required.



our performance



Knox Vision and City Plan (incorporating Council Plan) 2013-17

The City Plan 2013-17 takes the 'high level' long-term goals outlined in the Council's shared Vision and makes them a reality in the short to medium term. In simple terms, the Vision shows the City of Knox what its future could and should look like, while the City Plan tells Council how to get there in partnership with the community.

The aspirations outlined in the Vision and the objectives and strategies of the City Plan are organised under the following five themes:

- Healthy, Connected Communities
- Prosperous, Advancing Economy
- Vibrant and Sustainable Built and Natural Environments
- Culturally Rich and Active Communities
- Democratic and Engaged Communities

This Annual Report is the second time we will be reporting against these themes and marks the half way point of the City Plan.

Council Plan 2013-17

Knox's Council Plan is published as part of the City Plan document. It is informed by the City Plan objectives and Council's capacity and availability of resources, skills and expertise. It also outlines Council's contribution to the delivery of the City Plan and priorities for its activities.

As part of its annual review process, Council made some minor amendments to the Council Plan. Council formally adopted the revised City Plan (incorporating the Council Plan) 2013-17 on Tuesday 23 June 2015.

Many of the Council Plan strategies have been actioned and progressed during 2014-15, details of which can be seen in the following pages.

Integrated City Strategy

The Integrated City Strategy was developed during 2014-15 to provide strategic direction to achieve the Knox Vision: Our City, Our Future (Knox Vision) and the Knox City Plan 2013-17 (City Plan). The strategy has three major aims:

- To provide a single point of focus to implement the Knox Vision and City Plan and remove competing strategic activities and duplication of effort.
- To help refine and clarify Knox's priorities over the next two years to inform current and future decision making.
- To guide Council and the Knox community towards a dynamic, integrated model of practice.

The process for developing the strategy involved building an understanding of the issues affecting Knox and what is driving change. From this, strategies were developed that build on strengths and overcome challenges. A comprehensive review of all key strategies was also undertaken to achieve greater integration and alignment of effort across Council's activities.

The strategy will operate from 2015 to 2017 and will then be used to inform the review of the next City Plan.

Annual Plan 2014-15

Each year, Knox develops an annual action plan based on the objectives and strategies outlined in the City Plan (incorporating the Council Plan) 2013-17. The plan is made up of a number of initiatives and major initiatives that will be achieved during the financial year.

There is not always a one-to-one relationship between an annual plan initiative and a Council Plan objective. One initiative is likely to contribute to several objectives across several themes. The Annual Plan 2014-15 was adopted by Council on 24 June 2014 as part of the annual budget. To make the Annual Report easier to read, initiatives have been included under the theme where their outcomes have the strongest alignment.

The initiatives in the annual plan highlighted Council's priority actions for 2014-15; they did not constitute all actions delivered by Council.

State of Knox

The State of Knox report presents a consistent and combined set of data to tell a story about the City of Knox that will be comparable over time. It is a description and explanation of the present social, political, cultural, environmental and economic state of Knox. It provides an evidence base for Council decision making and will be used to monitor the performance of the City Plan objectives.

The value of this type of regular 'state of city' reporting is that it allows Council to see 'how' and 'why' things change in the community and therefore what challenges the City Plan strategies should focus on.

Local Government Performance Reporting Framework (LGPRF)

This new local government reporting requirement was established by the Victorian government in 2014. The LGPRF is a comparative reporting framework that aims to ensure measuring and reporting on performance is done in a consistent way across all local government authorities in Victoria.

Four indicator sets have been developed across three thematic areas – service performance, financial performance and sustainability – in order to provide a comprehensive picture of Council performance. These indicators and measures are reported on throughout the following sections of this report.

Service Delivery

Service delivery accounts for a significant part of Council's annual investment in the community and is one way to support and maintain Knox's areas of strength. It also addresses some key challenges for the community. Service delivery is equally as important as Council's priority strategies or actions.

Details of Council's performance

In this section, the following information under each City Plan theme is provided:

City Plan indicators

Results from a selection of indicators to see if Council is heading in the right direction.

Four-year Council Plan strategies

Under the relevant Council Plan strategic objective, progress comments are provided for those strategies for which work has been completed during the 2014-15 year. Progress results and comments relating to some of the four-year Council Plan strategic indicators that measure the progress of the strategies are also detailed.

Annual Plan Initiatives

Details of the achievements of 2014-15.

Services

The services that most closely align to that theme and, where relevant, the LGPRF measures and result.



THEME 1
healthy, connected
communities





city plan

City Plan Indicators

Indicator/measure	Progress result	
	Knox	Melbourne metro
<p>Personal Health and Wellbeing/Subjective Wellbeing</p> <p>Personal Wellbeing Index Score (0-100). (Index based on the average score of seven aspects of wellbeing – standard of living, health, achievements in life, community connection, personal relationships and future security.)</p> <p>Source: VicHealth Indicators Survey, 2011 (formerly known as Community Indicators Victoria Survey).</p>	77.1	76.9
<p>Healthy Ageing/Economic Capacity</p> <p>Percentage of older households (65+) with 'low' or 'very low' household income. (The 'low' and 'lowest' categories represent the lowest 40% of household incomes. The lowest category comprises the lowest 10% of equivalent incomes, nationally calculated.)</p> <p>Source: Census 2011.</p>	66.7%	63.3%
<p>Early Childhood/Australian Early Development Census</p> <p>Percentage of children 0-6 years that are developmentally vulnerable on two or more domains. (The census measures five domains of early childhood development that are important for child development and also good predictors of adult health and social outcomes – physical health and wellbeing; social competence; emotional maturity; language and cognitive skills; communication and general knowledge.)</p> <p>Source: Commonwealth Department of Education, 2012</p>	7.4%	9.1%

council plan

Year Two Achievements

Strategic Objective

To improve planning for an ageing population across Council's services to build capacity to respond to an ageing population

Strategies

Complete a review of the purpose and usage of Council's senior citizens centres

As part of Council's service planning program, a service review was completed for seniors' support and senior citizens centres. The service review provided detailed information on each of Council's five designated senior citizens centres including usage. The service review recommended the following:

- A proposed future direction to support seniors groups including senior citizens clubs
- An increase in community access and the utilisation of senior citizens centres
- The estimated resources required to progress and implement this future direction.

A subsequent service plan outlined the future purpose and delivery of seniors' support and senior citizens centres and was approved by Council in December 2014.

Planning for an aged population is built into Council's Service Review Process

As part of Knox's four-year service planning program, there is a requirement to consider the impact of Knox's ageing population on the service. The first year of the service analysis projects is now complete and service plans have been endorsed. The services involved in year two of the service planning program have now completed their service analyses and all have considered the impact of an ageing population as part of their service analysis work. Year three of the program has now commenced and will consider the same requirement.

Council Plan 2013-17 Strategic Indicators	
Indicator	Progress result
Percentage of Council's services that have considered and addressed issues connected with an ageing population in developing service plans.	All services reviewed to date have considered the impact of an ageing population
Future direction established for Council's senior citizens centres.	A service plan that incorporated an implementation plan was approved by Council in December 2014





Strategic Objective

Improve awareness of mental health issues through Council's current services

Strategies

Promote awareness of mental health issues through appropriate Council programs, taking account of all life stages

A number of existing Council services include mental health awareness as part of their delivery, particularly early years, maternal and child health, youth and active ageing services. In 2014-15, key stakeholders, both internally and externally, have been identified and a plan of the work to be undertaken in 2015-16 has been developed. This work will involve mapping mental health support and services available for Council programs, which will lead to a strengthening of mental health awareness.

Council Plan 2013-17 Strategic Indicators	
Indicator	Progress result
Number of Council programs broadened to incorporate mental health messages.	Progress on this strategy is scheduled for 2015-16.
Percentage of participants or audience who report a raised awareness of mental health issues as a result of attending a Council program which included a mental health awareness component.	A survey tool for this measure will be developed in 2015-16.

Strategic Objective

Increase the number of Council partnerships which promote the health of the community

Strategies

Implement the Healthy Together Knox initiative

Healthy Together Knox (HTK) is committed to bringing the community together in a united effort for better health. From the grassroots of the local community to Knox's schools, businesses and industries, and reaching across governments, Council is part of a movement that drives healthy change.

Registration so far:

- 61 early childhood education services (81% of total services in Knox)
- 24 primary schools (60% of total services in Knox). Five primary schools have reached 'health promoting school' status, a major milestone in the initiative
- 3 secondary schools (10% of total services in Knox)
- 47 workplaces (8% of total services in Knox). Fourteen businesses have reached recognition point 1, a major program milestone.

It is estimated that the HTK initiative as whole has reached 30 per cent of Knox's total population in 2015 (50,000 people). The other activities contained in the Healthy Together Knox 2013-14 Plan are on track to be completed.

To increase healthy food choices in Knox sporting and community groups that operate in Council-owned or Council-managed facilities

Knox Council plans to improve the healthy food choices available at sporting and community events run or operated from Council-owned facilities. A project officer funded by Healthy Together Knox has been working with key stakeholders and community groups to identify opportunities to increase healthy food choices at the venues for these events.

A range of options has been developed for Council to work towards achieving a 10 per cent increase in healthy food options sold at sporting and community events by June 2017.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Ten per cent of sporting and community groups that operate in Council-owned or Council-managed facilities apply for and receive the Eat Smart Healthy Food Choices award by 2016-17.	Further work needs to be undertaken to identify the sporting and community groups that operate in Council-owned or Council-managed facilities that meet the criteria of the Eat Smart Healthy Food Choices award.
Seventy per cent of Knox schools and early years services signed up and working (with Council) on the Victorian prevention and health promotion achievement program.	To date, 60% of schools are registered and 50% are actively working in the achievement program. Eighty-one per cent of early years services are registered and 68% are actively working on the achievement program.
Fifteen per cent of Knox workplaces signed up and working (with Council) on the Victorian prevention and health promotion achievement program.	To date, 11.6% of medium to large Knox workplaces are registered with the achievement program. Of those, 31% have reached recognition point 1 of the achievement program.
Council achieves the Victorian prevention and health promotion achievement program for a healthy workplace.	Council is on target to reach healthy workplace status for physical activity and healthy eating by December 2015.

Strategic Objective

Provide a range of programs, services and partnerships which aim to build local connections between people and reduce social isolation

Strategies

Actively build opportunities for improved community connections into Council's service review program

Service planning is a program designed to provide a regular opportunity for Council to consider and plan for the services delivered to the community and ensure they remain contemporary and sustainable over time. This process has presented Council with an opportunity to assess how its services can better connect with the community.

As each service is analysed, Council considers ways it can improve community connections within the respective service. This requirement has been incorporated into the approved service planning guidelines. The first year of the service analysis projects is now complete, and service plans have been endorsed. Year two is nearing completion and year three is underway. Each review recommends ways the service can increase links to the community and reduce social isolation.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Complete a mapping exercise of Council-led programs that promote community connection.	This task will be completed in the 2015-16 financial year.
Number of service reviews that actively consider community connections as part of their service plan.	All 17 services reviewed to date have actively considered community connections.



Strategic Objective

Strengthen the effectiveness and efficiency of Council's processes and systems for managing Council's volunteers

Strategies

Develop a policy and supporting procedures for managing the volunteers who assist with Council services and programs

An internal project team researched and assessed Council's current organisational practices and volunteer management model during 2014-15. It also reviewed Council's future needs and available best practice processes. In response, a draft policy was developed, a review of the current volunteer procedure manual is set to begin, and Council is exploring options that will improve the systems that process and capture volunteer information.

Deliver appropriate training and support for Council volunteers

A new volunteer management policy was developed. Work is now being done to understand the induction and training requirements for the various volunteers across Council.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of Council volunteer process and system improvement activities completed.	Significant work has been done to understand current organisational practices, future needs and best practice processes. Work will continue on this in the 2015-16.
Percentage of Council volunteers who report an increase in satisfaction with Council's improvements to procedures.	A survey tool is yet to be developed to determine satisfaction levels.

2014-15 annual plan

Major Initiative

Deliver the four 'Healthy Living' programs that address the identified priorities of healthy eating and smoking reduction in Knox

Initiatives provided in 2014-15 under the 'Healthy Living' programs included:

- **Infant Program**

The infant program has directly reached a total of 120 carers of infants (parents and additional carers). The first participants have reached the 15-month milestone of the program and evaluation is underway.

- **Health Champions**

There are 47 registered health champions and 107 friends of health champions. The health champion 'coffee catch up' has been held each month at different locations around Knox. Twenty-one community members attended a Knox health champion community inspiration session in April 2015. Knox health champions connected an English as a second language conversation group with local agencies and introduced them to points of interest via a bus tour around Knox. The tour visited the Eastern Community Legal Centre, Knox Info link, and several community houses and learning centres. It was followed by a talk from the elderly Chinese senior citizens and a staff member from Council's health and community care program.

- **Healthy Food Connect**

There are now 625 gardens for harvest members. Three Saturday morning workshops were held at the end of the 2014-15 financial year, which attracted 107 participants. The topics for these workshops included 'growing fruit and berries', 'natural pest control' and 'keeping backyard chickens'.



- **Bush Tucker**

Thirty-six Aboriginal and Torres Strait Islander families in Knox attended the youth and family bush tucker program held during the school holidays in April 2015. The event included sharing recipes and information about bush tucker cooking and healthy eating, as well as cultural activities such as wood burning, ochre-based painting and clay sculpting.

- **Heart Foundation Walking Groups**

Twelve community members attended the 'good for your sole' heart foundation walking group launch, which was an Active April Knox event.

- **Communities That Care (CTC)**

A workshop was held with the key leaders and the community board in April 2015. Priorities were selected based on the results of the CTC Knox youth survey 2015 which indicated the following factors affected young people:

- Low commitment to schooling and academic failure
- Family conflict and poor family management
- Community laws and norms favourable to alcohol and substance abuse



Initiatives

Implement the first year of the Health Promoting Organisation (Healthy Workplace) action plan for Knox City Council

Knox Council is delivering its physical activity and healthy eating action plans. Highlights of 2014-15 included:

- An all-staff survey to gauge success so far and inform future plans
- Knox Leisureworks initiatives provided for staff
- Internal communications initiatives including signage, promotional emails, Intranet portals
- Physical activity initiatives including cardio tennis.

Council expects to achieve recognition point two of the Healthy Together Victorian achievement program by August 2015, which will be a major milestone in the program.

Assess the possible implications of the National Disability Scheme on relevant Council services

The National Disability Insurance Scheme (NDIS) is scheduled to be progressively implemented in Victoria from July 2016. This new program is a major reform aiming to improve access to support services for people with disabilities across Australia. Details of the NDIS rollout schedule and operations are still being finalised by the national NDIS authority.

During 2014-15, Council completed an analysis of the implications of the NDIS as part of the service planning program. The analysis focused on the possible implications for early years and aged and disability services directly provided by Council.

Develop an implementation plan based on the outcomes of the service review into the future direction of support for senior citizens groups in Knox

A service plan (incorporating an implementation plan) was developed which identified key actions to deliver all recommendations outlined by the seniors' support and senior citizens centres service review. The service plan was completed and approved by Council at its Statutory Planning Committee (SPC) meeting held on 9 December 2014.

Ensure all services reviewed in 2014-15 consider the impact of an ageing population

Council staff completing service analysis work this year attended a briefing from Dr Kathleen Brasher from the Council on the Ageing to help them consider how their services can work with and support older adults in future. All services due for review during the 2014-15 year have been completed. Each analysis considered the impact of an ageing population on the service and made recommendations for the future where appropriate.





Services

Youth Services

This service promotes, develops and encourages the physical, social and mental wellbeing of young people by providing, facilitating, planning, funding and advocating for their needs, the needs of their families and their community. Youth Services includes the delivery of youth counselling and referral, youth leadership development, parenting programs, and partnerships with schools in Knox.

Active Ageing

This service encourages Knox residents as they get older to socialise and participate in activities that enable them to have greater independence and live active and healthy lives in the community. This is achieved by promoting active ageing and providing related events and programs, supporting 11 senior citizens centres and assisting various support groups in the municipality.

Community Care Services

This service provides a range of home and community care services that support over 2,500 frail older people, people who have a disability and their carers. The service helps eligible Knox residents maximise their independence, remain living in their own homes, stay connected to the community and enhance their quality of life.

Community Transport

This service offers transport to assist residents who are older, have a disability and/or are in other ways disadvantaged to participate in community life. There are three Council buses that provide transport for older and disadvantaged residents to go shopping, participate in senior citizens clubs or go to the library. This service is also used to transport residents to attend Council events, for the Council induction program as well as some other Council activities.



Health Services

This service promotes and protects the health of the community by:

- overseeing monitoring, surveillance and enforcement activities aimed at food safety and controlling the spread of infectious disease
- delivering immunisation services that protect the community against vaccine preventable disease
- leading health promotion and education services, including tobacco control and emergency management, which aims to change community behaviour and deliver improved health outcomes
- providing expert advice on preventative health-related matters.

Community Strengthening

This service creates a stronger Knox community by:

- building the capacity of Council and the Knox community organisations
- developing and nurturing partnerships, and creating connections between community groups, individuals and businesses

This is achieved by delivering a range of programs that focus on supporting and resourcing not-for-profit community groups.

Community Access and Equity

This service provides programs that support and advocate for disadvantaged and marginalised communities to create an accessible, inclusive and supportive Council and community. The service provides both program-based service delivery and development roles that are aligned to Council's Vision.

Social Policy and Planning

This service researches, informs, analyses, develops and contributes to Council social policy, planning and action. It identifies and recommends evidence-based priorities and strategies for Council and community planning and action. This service provides support and advice on the development of new and improved service and facility proposals.

Community Safety

This service provides advice, support and programs to strengthen community safety and protect neighbourhood amenity, increase personal security and preserve individual rights, and ensure Knox's public spaces can be enjoyed.

Early Years Education and Care

This service provides a range of early years education and care services designed to support children's development and family needs. The service includes preschool, long day care, family day care, and inclusion support services. The service is guided by the Australian and Victorian governments' early childhood reform agenda and regulated by the National Quality Framework and state government legislation.



Family Health, Development and Support

This service supports the healthy development of young children. It empowers, informs and equips parents and primary carers of children from birth to six years in their role as their child's first teacher. The service also helps service providers, professionals, volunteer committees and community leaders to successfully engage and support families with young children. Additional support is provided to vulnerable families who are not connected with existing services. The core components of the service include maternal and child health, playgroups, other group programs, and a number of activities that support these services.

Family Services Planning, Innovation and Partnerships

This service supports early years and family support services to provide good-quality, well coordinated and integrated services to meet the needs of families and children. The service undertakes service planning and reviews, including research and community consultation, to ensure children and family services are available to meet the identified priority needs of the community. The service also builds and supports partnerships between Council and non-Council services and community-managed programs to provide the right support at the right time in children's and families' lives.



Prevention Health Partnerships*

This service has been established and fully funded by the state government to implement the prevention community model in Knox as one component of a Victorian health development initiative.

The Knox prevention health partnership aims to:

- establish and build a local prevention health workforce
- roll out a range of programs that provide skills and support for achieving better health in the community
- support prevention health partnerships in Knox
- support community engagement and participation in determining local solutions
- support health-promoting policies and programs in schools, workplaces and the community
- tailor health messages to suit identified health issues, population groups and the area
- contribute to statewide and local research and evaluation.

*Subject to state government funding.

Local Laws

This service provides local law and parking enforcement, school-crossing supervision, and animal management programs to the community in line with relevant government legislation.

Local Government Performance Reporting Framework Indicators Theme 1

The following are the results of the prescribed service performance indicators and measures of the Local Government Performance Reporting Framework (LGPRF). Comments are provided to assist readers in understanding the results.



LGPRF Indicators (continued)

Service/indicator/measure	Results	Comment
Home and Community Care		
Timeliness		
<i>Time taken to commence the HACC service</i> [number of days between the referral of a new client and commencement of HACC service / number of new clients who have received a HACC service]	—	Applicable from 1 July 2015.
Service standard		
<i>Compliance with community care common standards</i> (number of community care common standards expected outcomes met / number of expected outcomes under the community care common standards) x100	77.78%	The audit of the community care common standards occurs every three years. The result reported here is from the last audit conducted in September 2013. All recommended and suggested improvements have since been initiated, with the majority completed. The current result would be 88 per cent. The result will be updated at the next triennial audit.
Service cost		
<i>Cost of domestic care service</i> [cost of the domestic care service / Hours of domestic care service delivered]	—	Applicable from 1 July 2015.
<i>Cost of personal care service</i> [cost of the personal care service / hours of personal care service delivered]	—	Applicable from 1 July 2015.
<i>Cost of respite care service</i> [cost of the respite care service / hours of respite care service delivered]	—	Applicable from 1 July 2015.
Participation		
<i>Participation in HACC service</i> [number of people that received a HACC service / municipal target population for HACC services] x100	20.78%	This indicator only measures provision of domestic assistance, personal care and respite care. Knox also provides other HACC services – home maintenance, occupational therapy, food services and planned activity groups. The total number of HACC clients assisted in the year for all HACC services was 4,117, which is 33 per cent of the municipal target population for HACC services. Of the total number of HACC clients served by Knox Council, 2,610 received domestic assistance and/or personal care and/or respite care. Knox Council is one of many HACC-funded service providers within the municipal area.
<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	17.72%	Tewenty-five per cent of the 2,610 clients who received a defined HACC service meet the provided definition of culturally and linguistically diverse as someone who was born in a country where the national language is not English.

LGPRF Indicators (continued)

Service/indicator/measure	Results	Comment
Food Safety		
Timeliness		
<p><i>Time taken to action food complaints</i></p> <p>[number of days between receipt and first response action for all food complaints / number of food complaints]</p>	—	Applicable from 1 July 2015.
Service standard		
<p><i>Food safety assessments</i></p> <p>[number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</p>	97.45%	Knox aims to inspect 100 per cent of registered premises during each calendar year. This year's performance of 97 per cent can be attributed to the following: closure of registered premises during the calendar year before the annual inspection was conducted; registered premises that were not inspected as they were not operating due to substantial renovations and/or fire damage; and home-registered food premises that operate on an irregular basis.
Service cost		
<p><i>Cost of food safety service</i></p> <p>[direct cost of the food safety service / number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$480.51	There are 1,388 registered premises in Knox. These include class 1, 2 and 3 premises registered within Knox and all low-risk food activities notified in Knox.
Health and safety		
<p><i>Critical and major non-compliance outcome notifications</i></p> <p>[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 food premises] x100</p>	94.73%	Of the 27 non-compliance outcomes not yet followed up, 25 are a result of assessments conducted in May and June and are to be followed up in the 2015-16 financial year. Non-compliance for the remaining two premises was identified before May 2014. Of these two premises, one premise was followed up on 1 July 2015 and the other was scheduled for follow up in July 2015.
Maternal and Child Health (MCH)		
Satisfaction		
<p><i>Participation in first MCH home visit</i></p> <p>[number of first MCH home visits / number of birth notifications received] x100</p>	108.15%	There were more visits than birth notifications in 2014-15 because visits are based on the number of enrolments plus families temporarily residing in Knox. Home visits would have also been conducted in this financial year for around 70 babies born late in the last financial year. There are around 45 babies from this financial year we expect to be visited in 2015-16.
Service standard		
<p><i>Infant enrolments in the MCH service</i></p> <p>[number of infants enrolled in the MCH service (from birth notifications received) / number of birth notifications received] x100</p>	100.00%	The MCH service enrolls newborn infants in the service at the home visit following receipt of a birth notification from the hospital.



Service/indicator/measure	Results	Comment
Service cost <i>Cost of the MCH service</i> [cost of the MCH service / hours worked by MCH nurses]	—	Applicable from 1 July 2015.
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	82.75%	Attendance is voluntary at the MCH service and there are some families who move out of the Knox area without updating their records.
<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	92.31%	Attendance is voluntary at the MCH service and there are some families who move out of the Knox area without updating their records. Some aboriginal families prefer to attend specific aboriginal support services offered in Dandenong and Healesville.
Animal Management		
Timeliness <i>Time taken to action animal requests</i> [number of days between receipt and first response action for all animal management requests / number of animal management requests]	—	Applicable from 1 July 2015.
Service standard <i>Animals reclaimed</i> [number of animals reclaimed / number of animals collected]	43.10%	The number of cats collected by Council includes the collection and euthanasia of feral cats caught in the municipality. The number of reclaimed animals includes cats and dogs that were registered when impounded and excludes animals that were unregistered upon presentation to the pound (and were registered prior to their release). The number of animals reclaimed also includes registered cats and dogs returned directly to their owner without being impounded.
Service cost <i>Cost of animal management service</i> [direct cost of the animal management service / number of registered animals]	\$35.45	The number of registered animals is the actual number of cats and dogs registered between 1 July 2014 and 30 June 2015, which were subject to the state government's animal registration levy. The cost of animal management services includes contracted pound and animal collection services, and administration staffing and operating costs that support the delivery of animal management services in the Knox municipality.
Health and safety <i>Animal management prosecutions</i> [number of successful animal management prosecutions]	15	This figure represents the number of defendants prosecuted directly for offences under the Domestic Animals Act 1994 that cannot be dealt with by way of direct fine. These matters mostly relate to serious dog attacks.

THEME 2
prosperous, advancing
economy





city plan

City Plan Indicators

Indicator/measure	Progress result	
	Knox	Melbourne metro
Employment/Local Employment		
Percentage of Knox resident workforce that works in Knox.	32.5%	30.5%
Source: Census 2011		

council plan

Year Two Achievements

Strategic Objective

Increase Council's active partnerships within the business community

Strategies

Promote connections between educational institutions and businesses in Knox

The STEM (Science, Technology, Engineering and Mathematics) Festival conducted in August 2014 was a huge success. More than 200 students from 10 local secondary schools attended the event conducted at the Caribbean Business Park.

Following the festival, more than 150 parents, teachers, students and business representatives attended an evening session to hear presentations on 'Careers in Science and Technology' that will provide future workforce opportunities for the city's young people.

The strategic alliance with Swinburne University has continued to strengthen during 2014-15 in the following ways:

- collaborating on the pursuit of joint funding and grants.
- introducing the first Swinburne business forum held outside of the Melbourne CBD so Council and

business can collectively understand current and future local employment needs.

- teaming up for mutually beneficial projects such as Knox Council's annual business conference when two moderators from Swinburne moderated the event.

The South East Melbourne Innovation Precinct (SEMIP) has reduced its activities this year. SEMIP continues its search for a productive role beyond that which partners could achieve through collaboration in smaller numbers. The new financial year will see a solid reflection on what SEMIP can achieve and the need for it to continue its operations.

Knox is participating in the current rollout of the proposed new 10 trade training facilities on request from the state government. Knox has been asked to offer its insights into the process of establishing a trade training centre following the launch of KIOSC (Knox Innovation Opportunity and Sustainability Centre) in Knox.

Meanwhile, collaboration with KIOSC has been ongoing including establishing business connections.

Expand and strengthen business networks in Knox

In 2014-15, Council successfully delivered the annual Business Education and Events program, comprising more than 45 activities.

One of the highlights was the fifth annual Knox business conference. More than 160 local business



representatives and entrepreneurs attended the event, which focused on digital technology. The conference was widely acclaimed as the best so far.

Knox continues to participate in the Future of Manufacturing project being run by South East Melbourne Manufacturers Alliance (SEMMA). SEMMA has also worked to expand its membership base in Knox and has had some success, although the numbers are still modest.

Council officers have begun attending meetings of Business Leaders Australia (formerly the Maroondah Business Association) which now meets in Wantirna South. The group's development is being monitored to determine if it warrants more formal engagement by Council as a Knox business network.

Through its active business visits and engagement program, Council's economic development team visited 110 companies during 2014-15. The program helps Council understand the needs, challenges and successes of the local business sector, which enables it to tailor business support programs to the specific needs of the business community.

Deliver and build Knox's annual business attraction program

Council continued to collect robust data on Knox's economy. The data is used when responding to investment enquiries and to assist the expansion of existing firms. Council also completed further enhancements to the Knox Business Direct website, the online hub for business and industry information and events.

In 2014-15, Council officers responded to 19 development facilitation service enquiries from property developers, new businesses to Knox and the eastern regional office of the Department of Economic Development, Jobs, Transport and Resources.

Update and share economic data about Knox

Knox Council monitors and tracks its economic data from several sources including REMPLAN, IBIS World and the Australian Business Register. The information is regularly collated and updated in the Knox Economy Evidence Base. This document is issued to the business community twice each year in June and December.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of new active partnerships as measured by memorandums of understanding and/or statements of intent entered into by Council.	During 2014-15, a statement of intent was signed with Swinburne University, and Maroondah and Yarra Ranges councils. Melbourne East Regional Development Australia also entered into a Memorandum of Understanding with Knox for the appointment of a Bayswater industrial precinct coordinator.



2014-15 annual plan

Major Initiative

Complete a midterm review of Council's Economic Development Strategy and prepare an updated Economic Development Program for 2014-17

A midterm review was completed and reported to Council in August 2014. The report's recommendations were adopted and have been included in the Integrated City Strategy and Implementation Plan, which is set for formal adoption in July 2015. The Integrated City Strategy Implementation Plan will guide a revised program of business and economic development services with delivery to commence soon afterwards.

Initiatives

Partner with Maroondah and Yarra Ranges councils, Department of State Development Business and Innovation and Melbourne East Regional Development Australia Committee to prepare a strategic investment and development program for the Bayswater employment precinct

Phase one of this collaborative project was completed after the analysis of 200 precinct business surveys and the completion of the phase one report. Phase two is underway, focusing on seven key recommendations and the development of a supporting medium-term delivery program aimed at revitalising and attracting investment to the precinct. Phase two is due for completion in the second half of 2015.

Continue to progress Council's vision for the Knox Central precinct, including determining levels of investment

Council continued to investigate concepts to maximise the Knox Central project during 2014-15. This work included the following:

- Quantifying, prioritising and phasing Council's investment into the Knox Central precinct including defining development/investment strategies and master planning options. Council also completed detailed work in refining strategies and examining the potential returns of possible investments.

- Assessing commercial and investment arrangements for a library in the precinct. Council has been progressing leasing arrangements for a library, as well as scoping out an interim library space in Westfield Knox as the development takes shape. Council has determined its preferred sequence of works guiding a future library in Knox Central, as well as a number of other investment strategies.
- Developing the precinct structure plan to enable investment and development to move forward in line with strategic objectives.
- Achieving agreed objectives for integrated water management across the precinct (in conjunction with water management consortium partners – Westfield, Melbourne Water, South East Water and Council) so that a project and investment plan can be developed.

Services

Economic Development

Realising Knox's potential as a prosperous, advancing economy is the aim of Council's economic development service. It provides an integrated approach to information, advice and action to encourage private and public sector investment that will increase business establishment and growth, encourage and attract new business and investment, lift productivity, create prosperity and boost employment in Knox's economy.

The service informs and supports the sector by providing education and assistance with business development; attracting and facilitating investment; connecting Knox businesses with each other or in groups; and highlighting opportunities in government-funding programs.

Place Management

This service provides an integrated approach to the planning, design and management of Knox's public spaces and community hubs. It aims to improve the amenity and neighbourhood character of Knox, increase prosperity and increase the capacity for members of the community to be resilient to change and work together to determine what is important in their community spaces.

Local Government Performance Reporting Framework Indicators

There are no prescribed service performance indicators and measures of the Local Government Performance Reporting Framework (LGPRF) relevant to Theme 2.

THEME 3

**vibrant and sustainable built
and natural environments**





city plan

City Plan Indicators

Indicator/measure	Progress result	
	Knox	Melbourne metro
<p>Housing/Housing Affordability (pertains to all households in Knox)</p> <p>Percentage of total Knox households with mortgage costs over 30% of gross income.</p> <p>Source: Census 2011.</p>	28.5%	32.3%
<p>Household Water/Waste Water Recycling</p> <p>Percentage of adults in households that collect waste water.</p> <p>Source: VicHealth Indicators Survey, 2011 (formerly known as Community Indicators Victoria Survey).</p>	38.1%	42.4%
<p>Transport/Access to public transport</p> <p>Percentage of the population living near public transport – within 400m of bus stop; 800m of a train station.</p> <p>Source: Public transport stops (Victorian Department of Transport, 2012) as reported from Community Indicators Victoria.</p>	56.4%	14.8%

council plan

Year Two Achievements

Strategic Objective

Plan for a mix of housing to cater for all different stages of life

Strategies

Priority locations to accommodate housing growth are clearly identified and articulated through Council's planning, and communicated to the community and key stakeholders

The Knox Housing Strategy, Knox Residential Design Guidelines and Amendment C131 were adopted by Council on 27 January 2015.

Appropriate housing is central to the health and wellbeing of individuals and communities. The Knox Housing Strategy sets out Council's plan for managing residential development to respond to the current and future housing needs of the Knox community. The strategy aims to balance the changing needs of Knox's current and future residents with the important aspects of Knox that should be retained and enhanced.

A two-month community engagement process was undertaken to advise the community of the draft housing strategy. This included a mail out of 77,000 letters to all properties in Knox, 18 information sessions attended by approximately 400 people and extensive information on Council's website.



The amendment was submitted to the Minister for Planning in February 2015. At the time of publication, Council is awaiting approval of Amendment C131 from the Minister for Planning.

Review, update and communicate locations identified through Council's planning to accommodate a change in housing type

The Knox Housing Strategy that was adopted by Council in January 2015 identifies four residential areas: bush suburban, Knox neighbourhood, local living and activity areas. The strategy clearly articulates that the priority areas for new and different types of housing are the local living and activity areas.

That means moving development away from the foothills and suburban areas and into areas that are well serviced by transport and other services. The strategy gives greater weight to design quality and provides certainty around what residents can expect in new developments in their local area.



In particular, the strategy supports townhouses and apartments in specific areas (apartments only in activity areas), which are discouraged in Knox neighbourhood and bush suburban areas. Knox neighbourhood and bush suburban areas will continue to be characterised by detached dwellings and dual occupancies, with villa units possible on large sites only.

Develop clear statements of valued neighbourhood characteristics to be considered in Council's Housing Policy

The Knox Housing Strategy identifies four residential areas across Knox: bush suburban, Knox neighbourhood, local living and activity areas. The key characteristics and desired future character of these areas are articulated in the strategy, which was adopted in January 2015 and is awaiting approval from the Minister for Planning.

Council Plan 2013-17 Strategic Indicators	
Indicator	Progress result
Council's housing monitoring report shows an increase in the diversity of housing in preferred locations as defined by Council's housing policy.	Council's housing monitoring program reported to Council in March 2015 showed an increase in diversity. Most housing in Knox consists of large, detached dwellings with three bedrooms or more. However, the number of apartments and townhouses approved increased from 223 in 2013 to 435 in 2014. The number of smaller dwellings (1-2 bedrooms) increased from 250 in 2013 to 370 in 2014.

Strategic Objective

Improve the connections between existing shared paths and footpaths, especially to key places

Strategies

Prioritise upgrades and renewals for connectivity

A priority listing, outlining a 20-year program of new/upgraded works to enhance path connectivity, was presented to Council as part of the annual budgeting process. This saw an increase in funding for path construction and maintenance in 2014-15 compared to 2013-14. An equivalent renewals program for footpaths and shared paths was also prepared.

Identify key places for bike and footpath connectivity

The Knox Bicycle Plan and the Knox Pedestrian Plan serve as the blueprint for developing path priorities in Knox. These inform the capital works program by providing ranking criteria for potential projects. This is supplemented by Council's mobility study and implementation plan which identifies key missing links in and around activity centres. When combined, these documents provide the base list informing future capital works programs.

Council Plan 2013-17 Strategic Indicators	
Indicator	Progress result
Number of metres of new footpath and shared path delivered annually to improve connectivity.	Council currently manages 1,219km of footpaths and 89.3km of shared path, an increase of 9.8km and 1.7km respectively from last financial year.
The number of key places which have new footpath and bike path connections.	Five precincts across Knox have been identified as priority areas for infrastructure works. Work on developing new footpath and bike path connections in these areas is ongoing.



Strategic Objective

Improve the provision of integrated public transport options in Knox

Strategies

Promote a holistic and integrated approach to planning and delivery of public transport projects in Knox through Knox's Integrated Transport Plan

Council formally adopted the Integrated Transport Plan 2014 in February 2015 following a period of community consultation and invitation for submissions. Structured to align with key strategies identified in the Transport Integration Act 2010, the plan incorporates a series of themes and supporting actions which will be delivered progressively across Knox.

Continue to advocate to the state government for the delivery of the Bayswater grade separation project

Knox Council continues to advocate for the removal of level crossings at Mountain Highway and Scoresby Road in Bayswater. Council has been working with the state government's Level Crossing Removal Authority, which is overseeing 50 grade separations in the first two terms of government. The Mountain Highway and Scoresby Road level crossings have been identified in its priority listing. Council officers have been actively engaged in the design development of these projects while the Eastern Transport Coalition continued its ongoing advocacy campaign to ensure the projects are delivered.

Continue to advocate to the state government for the extension of a rail line to Rowville

The Rowville rail continues to be a major focus of Council's public transport advocacy. Mayor Peter Lockwood advocated this issue in a meeting with the Minister for Public Transport in March 2015. Council has directly advocated for the Rowville rail as part of the Eastern Region Group of Councils' infrastructure priority needs. The project has also been identified as a strategic priority by the Eastern Transport Coalition. The Rowville rail continues to be a standing agenda item at Eastern Transport Coalition meetings and remains the focus of ongoing dialogue with members of parliament.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Deliver an annual transport advocacy program incorporating the Rowville rail, Knox tram and Bayswater grade separation projects.	Council directly advocated for the Rowville rail, Knox tram extension and Bayswater grade separation projects during 2014-15, which included Mayor Peter Lockwood meeting with the Minister for Public Transport in March 2015 to discuss key public transport issues within Melbourne's east.
Review Council's Integrated Transport Plan.	The reviewed Integrated Transport Plan was adopted at the Council meeting on 24 February 2015.



2014-15 annual plan

Major Initiative

Improve walking and cycling connectivity by aligning Council's Footpath and Shared Path Asset Management Plan, Bicycle Plan and Mobility Audit to identify and implement priorities in the renewal and new and upgrade construction programs

Council's capital works program prioritises footpath and shared path renewals in addition to new and missing path links. Upgrades are based on criteria outlined in the Footpath and Shared Path Asset Management Plan and the Bicycle Plan. Capital works and upgrades from the Mobility Implementation Plan were completed in 2014-15 as scheduled.

Initiatives

Finalise and commence implementation of Council's reviewed Housing Policy

Knox Council adopted its new housing policy and Amendment C131 in January 2015. It was adopted after a planning panel reviewed submissions between 26 August and 5 September 2014. The subsequent report was presented to Councillors in December 2014 before its formal adoption. The amendment was submitted to the Minister for Planning in February 2015. Council is awaiting approval from the Minister of Planning.

A review of Council's housing monitoring program, which monitors the performance of the housing policy, will be presented to Council following the Minister's decision.

Deliver a program of advocacy to support improved public transport provision in Knox including the following:

- **Advocacy for the Rowville rail and precursor projects**
- **Advocacy for the Knox tram**
- **Advocacy for a bus services review**

Knox Council has been a long-term advocate for better public transport in Melbourne's east. Representing both Knox and the Eastern Transport Coalition (ETC), Mayor Peter Lockwood met with the Minister for Public Transport in March 2015 to discuss key public transport issues.

Progressing planning for Rowville rail was advocated, as was the possible extension of the Knox tram and improvements to Melbourne's bus services. Council has directly advocated for the Rowville rail and Knox tram extension as part of the Eastern Region Group of Councils' infrastructure priority needs.

A submission to VicRoads in late 2014 also advocated for planning to convert Burwood Highway to a multi-modal corridor, which would enable dedicated bus lanes and would support the Knox tram extension. This project also has been identified as strategic priority by the Eastern Transport Coalition.

Knox's response to the draft Melbourne Plan also included advocacy for both the Rowville rail and the Knox tram extension.

Finalise and initiate implementation of the Rowville Structure Plan

Knox Council adopted the Rowville Plan in January 2015. Amendment C131, which enacts the planning components of the Rowville Plan and the Knox Housing Strategy, was lodged with the Minister for Planning for approval in February 2015. The ongoing review and update of the Rowville Structure Plan implementation framework will occur as part of Council's place program.

Services

Emergency Management

This service coordinates and delivers Council's legislative and community focused responsibilities for emergency and fire management. It includes services to mitigate risk to people and property, preparedness and planning through to response and recovery.

Asset Management

This service provides strategic direction for asset management. Staff develop processes and systems that maintain and update Council's asset register and management system, collect asset condition data while developing and delivering strategic asset management plans for all asset categories. The service also provides asset preservation and protection functions in areas associated with subdivision, private developments, capital infrastructure projects and works undertaken by service authorities, contractors and government agencies. The service also manages the coordination, planning, development, delivery and monitoring of Council's capital works program.

Facilities

This service delivers a full range of building services including capital construction, programmed and reactive maintenance and ancillary services (e.g. graffiti control, security, essential safety measures) for all of Council's buildings and facilities. Staff also provide internal architectural advice and building management services on land where Council has an interest.



Operations

Operations manage a range of activities including maintenance services and the delivery of new, renewed and upgraded Council infrastructure assets. These activities cover the areas of parks services, works services, construction and fleet management. The service provides well-maintained infrastructure assets that meet the current and future needs of the community and comply with the requirements set by government legislation and regulations, and Council policies.

Waste Management

This service aims to minimise waste and provides waste collection, disposal and education services for the community.

Biodiversity

Conserving, protecting, enhancing and celebrating Knox's biodiversity is an ongoing priority. This service provides bushland management for more than 40 Council bushland reserves, over 120 sites of biological significance, and delivers education and awareness programs that increase the appreciation and understanding of the value of biodiversity. This includes encouraging and supporting members of the community to participate in the conservation and enhancement of remnant vegetation on public and private land.



Open Space Management

This service provides planning, design and consultation services for the implementation of enhanced passive open space. The service also includes policy development while providing planning and landscape architectural design expertise for other areas of Council.

Integrated Water Management

This service provides technical and strategic drainage advice and comprehensive drainage services to deliver an integrated water management system. The service safeguards the community against flooding, provides a municipal drainage system that is safe and fit for purpose, ensures that stormwater is a valued and well-used resource and maintains clean waterways across the city.

Strategic Land Use Planning

Overseeing the research that informs planning policies and decisions is a key focus of this service. It also proactively updates the Knox Planning Scheme to reflect the Council Plan's strategic objectives. This includes preparing and assessing planning scheme amendments, responding to planning applications, providing general strategic land use planning advice and a statutory requirement to review the Knox Planning Scheme every four years. Community engagement and consultation is a core part of this service.

Planning Approvals

This service provides for statutory planning assessment and enforcement and regulatory services under the Planning and Environment Act and related acts and regulations.

Building

Providing building assessment and regulatory services in accordance with the Building Act 1993 and other relevant legislation is the focus of this service. Council issues building permits, undertakes building and swimming pool inspections and responds to building complaints.

Traffic and Transport

This service provides local traffic management (roads, footpaths, shared paths, etc), future planning, advice and transport advocacy.

Sustainable Futures

This service oversees environmental planning, community engagement in sustainability, policy development and project implementation. The service provides a range of learning and engagement programs that focus on supporting Council and the community to move towards environmental, social and economic sustainability.

Local Government Performance Reporting Framework Indicators

Theme 3

The following are the results of the prescribed service performance indicators and measures of the Local Government Performance Reporting Framework (LGPRF). Comments are provided to assist readers in understanding the results.



LGPRF Indicators (continued)

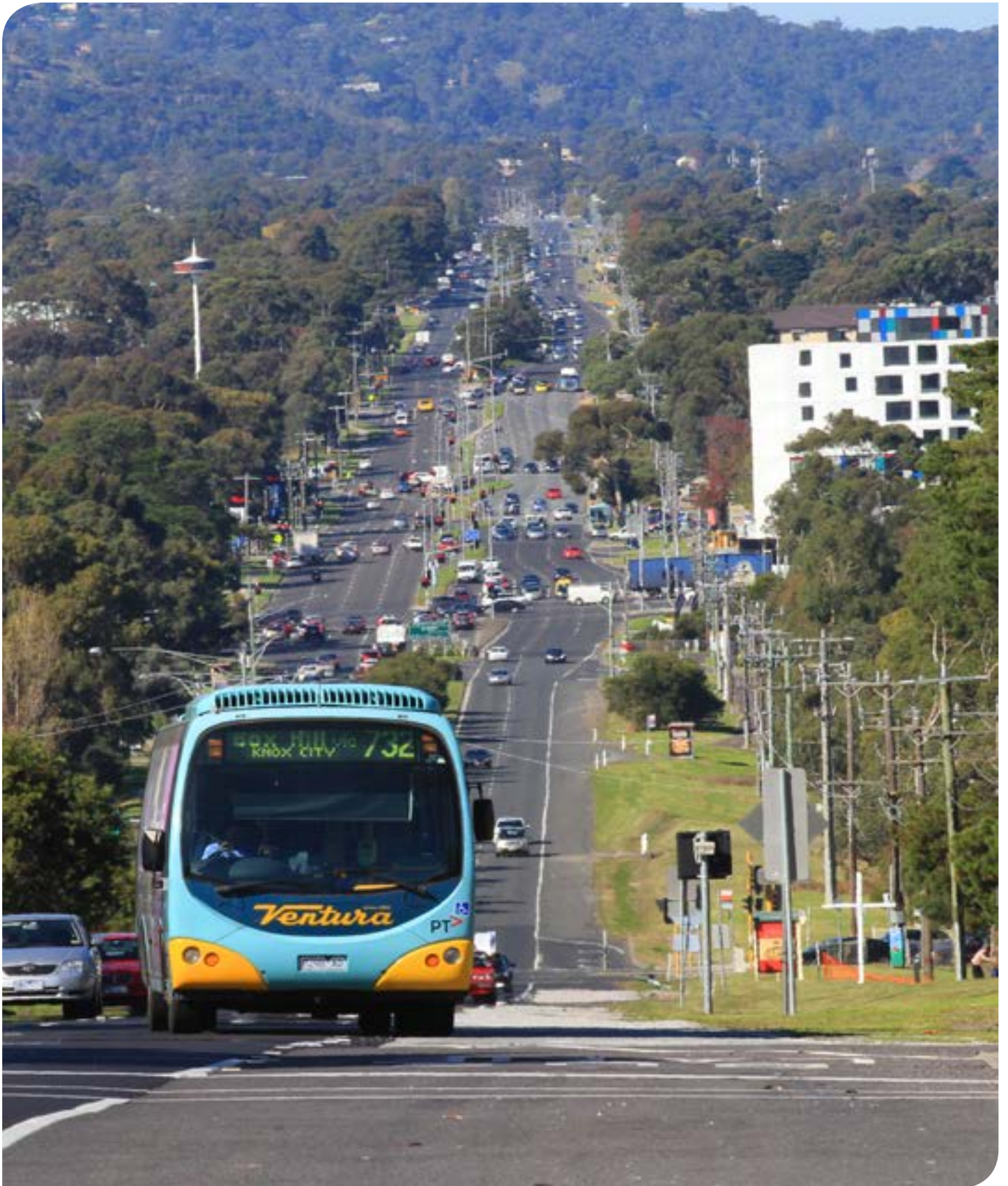
Service/Indicator/measure	Result	Comment
<p>Waste Collection</p> <p>Satisfaction</p> <p><i>Kerbside bin collection requests</i></p> <p>[number of kerbside garbage and recycling bin collection requests / number of kerbside bin collection households] x1,000</p>	75.10	<p>Council provides a comprehensive waste management service that meets 'best practice' standards in terms of kerbside collection. This indicator focuses on the kerbside bin collection service. Council provides a three-bin waste collection service (garbage, recyclables and green organics). This year, Council received 75 bin collection requests per 1,000 residential households. The requests related to new services, cancellations, damaged bin repairs/ replacements or replacing stolen bins.</p>
<p>Service standard</p> <p><i>Kerbside collection bins missed</i></p> <p>[number of kerbside garbage and recycling collection bins missed / number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</p>	4.38	<p>This indicator demonstrates the ratio of bins missed compared to scheduled bin collections, with four bins reported as missed for every 10,000 scheduled collections. As from 1 July 2014, a new waste collection contractor commenced with Council, which has resulted in an improvement in the service in terms of reducing the number of bins missed.</p>
<p>Service cost</p> <p><i>Cost of kerbside garbage collection service</i></p> <p>[direct cost of the kerbside garbage bin collection service / number of kerbside garbage collection bins]</p>	\$101.06	<p>This figure reflects the annual direct cost of the kerbside garbage bin collection weekly service per bin including disposal costs. It does not include the cost to provide the bin.</p>
<p><i>Cost of kerbside recyclables collection service</i></p> <p>[direct cost of the kerbside recyclables bin collection service / number of kerbside recyclables collection bins]</p>	\$3.66	<p>This figure reflects the annual direct cost of the kerbside recycling bin collection fortnightly service per bin including disposal costs. It does not include the cost to provide the bin. Council receives income for the receipt of the recyclables, which offsets part of the collection costs. The contract for receipt of recyclables that commenced on 1 July 2014 was terminated by Council in April 2015. A new contractor was subsequently appointed to receive Councils kerbside recyclables effective from April 2015.</p>



Service/Indicator/measure	Result	Comment
<p>Waste Diversion</p> <p><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</p>	53.30%	<p>Recycling significantly reduces the amount of waste going to landfill and thereby reduces the generation of greenhouse gas emissions. This indicator shows that approximately 53% of kerbside waste (or 32,314 tonnes) was recycled this year instead of going to landfill. This indicator only relates to kerbside bin collection. Council also provides non-bin based collection services for bundled green organics, which are sorted at the transfer station to recover re-usable items and then processed into compost and hard waste.</p>
<p>Statutory Planning</p> <p>Timeliness</p> <p><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]</p>	65	<p>The assessment of planning applications during 2014-15 was influenced by a significant peak of medium-density housing applications lodged in mid 2014.</p>
<p>Service standard</p> <p><i>Planning applications decided within 60 days</i> [number of planning application decisions made within 60 days / number of planning application decisions made] x100</p>	69.68%	<p>The assessment of planning applications during 2014-15 was influenced by a significant peak of medium-density housing applications lodged in mid 2014.</p>
<p>Service cost</p> <p><i>Cost of statutory planning service</i> [direct cost of statutory planning service / number of planning applications received]</p>	\$1,970.88	<p>1,375 applications were received, consisting of 1,033 new planning applications and 507 applications for amended plans. Note – 165 applications for extensions of time were excluded from the calculation as they did not meet the definition of an ‘application’ for this indicator.</p>
<p>Decision making</p> <p><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</p>	41.67%	<p>Council is currently seeking state government approval of a Planning Scheme Amendment, which will introduce a new housing policy. This is expected to improve VCAT success rates in the future.</p>

LGPRF Indicators (continued)

Service/Indicator/measure	Result	Comment
<p>Roads</p> <p>Satisfaction of use</p> <p><i>Sealed local road requests</i> [number of sealed local road requests / kilometres of sealed local roads] x100</p>	31.69	Council includes all requests received from external customers (via customer service requests or after-hours requests) that relate to the quality of the sealed road surface and kerb and channel. Requests are counted regardless of whether a maintenance activity is required to be undertaken in accordance with Council's service levels.
<p>Condition</p> <p><i>Sealed local roads below the intervention level</i> [number of kilometres of sealed local roads below the renewal intervention level set by Council / kilometres of sealed local roads] x100</p>	95.25%	Council has a relatively high service standard for the resealing of roads in Knox and is progressively addressing the backlog of roads requiring renewal. External audits undertaken every four years of the whole road network enable Council to measure its progress.
<p>Service cost</p> <p><i>Cost of sealed local road reconstruction</i> [direct cost of sealed local road reconstruction / square metres of sealed local roads reconstructed]</p>	\$99.26	Total costs are based on the relatively small number of road reconstructions undertaken each year in Knox and vary according to the extent of reconstruction specified for each project.
<p><i>Cost of sealed local road resealing</i> [direct cost of sealed local road resealing / square metres of sealed local roads resealed]</p>	\$22.34	Road resealing is completed by companies contracted by Council. A significant number of roads are resealed in any given year to meet Council's service standard and to address the average life of an asphalt surface. The cost includes the total contract cost of road resealing including any preparatory patching works.
<p>Satisfaction</p> <p><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]</p>	70	This score was a five-point increase on the score for the previous year.



THEME 4
culturally rich and
active communities





city plan

City Plan Indicators

Indicator/measure	Progress result	
	Knox	Melbourne metro
<p>Cultural Diversity/Community Acceptance of diverse cultures</p> <p>Percentage of adults who disagree that Australia is weakened by groups sticking to their old ways. (The wording of this indicator as a double negative can be confusing. For ease of interpretation, a higher percentage equates to greater community acceptance of diversity.)</p> <p>Source: VicHealth Indicators Survey, 2011 (formerly known as Community Indicators Victoria Survey).</p>	45.2%	50.6%
<p>Culture, sporting, leisure/Participation in arts and cultural activities</p> <p>Percentage of adults that have participated in arts and related activities in the previous three months. For example, attended arts activities.</p> <p>Source: VicHealth Indicators Survey, 2011 (formerly known as Community Indicators Victoria Survey).</p>	68%	65.6%



council plan

Year Two Achievements

Strategic Objective

Increase the current use of Council's festivals, events and arts programs to promote the acceptance and valuing of cultural diversity in Knox

Strategies

Provide opportunities to include multicultural programming in Knox's events and annual arts programs

An ongoing priority for Council's cultural services program is to promote artists from differing backgrounds and deliver projects that support respect for cultural diversity and have appeal to people from diverse ethnic and cultural backgrounds. In 2014-15, that included the following activities:

- Securing headline performers for Carols by Candlelight such as Fatai V, a renowned international singer from the Cook Islands, and Sri Lankan performer Daniel Kelart. Phil Pandongan AKA Yung Philly was the MC for the event.

- Leading the Nana's Kitchen initiative at the Knox Festival, which featured ten women from African, Middle Eastern and Vietnamese backgrounds. The program also included corresponding multicultural and ethnic live performers from around the world.
- Inviting Ghanaian theatre and dance artists, Asanti, to be 'artists in residence' at the Knox Community Arts Centre. The group also performed at the 2015 Knox Festival.
- Launching the film Inside Knox at the Knox Festival, which included interviews with forty local people from the Indian, Greek, Chinese and Vietnamese communities.
- Presenting the Midnight Fox ensemble as the headline act for the annual twilight cinema held at Knox Festival. The group has Greek and Italian representation.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of Council-delivered festivals, events and arts programs that offer an opportunity for a multicultural component.	During 2014-15, there were three major festivals and events and 84 arts programs which included the promotion of artists from differing backgrounds and the production of bespoke projects that promote and appeal to those from diverse ethnic and cultural backgrounds.
Percentage of participants or audience who report that festivals, events and arts programs which have a multicultural component, promote acceptance and valuing diversity.	A process of evaluation for major festivals and events is currently being devised and a question about multicultural outputs and outcomes will be included as part of the online survey data collection.



2014-15 annual plan

Major Initiative

Support building a multicultural element into Council's events through development of a guide for multicultural programming

In consultation with Council's Knox Multicultural Advisory Committee, a guide was developed during 2014-15 that helps plan and deliver Council-managed festivals and events including supporting multicultural programming.



Initiatives

Deliver the Seniors Festival to promote older people's participation and connections within the community

The Knox Seniors Festival was held in October 2014 and highlights included the following:

- A program of 110 events, 39 of which were new or offered for the first time.
- A total of 11,000 people participated in the activities of the week-long festival, which is a 42% increase in attendance compared to last year. Most individual events also experienced an encouraging increase in attendance of between 35% and 110%.
- Two Victorian festival tour shows were offered to Knox City Council free of charge through the Victorian Seniors Festival program.
- More culturally and linguistically diverse organisations/clubs were included in this year's program, including one that provided a Mandarin translation, which was very well received.
- Festival data supplied by the Victorian Seniors Office revealed that Knox ranked number one amongst metropolitan councils for festival attendance and number three statewide.
- Many clubs and organisations enjoyed an increase in membership and general awareness about their services based on their involvement in the 2014 festival.

Develop an action plan that builds on current library service initiatives to support older people in using new technology and enhancing their access to library and other community resources

During 2014-15, Council, in conjunction with the Eastern Regional Library Service (ERL), developed a pilot project to support older members of the community to better access technology and incorporate it into their daily lives. The aims of the program were as follows:

- To provide seniors with technological skills that allow them to better participate in today's society.
- To familiarise seniors with new developments/ devices in technology.
- To help to bridge the 'digital divide' in the community.
- To help seniors connect with and access online services.

Coonara Community House was a partner in delivering this digital seniors program, which was funded by Telstra.

Some of the actions carried out include the following:

- Promoting technology programs at Westfield Knox City community space.
- Hosting one-to-one e-learning sessions with program participants.
- Ongoing visits to Balmoral Gardens Retirement Village to offer group sessions for residents.
- Visiting Martin Luther Homes, Glengollan Village and Waterford Retirement Complex to offer technology support and learning.
- Initiating discussions with Boronia Centrelink regarding a joint program to assist seniors accessing Centrelink and the myGov online portal.
- Offering regular technology programs to seniors at Rowville, Boronia and Knox libraries.

Services

Leisure Services

This service includes the management, operation and/or support of Council's leisure facilities, which include the following:

- 1 community-managed hockey facility
- 2 Council-managed leisure centres (including aquatic facilities)
- 11 externally managed facilities
- 17 community-managed and 10 public access tennis facilities
- 59 Council-managed sports grounds

Arts and Cultural Services

This service delivers and engages the local community in a range of arts and cultural programs and initiatives. These programs include performing arts, events, festivals, arts courses, performances and public art projects.

Libraries

Council's library service provides resources and programs and a variety of media for education, information, leisure and personal development. There are currently five branch libraries in Knox and a library service bus. The service is managed by the Eastern Regional Library Corporation in a formal partnership with Maroondah, Yarra Ranges and Knox councils.

Local Government Performance Reporting Framework Indicators

Theme 4

The following are the results of the prescribed service performance indicators and measures of the Local Government Performance Reporting Framework (LGPRF). Comments are provided to assist readers in understanding the results.



Service/Indicator/measure	Result	Comment
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]	4	Inspections are carried out by Council's health services team every quarter. In addition, an independent organisation carries out microbiological testing on the water quality on behalf of the facility operator.
<i>Reportable safety incidents at aquatic facilities</i> [number of WorkSafe reportable aquatic facility safety incidents]	1	This incident related to a minor chlorine spill involving a delivery contractor. The issue was rectified in accordance with established risk management processes.
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]	-0.84	The aquatic facility is managed by an external provider.
<i>Cost of outdoor aquatic facilities</i> [direct cost of outdoor aquatic facilities less income received / number of visits to outdoor aquatic facilities]	—	Not applicable.

LGPRF Indicators (continued)

Service/Indicator/measure	Result	Comment
Utilisation		
<p><i>Utilisation of aquatic facilities</i> [number of visits to aquatic facilities / municipal population]</p>	3.62	The municipality has one Council-owned aquatic facility, Knox Leisureworks, located in Boronia. The facility is managed by YMCA Victoria. Utilisation includes all visitations to this facility for both wet and dry programs.
Libraries		
Utilisation		
<p><i>Library collection usage</i> [number of library collection item loans / number of library collection items]</p>	8.08	Knox is a member of the Eastern Regional Libraries Corporation (ERLC), which is a cooperative venture serving three outer-eastern metropolitan councils. These results relate to libraries in the Knox municipality, which are located in Bayswater, Boronia, Ferntree Gully, Knox City and Rowville. As at 30 June 2015, Knox's municipal library collection comprised 170,291 items. In 2014-15, there was a loan rate of eight loans per item in the library collection. This loan rate is consistent with the overall loan rate for the ERLC as a whole in 2013-14.
Resource standard		
<p><i>Standard of library collection</i> [number of library collection items purchased in the last 5 years / number of library collection items] x100</p>	85.66%	Knox is a member of the Eastern Regional Libraries Corporation (ERLC), which is a cooperative venture serving three outer-eastern metropolitan councils. These results relate to libraries in the Knox municipality, which are located in Bayswater, Boronia, Ferntree Gully, Knox City and Rowville. This result is consistent with the result for the ERLC as a whole in 2013-14.
Service cost		
<p><i>Cost of library service</i> [direct cost of the library service / number of visits]</p>	\$3.71	Knox is a member of the Eastern Regional Libraries Corporation (ERLC), which is a cooperative venture serving three outer-eastern metropolitan councils. These results relate to libraries in the Knox municipality, which are located in Bayswater, Boronia, Ferntree Gully, Knox City and Rowville. This result is consistent with the result for the ERLC as a whole in 2013-14.
Participation		
<p><i>Active library members</i> [number of active library members / municipal population] x100</p>	18.14%	Knox is a member of the Eastern Regional Libraries Corporation (ERLC), which is a cooperative venture serving three outer-eastern metropolitan councils. This indicator measures the number of members who borrowed from an ERLC library as a percentage of Knox's municipal population. 'Active library member' means a member of the ERLC who has borrowed a book from the library. Due to system limitations, the data also includes the following: items that were checked in, placed on hold or renewed; new cards being issued; and bills for an item being issued or paid. This indicator does not measure other types of library participation, such as computer usage, e-book downloads, meeting room hire and attendance at events.



THEME 5 democratic and engaged communities





city plan

City Plan Indicators

Indicator/measure	Progress result	
	Knox	Melbourne metro
<p>Citizen engagement/membership of local community organisations and decision-making bodies</p> <p>Percentage of adults that are members of an organised group (such as sports, church, community groups or professional associations).</p> <p>Source: Victorian Population Health Survey, 2008. (Results of the 2011/12 survey are yet to be released.)</p>	54%	59%
<p>Citizen engagement/opportunity to have a say on important issues</p> <p>Percentage of adults that agree there are opportunities to have a real say on issues that are important to them.</p> <p>Source: Victorian Population Health Survey, 2008.</p>	33.7%	41%





council plan

Year Two Achievements

Strategic Objective

To more actively support community groups with governance, administration and management practices

Strategies

Consider ways new and upgraded Council facilities can be used to support multiple community purposes, allowing for maximised and greater diversity of use

Council's capital works process has been refined to consider separate scoping phases for significant projects prior to design development. This scoping allows Council to assess the potential for complementary uses of core facilities within individual programs. This aligns with current service planning practices, which identify potential usage needs across individual programs.

A supporting integrated community infrastructure framework is currently in development.

Review existing skills programs for community groups as well as opportunities for skill sharing and mentoring between groups within Knox

A review of all existing skills training and information sessions provided by Council for Knox's community groups was completed in 2014-15. The key findings, draft recommendations and proposed next steps have been documented in an interim report.

Implement the new funding agreement and approach to delivering Council's volunteer resource centre service model

The new funding agreement was implemented in 2014-15 and regular meetings have been held to monitor the establishment phase of the new volunteer resource centre service (Volunteer for Knox). The service has set up a distinctive web presence, is actively promoting various Council volunteering opportunities and is building relationships with other volunteer organisations in Knox. Volunteer for Knox hosted a launch in December 2014 as part of International Volunteer Day, which was well attended by volunteers and community organisations.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of programs, seminars or training delivered to community groups delivered by Council for the purposes of improving their governance, understanding of regulation, access to resourcing, and knowledge of volunteering	Council delivered 16 programs, seminars or training to community groups in 2014-15.
Number of participants attending seminars or training delivered to community groups by Council for the purposes of improving their governance, understanding of regulation, access to resourcing, and knowledge of volunteering	244 participants attended seminars or training delivered to community groups by Council in 2014-15.



Strategic Objective

Reduce the funding gap for renewal of infrastructure under the stewardship of Council

Strategies

Implement a financial strategy to reduce the funding gap for the renewal of infrastructure under Council's stewardship

Over the past 10 years, Council has increased funding for the renewal of its assets from \$10 million per annum in 2005-06 to \$24.705 million in 2015-16. This strongly aligns with Council's desire to achieve financial sustainability for asset management in line with stated objectives in Council's Strategic Asset Management Plan and Long Term Financial Forecast. Whilst this is a significant achievement, it is recognised that a major backlog of asset renewal still exists, which will require future funding.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Allocated budget for the renewal of Council infrastructure is increased to greater than 96% of required renewal funding by 2016-17	Asset condition data informs the capital works component of Council's long-term financial forecast. The proposed asset renewal budgets for 2015-16 and 2016-17 are expected to exceed 96% of renewal requirements. Asset condition data collection is an ongoing activity and reviews of both asset performance and funding requirements will continue in order to achieve this outcome.



Strategic Objective

Strengthen the effectiveness and efficiency of Council's services

Strategies

Review all Council services during 2013-2017 and develop a service plan for each

All Council services are being reviewed over a four-year period in accordance with the endorsed service planning policy, guidelines and toolkit. Work was completed on year one of the four-year program, with service plans endorsed by Council in December 2014. Work on year two of the service planning program continued in 2014-15, with service analysis documents finalised and discussed with Councillors via issues briefing meetings.

The year-three program also commenced, with scoping documents finalised for discussion with Councillors on 1 July 2015.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of Council services reviewed	At the conclusion of the second year of the four-year rolling service planning program, 17 of a total of 41 service reviews have been completed.
Number of Council services with service plans containing improvement recommendations for effectiveness and efficiency	Eight of the services considered in year one of the four-year service planning program have incorporated recommendations intended to improve either efficiency and/or effectiveness of the service into their service plans.
Number of recommendations for effectiveness and efficiency implemented	Monitoring of service plans has not yet commenced, with the first comprehensive report due at the conclusion of the 2015-2016 financial year.





2014-15 annual plan

Major Initiative

Work with local community groups to identify how Council can best support their effectiveness, including a review to identify any opportunities to streamline or simplify Council systems to support their operations

In April and May 2015, a community engagement process was completed to determine ways Council can better support Knox's community groups and organisations.

Interviews and focus groups were conducted with 162 participants, representing more than 80 Knox-based community organisations. Three internal focus groups with Council staff were also completed.

The purpose was to identify key Council administrative processes and systems that impact on the operations of Knox's community groups and how processes and systems can be simplified and strengthened. A report has been completed documenting responses and providing recommendations for changes to relevant policies, procedures, programs and practices that impact on the effectiveness of Knox's community groups and organisations.

Initiatives

Continue increasing funds to deliver Council's annual asset renewal program to at least 95% of required funding in 2014-15

Council continues to incrementally adjust future renewal requirements as updated asset data becomes available. Consequently, the long-term financial forecast (LTFF) is regularly adjusted in conjunction with Council's finance department (approximately twice yearly) to take into account forecast requirements. This was last completed in October 2014.

At the time the 2014-15 capital works program was finalised, the asset renewal program budget represented just over 100% of renewal funding requirements for 2014-15. At the same time, the following five years of asset renewal programs all represented at least 95% of renewal funding requirements. As asset data continues to be updated, the LTFF will be adjusted accordingly to meet this target.

Complete a minimum of seven service reviews as part of the implementation of year two of Council's four-year rolling service review program

The year two program of service reviews scheduled for 2014-15 was substantially progressed during the financial year, with all nine service analyses completed and presented to Councillors. The next stage also commenced, where the relevant Council departments began preparing new service plans, which are to be formally endorsed by Council later in 2015-16.

Prepare policy and guidelines towards developing potential community hubs in Knox and help identify opportunities and possible locations. Develop a process for incorporating this into future service and capital works planning

A draft multipurpose community facilities planning policy has been completed and early feedback is underway. The draft policy outlines Council's commitment to consider the planning, development and operation of multipurpose community facilities and/or community hubs when planning for new or upgrade capital works, or where a change of use is proposed within Council community facilities.

The draft policy aims to provide direction for the way the planning process should be conducted, ensuring it is consistent with key guiding principles and includes definitions of various types of multipurpose community facilities and applicable assessment criteria.

Associated draft guidelines have been developed that provide practical support to implement the policy. These guidelines will assist in the planning for multipurpose community facilities including the option for co-located, integrated and multipurpose community hubs. They will provide links to resources and tools to support each stage of the planning process. Further work to develop the guidelines and associated tools will continue in 2015-16.

Services

Customer Service

Council's customer service team supports the delivery of a range of Council's programs and services to the community via telephone and counter contact centres. The service supports the organisation in providing personalised, responsive customer service via all Council's contact channels including online. The team provides guidance and support for all customer interactions and supports information exchange and connection between Council and the community.

Communications

Communications oversees organisational communications and promotion, provides leadership and advice in communications and marketing, produces corporate publications (including brand development and integrity), manages media liaison and staff communications, and develops community information.

Strategy and Innovation

This service provides leadership, guidance and direction for the planned and measurable delivery of Council's Vision. This is achieved through strategic planning, corporate planning, service planning, performance monitoring, evaluation and reporting, continuous improvement and various other organisational improvement projects.

Finance and Property Services

The strategic thinking, leadership, service delivery and management of all matters relating to financial management is the purpose of this service. The unit is responsible for managing the budgeting and forecasting process, providing regular financial reporting, preparing annual financial accounts, providing rating services and managing debtors and creditors. The finance team works closely with the governance team to develop and support the organisational financial compliance frameworks, and works across the organisation educating and supporting stakeholders. The finance team continuously reviews its operations to ensure compliance with statutory obligations and community expectations.

Governance

The governance service provides information, guidance and support to Councillors, staff and the community to ensure a well-governed organisation. The service is responsible for legislative compliance, councillor support and development, Council meetings, and the maintenance of the civic centre meeting rooms. The service oversees Council's strategic procurement function and is responsible for Council's integrity framework, which includes the audit committee, fraud and corruption prevention, privacy compliance and freedom-of-information requests.

Information Technology

This service manages the information technology (IT) and records management needs of the organisation and delivers IT support. This encompasses hardware and software support as well as internal and external telecommunications. This service is a key foundation platform for efficient service delivery for the community and the organisation.

People Performance (Human Resources)

This service provides strategic and operational leadership, services and programs for all aspects of human resource management. These include industrial and employee relations, recruitment, induction, corporate learning and development, leadership development, organisational culture, performance management, workforce planning, remuneration, employee safety, and health and wellbeing.

The service works across the organisation, developing and implementing programs, and works with staff to educate and build capability and continuously develop their teams. This service also includes Council's risk management systems, insurances and the frontline support to customers and residents for insurance-related issues.

Local Government Performance Reporting Framework Indicators Theme 5

The following are the results of the prescribed service performance indicators and measures of the Local Government Performance Reporting Framework (LGPRF). Comments are provided to assist readers in understanding the results.



LGPRF Indicators (continued)

Service/Indicator/measure	Result	Comment
<p>Governance</p> <p>Transparency</p> <p><i>Council resolutions 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>	3.39%	Three per cent of Council decisions were made in a meeting that was closed to the public.
<p>Consultation and engagement</p> <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>	59	Council's score was significantly higher than the statewide average, and was one point higher than other councils in the Melbourne metropolitan area.
<p>Attendance</p> <p><i>Council 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) x (number of councillors elected at the last council general election)] x100</p>	93.21%	One of Knox's Councillors sadly passed away during the financial year, and as a result, one ward had no sitting councillor for three ordinary meetings of Council.
<p>Service cost</p> <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>	\$51,034.00	This indicator reflects operating expenses related to elected councillors.
<p>Satisfaction</p> <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>	59	Knox's performance against this question remained stable, with the 2015 score of 59 consistent with Knox's score in the 2014 survey. This result is equal to the metropolitan average result of 59, and higher than the statewide average result of 55.

governance and statutory information

Governance

Knox City Council is constituted under the Local Government Act 1989 to provide leadership for the good governance of the municipality and Knox community.

Council is committed to effective and sustainable forms of leadership as the key to ensuring the community's priorities are met. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums and the ability to make submissions to Council on a range of matters.

Council delegates the majority of its decision making to Council's Chief Executive Officer and other staff. These delegations are exercised in accordance with adopted Council policies. Knox's formal decision-making processes are conducted through Council meetings and Special Committees of Council.

Council Meetings

Council conducts an Ordinary Meeting on the fourth Tuesday of each month. Council also conducts a Strategic Planning Committee Meeting on the second Tuesday of each month. Meetings are open to the public and are held at the Knox Civic Centre located at 511 Burwood Highway, Wantirna South. Ordinary Meetings provide the opportunity for community members to submit a question to the Council and to speak to their question.

In addition to the regular meetings of Council, Councillors are appointed to committees. The following tables provide a summary of councillor attendance at Council meetings, Strategic Planning Committee meetings, Special Committees and Advisory Committees for the 2014-15 financial year.

Meetings of Council 2014-15 Financial Year

Meetings of Council	Councillors									
	D.Cooper	L.Cooper	Cossari	Gill	Holland	Lockwood	Mortimore	Orpen	Pearce	Seymour
Ordinary Council	6/6 *	3/3 **	11/12	11/12	12/12	11/12	12/12	11/12	12/12	12/12
Special Council	0/0 *	3/3 **	4/5	5/5	5/5	5/5	4/5	5/5	5/5	5/5
Strategic Planning Committee	6/6 *	2/2 **	9/11	10/11	8/11	9/11	11/11	10/11	11/11	10/11
Leave of Absence Granted to Councillors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* Cr David Cooper passed away on 15 January 2015. This attendance record is therefore relevant for the period July 2014 to 15 January 2015.

** Cr Lisa Cooper was elected on 25 April 2015 and sworn in as a Councillor at the 28 April 2015 Council meeting and was only eligible for meetings from that date.

Councillor Committee Attendance 2014-15

Committee	Councillors									
	D.Cooper*	L.Cooper**	Cossari	Gill	Holland	Lockwood	Mortimore	Orpen	Pearce	Seymour
Audit Committee					2(5)			2(5)	5(5)	
Australia Day Awards Committee				1(2)	2(2)			2(2)		
CEO's Performance Evaluation Committee			3(4)			3(3)		1(1)	4(4)	
Community Development Fund Evaluation Panel								6(6)		6(6)
Community Health & Wellbeing Reference Group						2(2)	5(6)			6(6)
Early Years Advisory Committee				0(5)						4(5)
Eastern Regional Libraries Corporation Board				3(4)	2(2)	2(2)				
Eastern Transport Coalition						11(11)				
Economic Development Committee			2(3)		1(1)	3(3)			4(4)	1(1)
Environment Advisory Committee	2(2)						6(6)			
Ferntree Gully Cemetery (Special Committee)	2(2)					1(1)	1(2)	3(3)		
Knox Active Ageing Advisory Committee							6(6)			3(3)
Knox Affordable Housing Reference Group						1(1)				
Knox Arts & Culture Advisory Committee	2(2)		2(2)			2(3)		2(2)		
Knox Central Advisory Committee	2(3)		6(6)		4(6)	6(6)		5(6)	5(6)	
Knox Community Safety Advisory Committee				0(4)			4(4)			
Knox Community Sports Centre Management Committee	2(2)	1(1)				2(2)				
Knox Disability Advisory Committee							4(6)			2(6)
Knox Housing Advisory Committee					5(5)		4(5)			5(5)
Knox Multicultural Advisory Committee			6(6)			2(2)				
Knox Regional Sports Park Advisory Committee								2(2)		2(2)
Knox Transfer Station & Recycling Facility Management Advisory Committee	1(1)						3(3)			
Leisure Minor Capital Works Grant Scheme					1(1)					1(1)
Recreation and Leisure Liaison Group	2(2)			2(4)	3(4)					
Stamford Park Community Reference Group								1(1)		1(1)
Stamford Park Project Steering Committee	1(1)							6(7)		7(7)
Transport and Mobility Advisory Committee	0(1)					3(3)	8(8)			
Youth Issues Advisory Committee							0(3)			3(3)

* Cr David Cooper passed away on 15 January 2015. This attendance record is therefore relevant for the period July 2014 to 15 January 2015.

** Cr Lisa Cooper was elected on 25 April 2015 and sworn in as a Councillor at the 28 April 2015 Council meeting and was only eligible for meetings from that date.

Governance and Management Checklist

The following are the results of Council's assessment against the prescribed governance and management checklist which forms part of the Local Government Performance Reporting Framework.

Column 1 Governance and Management Items	Column 2 Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 23/10/2007 <input checked="" type="checkbox"/>
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: 01/05/2010 <input checked="" type="checkbox"/>
3 Strategic Resource Plan (plan under section 126 of the <i>Local Government Act 1989</i> outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 23/06/2015 <input checked="" type="checkbox"/>
4 Annual budget (budget under section 130 of the <i>Local Government Act 1989</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 23/06/2015 <input checked="" type="checkbox"/>
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: <input checked="" type="checkbox"/> Knox has the following asset management plans endorsed: <ul style="list-style-type: none"> • Footpath and shared path – September 2005 • Road – March 2007 • Drainage – November 2010 • Open space – December 2011 • Bridge – February 2013 • Car park – February 2013 • Playground – December 2013 • Strategic – December 2014 The following asset management plan is currently in development and is to be endorsed during 2015-16: <ul style="list-style-type: none"> • Street tree

Column 1 Governance and Management Items	Column 2 Assessment
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 24/06/2014 <input checked="" type="checkbox"/>
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: 01/07/2012 <input checked="" type="checkbox"/>
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 31/03/2014 <input checked="" type="checkbox"/>
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 Act Date of preparation: 01/02/2013 <input checked="" type="checkbox"/>
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 Act Date of approval: 24/06/2015 <input checked="" type="checkbox"/>
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: Knox's business continuity framework was approved on 1 April 2008. Knox has numerous business continuity plans, which are reviewed annually. The most recent review for major plans occurred in July 2015. <input checked="" type="checkbox"/>
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: 12/06/2007 <input checked="" type="checkbox"/>
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 01/07/2012 <input checked="" type="checkbox"/>
14 Audit Committee (advisory committee of Council under section 139 of the <i>Local Government Act 1989</i> whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: Knox established an audit committee in 2003 and has maintained an audit committee since that date. The most recent terms of reference were endorsed on 26 November 2013. <input checked="" type="checkbox"/>
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: 12/05/2015 <input checked="" type="checkbox"/>

Governance and Management Checklist (continued)

Column 1 Governance and Management Items	Column 2 Assessment
<p>16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, which includes the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i>)</p>	<p>Framework <input checked="" type="checkbox"/></p> <p>Date of operation of current framework:</p> <p>Knox's performance reporting framework is established through the Council Plan and Annual Plan, which includes the Local Government Performance Reporting Framework requirements. The current Council Plan and Annual Plan were endorsed on 23 June 2015.</p>
<p>17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, which includes the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report <input checked="" type="checkbox"/></p> <p>Date of report: 26/05/2015</p>
<p>18 Financial reporting (quarterly statements to Council under section 138 of the <i>Local Government Act 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to Council in accordance with section 138(1) of the Act <input checked="" type="checkbox"/></p> <p>Dates of reports: 26/08/2014, 25/11/2014, 24/02/2015, 26/05/2015</p>
<p>19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Reports <input checked="" type="checkbox"/></p> <p>Date of reports: 29/01/2015</p>
<p>20 Performance reporting (six-monthly reports of indicators measuring results against financial and non-financial performance, which includes the performance indicators referred to in section 131 of the <i>Local Government Act 1989</i>)</p>	<p>Reports <input checked="" type="checkbox"/></p> <p>Dates of reports: 26/08/2014, 25/11/2014, 24/02/2015, 26/05/2015</p>
<p>21 Annual report (annual report under sections 131, 132 and 133 of the <i>Local Government Act 1989</i> to the community containing a report of operations and audited financial and performance statements)</p>	<p>Considered at meeting of the Council in accordance with section 134 of the Act <input checked="" type="checkbox"/></p> <p>Date of consideration: 28/10/2014</p>
<p>22 Councillor Code of Conduct (code under section 76C of the <i>Local Government Act 1989</i> setting out the conduct principles and the dispute resolution processes to be followed by Councillors)</p>	<p>Reviewed in accordance with section 76C of the Act <input checked="" type="checkbox"/></p> <p>Date reviewed: 26/03/2013</p>

Column 1	Column 2
Governance and Management Items	Assessment
<p>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)</p>	<p>Reviewed in accordance with section 98(6) of the Act Date of review: 01/09/2014</p> <input checked="" data-bbox="1465 613 1522 667" type="checkbox"/>
<p>24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 26/02/2008</p> <input checked="" data-bbox="1465 763 1522 817" type="checkbox"/>

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



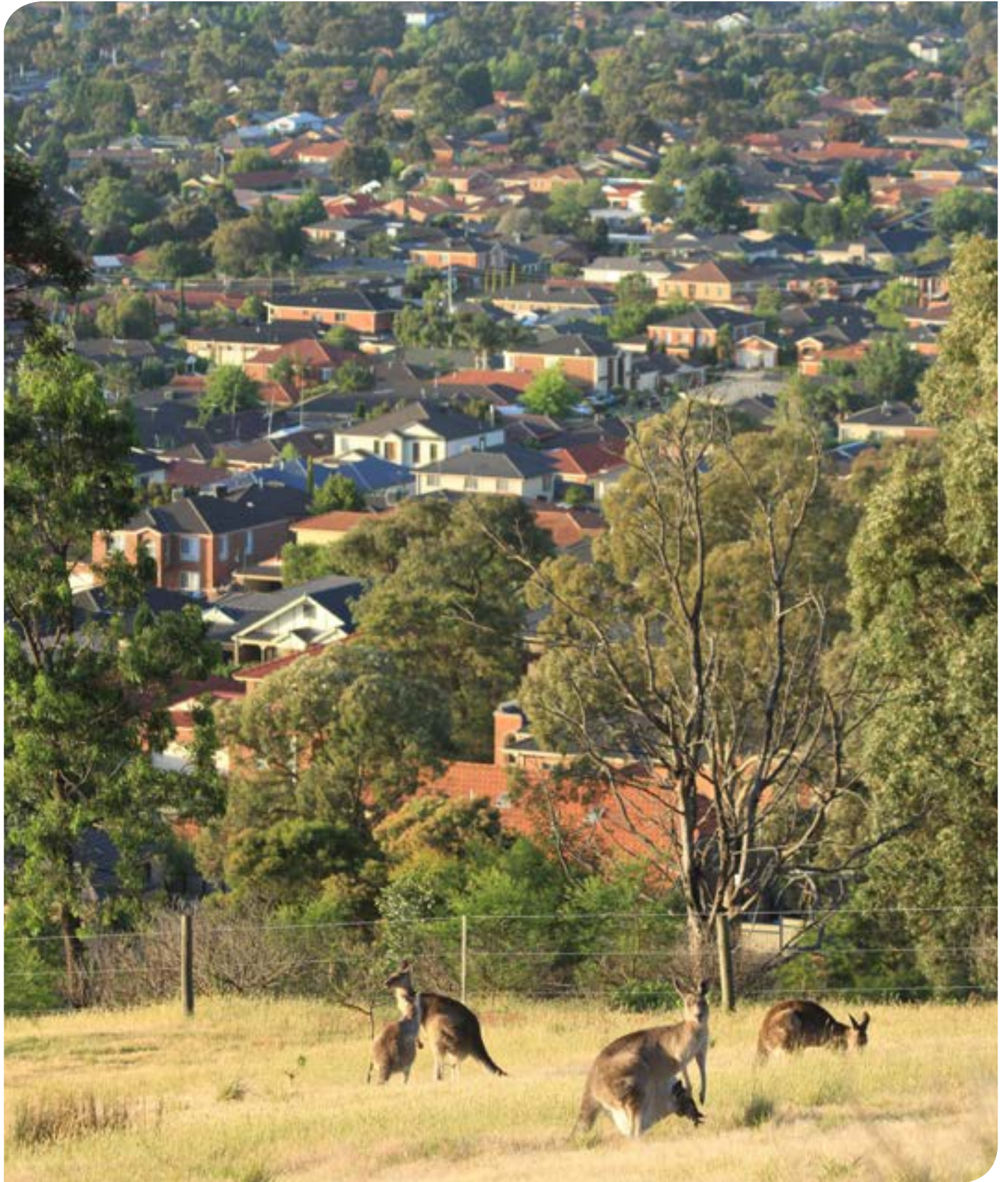
Dr Graeme Emonson
Chief Executive Officer

DATED AT WANTIRNA SOUTH ON THIS
25 DAY OF AUGUST 2015



Cr Peter Lockwood
Mayor

DATED AT WANTIRNA SOUTH ON THIS
25 DAY OF AUGUST 2015



Audit Operations

Consistent with good governance practice, Knox City Council has operated an audit committee during 2014-15. The audit committee is an advisory committee of Council which has a focus on monitoring the following Council systems and practices:

- Internal control systems
- Financial management practices
- Risk management
- Good governance practices
- Ethical operations.

Council members of the audit committee for the period 1 July 2014 to 30 June 2015 were as follows:

- Cr Karin Orpen
- Cr Tony Holland
- Cr Darren Pearce

Independent, external members of the audit committee for the period 1 July 2014 to 30 June 2015 were as follows:

- Linda McRae (Chair)
- Stan Naylor
- Peter Harford

The audit committee met on five occasions during 2014-15 and oversaw the programmed internal audit work plan. This involved the following separate internal audits by contractor DFK Kidsons Pty Ltd:

- Risk management processes
- Rates management
- Privacy compliance
- OHS and workcover
- Asset management

The audit committee plays a key role in providing Council with confidence that the annual financial audit accurately reflects its financial performance. The audit committee also receives quarterly reports on Council's risk register and the mitigating actions in place.

The committee received reports on a range of matters relevant to its terms of reference, as well as developments in the local government sector. The issues presented this year included IT security, asset management and the Local Government Performance Reporting Framework.

Finally, the audit committee continued to take a keen interest in Council's ongoing financial sustainability, receiving a report on Council's financial key performance indicators, the capital works program, and the 2015-16 annual budget.



Statutory Information

As part of good governance, Knox City Council is required to report against several relevant acts and regulations.

Information Privacy

The *Privacy and Data Protection Act 2014* requires that Council follows information privacy principles when collecting, managing and using an individual's personal information.

Council's privacy policy is a public document available upon request and from Council's website: www.knox.vic.gov.au. This policy was reviewed and updated by Council in December 2014.

No complaints were received or investigated by Council during 2014-15 for breaches of the Privacy and Data Protection Act 2014 or the Health Records Act 2001.

Information requests, and any questions or complaints regarding people's rights under the privacy legislation and Council's privacy policy, can be discussed with Council's privacy officer, the Manager Governance and Innovation, on 03 9298 8000.

Privacy Officer: Manager Governance and Innovation

Freedom of Information

The *Freedom of Information Act 1982* gives members of the public a legal right of access to documents held by Council. It also provides legal rights regarding documents relating to their own personal affairs.

Requests for access to Council documents under the Act must be in writing and should provide sufficient information to identify the particular documents being sought. The prescribed application fee for requests received during 2014-15 was \$26.50.

During 2014-15, Council received 13 freedom of information (FOI) requests, and two requests were processed from the previous financial year. Determinations were made on 11 applications, with two not progressed by the applicant and one request still being processed at year end. The median time for determination of FOI applications in 2014-15 was 18 working days.



There were no internal reviews or appeals to the Victorian Civil and Administrative Tribunal regarding requests processed throughout the year.

Requests for access to information under the Freedom of Information Act should be lodged with the freedom of information officer, Knox City Council, 511 Burwood Highway, Wantirna South, VIC 3152. Enquiries regarding the Freedom of Information Act can also be made by calling 03 9298 8000.

Freedom of Information Officer: Manager Governance and Innovation.

Improvement Incentive Principles Agreement

While payments under the improvement incentive principles agreement were terminated in 2005-06, Council was required to recommit to the principles contained in the agreement under the National Competition Policy, regarding the Australian Consumer Law, local laws and competitive neutrality. During the 2014-15 financial year, no complaints were received in relation to the National Competition Policy or to the Australian Consumer Law. Council continues to comply with these principles under the national policy and in fulfilment of its obligations.

The Australian Consumer Law Compliance Officer: Manager Governance and Innovation.

Road Management Act

The *Road Management Act 2004* requires Council to develop a road management plan, which in effect provides opportunity to establish a policy defence against civil liability claims associated with the management of its road network. Council's road management plan outlines roads under management, inspection regimes and service and maintenance standards against which Council will manage its roads and road-related assets.

In 2014-15, Council did not receive any ministerial directions in relation to the Road Management Act.

National Competition Policy

Knox City Council continues to comply with the requirements of the National Competition Policy and the Australian Consumers Law legislation in the operation of its business. Knox's significant businesses operate in accordance with the principles of competitive neutrality to ensure that Council does not unduly influence the private market in the provision of services. One local law was reviewed during the year and a full National Competition Policy assessment was completed and reported to Council and the community as part of this process.

Officer responsible for National Competition Policy:
Manager Governance and Innovation

Protected Disclosure Act

The *Protected Disclosure Act 2012* came into effect on 10 February 2013. Knox City Council adopted its protected disclosure policy and procedures in August 2013, and they are available on Council's website and from Council's offices.

During 2014-15, no disclosures were notified to the Independent Broad-based Anti-corruption Commission under section 21(2) of the Protected Disclosure Act.

Protected Disclosure Coordinator:
Director – Corporate Development

Charter of Human Rights and Responsibilities

The Victorian *Charter of Human Rights and Responsibilities Act 2006* is an Act of Parliament that sets out the rights, freedoms and responsibilities of all Victorians. Government departments and public bodies must observe the rights set out in the Act when creating laws, developing policy and providing services. This means that the government, public servants, local councils, Victoria Police and others are required to act in a way that is consistent with the rights protected under the charter.

During 2014-15, no complaints relating to Knox City Council's implementation of the Charter of Human Rights and Responsibilities Act were received by Council or the Victorian Ombudsman.

Any questions or complaints regarding the Charter of Human Rights and Responsibilities Act can be discussed with Council's Human Rights Officer on 03 9298 8000.

Human Rights Officer: Manager Governance and Innovation



Best Value

In accordance with the *Local Government Act 1989*, Council applies best value principles to its strategic and service planning processes. At Knox, this happens through Council's regular process of future planning that ensures there is continuous review and improvement across all of Council's service areas. To comply with the best values principles, Council must ensure the following:

- All services provided by Council must meet quality and cost standards
- Each service provided by Council must be accessible to those members of the community for whom the service is intended
- All services provided by Council must be responsive to the needs of the community
- Council provides for continuous improvement in providing services for its community
- Council has developed a program of regular consultation with its community about the services it provides
- Council reports regularly to its community on its achievements against the principles

These best value principles are incorporated into the delivery of Knox's Vision: Our City, Our Future, and Knox's City Plan 2013-17, and are given effect through Council's service planning policy. The service planning program is one of Council's key commitments for the next four years in the Council Plan and guides its approach to continuous improvement for all of Council's services.

The information detailed under the five themes in this annual report indicates Council's performance against these best value principles.

Documents available for Inspection

Under the *Local Government Act 1989* (the Act), the following Council documents are available for public inspection by contacting the Governance Coordinator on 03 9298 8000.

- Details of current Mayoral and Councillor allowances.
- Details of senior officers' total salary packages. 'Senior officer' includes the CEO, any officer who has management responsibilities and reports directly to the CEO or any staff member whose total annual remuneration exceeded \$133,000 between 1 July and 30 December 2014, and \$136,000 between 1 January and 30 June 2015.
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months. This excludes interstate travel by land for less than three days.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates for which the returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates for which the returns were submitted.
- Agendas for and minutes of Ordinary and Special Meetings of Council held in the previous 12 months, excluding confidential information considered by Council.
- A list of all special committees established by Council and the purpose for which each committee was established.
- A list of all special committees established by Council that were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees held in the previous 12 months, excluding confidential information considered by Council (special committees are established under section 86 of the Act. Council may, by instrument of delegation, delegate functions, duties or powers to a special committee).



- A register of delegations made pursuant to the Act.
- Submissions received during the previous 12 months in accordance with processes outlined in section 223 of the Act.
- Agreements to establish regional libraries.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by Council.
- A register of authorised officers appointed under section 224 of the Act (section 224 allows Council to appoint any person other than a councillor to be an authorised officer for the purposes of the administration and enforcement of any Act, regulation or local law which relates to Council's functions and powers).
- A list of donations and grants made by Council during the financial year.
- A list of the names of the organisations of which

Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by Council.

- A list of contracts valued at:
 - \$150,000 for goods and services
 - \$200,000 for work for which Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in section 186(5) or (5A) of the Act. (Section 186(5) and (5A) of the Act details circumstances where this section does not apply).

Victorian Local Government Performance Indicators

The Minister for Local Government, under the authority of the *Local Government Act 1989*, requires every Council to present a report on the following indicators.

Indicator	Calculation	2014-15	2013-14
1. Average rates and charges per assessment	Total rates and charges receivable at beginning of year / Number of assessments in the adopted budget	\$1,587	\$1,510
2. Average residential rates and charges per assessment	Rates and charges declared for residential assessments receivable at the beginning of year / Number of residential assessments in the adopted budget	\$1,269	\$1,210
3. Average liabilities per assessment	Total liabilities / Number of assessments in the adopted	\$793	\$765
4. Operating result per assessment	Net surplus / Number of assessments in the adopted	\$267	\$80
5. Average operating expenditure per assessment	Operating expenditure / Number of assessments in Renewal and maintenance	\$2,198	\$2,111
6. Community satisfaction rating for overall performance generally of Council	Result from the Annual Local Government Community Satisfaction Survey	64	62
7. Average capital expenditure per assessment	Capital expenditure / Number of assessments in the adopted budget	\$431	\$363
8. Renewal gap	Capital renewal / Average annual asset consumption	1:0.88	1:0.83
9. Renewal and maintenance gap	Capital renewal and maintenance / Average annual asset consumption plus planned maintenance	1:0.91	1:0.90
10. Community satisfaction rating for Council's advocacy and community representation on key local issues	Result from the Annual Local Government Community Satisfaction Survey	58	56
11. Community satisfaction rating for Council's engagement in decision making on key local issues	Result from the Annual Local Government Community Satisfaction Survey	59	59

Food Act

Knox City Council is responsible for meeting and enforcing the legislative requirements of the *Food Act 1984*. Throughout 2014-15, 254 food samples were procured as part of a statewide food surveillance program. The program ensures food safety and quality for all consumers, both locally and abroad.

Council investigated 788 customer requests for the calendar year. These figures are consistent with 2013-14.

Food premises are visited routinely to ensure that legislative compliance standards are in place. These include outlets that sell food and those that undertake hairdressing, body waxing, tattooing, body piercing and colonic irrigation. Council conducted 1,601 visits to premises throughout 2014-15, with 430 of the visits being to finalise non-compliance matters.

During 2014-15, Knox developed and delivered Eat Smart, a food rewards and recognition program. Eat Smart is divided into two components – food safety and healthy food choices.

Eligible premises who meet the food safety measures have been invited to participate in the healthy food choices program. Three local businesses received the healthy food choices award.

Knox also increased its tobacco surveillance program by conducting a tobacco test purchasing program. This program complements the already established tobacco education program which assures that relevant businesses are informed of the requirements of the Tobacco Act and their responsibilities.

Over the reporting period, Council completed 80 tobacco test purchase activities. Of the 80 test purchases, 17 of them resulted in an illegal sale.

In accordance with Knox's test purchasing framework, all illegal sales conducted by first-time offenders received a Penalty Infringement Notice Formal Warning. Businesses found selling illegally on subsequent occasions can be subject to additional penalty infringement notices or formal legal action. To date, there have been no businesses that have sold on a second occasion.

Both programs this year were successful with Council having completed all of its Municipal Association of Victoria contractual commitments.

Disability Act – Disability Action Plan implementation

Knox City Council is committed to creating a community that is accessible, welcoming and inclusive of everyone. Of the current 155,508 residents in Knox, it is estimated that approximately 16.3 per cent or 25,000 people have some form of disability, which represents a significant proportion of the Knox community.

Council acknowledges that initiatives to create a more accessible and inclusive community cannot be achieved without addressing the specific needs and rights of people with disabilities, their families and carers. Council's Access and Inclusion Plan constitutes Council's third disability action plan and encapsulates the strategic directions Council will take to promote the rights of people with disabilities, while also enhancing access and inclusion for the benefit of the whole community.

The plan focuses on building the capacity of people with disabilities and providing opportunities for leadership within the community.

Under the *Disability Act 2006*, Council aims to achieve the following:

- Reduce barriers to people with a disability in accessing goods, services and facilities
- Reduce barriers to people with a disability in obtaining and maintaining employment
- Promote inclusion and participation in the community
- Achieve tangible changes in the attitudes and practices that discriminate against people with a disability.



To achieve this, Council provides a wide range of services and programs for the community, many of which are accessible and inclusive of people with disabilities. Council also provides a range of services to more directly meet the needs of people with disabilities, their families and carers. These include the following:

- Home and community care (HACC)
Provides home help, personal care and respite care services, as well as home maintenance, for people with disabilities and parents/carers of people with disabilities
- Meals on wheels
A home-delivered meals service distributed by community volunteers
- Illoura children's services
Provides a range of educational and support services to children aged 0-6 years with a disability
- Community transport
A bus service that provides transport for Knox residents, with priority given to people with disabilities, the frail and aged
- Housing assistance
A service for older residents, including those with a disability, who are homeless or at risk of becoming homeless
- Audio loops (to aid hearing)
Council has installed audio loops in the civic centre function rooms
- Parking permits
Council administers the disabled persons parking permit scheme
- Retrofitting program
An allocation of dedicated funds through the capital works program to enhance access to Council-owned buildings and facilities
- Eastern Regional Libraries
Offers a range of services to people with disabilities including home delivery service, tactile, audio and large print books, captioned DVDs, and assistive devices for computer users.

Carers Recognition Act

Council acknowledges the legislated *Carers Recognition Act 2012* and has taken steps to deliver the principles of the Act in a practical sense, supported by policy and practice relating to people who require care, those who are the carers and the wider community.

Council's Enterprise Agreement acknowledges that carer responsibilities for employees may extend beyond that of immediate family members. Carer responsibilities are now more broadly acknowledged to include a definition of 'significant other person' where an employee is responsible for providing direct and immediate care and support to that person.

A Flexible Work Arrangements Policy and Procedure has been prepared that recognises the role of a carer in accordance with the Act. The policy and procedure provides flexible work options for staff who have carer responsibilities.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in the following areas:

- Council induction and training programs for staff working in home and community care, disability services and all outward-facing community services.
- Council induction and training programs for staff and volunteers working in frontline positions with the general community.
- A number of initiatives have been implemented to ensure that the Carers Act is recognised and delivered to the community. Some of the programs are delivered in partnership with other community support services.
- Approximately 450 residents subscribe to the Knox Disability e-News electronic publication distributed by email. Council receives positive feedback about the information and available services provided in this communication.



- The Knox Guide to Services has sections outlining support options for carers and has been distributed widely throughout 2014-15. An extensive update of the guide has been completed in 2015, with a new edition to be released shortly.
- A free workshop was held for carers/parents of children with autism and was attended by 20 people. The workshop was hosted in collaboration with the Knox Youth Services unit.
- Fitness Connection for Carers programs were run during 2014-15 in conjunction with Uniting Care Community Connections and Knox Leisureworks.
- Council provides respite for carers through the Home and Community Care program that is supported with funding from the state and federal governments. The Dance Family program is offered as a respite option for parents and carers and is available during school terms.

- The Lab is a Council-initiated project hosted by two Knox neighbourhood houses which provides programs for young people with Asperger's syndrome and respite for their parents and carers. Initial feedback about this new program has been very positive.
- Support for parents of children with Autism Spectrum Disorder (ASD) network is a new initiative in response to reports of extreme stress levels and very high rates of marriage/relationship breakdown (80-90%) within this demographic. The network aims to develop collaborations and share information to facilitate enhanced supports for carers/parents.
- Council delivers respite for parents and carers of young children through its centre-based and home-based childcare services. Home-based childcare offers weekend and overnight respite care as required.
- My Time is a support group that provides respite for parents and carers of a young child with a disability or a chronic medical condition.
- Specialist support services are able to provide parents and carers with information and referrals on an individual basis.
- Care for Caregivers is a tailored education program to support carers and parents of children with a disability and their families.
- Families Together is a parent support network program for parents and carers to meet other families and listen to guest speakers.
- The skills for carers programs are designed to provide skills, knowledge and access to networks to carers and parents and people with disability around systemic advocacy.
- Knox City Council is a member of the carer card program, which is a state government initiative that offers a wide range of discounts and benefits to carers from businesses, local government and community organisations.

Domestic Animal Management Plan 2013-17

In order to improve animal management in Victoria, all councils are required to have a Domestic Animal Management Plan (DAMP).

Knox City Council supports this strategic approach and has developed its DAMP using the guidelines provided by the Department of Economic Development, Jobs, Transport and Resources.

The aims of the DAMP are to promote responsible pet ownership and the welfare of dogs and cats in the community, as well as to protect the community and environment from nuisance dogs and cats. Animal ownership can provide community members with opportunities to connect with other people and encourages greater use of open space.

Council's DAMP highlights 66 actions that will be implemented throughout the life of the plan. In addition to some specific projects, there are a number of ongoing actions.

The following planned actions were delivered in 2014-15:

- Acquiring recording technology to assist barking dog investigations.
- Door knocking homes to find unregistered animals and issuing owners with fines for non-compliance.
- Providing community education regarding responsible pet ownership at the 2015 Knox Pets in the Park event.
- Providing ongoing training of officers in Certificate IV in animal control and regulation, and emergency management.

A detailed list of all actions from the DAMP and their progress can be found at www.knox.vic.gov.au.

Acknowledgement of Victorian Government Funding

Knox City Council acknowledges the support of the Victorian government to enable the delivery of some of Council's projects and programs, which included the following:

- Engage program for young people
- Metro access program
- Healthy Together Knox program
- Home and Community Care (HACC) program
- Immunisation program



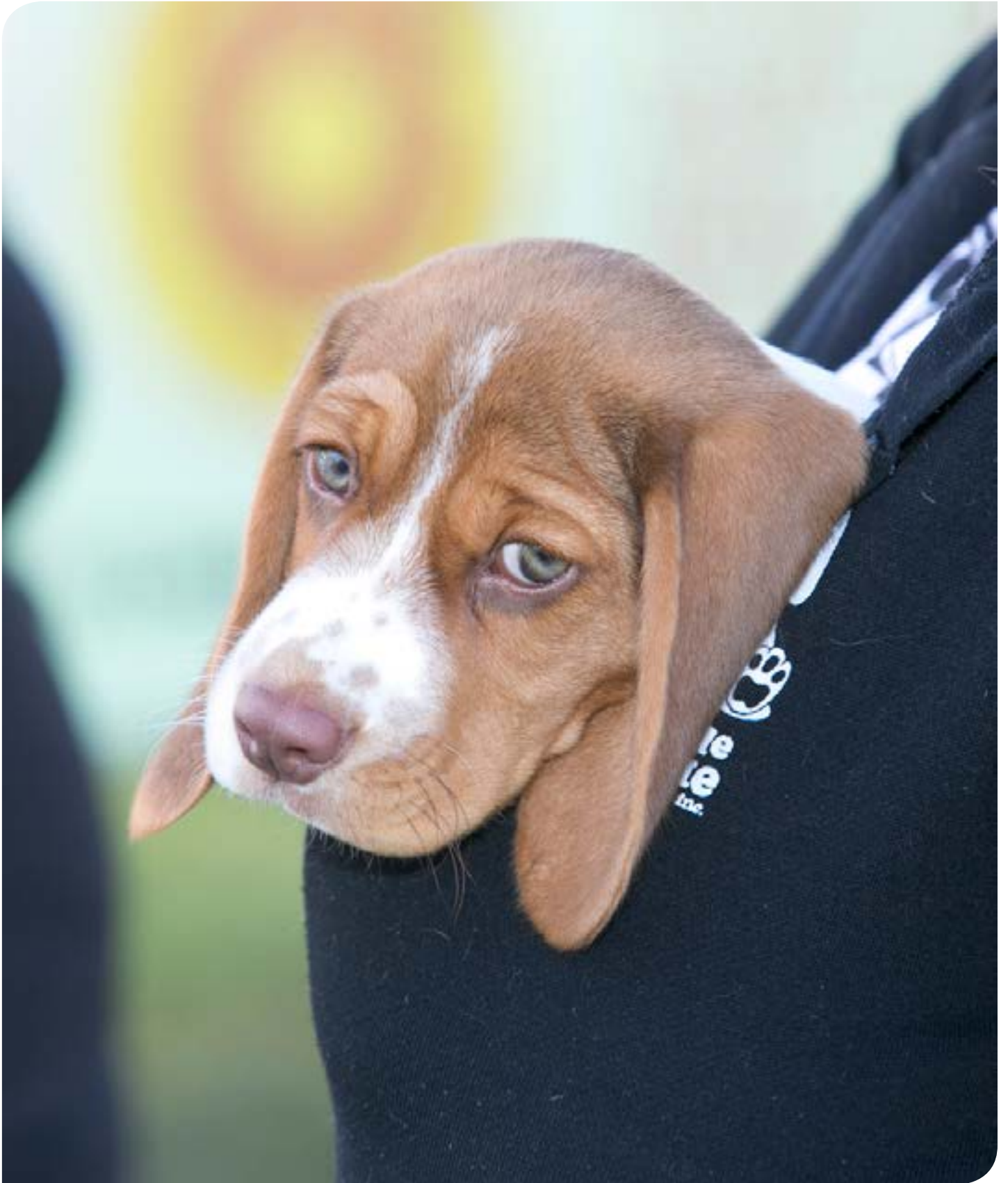
Publications available for reading

Council publications are available online — www.knox.vic.gov.au — or on request. Current Council strategies and plans, developed in consultation with the community, include the following:

- Knox Vision: Our City, Our Future
- City Plan (incorporating the Council Plan) 2013-17
- Knox Integrated City Strategy
- Municipal Strategic Statement
- Long Term Financial Forecast and Rating Strategy 2015-16 to 2019-20
- Strategic Resource Plan 2015-16 to 2019-20
- Annual Budget 2015-16

Community input

Council welcomes community input in the development of its plans and strategies, with access provided via the website — www.knox.vic.gov.au — at the civic centre or customer service centre, or by calling the customer service team on 9298 8000.



performance statement

for the year ended 30 June 2015

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Description of municipality

Located approximately 25 kilometres from Melbourne's Central Business District, Knox is a major hub of cultural, commercial, business and innovative activity in the eastern suburbs of Melbourne. It is a diverse municipality with residents from 130 different countries who speak 54 languages. The City of Knox has an

estimated resident population of 155,508 (as at 30 June 2014) and covers an area of 113.84 square kilometres. The area boasts a green, leafy image extending to the foothills of the picturesque Dandenong Ranges. Knox comprises suburbs including The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Scoresby, Upper Ferntree Gully, Wantirna, Wantirna South and Sassafras.



sustainable capacity indicators

for the year ended 30 June 2015

<i>Indicator/measure</i>	Results 2015	Comment*
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$742	No material variations
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$184	No material variations
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$899	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$5,546	No material variations
<i>Population density per length of road</i> [Municipal population / kilometres of local roads]	215.68	No material variations
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	9	No material variations

*Council has made a number of comments to assist readers in interpreting the results.

Definitions

'adjusted underlying revenue' means total income other than:

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

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

'local road' means a sealed or unsealed road for which the Council is the responsible road authority under the *Road Management Act 2004*

'population' means the resident population estimated by Council

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

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

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

'unrestricted cash' means all cash and cash equivalents other than restricted cash.

service performance indicators

for the year ended 30 June 2015

Service/indicator/measure	Results	
	2015	Comment*
<p>Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]</p>	15	This figure represents the number of defendants prosecuted directly for offences under the <i>Domestic Animals Act 1994</i> that cannot be dealt with by way of direct fine. These matters mostly relate to serious dog attacks.
<p>Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / municipal population]</p>	3.62	The municipality has one Council-owned aquatic facility, Knox Leisureworks, located in Boronia. The facility is managed by YMCA Victoria. Utilisation includes all visitations to this facility, including wet and dry programs.
<p>Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / number of critical non-compliance notifications and major non-compliance notifications about food premises] x100</p>	94.73%	Of the 27 non-compliance outcomes not yet followed up, 25 are a result of assessments conducted in May and June to be followed up in the 2015/16 fiscal year. Non-compliance for the remaining two premises was identified before May 2014. Of these two premises, one premises was followed up on 1 July 2015 and the other was scheduled for follow up in July 2015.
<p>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]</p>	59	Knox's performance against this question remained stable, with the 2015 score of 59 consistent with Knox's score in the 2014 survey. This result is equal to the metropolitan average result of 59 and higher than the statewide average result of 55.

Service/indicator/measure	Results 2015	Comment*
<p>Home and community care</p> <p>Participation</p> <p><i>Participation in HACC service</i> [Number of people that received a HACC service / municipal target population for HACC services] x100</p> <p>Participation</p> <p><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</p>	<p>20.78%</p> <p>17.72%</p>	<p>This indicator only measures provision of domestic assistance, personal care and respite care. Knox also provides other HACC services – home maintenance, occupational therapy, food services and planned activity groups. The total number of HACC clients assisted in the year for all HACC services was 4,117, 33 per cent of the municipal target population for HACC services. Of the total number of HACC clients served by Knox Council, 2,610 received domestic assistance and/or personal care and/or respite care. Knox Council is one of many HACC funded service providers within the municipal area.</p> <p>25 per cent of the 2,610 clients who received a defined HACC service meet the provided definition of Culturally And Linguistically Diverse as someone who was born in a country where the national language is not English.</p>
<p>Libraries</p> <p>Participation</p> <p><i>Active library members</i> [Number of active library members / municipal population] x100</p>	<p>18.14%</p>	<p>Knox is a member of the Eastern Regional Libraries Corporation (ERLC), which is a co-operative venture serving three outer-eastern metropolitan councils. This indicator measures the number of members who borrowed from an ERLC library as a percentage of Knox’s municipal population. “Active library member” means a member of the ERLC who has borrowed a book from the library. Due to system limitations, the data also includes the following: items that were checked in, placed on hold or renewed; new cards being issued; and bills for an item being issued or paid. This indicator does not measure other types of library participation, such as computer usage, e-book downloads, meeting room hire and attendance at events.</p>

service performance indicators

for the year ended 30 June 2015 (continued)

Service/indicator/measure	Results	
	2015	Comment*
<p>Maternal and child health</p> <p>Participation</p> <p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / number of children enrolled in the MCH service] x100</p>	82.75%	Attendance is voluntary at the MCH service and there are some families who move out of the Knox area without updating their records.
<p>Participation</p> <p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p>	92.31%	Attendance is voluntary at the MCH service and there are some families who move out of the Knox area without updating their records. Some Aboriginal families prefer to attend specific Aboriginal support services offered in Dandenong and Healesville.
<p>Roads</p> <p>Satisfaction</p> <p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]</p>	70	This score was a five-point increase on the score for the previous year.
<p>Statutory Planning</p> <p>Decision making</p> <p><i>Council planning decisions upheld at VCAT</i></p> <p>[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</p>	41.67%	Council is currently seeking state government approval of a Planning Scheme Amendment which will introduce a new Housing Policy. This is expected to improve VCAT success rates in the future.

Service/indicator/measure	Results	
	2015	Comment*
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	53.30%	Recycling significantly reduces the amount of waste going to landfill, and thereby reduces greenhouse gas emissions. This indicator shows that approximately 53% of kerbside waste (or 32,314 tonnes) was recycled this year instead of going to landfill. This indicator only relates to kerbside bin collection. Council also provides non-bin based collection services for bundled green organics, which is processed into compost, and hard waste, which is sorted at the transfer station to recover re-usable items.

*Council has made a number of comments to assist readers in interpreting the results.

Definitions

'Aboriginal child' means a child who is an Aboriginal person

'Aboriginal person' has the same meaning as in the *Aboriginal Heritage Act 2006*

'active library member' means a member of a library who has borrowed a book from the library

'annual report' means an annual report prepared by a council under sections 131, 132 and 133 of the Act

'CALD' means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

'class 1 food premises' means food premises, within the meaning of the *Food Act 1984*, 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 *Food Act 1984*, 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 *Food Act 1984*, or advice given to Council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

'food premises' has the same meaning as in the *Food Act 1984*

'HACC program' means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth

'HACC service' means home help, personal care or community respite provided under the HACC program

'local road' means a sealed or unsealed road for which the Council is the responsible road authority under the *Road Management Act 2004*

'major non-compliance outcome notification' means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

'MCH' means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

'population' means the resident population estimated by Council

'target population' has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth

'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 *Occupational Health and Safety Act 2004*.

financial performance indicators

for the year ended 30 June 2015

Dimension/indicator/ measure	Results	Forecasts				Comment
	2015	2016	2017	2018	2019	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ adjusted underlying revenue] x100	7%	5%	5%	7%	8%	An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The financial performance over the four year forecast period is projected to be relatively stable.
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / current liabilities] x100	181%	157%	170%	193%	214%	An indicator of whether Council is able to pay current liabilities within the following 12 months. Working capital is forecast to strengthen significantly over the five year outlook.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / current liabilities] x100	46%	109%	118%	138%	158%	The 2015 actual figure uses cash and cash equivalents as part of the numerator calculation (based on the definition). This numerator does not include \$22.1 M of financial assets (term deposits > 90 days) - when included the % would be 111% for 2015. Forecasts for 2016 to 2019 do not split between cash and cash equivalents and financial assets with all amounts classed as cash and cash equivalents for forecast purposes.

Dimension/indicator/ measure	Results		Forecasts			Comment
	2015	2016	2017	2018	2019	
Obligations						
Loans and borrowings						
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / rate revenue] x100	16%	18%	16%	12%	10%	The result for this measure is expected to decrease over the periods to 2019. The decreasing forecast trend reflects the scheduled redemption of long-term loan borrowings over this period.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / rate revenue] x100	3%	3%	4%	4%	2%	The result for this measure is expected to decrease over the periods to 2019. The decreasing forecast trend reflects the scheduled redemption of long-term loan borrowings over this period.
Indebtedness						
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / own source revenue] x100	14%	14%	14%	12%	10%	The result for this measure is expected to decrease over the periods to 2019. The decreasing forecast trend reflects the scheduled redemption of long-term loan borrowings over this period.
Asset renewal						
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / asset depreciation] x100	110%	111%	107%	105%	108%	This percentage indicates the extent of Council's asset renewal against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are depreciating or deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets.

financial performance indicators

for the year ended 30 June 2015 (continued)

Dimension/indicator/ measure	Results	Forecasts				Comment
	2015	2016	2017	2018	2019	
Stability						
Rates concentration						
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / adjusted underlying revenue] x100	64%	68%	69%	70%	70%	Reflects extent of reliance on rate revenues to fund all of Council's ongoing services. Trend indicates Council will become more reliant on rate revenue compared to all other revenue sources as the level of government grant funding increases are forecast to continue to be below the increased cost of service delivery.
Rates effort						
<i>Rates compared to property values</i> [Rate revenue / capital improved value of rateable properties in the municipality] x100	0.29%	0.30%	0.29%	0.31%	0.30%	No material variations.
Efficiency						
Expenditure level						
<i>Expenses per property assessment</i> [Total expenses / number of property assessments]	\$2,196	\$2,225	\$2,289	\$2,315	\$2,369	The result for this measure is forecast to increase each year reflecting the impact of inflation and other cost pressures on Council's operating expenditure budget.
Revenue level						
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / number of residential property assessments]	\$1,267	\$1,335	\$1,396	\$1,459	\$1,525	The result for this measure is forecast to increase each year by an average of 5% to 2019. The increasing trend reflects measures taken by Council to address the asset renewal gap through rate increases above CPI and to provide for community infrastructure needs. This also reflects the fact that Council will become more reliant on rate revenue compared to all other revenue sources as the level of government grant funding increases are forecast to continue to be below the increased cost of service delivery.

Dimension/indicator/ measure	Results		Forecasts			Comment
	2015	2016	2017	2018	2019	
Workforce turnover						
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	7.94%	N/A	N/A	N/A	N/A	Council does not forecast future workforce turnover.

*Council has made a number of comments to assist readers in interpreting the results.

Definitions

'adjusted underlying revenue' means total income other than:

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

'adjusted underlying surplus (or deficit)' means adjusted underlying revenue less total expenditure

'asset renewal expenditure' means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

'current assets' has the same meaning as in the AAS

'current liabilities' has the same meaning as in the AAS

'non-current assets' means all assets other than current assets

'non-current liabilities' means all liabilities other than current liabilities

'non-recurrent grant' means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

'population' means the resident population estimated by Council

'rate revenue' means revenue from general rates, municipal charges, service rates and service charges

'recurrent grant' means a grant other than a non-recurrent grant

'residential rates' means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

'restricted cash' means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

'unrestricted cash' means all cash and cash equivalents other than restricted cash.

other information

for the year ended 30 June 2015

1. 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* (the Regulations).

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan. The Regulations require explanation of any material variations in the results contained in the Performance Statement; however Council is unable to provide an explanation of material variations for all relevant indicators this year, as 2014-15 is the base year and consequently no materiality thresholds have been set. Council has, however, provided comments to assist readers in interpreting the results.

The forecast figures included in the statement are those adopted by Council in its Strategic Resource Plan on 23 June 2015 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and are aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan is available on Council's website.

certification of the performance statement 2014–15

Statement by Principal Accounting Officer

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*.



Jon Gorst, B.Com., CPA

Principal Accounting Officer

DATED AT WANTIRNA SOUTH ON THIS
25 DAY OF AUGUST 2015

Statement by Councillors and Chief Executive Officer

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

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

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

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

Cr Peter Lockwood
Mayor



Cr Karin Orpen
Councillor



Dr Graeme Emonson
Chief Executive Officer



DATED AT WANTIRNA SOUTH ON THIS
25 DAY OF AUGUST 2015

auditor-general's certification of performance statement

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Knox City Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

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

MELBOURNE
31 August 2015


f John Doyle
Auditor-General

financials



understanding the financial statements

The Financial Statements are prepared by Council staff to meet the requirements of the Local Government Act 1989, the Local Government (Planning and Reporting) Regulations 2014, Australian Accounting Standards and Interpretations as well as the Local Government Model Financial Report, which are designed to standardise financial reporting for local government bodies throughout Victoria.

The statements are audited by the Victorian Auditor-General's agent before being approved in principle by Council's Audit Committee and then formally by Council. The Financial Statements are then forwarded to the Auditor-General for final approval. Once approval has been received, the Statements are made available for public inspection.

For the 2014-15 financial year, Council has received a clear audit of its Financial Statements. The Financial Statements are made up of five key financial reports and explanatory notes supporting the reports.

The five reports are as follows:

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Statement of Cash Flows
5. Statement of Capital Works

Each report has a purpose and provides the reader with information in relation to an aspect of Council's financial operation. When the Statements are read in conjunction with each other, it assists in the overall understanding of Council's financial position.



1. Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and shows if a surplus or a deficit results from delivering Council's services.

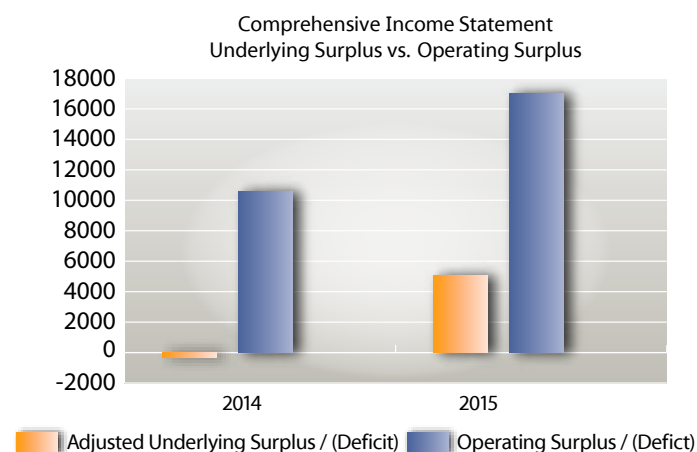
The Statement includes all sources of income less all operating expenses or expenses incurred in delivering these services. This includes depreciation, which is the writing down over time the value of buildings, roads, footpaths, drains and all other infrastructure assets which are used to provide Council services.

These assets are depreciated over the life of the asset as they are used. Capital costs or new assets purchased or created during the year are excluded from the Statement but as indicated above, are depreciated as they are used.

The Statement is prepared on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not yet be received (such as interest on investments) or expenses not yet paid (invoices not yet received for goods and services already used).

If the Statement is in a loss situation, this means that Council is not creating a sufficient surplus to replace infrastructure assets at the time when they need to be replaced. Continual deficits may indicate concern about Council's ability to be financially viable in the longer term.

Comprehensive Income Statement Operating Surplus vs Underlying Surplus



For the year ending June 2015, Council made a surplus from operations of \$16.990 million for the year. There are a number of non-operational items contained within this surplus. Some of these items include non recurrent capital grants (\$0.536 million) and capital contributions (\$0.348 million), and non monetary asset contributions (\$5.499 million). If the surplus is adjusted for these types of items, then the net adjusted underlying result from operations for the year becomes a surplus of \$10.607 million. For further information, see 'Financial Sustainability'.

2. Balance Sheet

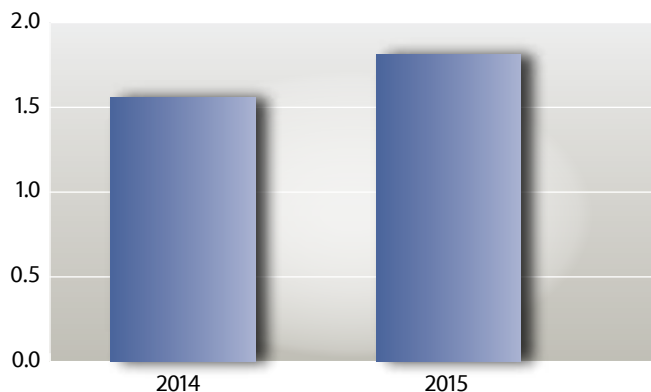
The Balance Sheet sets out Council's net accumulated financial worth at a point in time. It shows the assets that Council holds as well as liabilities or claims against these assets.

Both assets and liabilities are expressed as current or non-current. Current Assets are assets that are either cash or could be readily converted to cash within 12 months while liabilities are regarded as current when they require payment or are entitled to be paid within this same timeframe.

Although the Net Assets or Equity represent Council's accumulated net worth, it must be remembered that many of the Infrastructure Assets are included in order to enable better management of community assets, and in all probability, will never be able to be sold or turned into cash (i.e. they are not realisable).

As at June 2015, Council's Balance Sheet indicates that Council is in a sound position. Its working capital ratio (liquidity ratio) is 1.81. This means that Current Assets are 1.81 times Current Liabilities and demonstrates that Council has sufficient funds on hand to pay liabilities as they fall due.

Balance Sheet - Working Capital Current Assets/Current Liabilities



3. Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in Council's net worth. Council's net worth can only change as a result of:

- A 'Surplus' or 'Deficit' as recorded in the Comprehensive Income Statement (\$16.990 million increase for 2014-15); and
- An increase / decrease in the value of non-current assets resulting from a revaluation of those assets. This amount is transferred to an Asset Revaluation Reserve (\$0.359 million decrease for 2014-15). The value of all non-current assets must be reviewed regularly to ensure that they reflect their true value in the Balance Sheet.

Statement of Changes in Equity



4. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash receipts and payments for the financial year and the net 'cash in hand' position. It differs from the Comprehensive Income Statement in that:

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

The Statement of Cash Flows has three sections:

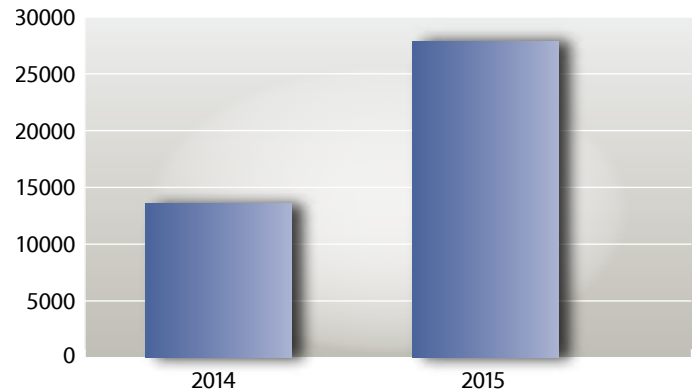
The Cash Flow from Operating Activities

summarises all of the Income and Expenses in relation to Council's ongoing service delivery. It is essential that Council has a cash surplus to ensure that it can maintain its day-to-day operations as well as provide funds for future community assets.

The Cash Flow from Investing Activities includes Council's capital expenditure as well as any receipts for the sale of assets and investments.

The Cash Flow from Financing Activities sets out all activities from 'Financing', which may include proceeds from loans, repayment of loans, and the costs of financing any loan borrowings (such as interest expenses).

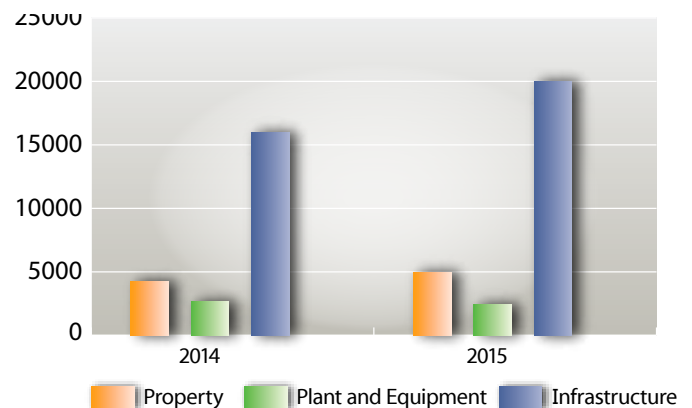
Statement of Cash Flows



5. Statement of Capital Works

The Statement of Capital Works summarises all amounts expended by Council on capital works for the year. Capital works expenditure is undertaken to acquire, develop, improve, or renew a capital asset. This includes expenditure on property such as land and buildings, on plant and equipment and on infrastructure such as roads, footpaths, and drainage

Statement of Capital Works



Notes to the Accounts

The Notes to the Accounts provide further information in relation to the rules and assumptions used to prepare the Financial Statements as well as additional information and detail about specific items within the Statements. The Notes also advise the reader if there have been any changes to Accounting Standards, Policy or Legislation which may change the way the Statements are prepared.

Within the four Financial Statements, there is a 'Note' column to indicate which Note the reader can refer to for additional information.

Information in the Notes is particularly useful where there has been a significant change from the previous year's comparative figure.

For example, the Comprehensive Income Statement for the current year shows an Operating Surplus for the year of \$16.990 M. A part of this is due to User fees income of \$14.147 million. By referring to Note 5 as indicated in the Notes Column, it can be seen that \$3.767 million of this income has been received from child care and children's program fees for example. Note 1(d) shows the accounting treatment for this income.

Statements by Principal Accounting Officer, Councillors and Chief Executive Officer and Auditor-General's Report on the Financial Report

These Statements provide the reader with a written undertaking in relation to the accuracy and trustworthiness of the accounts.

The Statements are audited by the Victorian Auditor-General to ensure that the information in the statements is correct. The audit report from the Auditor-General provides an independent view of the Statements and will advise the reader if there are any issues of concern.

Knox City Council received a clear audit for 2014-15 with no issues of concern.

financial report

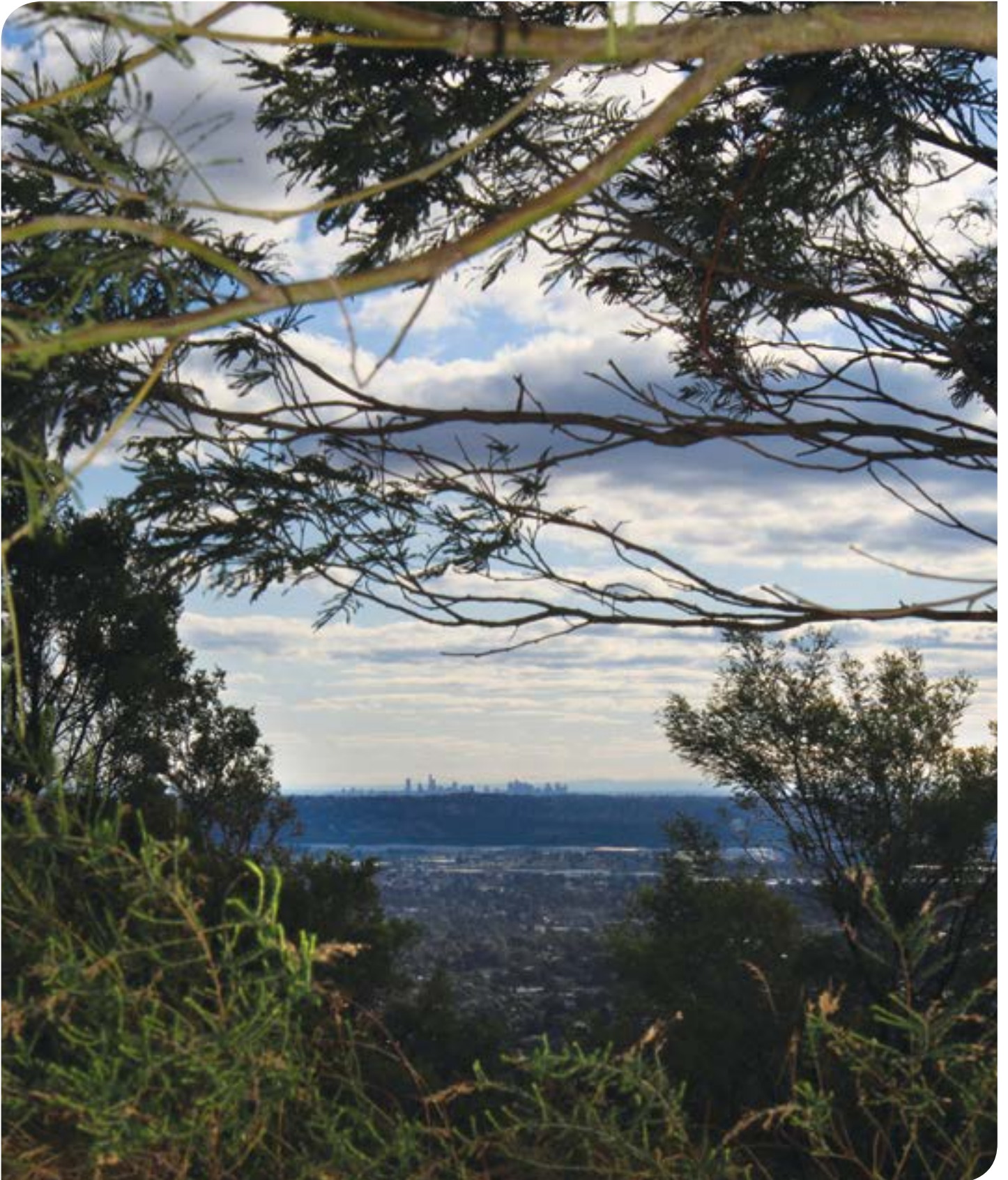


table of contents

Comprehensive Income Statement	124	Note 20	Trade and Other Receivables	148	
Balance Sheet	125	Note 21	Non-Current Assets Classified as held for sale	149	
Statement of Changes in Equity	126	Note 22	Other Assets	149	
Statement of Cash Flows	127	Note 23	Property, Infrastructure, Plant And Equipment	150	
Statement of Capital Works	128	Note 24	Intangible Assets	156	
Notes to Financial Statements		Note 25	Trade and Other Payables	157	
Introduction	129	Note 26	Trust Funds and Deposits	157	
Note 1	Significant Accounting Policies	129	Note 27	Provisions	158
Note 2	Budget Comparison	136	Note 28	Interest-Bearing Loans and Borrowings	161
Note 3	Rates & Charges	139	Note 29	Reserves	162
Note 4	Statutory Fees And Fines	139	Note 30	Reconciliation of Cash Flows from Operating Activities to Surplus/(Deficit)	165
Note 5	User Fees	139	Note 31	Reconciliation of Cash & Cash Equivalents	165
Note 6	Grants	140	Note 32	Financing Arrangements	165
Note 7	Contributions	141	Note 33	Commitments	166
Note 8	Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant and Equipment	142	Note 34	Operating Leases	167
Note 9	Investment In Associates	142	Note 35	Contingent Liabilities and Contingent Assets	167
Note 10	Other Income	143	Note 36	Financial Instruments	170
Note 11	Employee Costs	143	Note 37	Related Party Transactions	172
Note 12	Materials and Services	145	Note 38	Events Occurring After Balance Date	173
Note 13	Depreciation and Amortisation	145	Certification Of The Financial Statements	174	
Note 14	Contributions and Donations	146			
Note 15	Borrowing Costs	146			
Note 16	Bad & Doubtful Debts	146			
Note 17	Other Expenses	146			
Note 18	Cash and Cash Equivalents	147			
Note 19	Other Financial Assets	147			

comprehensive income statement

for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Income			
Rates and charges	3	96,094	90,261
Statutory fees and fines	4	1,737	1,774
User fees	5	14,147	13,343
Grants – operating	6	28,069	21,379
Grants – capital	6	2,605	2,166
Contributions – monetary	7	5,324	4,882
Contributions – non-monetary	7	5,499	3,152
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(1,415)	(1,968)
Share of net profit of associate	9	266	9
Other income	10	4,533	3,261
Total income		156,859	138,259
Expenses			
Employee costs	11	(64,346)	(60,952)
Materials and services	12	(49,749)	(45,250)
Depreciation and amortisation	13	(18,647)	(18,389)
Contributions and donations	14	(4,986)	(4,896)
Borrowing costs	15	(989)	(1,087)
Bad and doubtful debts	16	146	(81)
Other expenses	17	(1,298)	(2,531)
Total expenses		(139,869)	(133,186)
Surplus for the year		16,990	5,073
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods:			
Net asset revaluation increment/(decrement)	29(a)	(359)	16,959
Total comprehensive result		16,631	22,032

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

balance sheet

as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets			
Current assets			
Cash and cash equivalents	18	27,884	13,551
Other financial assets	19	22,100	30,800
Trade and other receivables	20	9,254	8,750
Non-current assets classified as held for sale	21	805	81
Other assets	22	1,282	439
Inventories		7	4
Total current assets		61,332	53,625
Non-current assets			
Investment in Eastern Regional Libraries Corporation	9	3,522	3,256
Property, infrastructure, plant and equipment	23	1,530,530	1,519,638
Intangible assets	24	726	779
Total non-current assets		1,534,778	1,523,673
Total assets		1,596,110	1,577,298
Liabilities			
Current liabilities			
Trade and other payables	25	9,148	10,301
Trust funds and deposits	26	3,151	1,649
Provisions	27	16,330	15,860
Interest-bearing loans and borrowings	28	5,240	6,639
Total current liabilities		33,869	34,449
Non-current liabilities			
Provisions	27	6,459	3,058
Interest-bearing loans and borrowings	28	10,127	10,767
Total non-current liabilities		16,586	13,825
Total liabilities		50,455	48,274
Net assets		1,545,655	1,529,024
Equity			
Accumulated surplus		604,516	593,230
Reserves	29	941,139	935,794
Total equity		1,545,655	1,529,024

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

statement of changes in equity

for the year ended 30 June 2015

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2015					
Balance at beginning of the financial year		1,529,024	593,230	919,939	15,855
Surplus for the year		16,990	16,990	–	–
Net asset revaluation increment/(decrement)	29(a)	(359)	–	(359)	–
Transfers to other reserves	29(b)	–	(10,233)	–	10,233
Transfers from other reserves	29(b)	–	4,529	–	(4,529)
Balance at end of the financial year		1,545,655	604,516	919,580	21,559

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2014					
Balance at beginning of the financial year		1,506,992	585,643	902,980	18,369
Surplus for the year		5,073	5,073	–	–
Net asset revaluation increment/(decrement)	29(a)	16,959	–	16,959	–
Transfers to other reserves	29(b)	–	(5,118)	–	5,118
Transfers from other reserves	29(b)	–	7,632	–	(7,632)
Balance at end of the financial year		1,529,024	593,230	919,939	15,855

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

statement of cash flows

for the year ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		96,104	89,364
Statutory fees and fines		1,748	1,785
User fees		14,571	13,357
Grants – operating		28,142	21,487
Grants – capital		2,629	2,244
Contributions		5,462	6,105
Interest received		1,846	1,771
Net GST refund		6,744	6,219
Other receipts		2,958	1,909
Net movement in trust deposits		1,502	200
Employee costs		(64,418)	(72,077)
Materials and services		(55,261)	(50,245)
Contributions and donations		(5,467)	(5,362)
Other payments		(1,388)	(1,388)
Net cash provided by (used in) operating activities	30	35,170	15,369
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(27,452)	(23,028)
Proceeds from sales of property, infrastructure, plant and equipment		929	3,076
Payments for investments		(22,100)	(30,800)
Proceeds from sale of investments		30,800	4,800
Net cash provided by (used in) investing activities		(17,823)	(45,952)
Cash flows from financing activities			
Proceeds from borrowings		–	7,383
Repayment of borrowings		(2,040)	(1,895)
Finance costs		(974)	(1,087)
Net cash provided by (used in) financing activities		(3,014)	4,401
Net increase/(decrease) in cash and cash equivalents		14,333	(26,182)
Cash and cash equivalents at the beginning of the financial year		13,551	39,733
Cash and cash equivalents at the end of the financial year	31	27,884	13,551
Financing arrangements	32		
Restrictions on cash assets	18		

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

statement of capital works

for the Year Ended 30 June 2015

	2015	2014
	\$'000	\$'000
Property		
Land	826	–
Total land	826	–
Buildings	4,160	4,272
Total buildings	4,160	4,272
Total property	4,986	4,272
Plant and equipment		
Plant, machinery and equipment	1,597	1,692
Fixtures, fittings and furniture	145	115
Computers and telecommunications	698	865
Total plant and equipment	2,440	2,672
Infrastructure		
Roads	7,239	4,396
Bridges	304	271
Footpaths and cycleways	3,501	3,801
Drainage	4,283	3,051
Recreational, leisure and community facilities	4,002	3,757
Off street car parks	593	701
Other infrastructure	97	–
Total infrastructure	20,019	15,977
Total capital works expenditure	27,445	22,922
Represented by:		
New asset expenditure	1,663	455
Asset renewal expenditure	20,460	18,876
Asset expansion expenditure	86	–
Asset upgrade expenditure	5,236	3,591
Total capital works expenditure	27,445	22,922

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

notes to the financial statements

for the Year Ended 30 June 2015

introduction

Knox City Council was established by an Order of the Governor in Council in 1994 and is a body corporate. The Council's main office is located at 511 Burwood Hwy, Wantirna South.

Statement of Compliance

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

NOTE 1

significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (k))
- the determination of depreciation for buildings, infrastructure, plant and equipment and intangibles (refer to note 1 (l))
- the determination of employee provisions (refer to note 1 (q))

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

(b) Changes in accounting policies

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

(c) Accounting for investment in associate

An associate is an entity over which Council has significant influence but not control or joint control. Investment in an associate is accounted for using the equity method of accounting, after initially being recognised at cost.

Eastern Regional Libraries Corporation (ERLC)

An investment has been recognised in the Eastern Regional Libraries Corporation (ERLC) based on Council's contribution of the net assets to the entity on its commencement on 1 July 1996. Changes in the net assets of the ERLC are brought to account as an adjustment to the carrying value of the investment. Council's share of the equity of the ERLC is 36.39%, representing the percentage of Council's original equity contribution upon establishment of the ERLC as at July 1996.

Council's investment at 30 June 2015 is based on the Corporation's financial report and has been disclosed in Note 9.

NOTE 1

significant accounting policies (continued)

(d) Revenue recognition

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

Rates and charges

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

Statutory fees and fines

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.

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6 and 7. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

(e) Fair value measurement

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

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

(e) Fair value measurement (cont'd)

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.

(f) Cash and cash equivalents

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.

(g) Trade and other receivables

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

(h) Other financial assets

Term deposits are held to maturity and measured at amortised cost.

(i) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

(j) Non-current assets classified as held for sale

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell, and is not subject to depreciation. Non-current 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 is expected to be completed within 12 months from the date of classification.

(k) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributed to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (l) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

NOTE 1

significant accounting policies (continued)

(k) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont'd)

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuations are performed either by experienced Council officers or independent experts. Fire hydrants were formally revalued as at 30 June 2015.

Where the assets are revalued, the revaluation increments are credited directly to the relevant 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 asset, revaluation increments and decrements within the year are offset.

Land under roads

Land under roads acquired after 30 June 2008 is brought to account at cost. Council does not recognise land under roads that it controlled prior to that date.

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

Buildings, plant and equipment, infrastructure and intangible 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.

Land, land improvements, land under roads, roads – earthworks and artworks 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:

Asset recognition thresholds and depreciation periods

	Depreciation Period Years	Threshold Limit \$'000
Property		
Land	n/a	10
Land improvements	n/a	10
Land under roads	n/a	10
Buildings		
Buildings	20-200	10
Plant and equipment		
Plant, machinery and equipment	3-10	2
Fixtures, fittings and furniture	3-10	1
Computers and telecommunications	3-10	1
Artworks	n/a	1
Infrastructure		
Roads – surfacing	2-50	5
Roads – kerb and channel	70	5
Roads – substructure	30-185	20
Roads – earthworks	n/a	20
Bridges	30-100	5
Footpaths and cycleways	2-50	5
Drainage	30-100	5
Recreational, leisure and community facilities	15-60	10
Off street car parks	2-185	10
Other infrastructure	7-30	2
Intangible assets		
Intangible assets	5	10

(m) 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.

(n) Impairment of assets

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

(o) Trust funds and deposits

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 (refer to Note 26).

NOTE 1

significant accounting policies (continued)

(p) Borrowings

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

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

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include interest on bank overdrafts and interest on borrowings.

(q) Employee costs and benefits

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 and annual 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 current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current liability are measured at:

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

Classification of employee costs

Non-current liability – conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability because there is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

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

Gratuity retirement allowance

A gratuity retirement allowance exists for employees who commenced prior to 3 May 1996, with new employees who commenced after that date not being eligible and is recognised in the provision for employee benefits as a current liability. The components of this current liability are measured at:

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

(r) Landfill rehabilitation provision

Council owns two former landfill sites – Cathies Lane and Llewellyn Reserve. Under the terms of a Licence agreement with the Environment Protection Authority (EPA), and Pollution Abatement notices, Council is required to monitor, progressively rehabilitate and conduct rectification works. The provision for landfill rehabilitation has been calculated based on the present value of the expected cost of works to be undertaken including site aftercare and monitoring costs. The expected cost of works has been estimated based on current understanding of work required to progressively rehabilitate the sites 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.

(s) Leases

Operating leases

Lease payments for operating leases, where the lessor effectively retains substantially all risks and benefits incidental to ownership of the leased item, 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. Commitments under these lease agreements are included in Note 34.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(u) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 35 Contingent liabilities and contingent assets.

(v) Contingent liabilities and contingent assets and commitments

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

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

(w) Pending accounting standards

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

(x) Rounding

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

Note 2

budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of greater than ten percent and \$1,000,000 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 24 June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. 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*.

a) Income and expenditure

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Income				
Rates and charges	95,711	96,094	383	
Statutory fees and fines	1,852	1,737	(115)	
User fees	14,091	14,147	56	
Grants – operating	24,245	28,069	3,824	1
Grants – capital	2,448	2,605	157	
Contributions – monetary	3,153	5,324	2,171	2
Contributions – non monetary	2,000	5,499	3,499	3
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(1,332)	(1,415)	(83)	
Share of net profit of associate	–	266	266	
Other income	3,801	4,533	732	
Total income	145,970	156,859	10,889	

a) Income and expenditure (continued)

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Expenses				
Employee costs	64,280	64,346	(66)	
Materials and services	47,958	49,749	(1,791)	
Depreciation and amortisation	19,303	18,647	656	
Contributions and donations	4,952	4,986	(34)	
Borrowing costs	1,012	989	23	
Bad and doubtful debts	(90)	(146)	56	
Other expenses	1,308	1,298	10	
Total expenses	138,723	139,869	(1,146)	
Surplus/(deficit) for the year	7,247	16,990	9,743	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants – operating	Grants – operating is higher than budget due to earlier than anticipated payment received from the Victoria Grants Commission for 50% of the 2015-16 grants allocation (\$3.286 million).
2	Contributions – monetary	\$2.065 million higher than budget in developers monetary contributions due to a higher than anticipated number of developments during the year.
3	Contributions – non monetary	\$3.499 million higher than budget due to a higher than anticipated number of assets handed over to Council from developers.

NOTE 2

budget comparison (continued)

b) Capital works

	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000	Ref
Property				
Land	–	826	(826)	
Total Land	–	826	(826)	
Buildings	4,577	4,160	417	
Total buildings	4,577	4,160	417	
Total property	4,577	4,986	(409)	
Plant and equipment				
Artworks	39	–	39	
Plant, machinery and equipment	2,274	1,597	677	
Fixtures, fittings and furniture	–	145	(145)	
Computers and telecommunications	1,496	698	798	
Total plant and equipment	3,809	2,440	1,369	
Infrastructure				
Roads	7,628	7,239	389	
Bridges	158	304	(146)	
Footpaths and cycleways	3,893	3,501	392	
Drainage	3,735	4,283	(548)	
Recreational, leisure and community facilities	5,626	4,002	1,624	1
Parks, open space and streetscapes	384	–	384	
Off street car parks	585	593	(8)	
Other infrastructure	216	97	119	
Total infrastructure	22,225	20,019	2,206	
Total capital works expenditure	30,611	27,445	3,166	
Represented by:				
New asset expenditure	638	1,663	(1,025)	
Asset renewal expenditure	23,465	20,460	3,005	
Asset expansion expenditure	1,031	86	945	
Asset upgrade expenditure	5,477	5,236	241	
Total capital works expenditure	30,611	27,445	3,166	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Recreational, leisure and community facilities	Lower than budgeted capitalisation of landscaping and planting works (\$1.542 million) and projects being capitalised under different asset classes (\$0.454 million).

NOTE 3

rates and charges

Council uses Capital Improved Value (CIV) as the basis of rating of all properties within the municipal district. The CIV takes into account the total value of a property including all land, buildings and other improvements but excluding fixtures and fittings.

The valuation base used to calculate general rates for 2014-15 was \$33,345 million (2013-14 \$32,999 million). The 2014-15 rate in the CIV dollar was \$0.002528 (2013-14 \$0.002414) for the residential rate.

	2015 \$'000	2014 \$'000
General rates	91,845	86,744
Service rates and charges	3,600	3,315
Supplementary rates and rate adjustments	606	159
Cultural and recreational	43	43
Total rates and charges	96,094	90,261

The date of the latest general revaluation for rating purposes within the municipal district was 1 January 2014 and the valuation first applied to the rating year commencing 1 July 2014.

NOTE 4

statutory fees and fines

Permits	813	822
Infringements and costs	626	697
Town planning fees	188	111
Land information certificates	97	76
Court recoveries	12	67
Other	1	1
Total statutory fees and fines	1,737	1,774

NOTE 5

user fees

Waste management services	4,366	4,110
Child care/children's programs	3,767	3,742
Leisure centre and recreation	1,954	1,868
Registration and other permits	1,424	1,311
Aged and health services	1,127	1,083
Building services	443	415
Other fees and charges	1,066	814
Total user fees	14,147	13,343

NOTE 6

grants

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants

State funded grants

Total

2015
\$'000

2014
\$'000

15,229

7,133

15,445

16,412

30,674

23,545

Operating grants

Recurrent – Commonwealth Government

Victoria Grants Commission

9,881

3,221

Family and children – child care

2,364

2,023

Family and children – family day care

455

463

Family and children – early intervention

377

373

Family and children – other

3

3

Recurrent – State Government

Family and children – preschool

5,682

5,629

General home care

5,059

4,918

Family and children – maternal and child health

1,003

984

Family and children – early intervention

799

794

School crossing supervisors

370

356

Family and children – youth services

201

173

Community health

141

124

Aged care

135

123

Other

122

117

Total recurrent operating grants

26,592

19,301

Non-recurrent – Commonwealth Government

Family and children – maternal and child health

3

3

Family and children – child care

1

–

Non-recurrent – State Government

Community health

1,159

1,329

General home care

83

269

Environmental planning

65

120

Other

59

88

Family and children – preschool

45

45

Recreation

40

62

Family and children – youth services

22

42

Community safety

–

120

Total non-recurrent operating grants

1,477

2,078

Total operating grants

28,069

21,379

NOTE 6**grants** (continued)**Capital grants***Recurrent – Commonwealth Government*

Victoria Grants Commission – local roads
Roads to recovery

Total recurrent capital grants*Non-recurrent – Commonwealth Government*

Recreational, leisure and community facilities
Buildings
Off street car parks

Non-recurrent – State Government

Recreational, leisure and community facilities
Buildings
Roads
Footpaths

Total non-recurrent capital grants**Total capital grants****Conditions on grants**

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

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

Net increase/(decrease) in restricted assets resulting from grant revenues for the year:

2015
\$'000

2014
\$'000

1,560

513

509

534

2,069**1,047**

50

–

16

–

10

–

257

934

107

185

78

–

18

–

536**1,119****2,605****2,166**

101

84

84

46

17**38****NOTE 7****contributions**

Monetary

5,324

4,882

Non-monetary

5,499

3,152

Total contributions**10,823****8,034**

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

Infrastructure

4,464

329

Land

1,035

2,823

5,499

3,152

NOTE 8

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

	2015 \$'000	2014 \$'000
Proceeds of sale	908	3,032
Written down value of assets disposed	(2,323)	(5,000)
Total net loss on disposal of property, infrastructure, plant & equipment	(1,415)	(1,968)

NOTE 9

investment in associates

Investment in associate accounted for by the equity method is:- Eastern Regional Libraries Corporation (ERLC)	3,522	3,256
--	-------	-------

Eastern Regional Libraries Corporation (ERLC)

Background

The principal activity of ERLC is the operation of libraries. Council's ownership interest of ERLC as at 30 June 2015 was 36.39% (2014 - 36.39%) based on Council's share of net assets. Council's proportion of voting power as at 30 June 2015 was 33.33% (2014 - 33.33%).

Fair value of Council's investment in Eastern Regional Libraries Corporation

3,522	3,256
--------------	--------------

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year	3,256	3,247
Reported surplus for year	266	9

Council's share of accumulated surplus at end of year

3,522	3,256
--------------	--------------

Movement in carrying value of specific investment

Carrying value of investment at start of year	3,256	3,247
Share of surplus for year	266	9

Carrying value of investment at end of year

3,522	3,256
--------------	--------------

Council's share of expenditure commitments

Operating commitments	300	513
Capital commitments	4	4

Council's share of expenditure commitments

304	517
------------	------------

Council directly provides a number of additional resources free of charge to the Eastern Regional Libraries Corporation in relation to the mobile library and library branches in the Knox municipality. The annual operating cost to Council for providing these facilities are as follows:

Mobile Library	33	33
Knox City, Rowville, Ferntree Gully, Boronia and Bayswater Library Branches	636	667

NOTE 10**other income**

	2015 \$'000	2014 \$'000
Interest	1,816	1,810
Recyclable material sales	1,153	433
Reimbursements	1,125	578
Rent	385	374
Other	54	66
Total other income	4,533	3,261

NOTE 11 (A)**employee costs**

Wages and salaries	48,591	45,833
Annual leave and long service leave	6,299	6,218
Superannuation	4,941	4,574
Agency staff	3,260	2,795
WorkCover	751	1,125
Fringe benefits tax	436	407
Other – redundancy	68	–
Total employee costs	64,346	60,952

NOTE 11 (B)**superannuation**

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	553	609
Employer contributions – other funds	–	–
	553	609

Employer contributions payable at reporting date

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,292	3,019
Employer contributions – other funds	1,238	994
	4,530	4,013

Employer contributions payable at reporting date	363	326
--	-----	-----

NOTE 11 (B)

superannuation (continued)

In addition to the above contributions, Knox City Council has paid unfunded liability payments to Vision Super totalling Nil during the 2014-15 year (2013-14, \$11.583 million).

There were no loans issued from or to the above schemes as at 30 June 2015 (2013-14, Nil).

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$0.550 million.

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

Accumulation

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

Defined Benefit

Knox City 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 Knox City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

NOTE 12

materials and services

	2015 \$'000	2014 \$'000
Contract payments	27,981	24,256
Administration costs	5,461	5,344
Materials and services	4,504	4,347
Utilities	3,268	3,559
Consultants	1,900	1,438
Building maintenance	1,464	1,467
Insurance	1,339	1,276
Finance and legal costs	1,297	1,069
Information technology	1,276	1,321
Community facilities	732	698
General maintenance	527	475
Total materials and services	49,749	45,250

NOTE 13

depreciation and amortisation

Property	3,447	3,328
Plant and equipment	1,358	1,404
Infrastructure	13,649	13,550
Intangible assets	193	107
Total depreciation and amortisation	18,647	18,389

Refer to Note 23 for a more detailed breakdown of depreciation and amortisation charges

NOTE 14

contributions and donations

	2015 \$'000	2014 \$'000
Contribution to the Eastern Regional Libraries Corporation	3,690	3,581
Community support payments	1,161	1,199
Governance – Ward funds	135	116
Total contributions and donations	4,986	4,896

NOTE 15

borrowing costs

Interest – borrowings	989	1,087
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NOTE 16

bad and doubtful debts

Parking and animal infringement debtors	57	(26)
Other debtors	(203)	107
Total bad and doubtful debts	(146)	81

NOTE 17

other expenses

Operating lease rentals	808	747
Councillors allowances	335	333
Auditor's remuneration - internal	101	150
Auditor's remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	54	63
Derecognition of asset - crown land	-	1,238
Total other expenses	1,298	2,531

NOTE 18

cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash on hand	7	7
Cash at bank	11,377	9,144
Term deposits	16,500	4,400
	27,884	13,551

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

These include:

- Trust funds and deposits (Note 26)
- Restricted reserves (Note 29)
- Family and children (unexpended grants) (Note 6)

Total restricted funds

Total unrestricted cash and cash equivalents

3,151	1,649
9,141	7,308
101	84
12,393	9,041
15,491	4,510

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Other reserves (Note 29)

Total funds subject to intended allocations

12,418	8,547
12,418	8,547

Note 19

other financial assets

Term deposits	22,100	30,800
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NOTE 20

trade and other receivables

Current

	2015 \$'000	2014 \$'000
Rates debtors	6,476	6,410
Special rate assessment	52	53
Parking and animal infringement debtors	1,016	1,032
Provision for doubtful debts – parking and animal infringement debtors	(658)	(600)
Other debtors	2,508	2,210
Provision for doubtful debts – other debtors	(140)	(355)
Total trade and other receivables	9,254	8,750

a) Ageing of receivables

At balance date, other debtors representing financial assets were past due but not impaired (except for the debtors included in the impairment table below). These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:

Current (not yet due)	1,987	1,528
Past due by up to 30 days	139	89
Past due between 31 and 180 days	132	200
Past due between 181 and 365 days	41	213
Past due by more than 1 year	209	180
Total trade and other receivables	2,508	2,210

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	355	266
New provisions recognised during the year	17	177
Amounts already provided for and written off as uncollectible	(13)	(16)
Amounts provided for but recovered during the year	(219)	(72)
Balance at the end of the year	140	355

c) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$124,376 (2014:\$312,859) were impaired. The amount of the provision raised against these debtors was \$124,376 (2014:\$312,859). The individually impaired debtors relate to sundry and child care debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with the Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

	2015 \$'000	2014 \$'000
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	–	200
Past due by more than 1 year	124	113
Total trade and other receivables	124	313

NOTE 21

non-current assets classified as held for sale

Plant and equipment	24	81
Land at fair value	781	–
Total non-current assets classified as held for sale	805	81

NOTE 22

other assets

Prepayments	877	78
Accrued income	405	361
Total other assets	1,282	439

NOTE 23

property, infrastructure, plant and equipment

Land and Buildings

	Land – specialised \$'000
At fair value 1 July 2014	512,376
At cost 1 July 2014	1,486
Accumulated depreciation at 1 July 2014	–
	513,862
Movements	
Acquisition of assets at cost	996
Revaluation increments/decrements	–
Fair value of assets disposed	(781)
Transfers at cost	–
	215
Movements in accumulated depreciation	
Depreciation and amortisation	–
Accumulated depreciation of disposals	–
	–
At fair value 30 June 2015	511,595
At cost 30 June 2015	2,481
Accumulated depreciation at 30 June 2015	–
	514,076

Land – non specialised \$'000	Land improvements \$'000	Total land \$'000	Buildings – specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
149,998	–	662,374	220,460	220,460	–	882,834
–	3,154	4,640	–	–	260	4,900
–	–	–	(95,893)	(95,893)	–	(95,893)
149,998	3,154	667,014	124,567	124,567	260	791,841
866	–	1,862	4,028	4,028	238	6,128
–	–	–	(650)	(650)	–	(650)
–	–	(781)	(342)	(342)	–	(1,123)
–	–	–	–	–	(68)	(68)
866	–	1,081	3,036	3,036	170	4,287
–	–	–	(3,447)	(3,447)	–	(3,447)
–	–	–	342	342	–	342
–	–	–	(3,105)	(3,105)	–	(3,105)
149,998	–	661,593	219,468	219,468	–	881,061
866	3,154	6,501	4,028	4,028	430	10,959
–	–	–	(98,998)	(98,998)	–	(98,998)
150,863	3,154	668,094	124,498	124,498	430	793,022

NOTE 23

property, infrastructure, plant and equipment

Plant and Equipment

At cost 1 July 2014

Accumulated depreciation at 1 July 2014

Movements

Acquisition of assets at cost

Cost of assets disposed

Movements in accumulated depreciation

Depreciation and amortisation

Accumulated depreciation of disposals

At cost 30 June 2015

Accumulated depreciation at 30 June 2015

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2014	606,903	9,681	128,877	265,198
At cost 1 July 2014	4,624	–	3,106	–
Accumulated depreciation at 1 July 2014	(167,937)	(2,604)	(73,086)	(113,467)
	443,590	7,077	58,897	151,731
Movements				
Acquisition of assets at cost	8,786	304	3,721	5,859
Revaluation increments/decrements	–	–	–	–
Fair value of assets disposed	(2,294)	–	(2,969)	–
Cost of assets disposed	–	–	–	–
Transfers at cost	–	–	–	–
	6,492	304	752	5,859
Movements in accumulated depreciation				
Depreciation and amortisation	(5,887)	(102)	(2,852)	(3,342)
Accumulated depreciation of disposals	1,723	–	2,001	–
	(4,164)	(102)	(851)	(3,342)
At fair value 30 June 2015	604,609	9,681	125,908	265,198
At cost 30 June 2015	13,410	304	6,827	5,859
Accumulated depreciation at 30 June 2015	(172,101)	(2,706)	(73,937)	(116,809)
	445,920	7,279	58,798	154,248

ment (continued)

Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Artworks \$'000	Total plant and equipment \$'000
11,124	3,866	3,180	302	18,472
(4,215)	(3,361)	(2,872)	–	(10,448)
6,909	505	308	302	8,024
1,597	125	320	21	2,063
(1,439)	(1,959)	(13)	–	(3,411)
158	(1,834)	307	21	(1,348)
(1,060)	(108)	(190)	–	(1,358)
840	1,921	51	–	2,812
(220)	1,813	(139)	–	1,454
11,282	2,032	3,487	324	17,125
(4,435)	(1,548)	(3,011)	–	(8,994)
6,848	483	476	324	8,130
Recreational, leisure and community facilities \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
–	24,795	4,925	–	1,040,379
43,547	701	37	3,195	55,210
(12,237)	(5,246)	(1,240)	–	(375,817)
31,310	20,250	3,722	3,195	719,772
2,790	586	97	3,750	25,894
–	–	291	–	291
–	–	–	–	(5,262)
(297)	–	(32)	–	(329)
–	–	–	(1,263)	(1,263)
2,493	586	356	2,487	19,331
(1,046)	(254)	(166)	–	(13,649)
179	–	20	–	3,923
(867)	(254)	(146)	–	(9,726)
–	24,795	5,216	–	1,035,407
46,040	1,287	102	5,683	79,512
(13,104)	(5,500)	(1,386)	–	(385,543)
32,936	20,582	3,933	5,683	729,378

NOTE 23

**property,
infrastructure,
plant and
equipment**
(continued)

Valuation of land and buildings

Valuation of land and buildings were undertaken by Westlink Consulting, a qualified independent valuer. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	–	149,998	–
Specialised land	–	–	511,595
Specialised buildings	–	–	120,487
Total	–	149,998	632,082

Valuation of infrastructure

A valuation of Council's drainage, bicycle and shared paths and bridges was undertaken by Mr Luke Newton, BE (Civil), GradIEAust, Asset Engineer, Knox City Council in conjunction with Mr Leigh Hale, Dip. C.E., MIEAust CPEng of Leigh Hale Consulting Services. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. The effective date of the valuation is 30 June 2014.

The 30 June 2013 valuation of roads, footpaths, kerb and channel and car parks was undertaken by Mr Andrew Chadder, BE (Civil), MIEAust CPEng, Coordinator Asset Strategy, Knox City Council in conjunction with Mr Leigh Hale, Dip. C.E., MIEAust CPEng of Leigh Hale Consulting Services.

The 30 June 2012 and 30 June 2015 valuations of fire hydrants were based on information supplied by South East Water.

Valuation of infrastructure continued

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	432,752
Bridges	-	-	6,975
Footpaths and cycleways	-	-	52,072
Drainage	-	-	148,418
Off street car parks	-	-	19,314
Other infrastructure	-	-	3,933
Total	-	-	663,464

Description of significant unobservable inputs into level 3 valuations

Specialised land 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 20% and 50%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$5 and \$563 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$450 to \$3,800 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary up to 73 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 up to 185 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

NOTE 23

property, infrastructure, plant and equipment (continued)

Reconciliation of specialised land at fair value

	2015 \$'000	\$2014 \$'000
Parks and reserves	464,001	464,782
Community facilities	19,873	19,873
Civic precinct	19,740	19,740
Transfer station	7,982	7,982
Total specialised land at fair value	511,595	512,376

NOTE 24

intangible assets

Software	726	779
Gross carrying amount		
Balance at beginning of year	2,581	1,921
Additions	140	660
Balance at end of year	2,721	2,581
Accumulated amortisation and impairment		
Balance at beginning of year	1,802	1,695
Amortisation expense	193	107
Balance at end of year	1,995	1,802
Net book value at the end of the year	726	779

NOTE 25

trade and other payables

	2015 \$'000	\$2014 \$'000
Trade payables	6,652	7,826
Accrued expenses	1,973	2,057
Prepaid income	523	418
Total trade and other payables	9,148	10,301

NOTE 26

trust funds and deposits

Refundable deposits	1,674	1,119
Fire services levy	835	–
Retention amounts	170	78
Other	472	452
Total trust funds and deposits	3,151	1,649

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 four instalment basis. Amounts disclosed here will be remitted to the state government in line with that process.

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

Note 27

provisions

Movement schedule – landfill rehabilitation provisions

	2015 \$'000	\$2014 \$'000
Balance at beginning of year	2,130	2,130
Additional provisions	4,530	–
Amounts used	–	–
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(649)	–
Balance at end of year	6,011	2,130

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	2,320	2,261
Long service leave	1,060	1,146
Gratuities	105	120
	3,485	3,527

Current provisions expected to be wholly settled after 12 months

Annual leave	3,026	3,023
Long service leave	8,378	8,245
Gratuities	933	1,065
	12,337	12,333
Total current provisions	15,822	15,860

Non-current

Long service leave	956	928
Total non-current provisions	956	928

Aggregate carrying amount of employee provisions:

Current	15,822	15,860
Non-current	956	928
Total aggregate carrying amount of employee provisions	16,778	16,788

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

	2015 \$'000	\$2014 \$'000
Weighted average increase in employee costs	2.55%	3.20%
Weighted average discount rates	2.21%	2.84%
Weighted average settlement period	17 years	21 years

(b) Landfill rehabilitation

Current

Cathies Lane landfill site	224	–
Llewellyn Reserve landfill site	284	–
	508	–

Non-current

Cathies Lane landfill site	4,016	600
Llewellyn Reserve landfill site	1,487	1,530

Total non-current provisions

	5,503	2,130
--	--------------	--------------

Total aggregate carrying amount of landfill rehabilitation provisions

	6,011	2,130
--	--------------	--------------

The following assumptions were adopted in measuring the present value of landfill rehabilitation:

Weighted average increase in costs	2.50%	–
Weighted average discount rates	3.72%	–
Weighted average settlement period	14 years	–

Summary of provisions

Current	16,330	15,860
Non-current	6,459	3,058
Total provisions	22,789	18,918

Note 27

provisions (continued)

Cathies Lane landfill site

Council operated a landfill site at George Street (formerly Cathies Lane), Wantirna South from 1986 to 2004, under a licence issued by the Environment Protection Authority (EPA). Under the licence, Council is required to rehabilitate the site and provide for future monitoring and 'after care' of the site as well as a number of other obligations. The site is now closed as a landfill but a portion of the site is still being used as a transfer station to receive and transport waste to other sites for disposal.

In 2012 the EPA changed closed landfill guidelines and in 2013 issued several post closure pollution abatement notices to Council requiring the completion of a number of management plans. These plans are due for completion in 2015-16, and will provide further clarity regarding the future management options for leachate and landfill gas at the site.

During the current financial year, Council has continued to test the groundwater, leachate, surface water and landfill gas in accordance with the environmental auditor verified site environmental management plan. A leachate extraction trial has recently been undertaken to inform the design of a future leachate extraction system, however the results are still being evaluated. A landfill gas pumping trial was conducted to gather information regarding the efficiency of the current extraction system.

Further clarity regarding the cost implications for implementing recommended management measures at the site is expected in 2015-16.

In the financial report for June 2015, Council has an amount of \$4.240 million as a provision for the restoration of the Cathies Lane landfill site, and includes an ongoing commitment of \$0.225 million per annum for site after care to meet EPA obligations for the site where restoration works have been completed. Included in the after care is the cost to provide a bank guarantee to meet the financial assurance requirements imposed by the EPA on Council.

The bank guarantee for \$1.094 million is required to be in place for thirty years post closure.

Part of the site has now been included in the Knox Regional Sports Park. A Section 53V Environmental Audit was undertaken on the site to evaluate risks in allowing the site to be used for passive recreation.

Cathies Lane landfill site is also recognised as a contingent liability (Note 35(c)).

Llewellyn Reserve (Council's previous landfill site)

Council's landfill site at Llewellyn Reserve was closed in 1985. Council has been issued post closure pollution abatement notices from the Environment Protection Authority (EPA) in relation to Llewellyn Reserve, Council's previous landfill site. During the current financial year, Council has continued to test the groundwater, leachate and landfill gas via a monitoring network installed across the site in accordance with the environmental auditor verified site environmental management plan.

Council has developed a number of management plans as required by the EPA outlining the long-term management options for the site. These plans outline management strategies for leachate and landfill gas at the site, but also outline areas of the landfill cap which require remedial remediation works to be completed. All of these plans are currently being reviewed by the environmental auditor, and his review and verification of the proposed works is expected to be completed in 2015-16.

It is regarded that the anticipated cost of the work based on meeting the EPA requirements including ongoing monitoring and reporting will be \$1.771 million. In the financial report for June 2015, Council has an amount of \$1.771 million as a provision for this restoration and for ongoing monitoring and reporting. The Council will be required to incur additional costs should it be directed to adopt an alternative approach. In addition to this, Council is budgeting \$0.350 million per annum until 2018 to build up the cash reserves to assist in meeting the provision requirements of both landfill sites.

An ongoing commitment of approximately \$0.085 million per annum is provided in the operating budget to cover sampling, testing and reporting requirements as required by the EPA. Llewellyn Reserve is also recognised as a contingent liability (Note 35(d)).

Note 28**interest-bearing loans and borrowings**

	2015 \$'000	\$2014 \$'000
Current		
Borrowings – secured	5,240	6,639
Non-Current		
Borrowings – secured	10,127	10,767
Total	15,367	17,406

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

Not later than one year	5,240	6,639
Later than one year and not later than five years	4,027	3,738
Later than five years	6,100	7,029
	15,367	17,406

b) Aggregate carrying amount of interest-bearing loans and borrowings:

Current	5,240	6,639
Non-current	10,127	10,767
	15,367	17,406

NOTE 29

reserves

(a) Asset revaluation reserve

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
2015			
Property			
Land	500,556	–	500,556
Buildings	46,166	(650)	45,516
	546,722	(650)	546,072
Plant and equipment			
Artworks	31	–	31
	31	–	31
Infrastructure			
Roads	253,618	–	253,618
Bridges	3,445	–	3,445
Footpaths and cycleways	10,348	–	10,348
Drainage	94,221	–	94,221
Off street car parks	9,050	–	9,050
Other infrastructure	2,504	291	2,795
	373,186	291	373,477
Total asset revaluation reserve	919,939	(359)	919,580

2014

Property

Land	487,160	13,396	500,556
Buildings	44,372	1,794	46,166
	531,532	15,190	546,722

Plant and equipment

Artworks	31	–	31
	31	–	31

Infrastructure

Roads	253,618	–	253,618
Bridges	3,223	222	3,445
Footpaths and cycleways	9,381	967	10,348
Drainage	93,641	580	94,221
Off street car parks	9,050	–	9,050
Other infrastructure	2,504	–	2,504
	371,417	1,769	373,186
Total asset revaluation reserve	902,980	16,959	919,939

Nature and purpose of asset revaluation reserve:

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

(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
2015				
Open space reserve	6,639	4,065	(2,543)	8,161 *
Basketball stadium infrastructure reserve	53	23	–	76 *
Mountain Gate reserve	614	140	(315)	439
City futures fund	1,494	1,147	(443)	2,198
Landfill rehabilitation reserve	1,014	350	(385)	979
Revegetation net gain	549	50	(549)	50
HACC capital reserve	541	52	(65)	528 *
Revolving energy fund	59	47	(48)	58
Community infrastructure	20	–	–	20
Capital projects reserve	460	–	(180)	280
Aged care reserve	4,337	254	(1)	4,590
State basketball centre asset renewal fund	75	150	–	225 *
Football pitch replacement fund	–	151	–	151 *
Unexpended grant reserve (Victoria Grants Commission)	–	3,804	–	3,804
Total other reserves	15,855	10,233	(4,529)	21,559

* reserve is restricted in nature as it is either a statutory reserve or subject to external restriction (refer to Note 18).

2014				
Open space reserve	5,681	2,564	(1,606)	6,639 *
Basketball stadium infrastructure reserve	14	39	–	53 *
Mountain Gate reserve	140	540	(66)	614
City futures fund	346	1,170	(22)	1,494
Landfill rehabilitation reserve	844	350	(180)	1,014
Unexpended grant reserve (Victoria Grants Commission)	3,946	–	(3,946)	–
Revegetation net gain	468	106	(25)	549
HACC capital reserve	491	50	–	541 *
Revolving energy fund	131	49	(121)	59
Stamford Park	27	–	(27)	–
Community infrastructure	20	–	–	20
Capital projects reserve	892	–	(432)	460
Aged care reserve	5,294	250	(1,207)	4,337
State basketball centre asset renewal fund	75	–	–	75 *
Total other reserves	18,369	5,118	(7,632)	15,855

* reserve is restricted in nature as it is either a statutory reserve or subject to external restriction (refer to Note 18).

NOTE 29

reserves (continued)

(b) Other reserves (cont'd)

Nature and purpose of reserves

Open space reserve

The open space reserve is used to provide funding for future purchases and improvements of open space. Funding is provided from developer's contributions for open space which is initially recognised in the comprehensive income statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent.

Basketball stadium infrastructure reserve

The purpose of this reserve is to improve basketball stadium facilities within the Knox precinct.

Mountain Gate reserve

The purpose of this reserve is to enhance community facilities within Mountain Gate.

City futures fund

The purpose of this reserve is to construct major facilities within the Knox municipality.

Landfill rehabilitation reserve

The purpose of this reserve is to rehabilitate the landfill site at Cathies Lane and Llewellyn Reserve.

Revegetation net gain

The purpose of this reserve is to ensure any loss of vegetation through development is re-established in a sustainable location.

HACC capital reserve

The purpose of this reserve is to refurbish, upgrade and maintain minor capital within the Home and Community Care funded programs.

Revolving energy fund

The purpose of this reserve is to re-invest savings in energy costs to be invested in further works to minimise energy consumption.

Community infrastructure

The purpose of this reserve is to provide community infrastructure within the Mirvac development in Wantirna South.

Capital projects reserve

The purpose of this reserve is to provide for the refurbishment and upgrade of community facilities within the Knox municipality.

Aged care reserve

The purpose of this reserve is to set aside the proceeds from the divestment of the Amaroo Gardens Aged Care Facility by Council on 2 November 2011 for aged services and infrastructure within the Knox municipality.

State basketball centre asset renewal fund

The purpose of this reserve is to provide for asset renewal works at the State Basketball Centre (Knox Regional Sports Park).

Football pitch replacement fund

The purpose of this reserve is to provide for future football pitch replacement at Knox Regional Sports Park.

Unexpended grant reserve (Victoria Grants Commission)

The purpose of this reserve is to quarantine early payment of Victoria Grants Commission General Purpose and Local Roads Federal Grant funding for use in the following year.

Stamford Park

The purpose of this reserve is to develop the Stamford Park site for the benefit of the Knox Community.

NOTE 30**reconciliation of cash flows from operating activities to surplus/(deficit)**

	2015 \$'000	\$2014 \$'000
Surplus/(deficit) for the year	16,990	5,073
Depreciation/amortisation	18,647	18,389
Net loss on disposal of property, infrastructure, plant and equipment	1,415	1,968
Contributions – non-monetary assets	(5,499)	(3,152)
Provision for bad and doubtful debts	(146)	81
Increment in investment in associate	(266)	(9)
Derecognition of asset	–	1,238
Finance costs	989	1,087
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(357)	(416)
(Increase)/decrease in prepayments	(757)	454
(Increase)/decrease in accrued income	(66)	(103)
Increase/(decrease) in trade and other payables	(1,151)	1,580
Increase/(decrease) in provisions	3,871	558
Increase/(decrease) in superannuation	–	(11,583)
Increase/(decrease) in other liabilities	1,502	200
(Increase)/decrease in inventories	(2)	3
Net cash provided by/(used in) operating activities	35,170	15,369

NOTE 31**reconciliation of cash and cash equivalents**

Cash and cash equivalents (see Note 18)	27,884	13,551
	27,884	13,551

NOTE 32**financing arrangements**

Bank overdraft	1,500	1,500
Used facilities	–	–
Unused facilities	1,500	1,500

NOTE 33

commitments

The Council has entered into the following commitments:

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2015					
Operating					
Garbage collection and recycling	15,156	14,676	28,262	9,379	67,473
Open space management	342	339	–	–	681
Consultancies	1,253	785	83	–	2,121
Home care services	196	–	–	–	196
Cleaning contracts for council buildings	248	201	179	–	628
Meals for delivery	114	114	–	–	229
Infrastructure management	833	499	109	–	1,441
Total	18,141	16,616	28,633	9,379	72,768
Capital					
Buildings	143	152	189	–	484
Roads	3,381	472	–	–	3,853
Drainage	–	–	–	–	–
Other infrastructure	1,641	–	–	–	1,641
Total	5,166	624	189	–	5,979
2014					
Operating					
Garbage collection and recycling	10,317	7,755	21,790	14,436	54,298
Open space management	2,503	1,436	–	–	3,939
Consultancies	1,823	598	465	–	2,887
Home care services	63	63	31	–	157
Cleaning contracts for council buildings	517	303	377	–	1,197
Meals for delivery	729	–	–	–	729
Infrastructure management	7,883	327	341	–	8,551
Total	23,835	10,481	23,004	14,436	71,757
Capital					
Buildings	876	–	–	–	876
Roads	566	567	472	–	1,604
Drainage	74	–	–	–	74
Other infrastructure	421	–	–	–	421
Total	1,937	567	472	–	2,975

NOTE 34

operating leases

(a) Operating lease commitments

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

	2015 \$'000	2014 \$'000
Not later than one year	659	777
Later than one year and not later than five years	981	1,420
Later than five years	330	480
	1,970	2,676

(b) Operating lease receivables

Council has a number of leases with external entities where they pay for the use of Council land and buildings. A number of these leases include a CPI based revision of the rental charge annually.

Not later than one year	325	314
Later than one year and not later than five years	1,047	1,044
Later than five years	1,750	1,764
	3,122	3,122

NOTE 35

contingent liabilities and contingent assets

Contingent liabilities

(a) Contingent liabilities arising from professional indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, the Council is at times met with claims and demands for damages allegedly arising from the actions of the Council or its officers. There is one outstanding claim against Council in this regard. It is not possible to quantify the amount of such claims with any degree of accuracy as what is claimed usually bears no relationship to either a final award or an ex-gratia payment with a denial of liability. The Council carries \$300 million (\$300 million 2013-14) of professional indemnity insurance and has an excess of \$20,000 (\$20,000 – 2013-14) per claim on this policy. Therefore, the maximum liability of the Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance

(formerly known as Civic Mutual Plus). There are no claims that Council is aware of which would fall outside the terms of the Council's policy.

(b) Contingent liabilities arising from public liability

As a large 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 an incident that occurs on land belonging to the Council. There are ten outstanding claims against the Council in this regard. The Council carries \$400 million (\$400 million 2013-14) of public liability insurance and has an excess of \$20,000 (\$20,000 – 2013-14) per claim on this policy. Therefore, the maximum liability of the Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance (formerly known as Civic Mutual Plus). There are no claims that Council is aware of which would fall outside the terms of the Council's policy.

NOTE 35

contingent liabilities and contingent assets (continued)

Contingent liabilities (cont'd)

(c) Rehabilitation costs Cathies Lane landfill site

Council operated a landfill site at George Street (formerly Cathies Lane), Wantirna South from 1986-2004 under a licence issued by the Environment Protection Authority (EPA). Under the licence, Council was required to rehabilitate the site and provide for future monitoring and 'after care' of the site as well as a number of other obligations. The site is closed as a landfill but a portion of the site is still being used as a transfer station to receive and transport waste to other sites for disposal. Council has been issued with pollution abatement notices from the Environment Protection Authority (EPA) in relation to the Cathies Lane site.

In the financial report for June 2015, Council has an amount of \$4.240 million as a provision for the restoration and for an ongoing commitment in relation to site aftercare to meet EPA obligations of the Cathies Lane Landfill site (Note 27(b)). This is based on an assessment undertaken in May 2010 and a reassessment of the provision at balance date in which the provision was measured at the net present value of the future rehabilitation costs including after care and site monitoring costs. Council will be required to incur additional costs should it be directed to adopt an alternative approach.

Revised measures to be implemented for the long-term management of leachate and landfill gas are currently being developed for the site and are due to be completed in 2015-16. A bank guarantee for \$1.094 million is in place for thirty years post closure as required by the EPA.

(d) Rehabilitation costs Llewellyn Reserve (Council's previous landfill site)

Council's landfill site at Llewellyn Reserve was closed in 1985. Council has been issued with pollution abatement notices from the Environment Protection Authority (EPA) in relation to Llewellyn Reserve, Council's previous landfill site.

Future management options for leachate and landfill gas have been proposed by Council including a requirement to perform remedial rehabilitation works and a final report is due to be completed in 2015-16. These options have been provided to the environmental auditor for review and upon his verification, Council will develop further plans for implementation of options.

It is regarded that the anticipated cost of the work based on meeting the EPA requirements will be \$1.771 million. This is based on an assessment undertaken in May 2010 and a reassessment of the provision at balance date in which the provision was measured at the net present value of the future rehabilitation costs including after care and site monitoring costs. In the financial report for June 2015, Council has an amount of \$1.771 million as a provision for this restoration and for ongoing monitoring and reporting (Note 27(b)). Council will be required to incur additional costs should it be directed to adopt an alternative approach.

(e) Contingent liabilities arising from potential shortfall in Defined Benefit Superannuation Plan (fund closed to new members in 1993)

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

Funding arrangements

Knox City Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

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

Net investment returns	7.5% pa
Salary information	4.25% pa
Price inflation (CPI)	2.75% pa

Vision Super has advised that the estimated VBI at the quarter ended 30 June 2015 was 105.8%.

Contingent liabilities (cont'd)

(e) Contingent liabilities arising from potential shortfall in Defined Benefit Superannuation Plan (fund closed to new members in 1993) (cont'd)

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

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Knox City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

In addition, Knox City 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 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 Knox City Council) are required to make an employer contribution to cover the shortfall.

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

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

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

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

Latest actuarial investigation surplus amounts

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

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

(f) High Court decision in *Isbester v Knox City Council* (2015)

As a result of the High Court's decision in *Isbester v Knox City Council* (2015) Case M19/2015, Knox City Council will be liable to pay the applicant's (*Isbester*) costs. The final quantum and timing of payment is subject to ongoing negotiations.

Contingent assets

(g) Contingent assets

As a result of development activity within the Knox municipality, Council has identified as a contingent asset the developer contributions of infrastructure assets and open space contributions to be received in respect of subdivisions that are currently under development totalling \$5.447 million (2013-14, \$10.672 million).

NOTE 36

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 and financial liability is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's 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. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

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

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

There has been no significant change in 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 has exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk Council:

- has adopted a Debt Collection and Management Policy and Procedure which provides guidelines for the management and collection of outstanding debts
- may require collateral where appropriate
- invests surplus funds with financial institutions which have a recognised credit rating specified in our Investment Policy.

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks, Council:

- has an Investment Policy which specifies the need to meet Council's daily cash flow requirements
- has readily accessible standby facilities and other funding arrangements in place
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitors budget to actual performance on a regular basis
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

(e) Fair value

Fair value hierarchy

Knox City Council does not have any financial assets that are measured at fair value subsequent to initial recognition.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next twelve months:

- a parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.79%, which is Council's average 90 day term deposit interest rate
- a parallel shift of +1% and -1% in market interest rates (AUD) from a year-end rate of 2.745%, which is Council's interest rate for variable loan borrowings for the financial year.

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

NOTE 37

related party transactions

(i) Responsible persons

Names of persons holding the position of a Responsible Person at Knox City Council during the year were:

Councillors	Councillor Peter Lockwood (Mayor)	Mayor from 12 November 2014 to current.
	Councillor Darren Pearce (Mayor)	Mayor from 1 July 2014 to 12 November 2014.
	Councillor Karin Orpen	
	Councillor Adam Gill	
	Councillor Joe Cossari	
	Councillor David Cooper	Councillor until 15 January 2015.
	Councillor John Mortimore	
	Councillor Tony Holland	
	Councillor Nicole Seymour	
	Councillor Lisa Cooper	Councillor from 28 April 2015 to current.
Chief Executive Officer	Dr Graeme Emonson	

(ii) Remuneration of responsible persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2015	2014
	No.	No.
\$1–\$9,999	1	–
\$10,000–\$19,999	1	–
\$20,000–\$29,999	–	7
\$30,000–\$39,999	6	–
\$40,000–\$49,999	1	1
\$70,000–\$79,999	1	1
\$350,000–\$359,999	–	1
\$370,000–\$379,999	1	–
	11	10
	\$'000	\$'000
Total remuneration for the reporting year for Responsible Persons included above amounted to:	706	687

(iii) Senior officers' remuneration

A Senior Officer other than a Responsible Person is an officer of Council who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$136,000 (\$133,000 in 2013–14).

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

Income range	2015 No.	2014 No.
< \$136,000	–	1
\$136,000 – \$139,999	3	3
\$140,000 – \$149,999	3	1
\$150,000 – \$159,999	3	10
\$160,000 – \$169,999	8	4
\$170,000 – \$179,999	3	1
\$180,000 – \$189,999	1	–
\$220,000 – \$229,999	–	3
\$230,000 – \$239,999	1	1
\$240,000 – \$249,999	3	–
\$250,000 – \$259,999	–	1
\$260,000 – \$269,999	1	–
	26	25
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above amounted to:	4,562	4,228

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was Nil (2013-14: Nil).

(v) Loans to responsible persons

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a responsible person of the Council, or a related party of a responsible person is Nil (2013-14: Nil).

(vi) Transactions with responsible persons

During the period Council entered into no transactions with responsible persons or related parties of responsible persons (2013-14: Nil).

NOTE 38

events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

certification of the financial statements 2014-15

Statement by Principal Accounting Officer

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.



Jon Gorst, B.Com., CPA

Principal Accounting Officer

DATED AT WANTIRNA SOUTH ON THIS
25 DAY OF AUGUST 2015

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Knox City Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Cr Peter Lockwood
Mayor



Cr Karin Orpen
Councillor



Dr Graeme Emonson
Chief Executive Officer

DATED AT WANTIRNA SOUTH ON THIS
25 DAY OF AUGUST 2015

auditor-general's certification of financial statement

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Knox City Council

The Financial Report

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

The Councillors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

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

Auditing in the Public Interest

auditor-general's certification of financial statement (continued)

Independent Auditor's Report (continued)


Independence

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

Opinion

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

MELBOURNE
31 August 2015



For John Doyle
Auditor-General

how to access our annual report

The Annual Report is compliant with Council's Access and Inclusion Policy and meets the Level Double-A Conformance to Web Content Accessibility Guidelines.

The Annual Report is available in various forms including:

- PDF format available from our website
- Word format
- Large print
- Hard copy

Please feel welcome to contact Council for a copy of the Annual Report by telephoning 9298 8000 or sending an email to knoxcc@knox.vic.gov.au

contact us

you are welcome to contact us

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Internet - our public website	www.knox.vic.gov.au
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Speak and Listen Users	1300 555 727 (ask for 03 9298 8000)
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