

2017-2018

**kn**  
**OX**  
your city

**Annual Report**



Welcome to Knox City Council's  
Annual Report for 2017-18.

The Annual Report provides a thorough  
account of Council's achievements,  
challenges and performance from 1 July  
2017 to 30 June 2018. It also provides  
audited financial statements and a  
performance statement.



If you would like a printed copy or  
wish to provide feedback, please  
contact Council on 9298 8000 or  
email [knoxcc@knox.vic.gov.au](mailto:knoxcc@knox.vic.gov.au)

Knox City Council acknowledges the traditional  
custodians of the City of Knox, the Wunrundjeri  
and Bunrong people of the Kulin Nation

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# At a Glance

## Community & Council Plan Goal GOAL 1

**We value our natural  
and built environment**

### In 2017-18 Council...

- Completed Stage One of the Boronia Renewal Project.
- Completed a Public Arts Plan as part of a commitment to build a culturally rich and engaged community through the arts.
- Continued to progress the identification and implementation of strategic and appropriate sites for dog parks in Knox.
- Continued to increase and improve the location of public place recycling bins in Knox, which has resulted in a 7% decrease in waste to landfill over the past three years.
- Planted 3,662 threatened species in 23 distinct sites.
- Planted 1,954 trees.

### 2017-18 Progress

#### Annual Plan Initiatives

4 of 4 achieved

#### Council Targets

Council has progressed work towards achieving the 12 Community and Council Plan targets for Goal 1.

## Community & Council Plan Goal GOAL 2

**We have housing to meet  
our changing needs**

### In 2017-18 Council...

- Continued the implementation of the Affordable Housing Action Plan.
- Conducted the first Urban Design Workshop.
- Commenced planning for the first Knox Good Design Awards.
- Supported the development of the Stamford Park residential estate.

### 2017-18 Progress

#### Annual Plan Initiatives

1 of 3 achieved

2 of 3 at least 85% complete

#### Council Targets

Council has progressed work towards achieving the 4 Community and Council Plan targets for Goal 2.

Community & Council Plan Goal  
**GOAL 3**

**We can move  
around easily**

**In 2017-18 Council...**

- Held a Community Transport Forum to identify ways to improve services.
- Transported 16,945 clients using the Community Transport Service.
- Progressed the Parking Compliance Strategy.
- Advocated to State and Federal Governments for improved transport services including, the Rowville Rail and Knox Tram and bus services.

**2017-18 Progress**

**Annual Plan Initiatives**

1 of 3 achieved

1 of 3 95% complete

1 of 3 experienced some delays and continues to progress

**Council Targets**

Council has progressed work towards achieving the 7 Community and Council Plan targets for Goal 3.

Community & Council Plan Goal  
**GOAL 4**

**We are safe  
and secure**

**In 2017-18 Council...**

- Developed and launched a community program for the 16 days of Activism against gender violence.
- Implemented the Child Safe Standards.
- Implemented a graffiti reporting system (mobile app) in partnership with other metropolitan councils.
- Immunised 8,818 infants at Council-run sessions.

**2017-18 Progress**

**Annual Plan Initiatives**

3 of 4 achieved

1 of 4 did not receive funding and did not progress

**Council Targets**

Council has progressed work towards achieving the 9 Community and Council Plan targets for Goal 4.

# At a Glance

Community & Council Plan Goal

## GOAL 5

**We have a strong regional economy, local employment and learning opportunities**

### In 2017-18 Council...

- Developed the Knox Investment Plan that lists Council's highest advocacy priorities.
- Advanced the planning for the Wantirna Health Precinct.

### 2017-18 Progress

#### Annual Plan Initiatives

1 of 2 achieved

1 of 2 70% complete and continues to progress

#### Council Targets

Council has progressed work towards achieving the 7 Community and Council Plan targets for Goal 5.

Community & Council Plan Goal

## GOAL 6

**We are happy, healthy and well**

### In 2017-18 Council...

- Developed a strategy to address packaged alcohol outlets and links to harmful alcohol use.
- Conducted a pilot program of workshops on health and wellbeing at three sporting clubs in Knox.
- Progressed the development of an Aquatic Plan.
- Held the Knox Over 55's Zest4Life activities, which had 5,358 attendees.

### 2017-18 Progress

#### Annual Plan Initiatives

2 of 3 at least 80% complete

1 of 3 experienced unforeseen delays and will continue to progress in 2018-19

#### Council Targets

Council has progressed work towards achieving the 7 Community and Council Plan targets for Goal 6.

Community & Council Plan Goal

## GOAL 7

**We are inclusive, feel a sense of belonging and value our identity**

### In 2017-18 Council...

- Held Sorry Day in May 2018 which had 151 attendees.
- Coordinated NAIDOC week activities which had 150 attendees.
- Achieved a 25% increase (25,000) in attendance at the Knox Festival.
- Developed relationships with community houses for extended programming related to digital literacy.
- Reviewed and implemented changes to Council's Community Operation Funding program.
- Improved and centralised the management of volunteers in Knox.

### 2017-18 Progress

#### Annual Plan Initiatives

4 of 7 achieved

2 of 7 at least 90% complete

1 of 7 experienced delays and continues to progress

#### Council Targets

Council has progressed work towards achieving the 6 Community and Council Plan targets for Goal 7.

Community & Council Plan Goal

## GOAL 8

**We have confidence in decision making**

### In 2017-18 Council...

- Reviewed Council's Advisory Committees and developed a new operating model.
- Completed Council's Communication Strategy.
- Continued to progress Council's ICT Strategy to support efficiency and effectiveness and increase capacity for customer self-service.
- Developed a research and mapping function to strengthen and centralise the coordination, collection and provision of research and data to support future planning by Council.
- Developed a framework for key agency and stakeholder networking opportunities.

### 2017-18 Progress

#### Annual Plan Initiatives

4 of 5 achieved

1 of 5 80% complete and continues to progress

#### Council Targets

Council has progressed work towards achieving the 5 Community and Council Plan targets

# Mayor's Message



Over the last 12 months we have seen some exciting progress on key local projects and initiatives that will deliver major benefits for communities across Knox.

As Mayor, working alongside my fellow Councillors, I have had the opportunity, to help shape the progress of many of these initiatives over the last 12 months. Some highlights include:

- The soon-to-be-completed Early Years Hubs in Bayswater and Wantirna South, which will transform the face of early years education in Knox for the better;
- Development of the Knox Investment Plan, which details Council's highest advocacy priorities and plans to partner with State and Federal Government, in delivering important community infrastructure projects in Knox.
- Completion of the Knox Community Access and Equity Implementation Plan. This plan aims to ensure that all people are supported to fully participate in the community, that their human rights are protected and promoted and, that they have equitable and dignified access to information, goods, service and life-opportunities.
- Completion of Stage One of the Boronia Renewal Project, including the preparation of a Boronia Strategic Community Engagement Plan.

Other projects I am proud of include the Living Rivers Program and the Enhancing our Dandenong Creek project. These last two projects will deliver significant and lasting improvements in Knox wetlands and bushland areas, and lead to greatly improved environmental as well as social outcomes.

We have also been working on a number of community safety initiatives, including building stronger links with police on important community issues such as family violence, suicide, mental health and child welfare.

Of particular note is Council's successful advocacy to secure support and funding for the delivery of the next phase of the Knox Regional Sports Park. Phase Two will potentially see the addition of ten new basketball courts, including an 8,000 seat capacity sports arena, new 5-a-side soccer pitches, a gymnastics facility and a Centre of Excellence facility and high-performance training centre.

Of no less significance is the ongoing tireless contribution of volunteers across our organisation and in the community, in support of local events, activities and initiatives such as Meals on Wheels. As Mayor I salute their efforts and thank them sincerely for all that they do on our community's behalf.

Lastly, I'd particularly like to recognise and thank George and Pat Hetrel, who topped off many years of community contribution with an incredible \$1 million donation to improve Batterham Reserve in The Basin. It is through such generosity that we nurture a strong sense of community spirit and inspire everyone to work towards our broader community goals.

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

**Councillor John Mortimore**

Knox Council Mayor



## CEO's Message



I am pleased to report that, since our last Annual Report, Knox City Council has continued to build momentum in the delivery of a large number of exciting and transformational initiatives across our great city.

In keeping with goals and priorities outlined in the *Knox Community and Council Plan 2017-2021*, our Councillors and Council staff have progressed a large number of projects and initiatives of benefit to the wider Knox community.

This work has been complemented by the development and implementation of new internal processes and systems that are making Knox a more streamlined and efficient organisation. Importantly, these improvements to processes and systems are making it easier for our community to transact, interact and engage with Council.

Goals and priorities delivered in the first year of the Knox Community and Council Plan include:

- Increasing and improving the location of public place recycling bins in Knox, resulting in a 7% decrease in waste to landfill over the past three years;
- Supporting the development of the Stamford Park residential estate in Rowville;
- Developing a strategy to address packaged alcohol outlets and links to harmful alcohol use;
- Immunising 8,818 infants at Council-run immunisation sessions; and
- Advocating to State and Federal Governments for improved transport services including Rowville Rail, the Knox Tram and bus services.

Council also continues to perform strongly on service delivery to our community, including in areas like Customer Service, Active Ageing and Youth Services to name just a few. For example, Council received more than 115,000 incoming customer calls over the last year - of which 93% were resolved at the initial point of contact.

Council also delivered 29,627 hard waste bookings and planted 1,954 trees across Knox in keeping with our vision of a sustainable, clean and green city.

Council is also utilising technology to help improve and make more convenient, a range of key services it provides by making them available online. This work compliments our internal efficiency program, which continues to improve the way Council does business.

This in turn has enabled Council to deliver a well-considered Annual Budget, with a 2.25% rate increase in line with the Victorian Government's Fair Go Rates System.

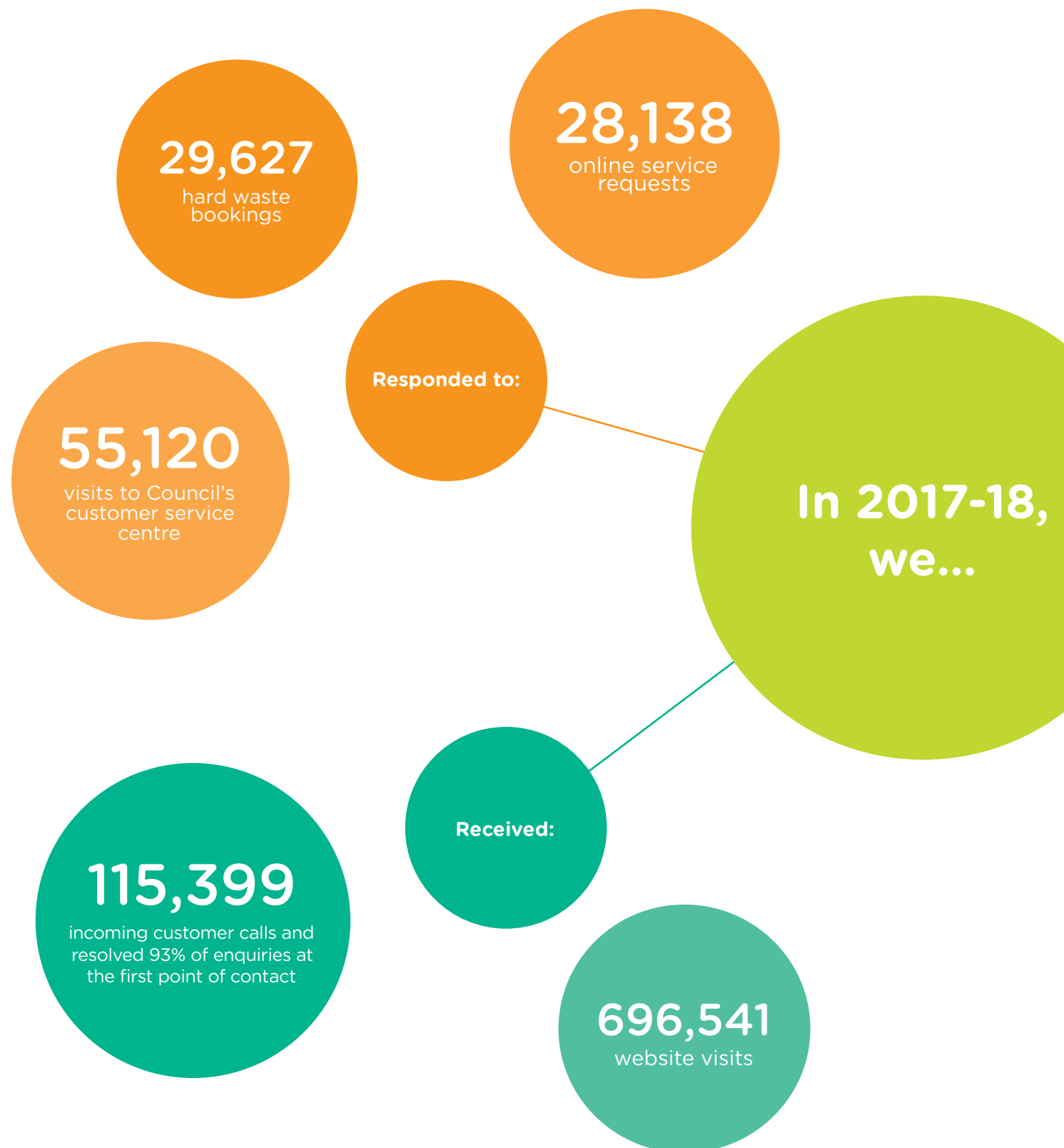
All of the above outcomes and initiatives would not, of course, be possible without the active support and strong leadership of our Councillors. I would also like to thank all Council staff for their professionalism, hard work and dedication during the past year.

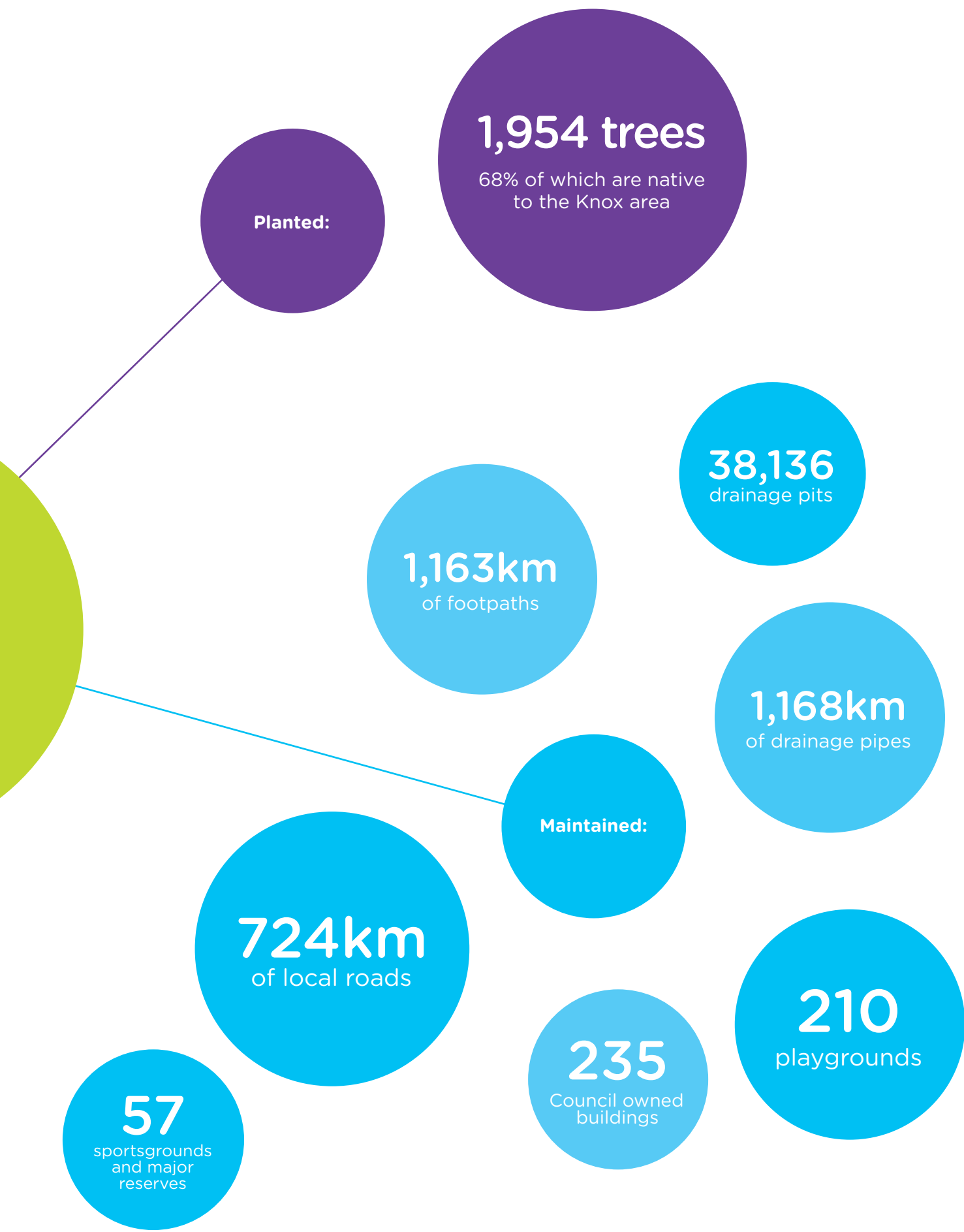
A handwritten signature in black ink, appearing to be 'Tony Doyle', written in a cursive style.

**Tony Doyle**  
Chief Executive Officer

# 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 2017-18.





# 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.**

## Vision 2035

The Vision 2035 statement describes the long-term aspirations of the Knox community. We asked people in the community what makes Knox what it is today and what they would like to see in Knox in the future. Many community members, businesses and other stakeholders acknowledged that Knox is a great place to live, and noted that young people don't want to leave the place where they have grown up. Therefore, Vision 2035 is about enhancing what already exists, building on our strengths and working together to overcome our challenges.

Nestled between the foothills of the Dandenong Ranges and the wetlands of the Dandenong Valley, Knox has a rich natural environment and picturesque landscape, highly valued by residents and visitors alike. Knox encompasses the best of city and suburban living. From the thriving modern city vibe of Knox Central at its heart, plentiful public open spaces, outstanding civic facilities and diverse residential offerings to its leafy suburban centres with abundant space, clean air, excellent schools and good transport links, Knox is the preferred place to live, work and play today and for generations to come.

## Our Values

Council prides itself on being a values-based organisation. It has a strong reputation, with both industry and its staff, for having a workplace culture that genuinely exemplifies 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 foundation for consistent planning and decision-making across the organisation. Our values are:

### 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.

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## Our Values (cont.)

### 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 a decision 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 and healthy workplace.
- Taking responsibility for the impact of our own actions.
- Joining others in appropriately celebrating team and organisational success.

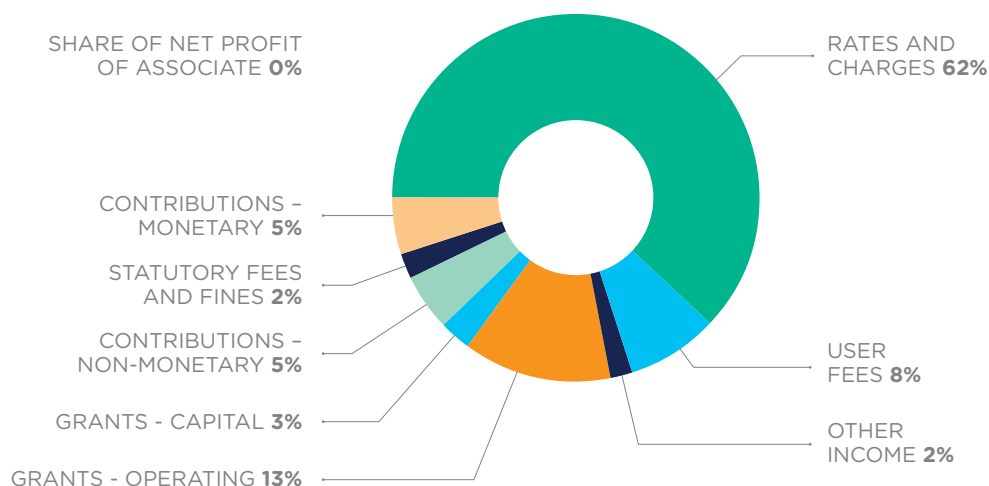
# Financial Summary

## Financial Performance

For the year ended 30 June 2018, Council recorded a surplus of \$31.195 million. This net surplus compares favourably with an operating budget surplus of \$3.951 million. The surplus is primarily due to higher than budgeted developer monetary contributions (\$3.876 million) and non-monetary contributions (\$7.495 million), with higher than anticipated number of developments. This has also resulted in higher than budgeted supplementary rates and charges income (\$2.166 million). Operational grants were higher than budgeted (\$2.895 million) as a result of the partial prepayment of the 2018-19 Victoria Grants Commission Financial Assistance Grant (\$3.263 million). Lower than budgeted employee costs (\$2.965 million) and materials and services (\$6.350 million) also contributed to the surplus.

## Income

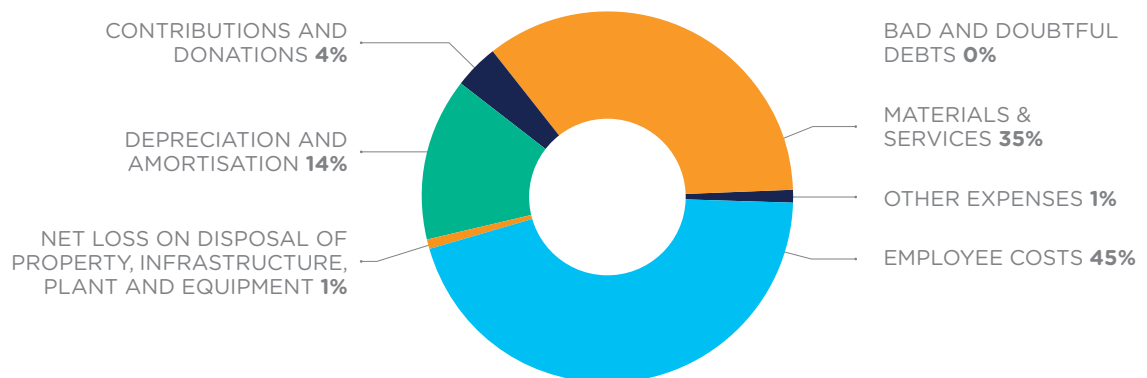
Total income for the year was \$176.658 million. Overall income increased in 2017-18 by \$11.725 million, a 7.1% increase from the previous year. The majority of this income is derived from rates and charges of \$109.024 million. This represents 61.71% of the total income generated. Other major sources of income included grants of \$27.980 million, user fees of \$14.772 million, monetary contributions of \$8.808 million and non-monetary contributions (contributed assets from developments) of \$9.495 million. A breakdown of Council's income sources is shown in the following chart which highlights Council's reliance on rate income to fund community services and the renewal of community assets.



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## Expenses

Total expenses for 2017-18 were \$145.463 million, a decrease of \$1.018 million. A breakdown of Council's expenditure categories is shown in the following chart. It highlights that the majority of total expenses consisted of employee costs of \$65.286 million and materials and services of \$50.722 million.



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## Overall Financial Position

The Balance Sheet indicates that Council continues to be in a strong financial position, with a satisfactory level of cash assets and a positive working capital ratio. The working capital ratio assesses Council's ability to meet current commitments and is calculated by measuring Council's current assets against current liabilities.

Council's ratio of 2.36:1 is an indicator of Council's strong financial position. This means that Council has \$2.36 of current assets for each \$1.00 of current liabilities. Council's total net assets increased to \$2.041 billion as at 30 June 2018, which reflects the comprehensive result for the financial year.

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## Cash Flow

Council's cash position as at 30 June 2018 was \$64.251 million, which is represented by cash and cash equivalents of \$17.651 million and other current financial assets (term deposits) of \$46.600 million. Of this amount, \$3.683 million is restricted cash that is to be applied to trust funds and \$15.884 million to other reserves. This result represents a decrease in cash holdings from the prior year of \$3.279 million.

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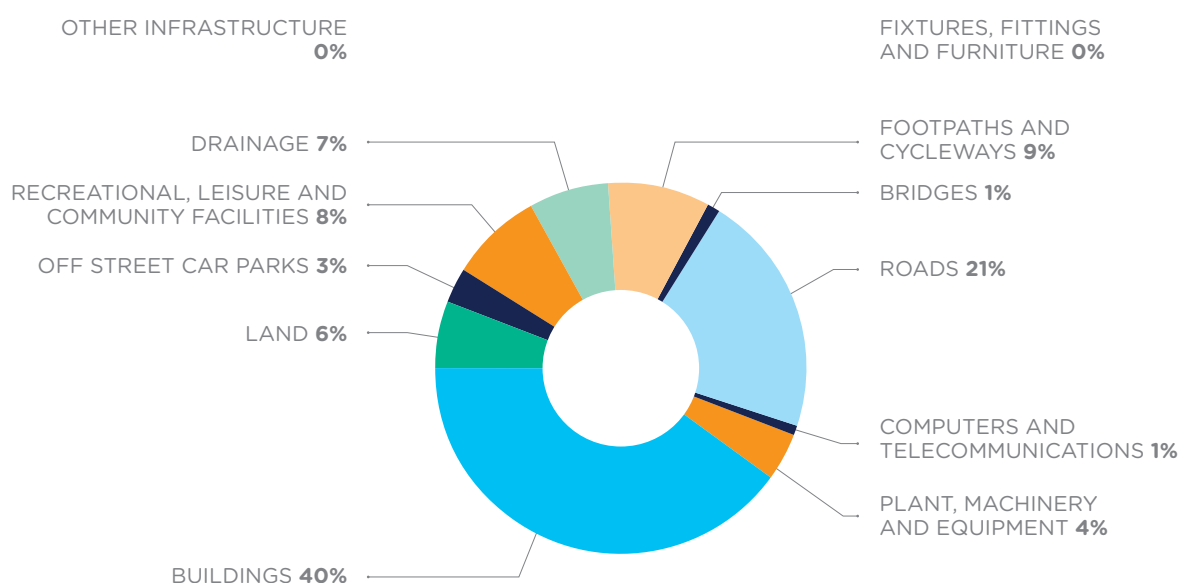
## Capital Works Program

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

# Financial Summary

## Capital expenditure

Council allocates funding on an annual basis to the renewal of the community's assets, which are valued at over \$1.6 billion. Funding is also allocated to the new, upgrade, asset expansion and legal requirements programs, to deliver a range of works that enhance the city and its infrastructure. In 2017-18 Council delivered capital works to the value of \$50.31 million, of which \$44.54 million met the accounting requirements for capitalisation. The following chart details the allocation of Capital Works expenditure in 2017-18.



## Asset Management

Council continued its journey towards providing a sustainable level of asset renewal funding to ensure financial sustainability into the future. Council's capital works budget for 2017-18 was \$94.99 million. This included \$36.21 million for asset renewal, which incorporated funding to support the renewal of existing assets, including roads, bridges, buildings, drainage, footpaths, shared paths, street trees, open space and recreation facilities.

Having implemented its initial suite of Asset Management Plans, Council is now developing the second generation of plans, which will bring a stronger service lens to the planning and management of Council's assets. These plans will ensure that key management directions have been defined and costed across all asset infrastructure categories.

To support Council's knowledge of asset performance, a program of condition audits has been completed across all asset categories to better inform planning and decision-making.



### Major Asset Renewals in 2017-18

Road pavement, kerb and channel, and footpath/shared path reconstruction programs, including the following:

- Road reconstructions of Ashton Road, Windemere Drive and Kingston Street, Ferntree Gully; Sasses Ave, Bayswater; Smithfield Square, Wantirna; Fulham Road, Rowville; and Rosehill Streets, Scoresby.
- \$3.99 million in road resurfacing works throughout Knox.
- \$2.47 million in footpath improvements and \$0.52 million in shared-path improvements.

The Active Open Space program included the following works:

- Finalisation of oval renewals at Lewis Park, Wantirna South and works at Park Ridge Reserve, Rowville; Templeton Reserve, Wantirna; and Kings Park Reserve, Ferntree Gully.
- Tennis court renewals at Scoresby (Exner) Reserve and Knox Gardens Reserve.

Buildings and facilities renewal works included the following:

- Male/female change rooms and accessible toilet works at Knox Leisureworks.
- Mechanical plant renewal at Knox Leisureworks.
- Air conditioning works at the State Basketball Centre.
- Timber flooring replacement at Rowville Community Centre.
- Access ramp at Rosa Benedikt community centre.
- Internal and external painting at multiple community facilities.

### New Assets Built or Upgraded in 2017-18

- Ongoing major project works for the Wantirna South and Bayswater Early Years Hubs, in addition to upgrades to Stamford House and surrounds.
- Completion of the bulk street light replacement program utilising energy efficient LED globes.
- Finalisation of the Mountain Highway streetscape works in Bayswater.
- New floodlighting at Schulz Reserve and upgrades to floodlighting at Wally Tew Reserve and H.V Jones Reserve.
- Installation of electronic scoreboards at seven facilities across Knox.
- Improvements to outdoor amenities at the Knox Regional Sports complex.
- Solar panel installation at Coonara House.
- New footpaths along Mountain Highway, The Basin, Bergins Road, Rowville, new shared paths along Napoleon Road, Lysterfield and Burwood Highways, Wantirna and bicycle priority improvements along George Street, Scoresby.
- Open space upgrades at Marie Wallace Reserve, Bayswater; Rumann and Benedikt Reserves, Scoresby; Scoresby (Exner) Reserve; Tim Neville arboretum, Ferntree Gully; Picketts Reserve, Ferntree Gully; Arcadia Reserve, Rowville; and Templeton Reserve, Wantirna.
- Drainage works at the Dobson Street retarding basin and flood mitigation works at Nathan Street, Ferntree Gully.
- Integrated stormwater solutions at Mint Street wetlands, Cash Fues Place, Wantirna and Suffern Avenue, Bayswater.

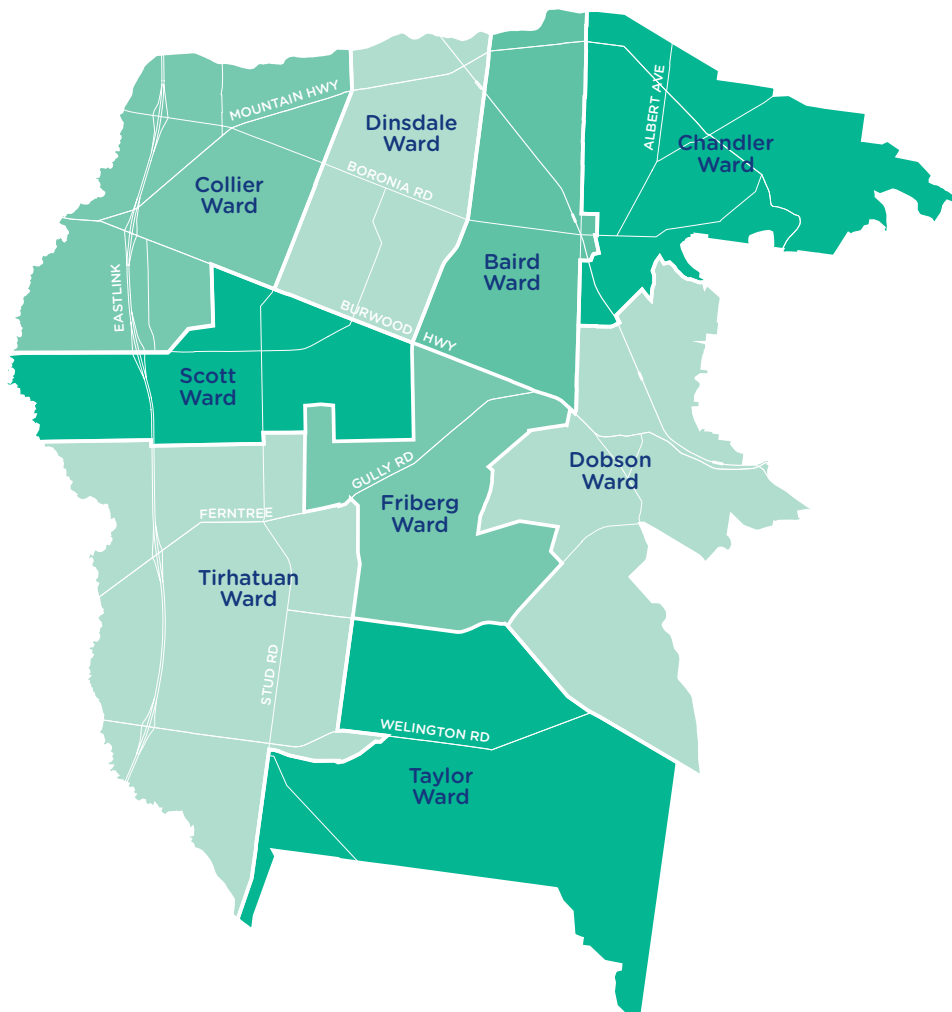
# Our Council

## Our City, Our People

The municipality of Knox is named after Sir George Hodges Knox (1885–1960), who was a local and state politician. Sir George was elected in 1923 to the Ferntree Gully Shire Council. In 1927 he won the Legislative Assembly seat of Upper Yarra for the Nationalists. Sir George was a diligent local member and remained unopposed between 1929 and 1940. From 1945 until his passing in 1960, he represented Scoresby and is now commemorated with a municipality named after him.

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 speaking 54 languages. The City of Knox has an estimated resident population of 162,116 (30 June 2018) and covers an area of 114 square kilometres. The area boasts a green, leafy environment extending to the foothills of the picturesque Dandenong Ranges. Knox comprises the following suburbs: The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Sassafra, Scoresby, Upper Ferntree Gully, Wantirna and Wantirna South.

## Map of Knox



Facts about  
Knox



# Our Council

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## Our Councillors

### **Cr John Mortimore – Mayor Chandler Ward**

Current term: 2008–current

Mayoral term:  
November 2017–current

Deputy Mayoral term:  
February 2017–November 2017

### **Cr Jake Keogh – Deputy Mayor Dobson Ward**

Current term: 2016–current

Deputy Mayoral term:  
November 2017–current

### **Cr Peter Lockwood Baird Ward**

Current term: 2012–current  
Mayoral term: 2014–2015

### **Cr Jackson Taylor Collier Ward**

Current term: 2016–current

### **Cr Adam Gill Dinsdale Ward**

Current term: 2003–current  
Mayoral term: 2011–2012

### **Cr Tony Holland Friberg Ward**

Current term: 2012–current  
Mayoral term: 2015–2016

### **Cr Lisa Cooper Scott Ward**

Current term: 2015–current

### **Cr Darren Pearce Taylor Ward**

Current term: 2008–current  
Mayoral term: 2013–14, 2016–2017

### **Cr Nicole Seymour Tirhatuan Ward**

Current term: 2012–current

# Our Organisation

## OUR EXECUTIVE MANAGEMENT TEAM

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### Tony Doyle

*Chief Executive Officer*



Tony joined Knox Council as its Chief Executive Officer in July 2016.

Prior to his appointment to Knox, Tony served as Chief Executive at Hindmarsh Shire Council in western Victoria, a position he held for three years. He brings strong leadership and financial skills to the role as well as a passion for working with communities and creating formative community partnerships.

Before joining local government, Tony had a successful career in the financial services sector, holding senior leadership positions with one of Australia's largest banks. He has worked in Australia and the United Kingdom and has led large and diverse teams across a number of environments.

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### Julia Oxley

*Director City Development*



Julia joined Knox Council as Director of City Development in May 2018.

Julia's career spans more than 30 years across a range of sectors and portfolios in the private and public sector, including essential and emergency services. Prior to joining Knox, Julia was the CEO of ESTA (Emergency Services Telecommunications Authority).

An experienced and versatile executive leader, Julia brings to Knox a strong sense of purpose, a passion for empowering people to deliver results, and a commitment to serve, lead and improve.

Julia holds a Masters of Business (Marketing), a BA (Social Sciences) and is a graduate and member of the Australian Institute of Company Directors. A member of the Victorian Council of Social Service, Julia is deeply interested in improving society, eliminating inequality and helping the vulnerable.

Julia's Directorate consists of:

- City Futures
- City Planning & Building
- City Safety & Health

# Our Organisation

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## Michael Fromberg

*Director  
Corporate  
Services*



Michael joined Knox Council as the Director of Corporate Services in July 2017.

Michael's background includes the leadership of large teams providing a wide range of internal and external services, the leadership of programs aimed at transformational change and experience across multiple industries including Finance, Logistics, Manufacturing and Local Government.

This diversity of experience, coupled with a deep understanding of LEAN and Agile business improvement techniques and a passion for community and customer service, has enabled Michael to build high performance teams that are capable of delivering exceptional results.

Michael's formal qualifications include a Bachelor of Engineering (University of Tasmania), Diploma of Project Management and he is accredited as a Six Sigma Master Black Belt.

Michael's Directorate consists of:

- Business & Financial Services
- Communications
- Governance & Strategy
- Information Technology
- Transformation

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## Kerry Stubbings

*Director  
Community  
Services*



Kerry commenced as Director of Community Services at Knox Council in September 2007.

Kerry has extensive experience working at a senior level in a wide range of community service and community development programs in Local Government, State Government and the community sector. Kerry's experience encompasses strategic planning, policy development, project management, facility development as well as the management of service delivery.

Kerry's formal qualifications include a Bachelor of Arts and Diploma of Education (Monash), a Graduate Diploma in Management (RMIT), a Diploma in Project Management (Swinburne) and she is a graduate member of the Australian Institute of Company Directors (AICD). She is a member of the Local Government Professional Association (LGPro) and an alumni of Leadership Victoria.

Kerry's Directorate consists of:

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

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**Ian Bell**

*Director  
Engineering &  
Infrastructure*



Ian commenced as Director of Engineering and Infrastructure at Knox Council in July 2005.

Over the past 30 years, Ian has held senior roles in areas including strategy formulation and implementation, project and infrastructure management and initiation and implementation of capital and operational works programs

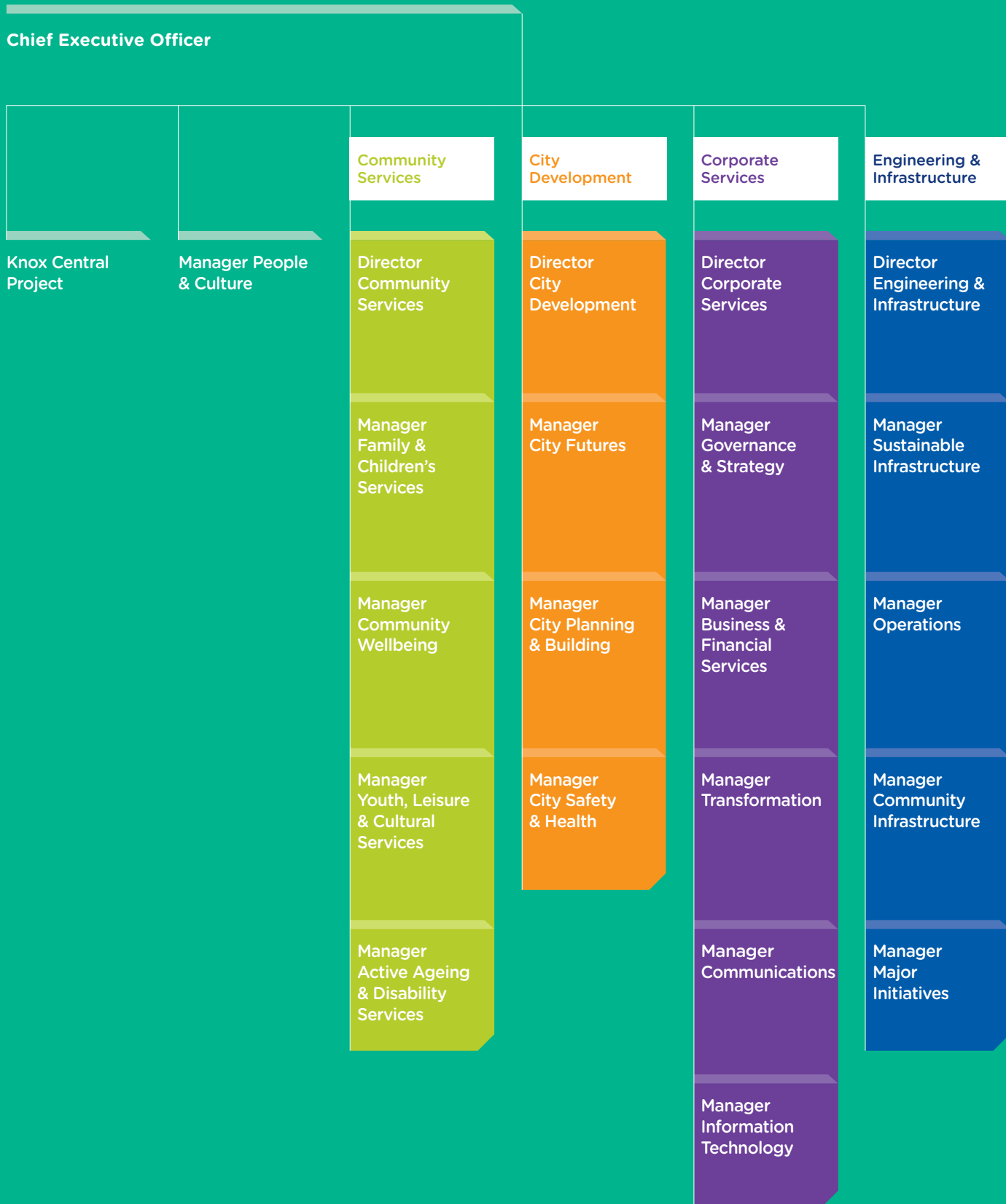
Ian holds a Diploma of Applied Science, a Masters in Landscape Architecture, and an MBA. In 2012, he completed a PhD at La Trobe University, which focused on sustainability and business strategy.

Ian is also a member of the Australian Institute of Landscape Architects (AILA), the Institute of Public Works Engineering Australia (IPWEA) and the Australian Institute of Company Directors (AICD).

Ian's Directorate consists of:

- Community Infrastructure
- Major Initiatives Unit
- Operations
- Sustainable Infrastructure

# Our Organisation





**Council's  
People and  
Organisational  
Performance**

As at 30 June 2018, Council employed 977 staff, which consisted of full-time, part-time, temporary and casual positions.

Overall, 108 permanent or temporary staff joined Council during the year to fill vacant positions and meet increased legislative, project and operational requirements.

**STAFF BY FUNCTIONAL AREA 2017-18 AS AT 30 JUNE 2018**

Directorate	Full time		Part time		Casual		Gender Total				Overall Total	
	Female	Male	Female	Male	Female	Male	Female	FTE*	Male	FTE*	TOTAL	FTE*
Chief Executive's Office <sup>1</sup>	9	4	5	0	2	0	16	11.94	4	4	20	15.94
City Development	37	44	79	50	20	10	136	54.12	104	55.25	240	109.37
Engineering & Infrastructure	27	105	12	4	1	0	40	34.29	109	107.12	149	141.41
Community Services	107	13	269	22	51	7	427	248.32	42	22.59	469	270.91
Corporate Development	39	20	30	7	2	1	71	58.69	28	24.51	99	83.2
<b>Total</b>	<b>219</b>	<b>186</b>	<b>395</b>	<b>83</b>	<b>76</b>	<b>18</b>	<b>690</b>	<b>407.36</b>	<b>287</b>	<b>213.47</b>	<b>977</b>	<b>620.83</b>

Notes: <sup>1</sup> Includes Knox Central and People Performance

FTE Full-time equivalent

\*Excludes casual staff and vacant positions

**Council Staff**

A summary of the number of FTE staff categorised by employment classification and gender is detailed in the following table.

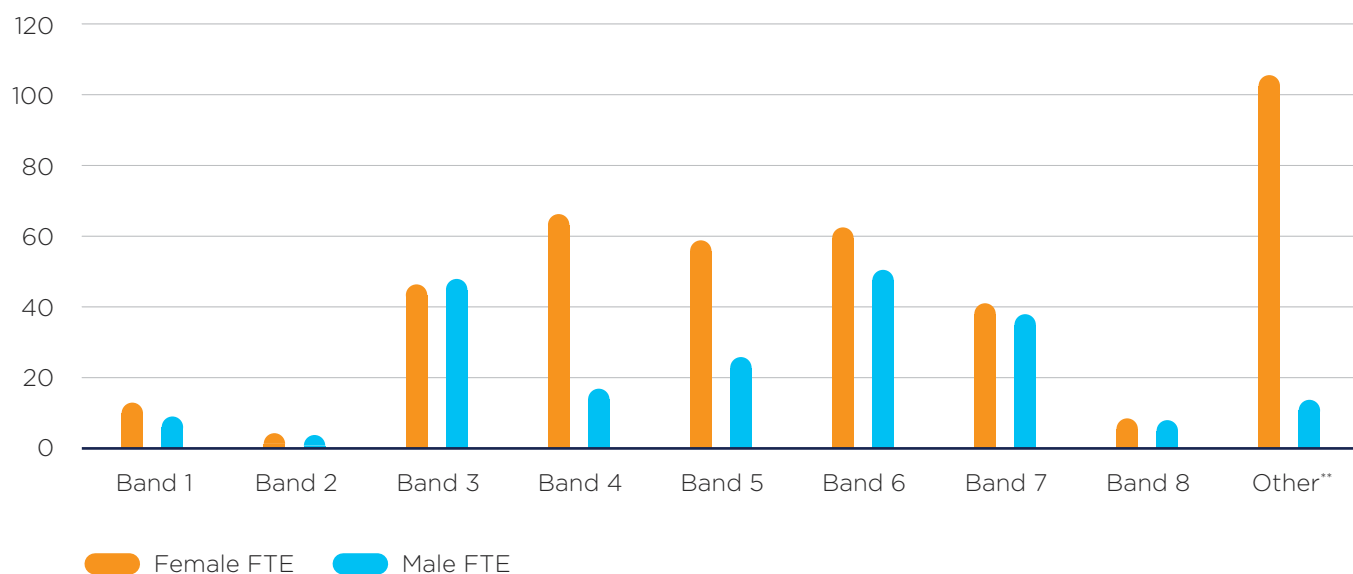
Employee Classification*	Female FTE	Male FTE	Total FTE
Band 1	13.38	9.00	22.38
Band 2	4.32	3.82	8.14
Band 2	46.40	47.75	94.15
Band 4	66.36	17.09	83.45
Band 5	58.91	25.80	84.71
Band 6	62.51	50.47	112.98
Band 7	41.21	37.75	78.96
Band 8	8.44	8.00	16.44
Other**	105.82	13.80	119.62
<b>Total</b>	<b>407.35</b>	<b>213.48</b>	<b>620.83</b>

Notes: \* Temporary FTE equates to 62.08 FTE

\*\* "Other" includes non-banded workforce members, including health professionals and nurses (18.67 FTE), teachers, assistants (75.15 FTE), and senior officers (25.80 FTE).

# Our Organisation

## Number of staff (FTE) by employment classification and gender



Notes: \* Temporary FTE equates to 62.08 FTE

\*\* "Other" includes non-banded workforce members, including health professionals and nurses (18.67 FTE), teachers, assistants (75.15 FTE), and senior officers (25.80 FTE).

### People and Culture

This year the organisation commenced a co-design process, using human centred design methodologies, to review and reimagine a number of organisational development strategies, frameworks and processes.

The project covered the following:

- Knox People Strategy
- Knox People: A Profile of our Values, Attributes and Core Capabilities
- Performance and Development Review framework and process
- Talent management, succession management and workforce planning

This work will continue in 2018-19.

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## Equal Opportunity

Council takes its equal opportunity responsibilities seriously and is committed to upholding the principles of the *Equal Opportunity Act 2010*, which are affirmed in Council's Enterprise Agreement.

The objectives of the equal opportunity program are to:

- 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 the topics of compulsory training programs for all staff.

These training programs draw on education of staff, staff feedback and opportunities for positive initiatives and implementation of any changes in legislation.

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## Listen, Learn and Lead Gender Equity (LLLGE) Program

Council was successful in obtaining a \$5,000 grant through Local Government Victoria to implement the Listen, Learn and Lead Gender Equity (LLLGE) program.

The program is modelled on the successful Champions of Change program. It includes the themes of stepping up as leaders, creating accountability, disrupting the status quo, and dismantling barriers to greater gender equity. The 13-week program supports Victorian councils in advancing gender equity and diversity in their organisation by facilitating rich discussions between Chief Executive Officers (CEO's) and council staff on the subject of gender equity.

The aim of the program is to identify and implement strategies and actions to improve outcomes for women in leadership positions in Victorian councils by:

- encouraging a deeper level of insight into the barriers to gender equality that need to be tackled within council organisations;
- informing the development or enhancement of council's gender equity actions;
- sharing insights and identifying opportunities for sector-wide action where combining efforts will lead to greater impact.

Consultation for Council's LLLGE program took place during August and September 2017. The CEO and Program Coordinator conducted five focus groups, 11 individual interviews and a whole-of-Council survey. In total, 159 staff touchpoints were generated throughout the program, which represented approximately 16 percent of Council's workforce.

The program report formed the basis of Council's new 10-point Gender Equity Plan for its own workforce. The plan was launched on 8 March 2018 as part of International Women's Day promotions. A strategic leadership forum was held on 25 June 2018 with Executive Management, Senior Management and Coordinators to progress the 10-point plan and identify priority actions.

# Our Organisation

## Health and Wellbeing

Council's health and wellbeing focus in 2017-18 was to move from the long-standing Health Improvement Program (HIP) towards a more integrated approach within an overall health, safety and wellbeing context, but with the same aim of encouraging self-engagement and motivation of staff to adopt healthy habits that would be beneficial for both work and home life.

Work continued in the mental health area, with work being undertaken on the Psychologically Healthy Workplace Action Plan. This plan will be used as a guide to drive the integration of psychological health into Council's overall health and safety framework and more generally throughout its policies, practices and procedures.

Council undertook a Wellness@Work survey for the first time, through Deloitte to provide a baseline reading of the current wellbeing status of Council employees. This survey returned an excellent response rate of over 60 percent of all staff, giving Council a sound knowledge base from which to plan areas of focus and from which to judge future improvements in this area.

In 2017-18, Council retained its Mental Health First Aid Gold status (continuing to be the only metropolitan council in Australia to have achieved this status). Refresher training for accredited staff is planned for next year and will be opened up to new staff.

The Wellness@Knox committee was formed and took over from the previous Wellbeing Works Committee. The Committee has facilitated a number of Health and Wellness initiatives, including the provision of exercise bikes for casual use and the popular Food4Life program.



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## Safety Activities

Workplace safety has continued to be a major focus for the organisation. Council continues to adapt its health and safety system to be responsive to both compliance requirements and best practice. The overall framework is currently being redesigned to integrate wellbeing.

During 2017-18, Council continued develop the safety-focused initiatives implemented in 2016-17. This included presentation of the Take 5 risk awareness program to staff that had not previously been covered; improvement of Council's online reporting tool, including the ability to attach files and access the software more easily; and improvement of the format of executive health and safety dashboards.

Hazard and incident reporting increased once again, following the expanded focus on incident and hazard reporting. Its aim is to help prevent incidents from occurring and thereby reduce injury rates.

Safety reports increased from an overall total of 512 in 2016-17 to 867 in 2017-18, an improvement of over 40%. This increase was largely related to 'proactive' Safety Reports (Hazard and Near Miss reports), which increased from 224 (2016-17) to 571 (2017-18).

There has been a modest reduction in injury reports from 235 last year to 211 in 2017-18. This has been largely due to a reduction in injuries classified as 'major' (Medical Treatment Injuries and Lost Time Injuries) from 65 (2016-17) to 51 (2017-18).

WorkSafe notifications, as required under the *Occupational Health and Safety (OHS) Act 2004*, have remained relatively stable and low (four for the year) and were confined to accidental injuries to children in the Early Years services (falls from equipment, etc.) rather than any occurrences related to more general Occupational Health and Safety practice.

A redesign of the OHS consultation structure (designated work groups and their elected health and safety representatives) was undertaken, with key features being a simplification of the structure of designated work groups and the integration of wellbeing into the overall health and safety framework. The aim is to provide improved opportunities for staff and their elected health and safety representatives to consult on health, safety and wellbeing matters. The new structure will be implemented in 2018-19.

Other initiatives that were finalised or where there had been considerable progress towards completion during 2017-18 included:

- a review of the need for additional Automated External Defibrillator (AED) units within Council buildings and subsequent provision/expansion of locations at which AEDs are deployed;
- a review and upgrade of emergency management practice and procedures, including new resource material for fire wardens and design of new, compliant evacuation procedures maps;
- the review of lone worker risks across all Council operational areas to provide risk management and control options for lone worker situations.

# Our Organisation

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## Injury Management

Council continued to achieve and maintain positive return-to-work results. This was reflected in Council's performance rating, which remained significantly higher than industry standards.

Council's injury management program continued to assist staff to successfully return to work after experiencing both work-related and personal injuries. The phasing in of a new on site physiotherapy provider with increased access to these services, including an improved online booking interface, has improved Council's services in this area.

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## Risk Management

### Business Continuity Planning

A business continuity plan masterclass was held for all business continuity plan managers in July 2017. The purpose of the masterclass was to improve general understanding of business continuity management, crisis management and why it matters. Following the masterclass, Council's suite of business continuity plans were reviewed and simplified.

### Risk Review

The Executive Management Team continued to review Council's Risk Register quarterly, with regular reports for both operational and strategic risks provided to Council's Audit Committee. This ensures that risks are effectively reported and monitored. This year a holistic risk review was undertaken to refresh all of Council's risks. Strategic risks were brought into line with the new Community and Council Plan. As part of this process, key themes and Council priorities were identified. A complete review of Council's operational risks followed this process.

### Vehicle Insurance Claims

Council's fleet of registered vehicles including cars, trucks, tractors and trailers, has increased from 205 last year to 229 this year. The number of 'over excess' vehicle insurance claims increased due to a hailstorm event in December 2017, which led to an increase in claims from 12 to 49. The number of vehicle 'under excess' claims increased from 38 to 58.

### Insurance Claims against Council

The number of non-vehicle 'under excess' insurance claims dropped from 93 to 82 in this financial year. Claims most commonly related to tree falls, tree root damage, trips and falls due to uneven surfaces and damage to motor vehicles. 'Over excess' claims, typically tree damage and personal injury, remained stable with insurers reporting a modest reduction in overall claims costs of 2.4 per cent.

### Managing Risk

Council's Risk Management Framework – which includes the risk policy, plan and procedure – forms the basis of risk management activities applicable to all Council services. The framework is reviewed every three years. A review of the framework commenced in 2017-18, and will be submitted to the Audit Committee in August 2018.

# Our Performance

## Community & Council Plan 2017-21

On 26 June 2017, Council endorsed the new Community and Council Plan 2017–21, which replaces the *Knox Vision: Our City, Our Future*, the City Plan (incorporating the Council Plan) 2013–17 and Council’s Integrated City Strategy.

The following planning framework illustrates how the new plan guides other Council planning documents and is informed by research and community engagement (as the previous Vision and City Plan did before it).

All of these planning documents guide Council’s ongoing work and service delivery, which also contribute to achievement of the vision.



# Our Performance

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## Goals

Together with the community, Council has identified eight key goals as the framework for progressing towards this vision, and associated strategies for achieving them:



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## Annual Plan 2017-18

Each year, Knox develops an annual action plan based on the strategies and initiatives outlined in the Community and Council Plan 2017-21. The Annual Plan 2017-18 was adopted by Council on 25 June 2017 as part of the annual Budget.

The Annual Plan is made up of a number of major initiatives and initiatives that will be achieved during the financial year.

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## Local Government Performance Reporting Framework

The Local Government Performance Reporting Framework (LGPRF), established by the Victorian Government in 2014, is a mandated reporting requirement for all Victorian councils. The LGPRF is a comparative reporting framework that aims to ensure measuring and reporting on performance is done in a consistent way across local governments 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’s performance. These indicators and measures are reported on throughout the following sections of this report.



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## 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 our community. Service delivery is equally as important as our priority strategies and actions.

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## Details of Our Performance

The following information is contained under each Community and Council Plan Goal:

### 1. Four-year Community and Council Plan Targets and Measures

The Community and Council Plan 2017-21 details a number of targets and measures that Council has developed that will inform our success in achieving our goals and strategies. As this is the first year of the Community and Council Plan, many targets and measures will be reported as baseline figures. Where comparative data is available this is referenced. From financial year 2018-19, Council will be able to report comprehensively using comparative data on the progress of achieving the overall targets and measures.

### 2. Annual Plan Initiatives

Details of the progress of major initiatives and initiatives identified in the 2017-18 Annual Plan.

### 3. Services

Details of the services, funded in the 2017-18 Budget, that most closely align to the particular Community and Council Plan goal and, where relevant, the associated LGPRF measures and results.

# We value our natural and built environment

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 1.1 Protect and enhance our natural environment</b>			
A reduction in environmental impact	Council's corporate greenhouse gas emissions	-	Data for this indicator was not available at the time of reporting. Data will be available in September 2018.
An increase in the usage of renewable energy	Council's corporate renewable energy usage	<b>108.18 kW</b>	In 2017-18, Council's corporate renewable energy usage was 108 kW (Total Installed Capacity - Solar PV), an increase from 66kW in 2016-17.
A reduction in waste generated in our homes	Annual non-recyclable garbage generation per household (waste to landfill)	<b>9.99kg</b>	In 2017-18, the non-recyclable garbage generation was 9.99kg per household per week. This result was slightly higher than 2016-17 (9.74kg).
	Annual diversion rate per household (recyclable green waste)	<b>19.9%</b>	In 2017-18, the recycling contamination rate was 19.90% and the garden waste contamination rate was 2.67%.
A reduction in water use of new buildings	Percentage of applicable buildings assessed in planning as meeting the best practice target of a 25% reduction in potable water consumption	<b>94%</b>	149 of the 159 applications assessed were found to have achieved the 25% reduction in potable water consumption target.
A reduction in Greenhouse Gas emissions of new buildings	Percentage of applicable buildings assessed in planning as meeting the best practice target of a 50% reduction in Greenhouse Gas emissions	<b>69%</b>	110 of the 159 applications were found to have achieved the best practice target of a 50% reduction in greenhouse gas emissions.
Sustainable design of Council's new buildings	Percentage of applicable Council capital works buildings assessed as meeting the best practice environmental targets in water savings, stormwater quality, sustainable materials, local biodiversity, sustainable transport user facilities, energy savings and greenhouse gas emissions reductions.	<b>100%</b>	All three Council projects assessed were found to meet the best practice environmental targets.



What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 1.2 Create a greener city with more large trees, indigenous flora and fauna</b>			
An increase in canopy tree cover along streets	Percentage of street corridors covered by canopy trees	-	Data for this measure was still under evaluation at the time of reporting.
An increase in canopy tree cover on private land	<i>Under development</i>	-	A measure for this target is under development.
An increase in the number of indigenous plant species in Knox	The total number of indigenous plant species in Knox	<b>3,662</b>	The total number of threatened species planted in Knox in 2017-18 was 3,662. Threatened species were planted at 23 distinct sites and 36 different variety of species were planted.
An increase in local Knox residents' biodiversity awareness	The total number of Gardens for Wildlife participants	<b>779</b>	779 individuals participated in Gardens for Wildlife in 2017-18.
<b>Strategy 1.3 Ensure the Knox local character is protected and enhanced through the design and location of urban development and infrastructure</b>			
A decrease in the number of 'at risk buildings' in Knox.	The number of at risk buildings in Knox	<b>6</b>	In 2017-18, Knox had six buildings on its At Risk Register.
Increase Council's urban design management and assessment capacity to facilitate best practice urban design outcomes	Increase in the number of workshops, forums, and recognition programs to build Council's urban design management and assessment capacity	<b>5</b>	<p>Council's commitment to improved urban design outcomes has been demonstrated through its adoption of the Knox Good Urban Design Framework.</p> <p>Activities under the framework in 2017 -18 included:</p> <ul style="list-style-type: none"> <li>• Ongoing engagement of an urban design advisor to assist with building design assessment and advice</li> <li>• Planning for a Knox Good Urban Design workshop</li> <li>• Funding the Knox Good Urban Design Awards</li> <li>• Updating the Knox Residential Design Guidelines</li> <li>• Officer attendance at Design Industry professional development forum.</li> </ul>

## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 1.

Major Initiative	Progress	Comment
Undertake a strategic review of the Boronia Structure Plan including a detailed assessment of strategic sites (i.e. Boronia Park).	100%	<p>Stage One of the Boronia Renewal project is now complete and the development of the draft renewal strategy is underway. As part of Stage One, Council was successful in receiving a grant of \$400,000 from the Safer Communities Fund (Federal Government) to support work in Boronia. An application has been submitted for a Victorian Planning Authority (VPA) Streamlining for Growth grant to support the investigation of opportunities for the Boronia Station Precinct as a joint venture with stakeholders such as VicTrak, Metro Trains and VPA.</p> <p>Further youth engagement has been explored and a project brief developed. The Nine Key directions are being refined and will be subject to community consultation between August and September 2018. The draft Renewal Strategy will be subject to community consultation between October and November 2018.</p>
Initiative	Progress	Comment
Identify and commence implementation of strategic and appropriate locations for dog parks in Knox.	100%	A consultant was appointed to undertake the Knox Strategic Dog Plan and policy investigation. A report will be presented to Council in July 2018 that will identify priority initiatives. Implementation works are expected to begin in 2019-20, subject to funding.
Increase the provision of public place recycling bins across the municipality.	100%	<p>Council increased the number of Public Place recycling (PPR) bins (including sports clubs recycle bins) from 262 in 2016-17 to 271 in 2017-18, a net gain of nine PPR bins in the municipality. These new bins are worthwhile and draw recyclable material from the nearby litter bins. Council will continue to monitor and install more PPR bins where required. Council also increased the capacity of many existing reserve recycling bins from 120 litres to 240 litres, to meet additional demand for public place recycling in some of the more popular parks.</p> <p>In addition, Council mapped and continually reviews the placement of litter bins to ensure they are best situated. In the past 18 months, Council has removed and relocated over 300 litter bins across Knox. As part of this program, Council has refurbished many of the retrieved bins and used them to replace broken and irreparable litter and recycle bins.</p> <p>As a result of the abovementioned initiatives and dedication of the current contractor to service improvements, the ratio of collected litter versus public place recycling (by mass) in Knox has increased from approximately 19% to 26% in the past three years, meaning there is 7% less waste sent to landfill which is against the trend of rising household waste generation.</p>
Finalise and implement a public arts plan for Knox.	100%	<p>The Public Art Plan was adopted by Council at its Ordinary Meeting of 23 October 2017 and implementation of the approved action plan is now occurring.</p> <p>The Public Art Assessment Panel Terms of Reference have been approved and appointment of panel members is underway.</p>

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## Services

### Asset Management

This service provides strategic direction for asset management incorporating the development of processes and systems to maintain and regularly update Council's asset register and management system, collection of asset condition data and the development and implementation of strategic asset management plans for all asset categories. The service also provides asset preservation and protection functions in areas associated with subdivision, private developments; Council capital infrastructure projects and works undertaken by service authorities; contractors and government agencies. The service also manages the coordination, planning, development and monitoring of the delivery of Council's Capital Works Program.

### Biodiversity

This service provides for the conservation, enhancement and celebration of local biodiversity within the City of Knox. The service provides bushland management to protect and enhance over 40 Council bushland reserves, over 120 sites of biological significance as well as education/awareness programs in order to increase the appreciation and understanding of the values of biodiversity within the broader community. This includes encouraging and supporting active participation by members of the community in the conservation and enhancement of remnant vegetation on public and private land.

### Building

This service provides for building assessment and regulatory services in accordance with the Building Act 1993 and other relevant legislation. The service issues Building Permits, performs building inspections, responds to complaints with inspections; and performs swimming pool inspections.

### Facilities

This service provides building services, including capital construction, programmed and reactive maintenance and ancillary services (e.g. graffiti control, security, essential safety measures) for all Council buildings; internal architectural advice and building management services on land where Council has an interest.

### Integrated Water Management

This service provides technical and strategic advice and drainage advice/drainage services related to developer and resident enquiries and the provision of integrated water management. The service aims to safeguard the community against flooding, provide a municipal drainage system that is safe and fit for purpose, ensure that stormwater is a valued and well used resource and maintain clean waterways.

### Major Initiatives

This service provides for the delivery of major initiatives supplementing the full program of capital projects being delivered by the various delivery teams across Knox. The Unit utilises a combination of internal and specialist skills – and include architectural, quantity surveying, project management, construction management, specialist engineering and site supervision services.

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**Services**  
(cont.)

**Open Space Management**

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

**Operations**

This service is responsible for the management and delivery of maintenance services and delivery of new, renewed and upgraded Council infrastructure assets. This includes Parks Services, Works Services, Construction, and Fleet Management. The service provides well maintained infrastructure assets that meet present day and future needs of the community, in compliance with various Acts and regulations and Council policies.

**Sustainable Futures**

This service provides for 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.

**Waste Management**

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



## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Waste Collection</b>					
<b>Satisfaction</b>					
<b>Kerbside bin collection requests</b>					
(Number of kerbside garbage and recycling bin collection requests/ Number of kerbside bin collection households) x 1,000	75.10	70.38	63.86	<b>76.56</b>	Council has experienced a 14% increase in bin requests over the past 12 months. These requests were mainly to report bins requiring repair or replacement. This may have been linked to the age of the bins, with most being in use for between 10 and 20 years.
<b>Service Standard</b>					
<b>Kerbside collection bins missed</b>					
(Number of kerbside garbage and recycling bins missed/Number of scheduled kerbside garbage and recycling collection bin lifts) x 10,000	4.38	4.10	3.33	<b>3.68</b>	Council has experienced a 12.2% increase in bins reported as missed in the past 12 months. This has been in part due to the increase in non-standard collections from multi-unit developments and changes in collection contractor personnel.
<b>Service Cost</b>					
<b>Cost of kerbside garbage bin collection service</b>					
(Direct cost of the kerbside garbage bin collection service/ Number of kerbside garbage collection bins)	\$101.06	\$106.78	\$108.62	<b>\$106.87</b>	
<b>Cost of kerbside recyclables bin collection service</b>					
(Direct cost of kerbside recyclables bin collection service/Number of kerbside recyclables collection bins)	\$3.66	\$11.71	\$11.65	<b>\$19.89</b>	As a result of the import restrictions placed on recyclables by China, the recycling processors from 1 March 2018 began charging Council a gate fee for the receipt of recyclables. Prior to this Council was receiving a rebate. This has resulted in a significant cost increase for the service.
<b>Waste Diversion</b>					
<b>Kerbside Collection waste diverted from landfill</b>					
(Weight of recyclables and green organics collected from kerbside bins/Weight of garbage, recyclables and green organics collected from kerbside bins) x 100	53.30%	52.01%	53.41%	<b>51.97%</b>	

# We have housing to meet our changing needs

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 2.1 Plan for a diversity of housing in appropriate locations</b>			
An increase in the number of smaller dwellings available	The number of one and two bedroom dwellings approved for construction in Knox	<b>623</b>	In 2017-18, the number of approved one and two bedroom dwellings for construction in Knox was 623. This result represents 44% of the total number of new dwellings approved in Knox. It does not account for demolitions of existing dwellings.
An increase in the number of new housing developments in well located areas	The number of approved dwellings in activity centres	<b>510</b>	There were 510 approved dwellings in Knox activity centres in 2017-18. This result represents 49% of the net new dwellings approved, which accounts for demolitions of existing dwellings. It includes the activity centres of Bayswater, Boronia, Knox Central, Mountain Gate, and Rowville.
<b>Strategy 2.2 Encourage high quality sustainable design</b>			
Improve high quality sustainable design for all new, large developments	The number of sustainable design assessments for new residential developments with two or more dwellings and for non-residential developments with gross floor area of 550m <sup>2</sup> or more	<b>159</b>	159 applications were assessed for sustainable design as part of the planning process in 2017-18.
<b>Strategy 2.3 Support the delivery of a range of housing that addresses housing and living affordability needs</b>			
An increase in social and affordable housing in Knox	The amount of social housing that is affordable to low income households in Knox	<b>2%</b>	In 2017-18, social housing accounted for 2% of total households in Knox.
	The amount of rental housing that is affordable to low income households in Knox	<b>2.9%</b>	2.9% of rental stock in Knox is considered affordable to low income households.





## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 2.

Major Initiative	Progress	Comment
Implement the Affordable Housing Action Plan including advocacy for an increase for the supply of social and affordable housing at key strategic sites and across the municipality.	100%	<p>Council commenced discussions with Boral regarding inclusion of social housing on the former Boral quarry site. Council also liaised with Women's Housing Limited, Uniting, Community Housing Victoria Limited and Stockland regarding prospective social housing opportunities at key strategic sites in Knox.</p> <p>A Social Housing Investment Planning Grant for Local Government application was submitted to DHHS for the <i>Laying a Social Housing Pipeline in Knox</i> project. Council was advised that it was successful with its submission.</p> <p>The 2017 Housing Monitoring Report was presented to Council in May 2018.</p> <p>Council undertook advocacy on inclusionary zoning in partnership with the Eastern Affordable Housing Alliance (EAHA). Council also continues its role as headquarters for the EAHA advocacy campaign in the lead up to the State Government election in November 2018.</p>
Initiative	Progress	Comment
Explore a range of mechanisms to improve and encourage high quality and sustainable design in the built form.	87%	<p>The Urban Design Advisor consultancy continued to be used on a range of significant applications. The process to procure urban design advice for the next five years is complete, with the contract being awarded to Hansen Partnership.</p> <p>A business case for the delivery of the Urban Design Awards has been approved. The second Knox Good Urban Design workshop is scheduled for August 2018.</p>
Continue to support the development of Stamford Park residential estate.	90%	<p>Stockland continued to liaise with Melbourne Water to confirm its support for the revised levels associated with the land subject to inundation.</p> <p>Melbourne Water has confirmed that it supports the revised levels and the modified Land Subject to Inundation Overlay (LSIO). Roberts Day consultants, on behalf of Stockland, lodged the Planning Scheme Amendment request on 20 June 2018.</p> <p>A report will be presented to Council on 27 August 2018 to commence the Amendment process.</p>

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## Services

### Planning Approvals

This service provides for statutory planning assessment and enforcement and regulatory services under of the Planning and Environment Act and related Acts and Regulations.

### Strategic Land Use Planning

This service undertakes research to inform planning policies and decisions. It also proactively updates the Knox Planning Scheme to reflect the Community and Council Plan. This includes the preparation and assessment of planning scheme amendments, internal referral responses to planning applications, provision of general strategic land use planning advice to internal and external customers, and a statutory requirement to review the Knox Planning Scheme every four years. Community engagement and consultation is a core part of this service.



## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Statutory Planning</b>					
<p><b>Timeliness</b>  <b>Time taken to decide planning applications</b></p> <p>(The median number of days between receipt of a planning application and a decision on the application)</p>	65	67	63	<b>70</b>	<p>In 2017-18 there was a 7.4% fall in application numbers, which was a result of the simpler categories of amendments for vegetation removal that are usually determined quickly.</p> <p>An increase in the median time to process the remaining more complex applications resulted, despite actual processing times for those applications being similar.</p> <p>It is also noted that there continues to be a high number of medium density housing applications lodged.</p>
<p><b>Service Standard</b>  <b>Planning applications decided within required timeframes</b></p> <p>(Number of planning applications decisions made within required days/Number of planning application decisions made) x100</p>	69.68%	75.53%	80.19%	<b>76.60%</b>	
<p><b>Service Cost</b>  <b>Cost of statutory planning service</b></p> <p>(direct cost of statutory planning service/Number of planning applications received)</p>	\$1,970.88	\$1,561.78	\$1,762.98	<b>\$2,031.59</b>	<p>The increase in cost per application has occurred due to an increase in legal and consultant costs. This is the result of a significant increase in VCAT appeals (32%) that require appropriate representation.</p>
<p><b>Decision-making</b>  <b>Council planning decisions upheld at the Victorian Civil and Administrative Tribunal (VCAT)</b></p> <p>(Number of VCAT decisions that did not set aside Council's decisions in relation to a planning applications/Number of VCAT decisions in relation to planning applications) x100</p>	41.67%	44.83%	52.00%	<b>54.05%</b>	

# We can move around easily

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 3.1 Enable improved transport choices supported by integrated and sustainable transport systems and infrastructure</b>			
An increase in the number of vulnerable community members accessing Knox Council's Community Transport service	The number of people using Council's Community Transport service	<b>16,945</b>	In 2017-18, 16,945 clients used Council's Community Transport service.
An increase in Council's advocacy efforts to improve transport in Knox	Media coverage relating to improving transport options in Knox	<b>13</b>	In 2017-18, 13 articles were published relating to improving transport options in Knox.
Maximising grant funding secured for transport improvements in Knox	The percentage of successful grant applications for transport improvements in Knox	<b>71%</b>	Council was successful in 5 of 7 grant applications submitted, including: <ul style="list-style-type: none"> <li>• Safe to School</li> <li>• Bike Maintenance course</li> <li>• Bike Ed Challenge</li> <li>• Stewart St, Boronia</li> <li>• Anne Road, Knoxfield</li> </ul>
An increase in the number of schools participating in the Walk2School program	The number of schools participating in the Walk2School program	<b>28</b>	28 schools participated in the Walk2School program in 2017-18.
<b>Strategy 3.2 Improve bike and footpath connectivity, including identifying gaps between existing bike routes, footpaths and key places</b>			
A decrease in the number of school crossing incidents	The number of school crossing incidents reported to Council	<b>425</b>	In 2017-18, there were 425 school crossing incidents reported.  Improved reporting procedures and processes for supervisors and major issues at one crossing accounted for a large proportion of the incidents.
Improved footpath connectivity in Knox	Kilometres of new footpaths constructed	<b>1.8km</b>	In 2017-18, Council constructed 1.8 km of new footpath in the municipality.
	The number of identified missing footpaths in Knox	<b>110</b>	The footpath priority listing identified 110 missing footpaths in 2017-18.
An increase in cyclists using Knox's shared path networks	The number of cyclists recorded on a typical day at a typical site on Knox's shared path networks	<b>423</b>	423 represents the number of cyclists using the Dandenong Creek Trail, west of Abbey Walk on Tuesday 13 March 2018.

## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 3.

Major Initiative	Progress	Comment
Undertake a strategic review of Council's parking compliance services to review current parking compliance issues within the municipality, and provide strategies and recommendations to address them.	63%	<p>The Parking Compliance Strategy project brief was prepared and an Expression Of Interest (EOI) process undertaken to select a consultant. It was decided at the conclusion of the EOI process that Council would utilise internal resources to undertake benchmarking and prepare the strategy rather than using the services of a consultant.</p> <p>Benchmarking with the Eastern Region councils has been completed and the strategy work has commenced.</p>
Initiative	Progress	Comment
Investigate community transport services and availability in Knox to determine requirement for funding advocacy to increase community transport options delivered by community agencies.	95%	<p>A desktop survey was completed and used to inform a forum to identify gaps, create partnership opportunities and increase the advocacy of community needs.</p> <p>The Community Transport Forum was held in April 2018 with external stakeholders and local service users in attendance. This forum provided a greater awareness of transport options, the need to look at partnerships with other agencies and for Local Government to advocate to the State Government for funding. The report is drafted and will be presented to the Executive Management Team in early 2018-19.</p>
Advocate to State and Federal Governments for improved sustainable transport infrastructure and services.	100%	<p>A report is to be presented to the July 2018 Council meeting that will highlight priority advocacy positions with respect to public transport. Accompanying advocacy materials have been developed to support this work, with the premise of adopting a network approach that will incorporate priority projects such as Rowville Rail and Knox Tram and a range of bus service improvements.</p> <p>Council officers met with representatives from Public Transport Victoria, Transport for Victoria and the Active Transport Unit to discuss regional priorities for Melbourne's East as part of a delegation from the Eastern Transport Coalition (ETC).</p> <p>Following consultation with bus operators, officers have progressed priority advocacy initiatives to inform advocacy agendas, including identifying bus servicing and bus route priorities. Through the ETC, Council officers and elected representatives have met with the Minister for Public Transport, the Shadow Minister for Public Transport, the Parliamentary Secretary for Infrastructure, the Shadow Minister for Public Transport and the Greens spokesperson for Public Transport to highlight current ETC priorities. Officers have also met with staff from Transport for Victoria to discuss local and regional public transport priorities.</p>

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## Services

### Community Transport

This service offers residents who are older, who have a disability and/or are in other ways disadvantaged, to be engaged in community life through the provision of transport. There are three buses in operation that enable people to do such activities as shopping, participate in senior citizen clubs or go to the library. The Community Transport Service is also used to transport residents to attend Council events, for the Council induction program as well as some other Council activities.

### Traffic and Transport

This service provides local traffic management (on roads, footpaths, shared paths, etc.), advice and advocacy for broad transport choices for a range of traffic and transport services as provided by Council and others.



## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Roads</b>					
<b>Satisfaction of use</b>					
<b>Sealed local road requests</b>					
(Number of sealed local road requests/Kilometres of sealed local roads) x 100	31.67	32.10	39.60	<b>36.61</b>	
<b>Condition</b>					
<b>Sealed local roads below intervention level</b>					
(Number of kilometres of sealed local roads below the renewal intervention level set by Council/ Kilometres of sealed locals roads) x100	95.25%	95.64%	95.56%	<b>95.31%</b>	
<b>Service Cost</b>					
<b>Cost of sealed local road reconstruction</b>					
(Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed)	\$99.26	\$136.33	\$0	<b>\$103.51</b>	In 2016-17, Council did not complete any road reconstructions. In 2017-18, reconstructions were again completed accounting for the 2017-18 cost variation.
<b>Cost of sealed local road resealing</b>					
(Direct cost of sealed local road resealing/ Square metres of sealed local roads resealed)	\$22.34	\$26.59	\$21.56	<b>\$24.01</b>	Road resealing is completed by contractors to 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 consists of the total contract costs of road resealing, including any preparatory patching works.
<b>Satisfaction</b>					
<b>Satisfaction with sealed local roads</b>					
(Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)	70	67	68	<b>69</b>	

# We are safe and secure

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 4.1 Encourage and support the community to take responsibility for their own safety, and the safety of others</b>			
An increase in participation in community safety programs	The number of individuals participating in community safety activities	<b>450</b>	In 2017-18, approximately 450 individuals attended Community Safety and Development coordinated activities. These activities were: <ul style="list-style-type: none"> <li>• 16 Days of Activism</li> <li>• IDAHOBIT Day</li> <li>• Knox Night Basketball</li> <li>• Presentation to St Josephs College with Victoria Police on gun control</li> <li>• Enabling Women Program</li> <li>• RU OK Day</li> </ul>
An increase in the number of community safety programs delivered by Knox	The number of community safety activities delivered by Knox	<b>3</b>	In 2017-18, the Community Safety and Development team facilitated the following community safety activities: <ul style="list-style-type: none"> <li>• Knox Night Basketball</li> <li>• Supply monitoring program</li> <li>• Communities that Care</li> </ul>
<b>Strategy 4.2 Enhance community connectedness opportunities to improve perceptions of safety</b>			
An increase in the number of community activities on the prevention of family violence	The number of awareness raising activities which incorporate family violence prevention	<b>2</b>	Council held two community activities incorporating prevention of family violence in 2017-18: <ul style="list-style-type: none"> <li>• 16 days of activism launch and online social media campaign during the month of November 2017.</li> <li>• Knox Says No to family violence banners at five locations in Knox during community safety month in October 2017 and over the 2017-18 Christmas holidays.</li> </ul>
Improvement in knowledge and understanding of emergency management by non-emergency groups	Participation rates by non-emergency groups in emergency management education and programs	<b>524</b>	Council's Emergency Management staff continued to facilitate the "Let's Get Ready" program to years 3, 4 and 5 primary school students in the municipality. To date over 524 students have participated in these sessions in Knox.





What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 4.3 Maintain and manage the safety of the natural and built environment</b>			
A decrease in the amount of reported graffiti on Knox Council's assets	The square metre amount of graffiti reported on Knox Council's assets	<b>3,500 m<sup>2</sup></b>	3,500m <sup>2</sup> of graffiti was reported on Council assets in 2017-18.
	The total number of graffiti incidents reported to Council	<b>404</b>	404 graffiti incidents were reported to Council in 2017-18.
	Uptake and utilisation of the VandalTrak reporting app	<b>447</b>	Reporting on VandalTrak increased through online communication campaigns and media reporting that encouraged the community to use the new app to report graffiti.
<b>Strategy 4.4 Protect and promote public health, safety and amenity</b>			
Improved bushfire safety throughout the bushlands interface areas of the municipality	The number of properties that comply with the requirements during the annual inspections at the start of the Fire Danger Period	<b>2,490</b>	The official Fire Danger Period (FDP) was declared on 18 December 2017. A total of 2,490 inspections of private properties were undertaken after the declaration of the FDP. Between December 2017 and January 2018, 101 Fire Prevention Notices were issued. These notices required property owners to undertake fuel reduction works on their properties. In instances where works were not undertaken, Council engaged contractors to compulsorily clear the property. The number of compulsory clearances was seven.
An increase in infant and child immunisation rates in Knox	The number of infants and children in the Knox region who are immunised at Council run immunisation sessions	<b>8,818</b>	In 2017-18, 8,818 infants and children from the Knox region were immunised at Council run immunisation sessions.
Improvement in the quality of food services in Knox	The time take to action food complaints	<b>1.16 days</b>	All food complaints were investigated within approximately one working day of notification in 2017-18.
<b>Strategy 4.5 Support the provision of emergency services</b>			
Improved knowledge of the Municipal Emergency Management Plan throughout Knox	The number of individuals participating in Council run emergency management events	<b>95</b>	The Annual Emergency Exercise was hosted by Knox on 27 October 2017. This exercise was jointly run by the Eastern Metropolitan Councils Emergency Management Partnership (EMCEMP) and was attended by 95 representatives from Local Government authorities and emergency service agencies.

## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 4.

Major Initiative	Progress	Comment
Develop and participate in a Council and community program for the 16 days of Activism against gender violence.	100%	<p>The launch of the 16 days of Activism initiative, incorporating a morning tea, was held on 22 November 2017, with approximately 50 community and staff members attending. Guest speakers included Heather McTaggart Knox Ambassador and Knox City Council's Mayor and CEO.</p> <p>An update on the Listen, Learn and Lead Gender Equity Program was also provided.</p> <p>Knox was the only council in Victoria to hold a launch of the 16 Days of Activism to raise awareness of gender inequality and its impact on family violence.</p>
Initiative	Progress	Comment
Continue to implement the <i>Victorian Child Safe Standards</i>	100%	<p>A Child Safe Implementation Plan was developed and endorsed by the Executive Management Team. Council's child safe communication plan has also been implemented.</p> <p>Communication regarding the organisations and individuals' obligations will be ongoing to meet the Child Safe requirements.</p>
Implement the Business Champions of Change Project on family violence prevention with three businesses across Outer East. <i>(subject to grant funding)</i>	n/a	Grant funding for the delivery of this initiative was unsuccessful and the project did not proceed on this basis.
Implement a Graffiti reporting system (mobile app) in partnership with other Metropolitan Councils.	100%	The VandalTrack app was commissioned and uploaded to Council and Victoria Police systems. Victoria Police is utilising the information as a tool to track graffiti offenders and locations.

## Services

### Community Safety

This service provides advice, support and programs to strengthen community safety in order that neighbourhood amenity is protected, people feel safe and enjoy public spaces and individual rights are preserved.

### 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.

### Local Laws

This service provides local law and parking enforcement, school crossing supervision, and animal management programs to the community.

## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Animal Management</b>					
<b>Timeliness</b>					
<b>Time taken to action animal requests</b>					
(Number of days between receipt and first response action for all animal management requests/ Number of animal management requests)	0.00	1.95	2.01	<b>2.19</b>	
<b>Service Standard</b>					
<b>Animals reclaimed</b>					
(Number of animals reclaimed/ Number animals collected)	43.10%	45.47%	49.70%	<b>51.51%</b>	
<b>Service Cost</b>					
<b>Cost of animal management service</b>					
(Direct cost of animal management service/Number registered animals)	\$35.45	\$37.82	\$37.02	<b>\$34.09</b>	
<b>Health and safety</b>					
<b>Animal management prosecutions</b>					
(Number of successful animal management prosecutions)	15	5	12	<b>12</b>	

# We have a strong regional economy, local employment and learning opportunities

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 5.1 Attract new investment to Knox and support the development of existing local businesses, with a particular focus on the Advanced Manufacturing, Health, Ageing and Business Services sectors.</b>			
An increase in access to and participation in Knox's Business Education Program	Participation numbers in Knox's Business Education Program	<b>669</b>	In 2017-18, 669 individuals attended a total of 26 events as part of Knox's Business Education program.
Knox businesses have a better understanding of business support services offered by Council	The number of Knox businesses registered in the Knox Biz database	<b>5,475</b>	In 2017-18, 5,475 businesses were registered on the Knox Biz database.
<b>Strategy 5.2 Plan for a range of key strategic centres that provide a diversity of employment, services and amenities to support the changing needs of our community</b>			
Community infrastructure that fits changing community needs	The number of Council facilities developed in activity centres in Knox	<b>1</b>	In 2017-18, one facility was developed within proximity of an activity centre.
Initiate investment in Wantirna Health Precinct	Completion and initial implementation of an investment strategy and planning framework for the Wantirna Health Precinct	-	Completion and implementation of the investment strategy and planning framework for the Wantirna Health Precinct is scheduled for 2018-19.
<b>Strategy 5.3 Promote and improve infrastructure and technology within the municipality and enhance strategic employment places for business</b>			
An increase in contributions collected from new development towards essential community infrastructure in line with the Development Contributions Plan	Contributions collected from new development towards essential community infrastructure in line with the Development Contributions Plan	-	Collection of contributions from new development towards essential community infrastructure is planned to begin in 2018-19.
<b>Strategy 5.4 Increase and strengthen local opportunities for lifelong learning, formal education pathways and skills development to improve economic capacity of the community</b>			
An increase in the participation rates for Knox skills development programs for community groups	The number of individuals participating in skills development programs run for community groups	<b>84</b>	In 2017-18, 84 individuals from community groups participated in Council run skills development programs.
An increase in skills development programs run for community groups	The number of Skills development programs run annually	<b>9</b>	Knox conducted nine Skills Development Programs for community groups in 2017-18.

## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 5.

Major Initiative	Progress	Comment
Develop and regularly update a Knox Investment Plan to support Council's advocacy program and activities.	100%	The Knox Investment Plan was completed in October 2017. An initial review of the plan was conducted in February 2018 to align particularly with State election cycles and was subsequently refined in June 2018 to support the Knox Regional Sports Park and Knox transportation advocacy campaigns.
Initiative	Progress	Comment
Advance the planning for the Wantirna Health Precinct in partnership with the Metropolitan Planning Authority and Department of Economic Development, Jobs, Transport and Resources.	70%	<p>The Victorian Planning Authority has confirmed that the Wantirna Health Precinct is now on its official work program.</p> <p>A meeting of key stakeholders was convened to discuss commencing a multi-agency approach to planning and implementation for the precinct.</p> <p>A workshop of all parties will be held in July 2018 which will establish the basis for a Memorandum of Understanding and the key outcomes to be sought from the joint planning process.</p>

## Services

### Economic Development

This service aims to realise Knox's potential as a prosperous, advancing economy. 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 within the Knox economy. The service informs and supports businesses within Knox by providing education and assistance with business development; attraction and facilitation of investment; connecting businesses with each other or in groups; and highlighting opportunities that may exist within government funding programs.

### Place Program

This service provides an integrated approach to build partnerships and ensure better social, environmental and economic outcomes are delivered in community hubs. It sets out to improve the amenity and neighbourhood character of the municipality, increase prosperity and increase the capacity for the community to be resilient to change and work together to determine what is important in their Place.

## Local Government Performance Reporting Framework

There are no prescribed LGPRF service performance indicators and measure relevant to Goal 5.

# We are healthy, happy and well

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 6.1 Mitigate lifestyle risks such as smoking, risky alcohol consumption and drug use, obesity, lack of physical activity and poor nutrition</b>			
An increase in health promotion, harm minimisation education and capacity building within Knox sporting clubs	The number of health promotion, harm minimisation education and capacity building programs delivered within Knox sporting clubs	<b>4</b>	Four programs incorporating messages around health promotion, harm minimisation and capacity building were delivered to sporting clubs within Knox in 2017-18.
<b>Strategy 6.2 Mitigate lifestyle risks such as smoking, risky alcohol consumption and drug use, obesity, lack of physical activity and poor nutrition</b>			
An increase in the number of females participating in sport	The number of females participating in organised sports in Knox	<b>9,406</b>	In 2017-18, 9,406 females participated in organised sport in Knox.
Sustain the number of juniors (under 17) participating in sport	The number of juniors participating in organised sports	<b>14,276</b>	In 2017-18, 14,276 juniors participated in organised sport in Knox.
An increase in the number of people with a disability participating in sport	The number of people with a disability actively participating in organised sport	<b>311</b>	In 2017-18, 311 individuals with a disability participated in organised sport in Knox.
An increase in the number of Indigenous people participating in sport	The number of Indigenous people actively participating in organised sports	<b>60</b>	In 2017-18, 60 indigenous community members participated in organised sport in Knox.
An increase in the number of Council programs broadened to incorporate mental health messages	The number of Council programs/activities that incorporate and/or promote mental health messages	<b>9</b>	In 2017-18, Knox conducted nine programs/activities that focused on community connections, promoting social harmony and supporting people with mental health issues. Council also distributed approximately 7,000 Mental Health Cards to services and hospitals in Knox.
An increase in participation in active ageing activities	The number of participants attending Knox Seniors Festival events and Knox Senior Zest 4 Life events	<b>5,358</b>	The total attendance numbers for Knox Over 55s Zest4Life activities for the 2017-18 period was 5,358. This includes 3,902 for the 2017 Knox Seniors Festival and 350 for the Knox Active Ageing Expo.



## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 6.

Major Initiative	Progress	Comment
Progress Council's public Expression of Interest process seeking applications from NDIS/ECIS service providers to lease the Illoura House facility for use as a disability focused centre supporting children, families, carers and people with disabilities in Knox.	35%	<p>Following the closure of Illoura House (72 Francis Crescent, Ferntree Gully) Council sought to undertake an EOI for the lease of the facility to an NDIS service provider to support children, families, carers and people with disabilities in the Knox community.</p> <p>In November 2017 Council resolved to commence the statutory process and community consultation on its intention to lease the facility.</p> <p>As a result of submissions heard by a Committee of Council on 22 January 2018 and a review of requested further information from the Committee on 13 March 2018, Council resolved on 27 March 2018 to terminate the process and a revised scope be presented to Council to undertake a fresh EOI.</p> <p>At its Ordinary Meeting held on 25 June 2018, Council endorsed a revised EOI document that included a revised scope for advertising. Tender submissions close 18 July 2018 and the appointment of a service provider will occur in 2018-19.</p>
Initiative	Progress	Comment
Deliver health promotion and harm minimisation programs, including: <ul style="list-style-type: none"> <li>• Education /capacity building programs with sporting clubs focused on cultural change; and</li> <li>• Advocacy to improve planning policy responses and regulatory framework that manage the density of alcohol outlets within places or locations.</li> </ul>	97%	<p>Advocacy on health promotion and harm minimisation programs have been built into the Knox Community Investment Plan.</p> <p>Council continued to advocate to the State Government for legislative change on health issues relevant to Knox.</p> <p>A strategy to address packaged alcohol outlets and the links to harmful alcohol use was approved by Council in December 2017.</p> <p>A program for sporting club development that is focused on health and wellbeing held workshops with three Knox sporting clubs (pilot program) in 2017-18.</p> <p>Advocacy is also occurred on health and wellbeing issues that related to family violence, gambling and alcohol misuse.</p>
Develop an Aquatic Plan.	80%	<p>The project has identified gaps in aquatic and health and fitness services and facilities, both now and into the future.</p> <p>An options paper was developed which details and quantifies the type, range and quality of aquatic and health and fitness facilities that will be required in the long term to meet future needs.</p> <p>The final report to Council is now anticipated for early 2018-19.</p>

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## Services

### Active Communities

This service works to encourage Knox residents as they get older to socialise and participate in activities that will enable them to have greater independence and live active and healthy lives in the community. This is achieved by promoting active ageing and by providing events and programs, support to 11 Senior Citizens Clubs and other older person's support groups within the municipality.

### Active Living

This service provides a range of Home and Community Care (HACC) 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 their life.

### Early Years Planning, Innovation and Partnerships

This service supports early years and family support services to provide good quality, well-co-ordinated 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 identified priority needs of the community in Knox. 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.

### Family Health, Development and Support

This service aims to support the healthy development of young children. It supports, empowers, informs and equips parents and primary carers of children from birth to six (6) years in their role as their child's first teacher. The service also aims to support and empower service providers, professionals, volunteer committees and community leaders to successfully engage and support families with young children. Additional supports are provided to vulnerable families who are not connected with services.

### Health Services

This service aims to mitigate adverse community health outcomes through:

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



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**Services**  
(cont.)

**Leisure Services**

This service includes the management, operation and/or support for Council's leisure facilities including two Council managed leisure centres (including aquatic facilities), 11 externally managed facilities, 17 community managed and 10 public access tennis facilities, one community managed hockey facility and 59 council managed sports grounds.

**Youth Services**

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



## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Measure	2015	2016	2017	2018	Material Variation Comment
<b>Aquatic Facilities</b>					
<b>Satisfaction</b> <b>User satisfaction with aquatic facilities</b> (User satisfaction with how Council has performed on provision of aquatic facilities)	-	-	-	-	This measure is optional and was not reported
<b>Service standard</b> <b>Health inspections of aquatic facilities</b> (Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities)	4	4	4	<b>4</b>	
<b>Reportable safety incidents at aquatic facilities</b> (Total number of WorkSafe reportable aquatic facility safety incidents)	1	1	2	<b>1</b>	There was one reportable incident in November 2017. The incident was reported in accordance with Worksafe's guidelines.
<b>Service Cost</b> <b>Cost of indoor aquatic facilities</b> (Direct cost of indoor aquatic facilities less income received/ Number of visits to indoor aquatic facilities)	-\$0.84	-\$0.97	-\$0.06	<b>-\$0.21</b>	As part of Council's contract with the aquatic services provider, the annual dividend was renegotiated in 2016-17 as part of an additional term. This resulted in an increase in financial return in 2017-18 compared to the previous year. Council continues to generate income in excess of cost for indoor aquatic facilities.
<b>Utilisation</b> (Number of visits to aquatic facilities/Municipal population)	3.62	3.67	3.60	<b>3.49</b>	

## Food Safety

### Timeliness

#### Time taken to action food complaints

[Number of days between receipt of first response action for all food complaints / Number of food complaints]

0.00      1.35      1.62      **1.16**

As in previous years, the vast majority of food complaints were investigated on the same day as they were received or the following day. A small number were lodged over weekends, holiday periods or long weekends, which impacts the ratio. The standard is that food complaints are actioned within 24 hours of being received.

### Service standard

#### Food safety assessments

[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

97.45%    100.00%    99.55%    **100.00%**

### Service cost

#### Cost of food safety service

[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]

\$480.51    \$393.61    \$635.51    **\$420.10**

There is a significant difference between the 2016-17 and 2017-18 cost figures as the premises in the Streatrader program have been included back into the 2017-18 calculation. The Budget figure is relatively stable but a significant reduction in the attributed premises has been applied.

### Health and safety

#### Critical and major non-compliance outcome notifications

[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100

94.73%    91.95%    90.50%    **90.16%**

Measure	2015	2016	2017	2018	Material Variation Comment
<b>Maternal and Child Health (MCH)</b>					
<b>Satisfaction</b> <b>Participation in first MCH home visit</b>  (Number of first MCH home visits/Number of birth notifications received) x100	108.15%	104.22%	102.51%	<b>99.94%</b>	
<b>Service standard</b> <b>Infant enrolments in the MCH service</b>  (Number of infants enrolled in the MCH service (from birth notifications received/Number of birth notifications received) x100	100.00%	98.74%	101.47%	<b>101.28%</b>	
<b>Service Cost</b> <b>Cost of MCH service</b>  (Cost of the MCH service/Hours worked by MCH nurses)	\$0.00	\$73.19	\$71.95		The Maternal Child Health Costing Survey is currently with the Department of Education and Training. Once returned and reviewed by the MAV it will be forwarded to all Victorian council's. The survey for 2017-18 will be the extensive service costing review similar to the 2013-2014 review.
<b>Participation</b> <b>Participation in MCH service</b>  (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%	79.07%	80.88%	<b>81.25%</b>	
<b>Participation in MCH service by Aboriginal children</b>  (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%	74.24%	87.30%	<b>75.47%</b>	A decrease in participation rates by Aboriginal Children was seen in 2017-18 due to an influx of families from Interstate. There have also been multiple families where contact has not be able to be made. It is assumed that these families have moved out of the area, however, the history remains open in the system.



# We are inclusive, feel a sense of belonging and value our identity

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 7.1 Protect and preserve our local cultural heritage</b>			
An increase in people attending events aimed at embracing Aboriginal cultural heritage	The number of individuals attending Sorry Day	<b>151</b>	Sorry Day was held on 26 May 2018 with 151 individuals attending.
	The number of individuals attending National Aboriginal and Islander Day Observance Committee (NAIDOC) events	<b>150</b>	On 6 July 2017 Council co-ordinated NAIDOC week activities at the Ferntree Gully Community Arts Centre and Library in partnership with EACH and Eastern Regional Libraries. 150 individuals attended the various activities.
<b>Strategy 7.2 Celebrate our diverse community</b>			
An increase the number of multicultural groups engaging in Council events and festivals	The number of multicultural groups participating in Council run community festivals and events.	<b>19</b>	In 2017-18, 19 multi-cultural groups participated in Council run community festivals and events. This result represents an 11% increase on 2016-17.
An increase in the number of new and emerging groups applying for council grants program	The number of applications for grants	<b>76</b>	76 applications for grants were received in 2017-18.
<b>Strategy 7.3 Strengthen community connections</b>			
Sustain attendance at Knox run community festivals, events and projects	The number of individuals attending the Knox Carols	<b>-</b>	The 2017 Knox Carols was cancelled in the interests of public safety, as advised by Knox Emergency Services due to the extreme weather conditions.
	The number of individuals attending the Knox Festival	<b>25,000</b>	25,000 individuals attended the Knox Festival in 2018 which represented a 25% increase on 2017 attendance.
	The number of individuals attending Stringybark	<b>15,000</b>	Attendance numbers at Stringybark in 2018 were consistent to those seen in 2017.
An increase in the percentage of participants reporting enjoyment of attendance at Knox run events and festivals	The number of surveyed participants who report that they enjoyed the event/festival attended	<b>89%</b>	A total of 90 patrons were surveyed across two events. Of the patrons surveyed, 91% rated Stringybark at least 3 out of 5 stars and 100% rated the Knox Festival 4 out 5 stars.



What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 7.4 Promote and celebrate the contribution of our volunteers</b>			
An increase in the number of volunteers registered and trained to support Council programs	The number of volunteers registered and trained to support Council programs	<b>112</b>	In 2017-18, 112 volunteers were registered and trained to support Council programs.

## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 7.

Major Initiative	Progress	Comment
Relocate the Knox City Library service and Youth Information Centre within Knox Westfield.	36%	Planning for the relocation was completed. The relocation is to be undertaken as part of the shopping centre redevelopment, which has been delayed and is now likely to occur during 2018-19.

Initiative	Progress	Comment
Support the development of the new The Basin Community House on The Basin Primary School site.	96%	This project is led by the Victorian Department of Education and Training (DET). In 2017-18, the tender assessment and contract allocation was completed and the Planning Amendment to rezone the existing Community House site to a residential zone was also finalised. Construction of the new facility commenced and is due for completion by the end of August 2018.
Further develop partnerships with community houses for extended programming related to digital literacy.	100%	Regular meetings with community houses occurred during 2017-18.  A meeting held with the Knox Learning Alliance and the Eastern Regional Libraries confirmed a role for Council in promoting the availability of the existing broad range of programs.  Mapping was undertaken to identify what is currently available and where there were gaps. Discussion with the Learn Local Alliance and the Eastern Regional Libraries confirmed value in more coordinated promotion of digital literacy training available in Knox.
Finalise the review of Council's Community Operational Funding Program.	100%	The report reviewing Council's Community Operational Funding program was presented to Council on 22 January 2018. The adopted changes were implemented in the current round of funding. Applications for this round closed in March and successful applicants were notified in June 2018.
Develop a streamlined approach and tools to support community members holding community events and festivals on Council land.	95%	Process mapping was completed and key internal stakeholders identified opportunities for process improvement and central coordination of a service model.  A preferred process has been constructed, which uses a centralised service model to coordinate customer enquiries for up to 11 different units for event support, approvals and permits.  The new service model and resources are currently being further developed with a contractor with the aim to implement the new process and tools from July 2018.

Major Initiative	Progress	Comment
Continue to support the attraction, placement and recognition of volunteers through the Volunteer Resource Centre for community groups in Knox.	100%	<p>Council's Volunteer Support Advisor has undertaken cross-organisation consultation to identify opportunities for recognising Council volunteers.</p> <p>The Volunteer For Knox program (run by the Knox Learning Alliance) was approved for the 2018-22 Community Partnership Funding round, with an annual work plan liaison to commence from July 2018.</p> <p>A conference for local volunteers will be hosted by Volunteer For Knox in August 2018, supported by the Community Development Fund, and will be held at the Knox Civic Centre.</p>
Embed a strengthened approach to the management and recognition of volunteers within the organisation.	100%	The Volunteer Support Advisor commenced with Council in February 2018. The first coordinator meeting was held on 21 June with further meetings planned quarterly. The State of Volunteering report is progressing well.

## Services

### Arts and Cultural Services

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

### Community Access and Equity

This service provides programs that support and advocate for disadvantaged and marginalised communities to foster 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.

### Community Strengthening

This service aims to create a stronger Knox community through: building the capacity of our organisation and our community organisations, developing and nurturing partnerships, and creating connections between community groups, individuals and businesses. This is achieved through the delivery of a range of programs which focus on supporting and resourcing Not for Profit (NFP) community groups.

### Libraries

The Libraries 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 one library service bus. The service is managed by the Eastern Regional Library Corporation, a formal partnership between Maroondah, Yarra Ranges and Knox Councils

### 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.



## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Service/Indicator/ Measure	2015	2016	2017	2018	Material Variation Comment
<b>Libraries</b>					
<b>Utilisation</b>					
<b>Library collection usage</b>					
(Number of library collection item loans/Number of library collection items)	8.08	8.51	9.03	<b>10.03</b>	In 2017-18 there was an increase in the number of loans from all Knox libraries. This resulted from an increase in the number of individuals utilising libraries in person and accessing eBooks.
<b>Resource Standard</b>					
<b>Standard of library collection</b>					
(Number of library collection items purchased in the last 5 years/ Number of library collection items) x100	85.66	78.36%	78.25%	<b>76.07%</b>	
<b>Service Cost</b>					
<b>Cost of library service</b>					
(Direct cost of library service/ Number of visits)	\$3.71	\$4.14	\$4.75	<b>\$4.65</b>	
<b>Participation</b>					
<b>Active library members</b>					
(Number of active library members/Municipal population) x100	18.14%	14.01%	13.01%	<b>13.39%</b>	

# We have confidence in decision making

## Council targets and measures identified in the Community and Council Plan

What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 8.1 Build, strengthen and promote good governance practices across government and community organisations</b>			
Increased opportunities for community participation in Council's decision making, clarifying the limits of influence.	Community perceptions of Council performance (Index Score 0-100) in making community decisions	<b>56</b>	Community perception of Knox performance in making community decisions increased by one point in 2018.
	Community perceptions of Council performance (Index Score 0-100) in customer service	<b>77</b>	Council continued to achieve positive results for customer service. The result of 77 is five points higher than the metropolitan average and seven points higher than the state average.
	Community perceptions of overall Council direction (Index Score 0-100)	<b>52</b>	Community perception of Councils overall direction fell by two points in 2018. This result is the same as the state average.
	Community perceptions of overall Council performance (Index Score 0-100)	<b>65</b>	Community perception of Council's overall performance remained stable at 65 in 2018. This is the same as the metropolitan council average.
	Number of Council decisions made at meetings closed to the public	<b>5.81%</b>	There was an increase in contractual and industrial matters decided at Council during the financial year.
An increase in the number of Council services with a self-service technology based option	Council services with a technology based self-service option	-	Significant work will be undertaken on Knox's self-service options as part of the website redevelopment. Reporting improvements as part of this process will result in a comprehensive result against this measure in 2018-19.
A reduction in the funding gap for the renewal of infrastructure	The funding gap for renewal of infrastructure	<b>\$2,136,819</b>	The funding gap for renewal of infrastructure is estimated at \$2,136,819. This assessment is based on the endorsed 2018-19 budget and is subject to adjustments through the year. Provision of renewal funding for capital items is greater than the modelled renewal requirement.
Deliver community grant programs with robust governance structures	The number of funded groups who acquit their 'Community Operational Grants' or 'Community Development Funds' on time for their intended spend	<b>94%</b>	In 2017-18, 62 of 66 Community Development Fund and Community Operational Funding grants were acquitted.



What we are aiming for	How we measure our impact	2017-18 Result	Comment
<b>Strategy 8.2 Enable the community to participate in a wide range of engagement activities</b>			
Increased opportunities for community participation in Council's decision making, clarifying the limits of influence	Community perceptions of Council performance (Index Score 0-100) in community consultation and engagement	<b>53</b>	Community perceptions of Council's performance in Community Engagement and Consultation decreased by two points in 2018 to 53. Council is currently working on methods to improve community engagement.
	Community perceptions of Council performance (Index Score 0-100) in advocacy (lobbying on behalf of the community)	<b>55</b>	Community perception of Council's performance on advocacy matters increased by two points in 2018.

## 2017-18 Annual Plan

### Key activities undertaken in 2017-18 to work towards the achievement of Goal 8.

Major Initiative	Progress	Comment
Review Council's advisory committees to enable community participation, advice and action.	100%	A review of Council's Advisory Committees was completed with a report on a new model approved by Council.  The new model aims to align these committees more effectively with the Community and Council Plan and to clarify the roles of Advisory Committees with external community representatives.

Initiative	Progress	Comment
Finalise and implement Council's Communication Strategy.	100%	The Communication Strategy was approved by Council and will be implemented over the life of the Community and Council Plan 2017-21.
Implement staged delivery of the ICT Roadmap to support organisational efficiency and effectiveness and to increase capacity for customer self-service.	80%	Council has approved the ICT Governance Committees Terms of Reference. External members have been recruited and the committee held its first meeting on 5 June 2018, including the presentation of the Digital and ICT Strategies and Roadmap.  Council endorsed three business cases to proceed. The development of these business cases was progressed with the intent to present them to the ICT Governance Committee in the new financial year.
Strengthen and centralise the coordination, collection and provision of research and data to support future planning by Council.	100%	A research and mapping function has been established within the City Futures department. An annual program of work is under development and key stakeholder partnership building has commenced across the organisation.
Facilitate regular networking sessions with key agencies and stakeholders to identify partnership opportunities in order to achieve shared Community and Council Plan goals.	100%	A framework for key agency and stakeholder networking opportunities and engagement has been developed and will be presented to the Steering Group in July for feedback.  Ongoing engagement with stakeholders will occur throughout the implementation of the Community and Council Plan 2017-21, including the monitoring and review of the current plan, and to inform the development of the new plan.

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## Services

### Communications

This service is responsible for organisational communications and promotions, leadership and advice in communications and marketing, the production and management of corporate publications (including brand development and integrity), media connections, staff communications and the development of community information.

### Customer Service

This service is designed to support 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 to provide personalised, responsive customer service via all Council's contact channels, including online. The team provides guidance and support for all customer interactions and exists to support information and connection between Council and the community.

### Financial Services

This service provides the strategic thinking, leadership, service delivery and management of all matters relating to financial management. The Department is responsible for leading the processes for budgeting and forecasting, regular financial reporting, Annual Financial Accounts preparation, rating services and management of the debtors and creditors and provides oversight of Council's property management obligations. 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 key internal and external services to Councillors, staff and the community to facilitate a well governed organisation. The service has overall responsibility 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, including the Audit Committee, fraud and corruption prevention, privacy compliance and Freedom of Information.

## Services (cont.)

### Human Resources

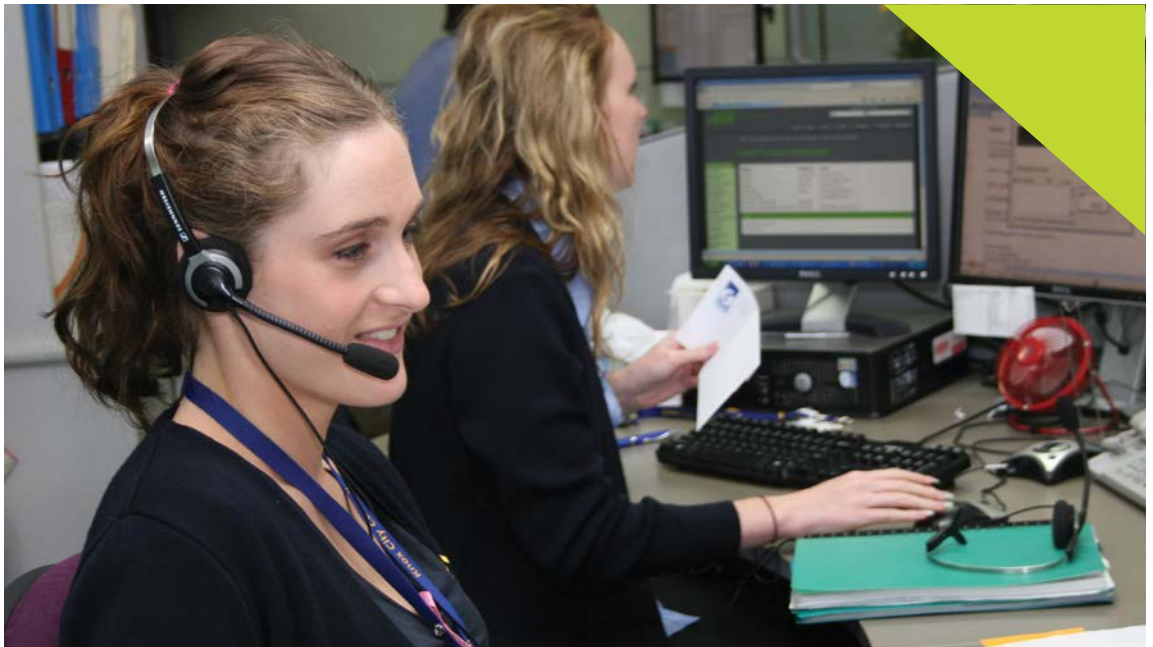
This service provides strategic and operational leadership, services and programs for all aspects of human resource management. These include industrial and employee relations, recruitment, induction, corporate learning and development, leadership development, organisational culture, performance management workforce planning, remuneration and employee safety, health and wellbeing. This service works across the organisation, developing and implementing programs, and works with stakeholders to educate and build capability and continuously develop their teams. This service also includes Council's risk management systems, insurances and the front line support to customers and residents for insurance related issues.

### Information Technology

This service incorporates provision of information technology and records management services and IT support for the organisation. 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.

### 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.



## Local Government Performance Reporting Framework

This section contains the results of prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist in understanding the results where there may be a discrepancy between this year's results and the previous year's (material variation). Knox Council has set its material variation threshold at +/-10% of the previous year's results.

Service/Indicator/ Measure	2015	2016	2017	2018	Material Variation Comment
<b>Governance</b>					
<p><b>Transparency</b>  <b>Council decisions made at meetings closed to the public</b></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 a special meeting if Council consisting of a special committee only of Councillors)</p>	3.39%	4.92%	4.05%	<b>5.81%</b>	There was an increase in contractual and industrial matters decided at Council during the financial year.
<p><b>Consultation and engagement</b>  <b>Satisfaction with community consultation and engagement</b></p> <p>(Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement)</p>	59	60	55	<b>53</b>	
<p><b>Attendance</b>  <b>Councillor attendance at Council meetings</b></p> <p>(The sum of the number of Councillors who attended each ordinary and special Council meeting/(number of ordinary and special Council meeting/(Number of Councillors elected at the last Council general election)</p>	93.21%	91.67%	99.21%	<b>90.60%</b>	

## Governance

### Service Cost

#### Cost of governance

(Direct cost of the governance service/Number of councillors elected at the last council general election)	\$51,034.00	\$55,042.56	\$55,473.56	<b>\$53,622.78</b>
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### Satisfaction

#### Satisfaction with Council decisions

(Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community)	59	62	55	<b>56</b>
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# Governance and Statutory Information

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## Governance

Knox City Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipality and the 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, which include 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 CEO and other staff. These delegations are exercised in accordance with adopted Council policies and budget. Knox's formal decision-making processes are conducted through Council meetings and special committees of Council.

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## Council Meetings

Council conducts an Ordinary Meeting on the fourth Monday of each month. Council also conducts a Strategic Planning Committee Meeting on the second Monday of each month, excluding January.

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, and Special Committees and Advisory Committees for the 2017-18 financial year.



## Meetings of Council 2017-18 Financial Year

Committee	Cr Cooper	Cr Gill	Cr Holland	Cr Keogh	Cr Lockwood	Cr Mortimore	Cr Pearce	Cr Seymour	Cr Taylor
<b>Specific Purpose Committees</b>									
Audit Committee			4/5	3/5			5/5		
Australia Day Awards Committee			2/2	2/2	2/2				
CEO's Performance Evaluation Committee			2/2		4/4	2/2	4/4		
<b>Specific Purpose Committees</b>									
Knox Central Advisory Committee	2/3		1/3	1/3	3/3		3/3		3/3
ICT Governance Committee					1/1	1/1	1/1		
<b>Working Groups</b>									
Knox Regional Sports Park Working Group	1/2	2/2							
Knox Hockey Working Group									2/2
<b>Life Stages Group</b>									
Early Years Advisory Committee	4/6	4/4						2/2	
Youth Committee				3/6					4/6
Active Ageing Advisory Committee						4/6		5/6	
<b>Sustainable Development Group</b>									
Environment Advisory Committee	No Committee meetings held during 2017-18								
Affordable Housing Committee					2/2	2/2			
Community Safety, Health and Wellbeing Committee						3/3			2/3
City Future Committee	No Committee meetings held during 2017-18								
<b>Inclusive, Active and Creative Communities Group</b>									
Disability Advisory Committee				2/6				5/6	
Multicultural Advisory Committee				2/6	6/6				
Arts and Culture Advisory Committee				1/4	4/4				4/4
Recreation and Leisure Committee			3/3	2/4					2/4
<b>Grants Evaluation Group</b>									
Community Development Fund Evaluation Panel			4/5					5/5	5/5
Leisure Minor Capital Works Grant			1/1	1/1					1/1
<b>Special Committee</b>									
Ferntree Gully Cemetery (Special Committee) Revoked September 2017			1/1	1/1	1/1				
<b>No Longer Operating Under New Committee Structure</b>									
Community Health and Wellbeing Reference Group						4/4		1/4	1/4
Knox Community Safety Advisory Committee						3/4			4/4

# Governance and Statutory Information

## Meetings of Council - 1 July 2017 to 30 June 2018

Meetings of Council	Cr Taylor	Cr Mortimore	Cr Keogh	Cr Gill	Cr Pearce	Cr Holland	Cr Lockwood	Cr Seymour	Cr Cooper
Council	11/12	12/12	10/12	10/12	12/12	11/12	12/12	12/12	10/12
Special meetings	1/1	1/1	1/1	0/1	1/1	1/1	1/1	0/1	0/1
Strategic Planning Committee	10/11	11/11	10/11	8/11	11/11	9/11	10/11	11/11	9/11
Leave of absence granted to Councillors	1	0	1	0	0	0	0	0	0



## Governance & Management Checklist

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

Governance and Management Items	Assessment
1 <b>Community Engagement Policy</b> (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: <b>23 February 2016</b>
2 <b>Community Engagement Guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: <b>23 February 2016</b>
3 <b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: <b>25 June 2018</b>
4 <b>Annual Budget</b> (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: <b>25 June 2018</b>
5 <b>Asset Management Plans</b> (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:  Knox Council has endorsed the following asset management plans: <ul style="list-style-type: none"> <li>• Footpath and Shared Path - June 2016</li> <li>• Road - March 2007</li> <li>• Building - June 2009</li> <li>• Drainage - November 2010</li> <li>• Open Space - December 2011</li> <li>• Bridge - February 2013</li> <li>• Car Park - February 2013</li> <li>• Playground - December 2013</li> <li>• Street Tree - May 2016</li> <li>• Strategic - December 2014</li> </ul>
6 <b>Rating Strategy</b> (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: <b>26 June 2017</b>
7 <b>Risk Policy</b> (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: <b>1 September 2015</b>
8 <b>Fraud and Corruption Control Framework</b> (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: <b>25 June 2018</b>

# Governance and Statutory Information

Governance and Management Items	Assessment
<p>9 <b>Municipal Emergency Management Plan</b> (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)</p>	<p>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i></p> <p>Date of preparation: <b>27 January 2016</b></p>
<p>10 <b>Procurement Policy</b> (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)</p>	<p>Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i></p> <p>Date of approval: <b>24 July 2017</b></p>
<p>11 <b>Business Continuity Plan</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)</p>	<p>Plan</p> <p>Date of operation of current plan: Council's business continuity framework was approved in <b>September 2015</b>. It has numerous business continuity plans, which are reviewed annually. The most recent review for major plans occurred in <b>December 2017</b></p>
<p>12 <b>Disaster Recovery Plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)</p>	<p>Plan</p> <p>Date of operation of current plan: <b>12 June 2007</b></p>
<p>13 <b>Risk Management Framework</b> (framework outlining Council's approach to managing risks to Council's operations)</p>	<p>Framework</p> <p>Date of operation of current framework: <b>1 September 2015</b></p>
<p>14 <b>Audit Committee</b> (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)</p>	<p>Established in accordance with section 139 of the Act</p> <p>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 <b>27 March 2017</b></p>
<p>15 <b>Internal Audit</b> (independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)</p>	<p>Engaged</p> <p>Date of engagement of current provider: <b>12 May 2015</b></p>
<p>16 <b>Performance Reporting Framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Framework</p> <p>Date of operation of current framework: Council and community plan endorsed <b>25 June 2017</b></p>
<p>17 <b>Council Plan Reporting</b> (report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Report</p> <p>Date of report: <b>28 August 2017, 18 December 2017, 27 March 2018, 28 May 2018</b></p>
<p>18 <b>Financial Reporting</b> (quarterly statements to Council under section 138 of the Act 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</p> <p>Dates of reports: <b>28 August 2017, 27 November 2017, 26 February 2018, 28 May 2018</b></p>

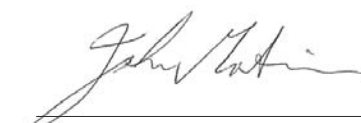
Governance and Management Items	Assessment
19 <b>Risk Reporting</b> (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: <b>3 August 2017, 19 October 2017, 25 January 2018, 24 May 2018</b>
20 <b>Performance Reporting</b> (six-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Reports Dates of reports: <b>28 August 2017, 18 December 2017, 27 March 2018, 28 May 2018</b>
21 <b>Annual Report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act Date of consideration: <b>23 October 2017</b>
22 <b>Councillor Code of Conduct</b> (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: <b>20 February 2017</b>
23 <b>Delegations</b> (a document setting out the powers, duties and functions of Council and the CEO that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: Council to CEO - <b>26 June 2017</b> Council to SPC - <b>26 September 2017</b> Council to Staff - Cemeteries and Crematory - <b>27 March 2018</b> Council to Staff - Domestic Animals, Environmental Protection and Food - <b>27 March 2018</b> Council to Staff - Planning - <b>22 May 2017</b> VicSmart - <b>19 September 2014</b> CEO Powers - <b>30 April 2018</b> CEO sub-delegation to staff - <b>30 April 2018</b> MBS to Building Department - <b>6 February 2018</b>
24 <b>Meeting Procedures</b> (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: <b>10 July 2008</b>

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



**Tony Doyle**  
Chief Executive Officer

Date:  
Wantirna South



**Cr John Mortimore**  
Mayor

Date:  
Wantirna South

# Governance and Statutory Information

## Audit Operations

Consistent with good governance practice, Knox City Council has operated an Audit Committee during 2017-18. The Audit Committee is an advisory committee of the Council and has a focus on monitoring Council's:

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

Council members of the Audit Committee during 2017-18 were:

- Cr Darren Pearce
- Cr Tony Holland
- Cr Jake Keogh

Independent, external members were:

- Ms Linda MacRae (Chair)
- Dr John Purcell
- Ms Lisa Tripodi

The Audit Committee's role is to facilitate:

- the enhancement of Council's external financial reporting, providing Council with confidence that the annual financial audit accurately reflects its financial performance
- the effectiveness of the external and internal audit functions
- the effective management and protection of Council assets
- compliance with relevant laws and regulations, and consideration of best practice guidelines
- the oversight of Council's risk register and implementation and mitigation of mitigating actions
- the provision of an effective means of communication between the external auditor, internal auditor, management and Council.

The Audit Committee met on five occasions during 2017-18 and oversaw the programmed internal audit work plan. This involved the following separate internal audits by contractor DFK Kidsons Pty Ltd:

- Data Analysis Review
- Contract Management
- Building Maintenance - Essential Safety Measures
- Privacy and Data Protection
- Asset Management.

The committee received reports on a range of matters relevant to its terms of reference as well as developments in the local government sector.

# Statutory Information

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

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## Privacy and Data Protection

The *Privacy and Data Protection Act 2014* states that Council must not contravene Information Privacy Principles in respect of personal information it has collected, held, managed, used, disclosed or transferred.

Council's Privacy Policy is a public document available from Council's website at [www.knox.vic.gov.au](http://www.knox.vic.gov.au) or on request. The policy was reviewed in July 2016.

Two complaints were received and investigated by Council during 2017-18 for breaches of the *Privacy and Data Protection Act 2014*.

All questions or complaints regarding Council's obligations under the Privacy and Data Protection Act 2014 and Council's Privacy and Data Protection Policy can be discussed with Council's Chief Privacy Officer on **03 9298 8000**.

**Chief Privacy Officer: Manager Governance and Strategy**

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## Health Records

The *Health Records Act 2001* requires Council to responsibly handle the health information it collects and states that Council must not do an act, or engage in a practice that contravenes a Health Privacy Principle.

Council's Health Records Policy is a public document available from Council's website at [www.knox.vic.gov.au](http://www.knox.vic.gov.au) or on request. The policy was approved in March 2018.

No complaints were received or investigated for breaches of the *Health Records Act 2001*.

All questions or complaints regarding Council's obligations under the Act and Council's Health Records Policy can be discussed with Council's Chief Privacy Officer on **03 9298 8000**.

**Chief Privacy Officer: Manager Governance and Strategy**

# Statutory Information

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## Freedom of Information (FOI)

The *Freedom of Information Act 1982* gives members of the public a legal right of access to documents held by Council limited only by exemptions. It also provides individuals with the right to access and correct documents containing their own personal information.

Requests for access to Council documents under the Act must be in writing, accompanied by the application fee of two fee units and should provide sufficient information to identify the particular documents being sought.

During 2017-18, Council received 26 FOI requests. Determinations were made on 23 applications, with three applications still being processed at year end. The median time for determination of FOI applications in 2017-18 was 27 working days.

There were no applications for review lodged with the FOI Commissioner or appeals to VCAT 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 Act can also be made by calling 03 9298 8000.

**Freedom of Information Officer: Governance Officer**

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## 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 Australian Consumer Law, local laws and competitive neutrality.

There were no complaints under the National Competition Policy or Australian Consumer Law received during the 2017-18 financial year. 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 Strategy.**

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## Road Management Act

The *Road Management Act 2004* requires Council to develop a road management plan, which in effect provides an 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.

No formal guidance was received in 2017-18 in relation to the Road Management Act. A copy of the latest version of the Act can be found here:

[http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/vic/consol\\_act/rma2004138/](http://www8.austlii.edu.au/cgi-bin/viewdb/au/legis/vic/consol_act/rma2004138/)

Council's latest iteration of its published Road Management Plan is available on Council's website.



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**National  
Competition  
Policy**

Knox City Council continues to comply with the requirements of the National Competition Policy and the Australian Consumer 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.

**Officer responsible for National Competition Policy: Manager Business and Financial Services**

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**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 2017-18, no disclosures were made to the Independent Broad-based Anti-corruption Commission (IBAC).

**Protected Disclosure Coordinator: Director Corporate Services**

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**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 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 2017-18, no complaints were received by Council or the Victorian Ombudsman in relation to Knox City Council's implementation of the Charter of Human Rights and Responsibilities Act.

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

**Human Rights Officer: Manager Governance and Strategy**

# Statutory Information

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## 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 the regular process of future planning and ensuring continuous review and improvement across all Council's service areas. This means 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 Knox's Community and Council Plan 2017-21, and are given effect through Council's Service Planning Policy. This Annual Report illustrates Council's performance against these best value principles.

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## Documents available for inspection

Under section 222 of the *Local Government Act 1989*, the following Council documents are available for public inspection by contacting the Governance Coordinator on 03 9298 8000:

- 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.
- Agendas for and minutes of Ordinary and Special Meetings of Council held in the previous 12 months, excluding confidential information considered by Council.
- 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 *Local Government Act 1989*. Council may, by instrument of delegation, delegate functions, duties or powers to a special committee).
- A register of delegations made pursuant to the *Local Government Act 1989*.
- A document containing details of all leases involving land entered into by the Council.
- A register of authorised officers appointed under section 224 of the *Local Government Act 1989* (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 previous 12 months.

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## Food Act 1984

Knox City Council is responsible for meeting and enforcing the legislative requirements of the *Food Act 1984*.

Council manages its statutory obligations by meeting the necessary inspection targets, relevant follow-ups, food sampling requirements and food-related investigations.

Approximately 70 percent of the work of Council's environmental health officers relates to food compliance functions at premises including restaurants, takeaway food outlets, hotels, cafes and supermarkets. Officers promptly react to food-related complaints with a same-day or next-day response to commence an investigation.

Council's emphasis is primarily aimed at educating proprietors of their responsibilities; however, escalating enforcement action is applied to those proprietors who continually breach food standards.

Food Safety Programs for relevant premises are monitored by the environmental health officer's health team, who also oversee the external third-party food audit system.

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## Disability Act 2006- Disability Action Plan Implementation

Knox City Council is committed to creating a community that is accessible, welcoming and inclusive of everyone. Of the current 162,116 residents in Knox, it is estimated that approximately 16 percent (SDAC, 2015) of them have some form of disability, representing a significant portion of our 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 draft Access and Equity Implementation Plan 2017-22 (the plan) encapsulates the strategic directions Council will take to promote the rights of people with disabilities while enhancing access and inclusion to 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.

Aligned to the *Disability Act 2006*, Council aims to:

- 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.

# Statutory Information

## Disability Act 2006- Disability Action Plan Implementation (cont.)

To achieve this, Council provides a wide range of services and programs for the community, many of which are accessible and inclusive for 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:

- Supports delivered under the Home and Community Care program for Younger People (HACC PYP) include services for people with a disability under the age of 65 years and their carers. These include - in home assessment, domestic assistance, personal care, respite care and home maintenance and planned activity groups.
- Support delivered under the Commonwealth Home Support Program (CHSP) for people aged over 65 years (including those ineligible for NDIS) and their carers. These include Regional Assessment Service, domestic assistance, personal care, flexible respite, home maintenance, home modifications, social support group and social support for the individual.
- HACC PYP and CHSP Food Services (meals on wheels) - home-delivered meals, distributed by community volunteers.
- Community participation (transport) - a community transport service is available for Knox residents with priority given to people with disabilities, the frail and aged, and people at risk of social isolation.
- Seniors Housing Support Program - for older residents, including those with a disability, who are homeless or at risk of becoming homeless.
- A dedicated Active Ageing and Disability Services NDIS Transition Liaison Officer.
- Parking permits - Council administers the disabled persons parking permit scheme.
- Retrofitting program - allocation of dedicated funds through the capital works program to enhance access to Council-owned buildings and facilities.
- Bi-monthly meetings of the Knox Disability Advisory Committee, which consists of people with a disability, carers and representatives from disability service providers to assist Council in the consultative process and provide feedback to support Council's decision-making.
- Providing a range of communication materials on services and relevant information, which encourages and demonstrates actions to improve access and inclusion through such publications as: a *Guide to Disability and Aged Services* in Knox, the *People First Guide* and the email newsletter, *Accessing Knox*.
- Facilitation and development of the Eastern Disability Housing Network, which is designed to engage community members and explore opportunities to improve housing options for people with a disability.
- Celebration of International Day of People with Disability as part of Knox's *Carols by Candlelight*, including the incorporation of a wide range of inclusive features, such as providing an Access Key and Chill Out spaces for people with anxiety, designated accessible seating areas, carols songbooks in Braille and sighted guides, Auslan interpreters, proflooring for wheelchair mobility, accessible parking and toilets, and having a Changing Places facility on site.

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**Disability Act 2006- Disability Action Plan Implementation (cont.)**

- Training and information sharing for community members and services in preparation for the rollout of the National Disability Insurance Scheme (NDIS).
- The Eastern Regional Libraries Corporation offers a range of services to people with disabilities, which includes a home delivery service, tactile, audio and large print books, captioned DVDs and assistive devices for computer users.
- Hosting and facilitation of the Knox Disability Partnerships Network meeting for disability service providers.
- Development and provision of an Access Key for the Knox Civic Centre to increase the accessibility of our centre for people with anxiety, Autism Spectrum Disorder, intellectual disability, dementia or sensory impairments.

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**Carers Recognition Act 2012**

Knox Council acknowledges the *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 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 a '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 the carer in accordance with the Carers Recognition Act. The policy 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 regarding the principles and obligations of the Act by including information on the care relationship through the following:

- Council's induction and training programs for staff working in CHSP and HACC PYP, disability services and all outward-facing community services, and for staff and volunteers in frontline positions with the general community.
- A number of initiatives have been implemented to ensure that the Carers Recognition Act is recognised and delivered to the community. Some of the programs are delivered in partnership with other community support services.
- Approximately 1,040 residents subscribe to *Accessing Knox*, the electronic publication distributed weekly by email. Council has received positive feedback about the information and available services provided in this communication.
- An extensive update to the *Guide to Services for Disability and Aged Services* was completed in November 2017 and 3,000 new copies were printed. This guide book includes sections outlining support options for carers. This guide has been widely distributed to individuals and community organisations throughout Knox.
- A parent/carer legal information session was held, which involved 30 participants and focused on power of attorney, administration, guardianship, wills and trusts for carers.

# Statutory Information

## Carers Recognition Act 2012 (cont.)

- Council provides respite care for carers of people with a disability who are under 65 years through the HACC PYP program and flexible respite services through the CHSP for people over 65 years, both of which are supported by funding from the State and Federal Governments.
- Council's Active Ageing and Disability Services team provides service coordination, referral and support to carers through the Regional Assessment and Home Support Assessment Services. HACC PYP, CHSP and Council-funded services are also provided to carers to support their caring role (for example, domestic assistance, community transport and food services).
- Active Ageing and Disability Services commenced a partnership with U3A Knox to deliver the new Knox U3A Carers group after identifying the need in the Knox community for such a group given the previous limited support networks for carers in the region.
- The Lab program is in its third year. It is hosted by two Knox neighborhood houses that provide programs for young people with Asperger's syndrome and also respite for their parents and carers.
- Support for the Autism Spectrum Disorder (ASD) Network that helps parents of children with autism.
- The Playconnect Playgroup is part of the federal government's Helping Children with Autism package, which provides support and services for children with ASD.
- NDIS-readiness sessions - three sessions were delivered that provided advice and guidance for carers/parents of people with a disability, with over 200 community members attending.
- NDIS- Active Ageing and Disability services NDIS Transition Officer continues to support carers, conducting testing for eligibility and transitioning to the NDIS.
- The Eastern Disability Housing Network is a network that has been established to support parents/carers, people with a disability and the disability sector to mobilise the community and improve housing options for people with a disability.
- My Time is a support playgroup for parents and carers of a young child with a disability or a chronic medical condition. The playgroup is facilitated by a trained worker employed by Playgroup Victoria and supported by Knox City Council. The program is funded by the federal government.
- Knox City Council is a member of the Carer Card Program, which is a State Government initiative that offers carers a wide range of discounts and benefits from businesses, local government and community organisations.
- Through CHSP the Knox RAS team continued to refer carers to Carer Gateway website, which provides a range of practical information and resources to help in their caring role.
- Specialised support services are also provided under the CHSP to help carers to manage conditions such as dementia or vision impairment in order to maximise client independence and enable them to remain living in their own homes.

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 2017-2021 DAMP aims 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.

Council's 2017-2021 DAMP highlights 77 actions that are to be delivered throughout the life of the plan. In addition to some specific projects, there are a number of ongoing actions.

The following actions were delivered in 2017-18:

- Introduction of online animal registrations, to provide the community with easier and more convenient way of registering their pet.
- Delivery of a program of animal registration compliance that included:
  - texts being sent to owners, who had provided Council with a mobile phone number in order to follow up unpaid registration renewals
  - follow-up contact with residents to obtain evidence of unregistered animals, and issuing owners with fines for non-compliance
  - improving the accuracy of Council's animal registration database.
- Community education that included the promotion of animal registration through media releases, social media posts and Council's newspaper (distributed to all households in the municipality).
- Ongoing identification of properties where more than two dog or two cats are registered, in order to determine if they are an animal breeder requiring registration as a Domestic Animal Business.
- Training of officers in situational awareness, conflict management and self-preservation and harm reduction strategy training.

A detailed list of all actions from the DAMP and progress against those actions can be found at [www.knox.vic.gov.au](http://www.knox.vic.gov.au)

# Performance Statement

Year ending 30 June 2018

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## Understanding the Performance Statement

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 (for example, the Australian Bureau of Statistics).

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures and 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. The materiality thresholds have been set as +/-10% of the 2016-17 results.

The forecast figures included in the statement are those adopted by Council in its Strategic Resource Plan on 26 June 2017, which forms part of the Community and 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.

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

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## Description of the Municipality

Located approximately 25 kilometres from Melbourne's central business district, the Knox municipality 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 162,116 (as at 30 June 2018) 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 consists of the following suburbs: The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Sassafras, Scoresby, Upper Ferntree Gully, Wantirna and Wantirna South.



# Sustainable Capacity Indicators

For the year ended 30 June 2018

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Population</b>					
<b>Expenses per head of municipal population</b>	\$899.43	\$919.62	\$918.47	\$897.28	
[Total expenses / Municipal population]					
<b>Infrastructure per head of municipal population</b>	\$5,545.93	\$5,663.62	\$5,682.68	\$5,729.82	
[Value of infrastructure / Municipal population]					
<b>Population density per length of road</b>	215.68	215.92	217.52	224.54	
[Municipal population / Kilometres of local roads]					
<b>Own-source revenue</b>					
<b>Own-source revenue per head of municipal population</b>	\$741.84	\$888.59	\$800.05	\$804.21	
[Own-source revenue / Municipal population]					
<b>Recurrent grants</b>					
<b>Recurrent grants per head of municipal population</b>	\$184.31	\$130.59	\$178.36	\$153.57	
[Recurrent grants / Municipal population]					
<b>Disadvantage</b>					
<b>Relative socio-economic disadvantage</b>	9.00	9.00	9.00	9.00	
[Index of Relative Socio-economic Disadvantage by decile]					

## Definitions

'Adjusted underlying revenue' means total income other than:

- (a) Non-recurrent grants used to fund capital expenditure
- (b) Non-monetary asset contributions
- (c) Contributions to fund capital expenditure from sources other than those referred to above.

'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 website

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

# Service Performance Indicators

For the year ended 30 June 2018

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Animal Management</b>					
<b>Health and Safety</b>					
<i>Animal management prosecutions</i>	15	5	12	12	
[Number of successful animal management prosecutions]					
<b>Aquatic facilities</b>					
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i>	3.62	3.67	3.60	3.49	
[Number of visits to aquatic facilities / Municipal population]					
<b>Food safety</b>					
<b>Health and Safety</b>					
<i>Critical and major non-compliance outcome notifications</i>					
[Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed-up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100					
	94.73%	91.95%	90.50%	90.16%	
<b>Governance</b>					
<b>Satisfaction</b>					
<i>Satisfaction with council decisions</i>	59	62	55	56	
[Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]					

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Libraries</b>					
<b>Participation</b> <i>Active library members</i>	18.14%	14.01%	13.01%	13.39%	
[Number of active library members / Municipal population] x100					
<b>Maternal and Child Health (MCH)</b>					
<b>Participation</b> <i>Participation in the MCH service</i>	82.75%	79.07%	80.88%	81.25%	
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i>	92.31%	74.24%	87.30%	75.47%	A decrease in participation rates by Aboriginal Children was seen in 2017-18 due to an influx of families from Interstate. There have also been multiple families where contact has not been able to be made. It is assumed that these families have moved out of the area, however, the history remains open in the system.
[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					
<b>Roads</b>					
<b>Satisfaction</b> <i>Satisfaction with sealed local roads</i>	70	67	68	69	
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

# Service Performance Indicators

Service/Indicator/Measure	2015	2016	2017	2018	Material Variation Comment
<b>Statutory Planning</b>					
<b>Decision-making</b>					
<i>Council planning decisions upheld at VCAT</i>					
[Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	41.67%	44.83%	52.00%	54.05%	
<b>Waste Collection</b>					
<b>Waste diversion</b>					
<i>Kerbside collection waste diverted from landfill</i>					
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	53.30%	52.01%	53.41%	51.97%	

## 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 *Local Government Act 1989*.

'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 authorised 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*.

'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 Council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.

'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.

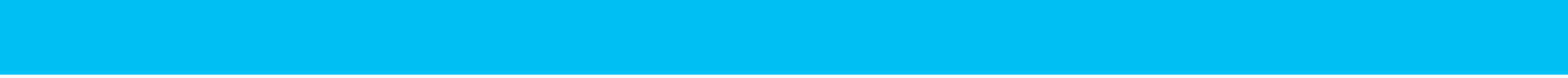
'WorkSafe reportable aquatic facility safety incident' means an incident relating to a Council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.



# Financial Performance Indicators

For the year ended 30 June 2018

Service/Indicator/Measure	Results			
	2015	2016	2017	2018
<b>Efficiency</b>				
<b>Revenue level</b>				
<i>Average residential rate per residential property assessment</i>	\$1,266.69	\$1,290.92	\$1,267.96	<b>\$1,326.47</b>
[Residential rate revenue / Number of residential property assessments]				
<b>Expenditure level</b>				
<i>Expenses per property assessment</i>	\$2,196.09	\$2,232.71	\$2,219.18	<b>\$2,237.89</b>
[Total expenses / Number of property assessments]				
<b>Workforce turnover</b>				
<i>Resignations and terminations compared to average staff</i>	7.94%	11.70%	12.77%	<b>13.17%</b>
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100				
<b>Liquidity</b>				
<b>Working capital</b>				
<i>Current assets compared to current liabilities</i>	181.09%	229.86%	235.53%	<b>236.21%</b>
[Current assets / Current liabilities] x 100				
<b>Unrestricted cash</b>				
<i>Unrestricted cash compared to current liabilities</i>	45.74%	-11.27%	-4.34%	<b>-11.22%</b>
[Unrestricted cash / Current liabilities] x 100				
<b>Obligations</b>				
<b>Asset renewal</b>				
<i>Asset renewal compared to depreciation</i>	109.72%	101.74%	112.65%	<b>112.57%</b>
[Asset renewal expensed / Asset depreciation] x 100				
<b>Loans and borrowings</b>				
<i>Loans and borrowings compared to rates</i>	15.99%	12.99%	0.00%	<b>0.0%</b>
[Interest bearing loans and borrowings / Rate revenue] x 100				



**Forecasts**

<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Material Variation Comment</b>
\$1,354.05	\$1,393.97	\$1,406.65	\$1,442.79	
\$2,459.63	\$2,462.51	\$2,405.06	\$2,429.90	
12.54%	12.54%	12.54%	12.54%	The Workforce turnover forecast is reflective of the average of the actual results.
170.92%	152.94%	248.77%	240.78%	
86.91%	70.18%	166.29%	159.30%	At 30 June 2018, Council had \$38.5 million in term deposits that were due to mature within 90 days. These term deposits have not been reflected in this measure.
133.08%	122.28%	121.45%	126.36%	
30.15%	38.38%	40.47%	16.77%	Budgeted borrowings for 2017-18 have been deferred until the 2018-19 financial year. Over the next four-year period it is anticipated that Council will use loan borrowings to fund several planned major projects in the municipality.

# Financial Performance Indicators

For the year ended 30 June 2018

Service/Indicator/Measure	Results			
	2015	2016	2017	2018
<b>Obligations (cont.)</b>				
<b>Loans and borrowings</b>				
<i>Loans and borrowings repayments compared to rates</i>	3.14%	2.94%	14.34%	<b>0.00%</b>
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100				
<b>Indebtedness</b>				
<i>Non-current liabilities compared to own source revenue</i>	14.38%	12.36%	4.62%	<b>3.63%</b>
[Non-current liabilities / Own source revenue] x 100				
<b>Operating positions</b>				
<b>Adjusted underlying result</b>				
<i>Adjusted underlying surplus (or deficit)</i>	7.05%	13.59%	10.31%	<b>10.95%</b>
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100				
<b>Stability</b>				
<b>Rates concentration</b>				
<i>Rates compared to adjusted underlying revenue</i>	63.86%	61.56%	66.59%	<b>66.74%</b>
[Rate revenue / Adjusted underlying revenue] x 100				
<b>Rates effort</b>				
<i>Rates compared to property values</i>	0.29%	0.30%	0.26%	<b>0.26%</b>
[Rate revenue / Capital improved value of rateable properties in the municipality] x 100				

## Definitions

'Adjusted' underlying revenue" means total income other than:

- (a) Non-recurrent grants used to fund capital expenditure
- (b) Non-monetary asset contributions
- (c) Contributions to fund capital expenditure from sources other than those referred to above.

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

'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



### Forecasts

2019	2020	2021	2022	Material Variation Comment
0.00%	2.71%	3.62%	24.43%	All previous outstanding loans were settled in August/September 2016. Budgeted borrowings for 2017-18 have been deferred until the 2018-19 financial year. Over the next four-year period it is anticipated that Council will use loan borrowings to fund several planned major projects in the municipality.
27.37%	34.99%	31.28%	13.73%	Own source revenue has increased by 1.79%, while the only non-current liability - employee provisions - has decreased due to employee resignations and terminations. Over the next four-year period there is an increase in the percentage as a result of anticipated borrowings to fund several planned major projects in the municipality.
2.36%	2.54%	16.68%	16.15%	
67.30%	68.81%	60.86%	62.19%	
0.22%	0.21%	0.20%	0.19%	

'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.

# Certification of the Performance Statement 2017-18

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*.



**Dale Monk, B.Bus, (Acc), CPA**  
*Principal Accounting Officer*

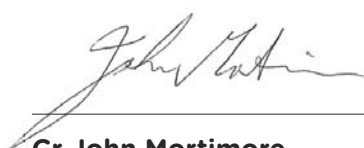
Date: 3 September 2018  
Wantirna South

In our opinion, the accompanying Performance Statement of Knox City Council for the year ended 30 June 2018 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.

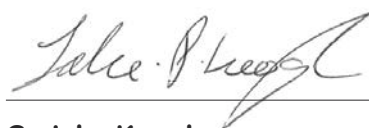
At the date of signing, we are not aware of any circumstances that would render any particulars in the Performance Statement to be misleading or inaccurate.

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 John Mortimore**  
*Mayor*

Date: 3 September 2018  
Wantirna South



**Cr Jake Keogh**  
*Deputy Mayor*

Date: 3 September 2018  
Wantirna South



**Tony Doyle**  
*Chief Executive Officer*

Date: 3 September 2018  
Wantirna South

# Victorian Auditor-General's Office Performance Statement



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Councillors of Knox City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Knox City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• description of municipality for the year ended 30 June 2018</li><li>• sustainable capacity indicators for the year ended 30 June 2018</li><li>• service performance indicators for the year ended 30 June 2018</li><li>• financial performance indicators for the year ended 30 June 2018</li><li>• other information and</li><li>• the certification of the performance statement.</li></ul> <p>In my opinion, the performance statement of Knox City Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

# Victorian Auditor-General's Office

## Performance Statement

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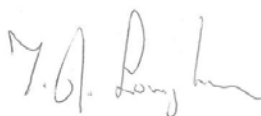
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

---



MELBOURNE  
6 September 2018

Tim Loughnan  
as delegate for the Auditor-General of Victoria

# Understanding the Financial Statements

**The Financial Report shows how Council performed financially during the 2017-18 year and the overall position at the end of the financial year, 30 June 2018.**

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## What is contained in the Annual Financial Report?

Council's financial report contains a set of financial statements and accompanying notes. These are prepared by Council staff to meet the requirements of the Local Government Act 1989, Australian Accounting Standards (AASs) as well as the Victorian Auditor-General's model accounts which are designed to standardise financial reporting for local government bodies throughout Victoria.

The statements are audited by the Victorian Auditor-General's office before being approved in principle by Council's Audit Committee and Council itself. 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.

The Financial Statements are made up of five key financial reports:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works

The notes detail Council's accounting policies and a breakdown of values contained in the statements.

In addition to the Financial Statements, Council is also required to prepare budget comparison notes which are included in this Annual Report. The budget comparison notes provide a comparison between actual results for the year and the annual adopted budget, and provides explanations for major variances.

# Understanding the Financial Statements

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## Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and indicates whether a surplus or deficit has resulted from the delivery of Council's services.

The statement presents the following:

- The sources of Council's revenue under various income headings.
- The expenses incurred in the operation of Council during the 2017-18 financial year. This includes depreciation or the writing-down of the value of buildings, roads, footpaths, drains and all other infrastructure assets that are used to provide Council's 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.
- Other Comprehensive Income that demonstrates the movement in the value of Council's net assets as a result of asset revaluations as at 30 June 2018.

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

The key figure to consider is the surplus or (deficit) for the year. A surplus means that Council is creating sufficient surplus to renew infrastructure assets at the time when they need to be renewed.

---

## 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. The bottom line of this statement is Net Assets which indicates the net worth of Council that has been built up over many years.

The assets and liabilities are separated into current and non-current. Current assets or liabilities are those that will be due within the next 12 months, with non-current ones being due after 12 months.

The Balance Sheet has the following components:

### Current and Non-Current Assets

Council's assets are as follows:

- Cash and cash equivalents - cash held in the bank and in petty cash, and the value of Council's investments with a maturity term of no greater than three months.
- Other financial assets - the value of Council's investments with a maturity term of greater than three months.
- Trade and other receivables - monies owed to Council by ratepayers and others.
- Non-current assets classified as held for sale - assets available for immediate sale. For infrastructure assets including property, these relate to a resolution of Council.
- Other assets - includes prepayments which are expenses that Council has paid in advance of service delivery.
- Inventories - comprises various stock items held by Council.
- Investment in Eastern Regional Libraries Corporation - represents Council's investment in the Eastern Regional Libraries Corporation and its share of the Corporation's accumulated surplus.
- Property, infrastructure, plant and equipment - the largest component of Council's worth - representing the value of all the land, buildings, roads, plant and equipment, that has been built up by Council over many years.
- Intangible assets - non-current assets held by Council that are not physical assets, for example computer software.

### Current and Non-Current Liabilities

- Council's liabilities are as follows:
- Trade and other payables - people and businesses to whom Council owes money.
- Trust funds and deposits - monies held in trust by Council.
- Provisions - the accrued value of annual and long service leave employee entitlements and the net present value of the cost of landfill rehabilitation at two facilities.
- Interest-bearing loans and borrowings - the outstanding balance Council owes on bank loans.

# Understanding the Financial Statements

---

## Balance Sheet (cont.)

### Net assets

This term is used to describe the difference between the value of Total Assets and the value of Total Liabilities. It represents the net worth of Council as at 30 June.

### Total equity

This always equals Net Assets and is made up of the following components:

- Accumulated surplus - the value of all net assets, other than those below, accumulated over time.
- Reserves - the reserves are made up of asset revaluation reserve and other reserves. The asset reserve is the difference between the previously recorded value of assets and their current valuation, and other reserves that are funds that have restrictions placed on their use and are not readily available to Council.

---

## 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 one of the following:

- A surplus or (deficit) as recorded in the Comprehensive Income Statement.
- The use of monies from Council's reserves.
- An increase/decrease in the value of non-current assets that has resulted from a revaluation of those assets.

---

## Statement of Cash Flows

The Cash Flow Statement summarises Council's cash receipts and payments for the financial year and the net 'cash in hand' position. The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted into cash.

Council's cash arises from, and is used in, the following three main areas:

### Cash flows from operating activities

- Receipts - all cash receipts arising from the general operations of Council, including rates, general trading sales and debtors, grants and interest earnings. Receipts do not include cash from the sale of assets or loan funds.
- Payments - all cash paid by Council from its bank account to employees, suppliers and other persons. It does not include the costs associated with the creation of assets.



---

**Statement of  
Cash Flows**  
(cont.)

**Cash flows from investing activities**

This section indicates the cash invested in the creation or purchase of property, infrastructure, plant and equipment assets, and the cash received from the sale of these assets.

**Cash flows from financing activities**

This is where the receipt and repayment of borrowed funds are recorded.

The bottom line of the Cash Flow Statement is the cash at the end of the financial year. This shows the capacity of Council to meet its cash debts and other liabilities.

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**Statement of  
Capital Works**

The Capital Works Statement details Council's capital works expenditure for the financial year. It sets out the expenditure on creating or buying property, plant and equipment, and infrastructure by each category of asset. It also indicates how much has been spent on renewing, upgrading, expanding or creating new assets of this type.

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**Notes to the  
Accounts**

The notes to the accounts are a very important and informative section of the report. While the Australian Accounting Standards are not prescriptive about the provision of details of Council's accounting policies, they are provided here to enable the reader to understand the values shown in the statements.

Apart from describing the main accounting policies, they also provides details on many of the summary items contained in the Annual Financial Report. The note numbers are shown beside the relevant items in each of the statements. The notes also provide an opportunity for Council to disclose additional information that cannot be incorporated into the Annual Financial Report.

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

# Understanding the Financial Statements

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## Statements by the Principal Accounting Officer, Councillors and the Chief Executive Officer

The certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in her/his opinion, the financial statements have met all the statutory and professional reporting requirements.

The certification of the Chief Executive Officer and Councillors is made by two Councillors and the Chief Executive Officer on behalf of Council that, in their opinion, the financial statements are fair and not misleading.

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## Auditor-General's Report on the Financial Report

An Independent Audit Report provides the reader with an external and independent opinion on the financial statements. It confirms that the financial report has been prepared in accordance with relevant legislation and professional standards and that it represents a fair picture of the financial affairs of the Council.





# Financial Report

## For the Year Ended 30 June 2018

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# Certification of the Financial Statements

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



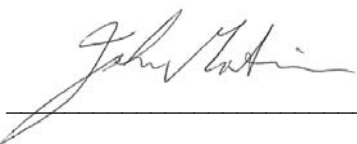
**Dale Monk, B.Bus. (Acc), CPA**  
Principal Accounting Officer

Date: 3 September 2018  
Wantirna South

In our opinion the accompanying financial statements present fairly the financial transactions of Knox City Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

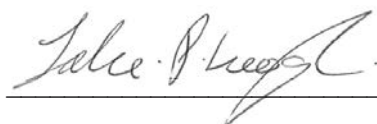
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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 John Mortimore**  
Mayor

Date: 3 September 2018  
Wantirna South



**Cr Jake Keogh**  
Deputy Mayor

Date: 3 September 2018  
Wantirna South



**Tony Doyle**  
Chief Executive Officer

Date: 3 September 2018  
Wantirna South

# Victorian Auditor-General's Office Financial Report



Victorian Auditor-General's Office

## Independent Auditor's Report

### To the Councillors of Knox City Council

---

<b>Opinion</b>	<p>I have audited the financial report of Knox City Council (the council) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2018</li><li>• comprehensive income statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• statement of cash flows for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• certification of the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

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

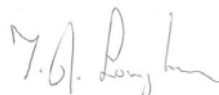
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

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

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MELBOURNE  
6 September 2018



Tim Loughnan  
*as delegate for the Auditor-General of Victoria*

# Comprehensive Income Statement

For the Year Ended 30 June 2018

Income	Note	2018 \$'000	2017 \$'000
Rates and charges	2.1	109,024	107,084
Statutory fees and fines	2.2	3,107	2,658
User fees	2.3	14,772	14,484
Grants - operating	2.4	23,246	25,957
Grants - capital	2.4	4,734	4,572
Contributions - monetary	2.5	8,808	6,520
Contributions - non-monetary	2.5	9,495	-
Other income	2.7	3,031	3,418
Share of net profit of associate	5.3	441	240
<b>Total income</b>		<b>176,658</b>	<b>164,933</b>
<b>Expenses</b>			
Employee costs	3.1	(65,286)	(65,843)
Materials and services	3.2	(50,722)	(49,969)
Depreciation and amortisation	3.3	(19,986)	(19,307)
Bad and doubtful debts	3.4	(128)	(41)
Borrowing costs	3.5	-	(2,045)
Other expenses	3.6	(1,282)	(1,476)
Contributions and donations	3.7	(6,121)	(5,566)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2.6	(1,938)	(2,235)
<b>Total expenses</b>		<b>(145,463)</b>	<b>(146,482)</b>
<b>Surplus for the year</b>		<b>31,195</b>	<b>18,451</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to surplus or deficit in future periods:			
Net asset revaluation increment	8.1	263,892	5,010
<b>Total comprehensive result</b>		<b>295,087</b>	<b>23,461</b>

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.

# Balance Sheet

As At 30 June 2018

Assets	Note	2018 \$'000	2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	4.1	17,651	18,430
Other financial assets	4.1	46,600	49,100
Trade and other receivables	4.1	13,128	10,543
Other assets	4.2	1,573	1,271
Inventories		7	5
Non-current assets classified as held for sale	5.1	1,718	314
<b>Total current assets</b>		<b>80,677</b>	<b>79,663</b>
<b>Non-current assets</b>			
Intangible assets	4.2	1,442	1,858
Property, infrastructure, plant and equipment	5.2	1,989,094	1,695,782
Investment in Eastern Regional Libraries Corporation	5.3	4,422	3,981
<b>Total non-current assets</b>		<b>1,994,958</b>	<b>1,701,621</b>
<b>Total assets</b>		<b>2,075,635</b>	<b>1,781,284</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	14,690	10,020
Trust funds and deposits	4.3	3,683	7,164
Provisions	4.4	15,782	16,639
<b>Total current liabilities</b>		<b>34,155</b>	<b>33,823</b>
<b>Non-current liabilities</b>			
Provisions	4.4	4,735	5,803
<b>Total non-current liabilities</b>		<b>4,735</b>	<b>5,803</b>
<b>Total liabilities</b>		<b>38,890</b>	<b>39,626</b>
<b>Net assets</b>		<b>2,036,745</b>	<b>1,741,658</b>
<b>Equity</b>			
Accumulated surplus		658,229	629,163
Reserves	8.1	1,378,516	1,112,495
<b>Total equity</b>		<b>2,036,745</b>	<b>1,741,658</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the Year Ended 30 June 2018

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2018</b>	<b>Note</b>				
Balance at beginning of the financial year		1,741,658	629,163	1,072,093	40,402
Surplus for the year		31,195	31,195	-	-
Net asset revaluation increment/ (decrement)	8.1(a)	263,892	-	263,892	-
Transfers to other reserves	8.1(b)	-	(11,011)	-	11,011
Transfers from other reserves	8.1(b)	-	8,882	-	(8,882)
<b>Balance at end of the financial year</b>		<b>2,036,745</b>	<b>658,229</b>	<b>1,335,985</b>	<b>42,531</b>
<b>2017</b>	<b>Note</b>				
Balance at beginning of the financial year		1,718,197	615,468	1,067,083	35,646
Surplus for the year		18,451	18,451	-	-
Net asset revaluation increment/ (decrement)	8.1(a)	5,010	-	5,010	-
Transfers to other reserves	8.1(b)	-	(12,082)	-	12,082
Transfers from other reserves	8.1(b)	-	7,326	-	(7,326)
<b>Balance at end of the financial year</b>		<b>1,741,658</b>	<b>629,163</b>	<b>1,072,093</b>	<b>40,402</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		107,114	106,569
Statutory fees and fines		3,114	2,661
User fees		14,441	14,927
Grants - operating		23,986	25,918
Grants - capital		4,660	4,696
Contributions - monetary		8,990	6,598
Interest received		1,333	1,471
Net GST refund		9,287	8,064
Other receipts		2,167	2,165
Net movement in trust deposits		(3,481)	4,511
Employee costs		(65,725)	(66,863)
Materials and services		(61,272)	(59,206)
Contributions and donations		(6,696)	(6,068)
Other payments		(1,379)	(1,652)
<b>Net cash provided by operating activities</b>	<b>8.2</b>	<b>36,539</b>	<b>43,791</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(41,293)	(29,396)
Proceeds from sales of property, infrastructure, plant and equipment		1,475	1,559
Payments for investments		(46,600)	(49,100)
Proceeds from sale of investments		49,100	58,100
<b>Net cash used in investing activities</b>		<b>(37,318)</b>	<b>(18,837)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(13,247)
Finance costs		-	(2,107)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(15,354)</b>
Net increase/(decrease) in cash and cash equivalents		(779)	9,600
Cash and cash equivalents at the beginning of the financial year		18,430	8,830
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4.1</b>	<b>17,651</b>	<b>18,430</b>
Financing arrangements	<b>4.5</b>		
Restrictions on cash assets	<b>4.1</b>		

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Statement of Capital Works

For the Year Ended 30 June 2018

Property	2018 \$'000	2017 \$'000
Land	2,615	290
<b>Total land</b>	<b>2,615</b>	<b>290</b>
Buildings	17,837	5,155
<b>Total buildings</b>	<b>17,837</b>	<b>5,155</b>
<b>Total property</b>	<b>20,452</b>	<b>5,445</b>
<b>Plant and equipment</b>		
Artworks	91	-
Plant, machinery and equipment	1,735	1,388
Fixtures, fittings and furniture	64	174
Computers and telecommunications	615	1,605
<b>Total plant and equipment</b>	<b>2,505</b>	<b>3,167</b>
<b>Infrastructure</b>		
Roads	9,178	9,612
Bridges	341	251
Footpaths and cycleways	3,882	2,862
Drainage	3,255	1,951
Recreational, leisure and community facilities	3,514	5,065
Off street car parks	1,310	1,054
Other infrastructure	103	-
<b>Total infrastructure</b>	<b>21,583</b>	<b>20,795</b>
<b>Total capital works expenditure</b>	<b>44,540</b>	<b>29,407</b>
<b>Represented by:</b>		
New asset expenditure	13,270	2,110
Asset renewal expenditure	21,857	21,245
Asset expansion expenditure	2,947	392
Asset upgrade expenditure	6,466	5,660
<b>Total capital works expenditure</b>	<b>44,540</b>	<b>29,407</b>

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## Overview

### 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 Highway, Wantirna South, Victoria.

### Statement of compliance

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

### 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 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment and intangibles (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.4)
- the determination of landfill rehabilitation provisions (refer to Note 4.4)
- other areas requiring judgements

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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

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## Note 1 Performance against budget

The performance against budget note compares 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 26 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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



## 1.1

## Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Income</b>				
Rates and charges	106,858	109,024	2,166	
Statutory fees and fines	2,833	3,107	274	
User fees	14,843	14,772	(71)	
Grants - operating	20,351	23,246	2,895	<b>1</b>
Grants - capital	4,723	4,734	11	
Contributions - monetary	4,932	8,808	3,876	<b>2</b>
Contributions - non-monetary	2,000	9,495	7,495	<b>3</b>
Share of net profit of associate	-	441	441	
Other income	3,025	3,031	6	
<b>Total income</b>	<b>159,565</b>	<b>176,658</b>	<b>17,093</b>	
<b>Expenses</b>				
Employee costs	68,251	65,286	2,965	
Materials and services	57,072	50,722	6,350	<b>4</b>
Depreciation and amortisation	22,867	19,986	2,881	<b>5</b>
Contributions and donations	5,399	6,121	(722)	
Borrowing costs	164	-	164	
Net loss (gain) on disposal of property, infrastructure, plant and equipment	1,239	1,938	(699)	
Bad and doubtful debts	64	128	(64)	
Other expenses	558	1,282	(724)	
<b>Total expenses</b>	<b>155,614</b>	<b>145,463</b>	<b>10,151</b>	
<b>Surplus/(deficit) for the year</b>	<b>3,951</b>	<b>31,195</b>	<b>27,244</b>	

## (i) Explanation of material variations

Variance Ref	Item	Explanation
<b>1</b>	Grants - operating	Grants - operating is higher than budget in part due to the early receipt of 50% of the 2018-19 Victoria Grants Commission funds in June 2018 (\$3.263 million).
<b>2</b>	Contributions - monetary	\$2.721 million higher than budget in developers monetary contributions due to a higher than anticipated number of developments during the year. \$1.000 million unbudgeted donation received towards capital works at Batterham Reserve.
<b>3</b>	Contributions - non-monetary	\$7.495 million higher than budget due to a higher than anticipated number of assets handed over to Council from developers.
<b>4</b>	Materials and services	There is a continued focus on the containment of operating costs throughout Council, whilst maintaining services for the community. Further contributing to the \$6.350 million reduction in materials and services expenses is a \$1.615 million reduction in the landfill rehabilitation provision and \$0.923 million reduction in capital works expenditure being unable to be capitalised due to the carry forward of capital works to 2018-19.
<b>5</b>	Depreciation and amortisation	Depreciation and amortisation is lower than budget due to the carry forward of capital works from 2016-17 into 2017-18 and from 2017-18 into 2018-19.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Property</b>				
Land	8,085	2,615	5,470	1
<b>Total land</b>	<b>8,085</b>	<b>2,615</b>	<b>5,470</b>	
Buildings	39,618	17,837	21,781	2
<b>Total buildings</b>	<b>39,618</b>	<b>17,837</b>	<b>21,781</b>	
<b>Total property</b>	<b>47,703</b>	<b>20,452</b>	<b>27,251</b>	
<b>Plant and equipment</b>				
Artworks	181	91	90	
Plant, machinery and equipment	2,254	1,735	519	
Fixtures, fittings and furniture	-	64	(64)	
Computers and telecommunications	7,356	615	6,741	3
<b>Total plant and equipment</b>	<b>9,791</b>	<b>2,505</b>	<b>7,286</b>	
<b>Infrastructure</b>				
Roads	8,000	9,178	(1,178)	4
Bridges	1,000	341	659	
Footpaths and cycleways	3,373	3,882	(509)	
Drainage	2,575	3,255	(680)	
Recreational, leisure and community facilities	7,427	3,514	3,913	5
Off street car parks	550	1,310	(760)	
Other infrastructure	1,571	103	1,468	6
<b>Total infrastructure</b>	<b>24,496</b>	<b>21,583</b>	<b>2,913</b>	
<b>Total capital works expenditure</b>	<b>81,990</b>	<b>44,540</b>	<b>37,450</b>	
<b>Represented by:</b>				
New asset expenditure	27,236	13,270	13,966	
Asset renewal expenditure	28,098	21,857	6,241	
Asset expansion expenditure	5,865	2,947	2,918	
Asset upgrade expenditure	20,791	6,466	14,325	
<b>Total capital works expenditure</b>	<b>81,990</b>	<b>44,540</b>	<b>37,450</b>	

## 1.2

### Capital works

#### (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Capital expenditure is lower than budget due to the carry forward to 2018-19 of land purchases relating to the Knox Central project. This is partially offset by the unbudgeted purchase of land at 88-100 Station Street, Ferntree Gully (\$2.615 million, after a deposit of \$0.290 million was paid late in 2016-17).
2	Buildings	Capital expenditure is lower than budget due to \$1.631 million of works being unable to be capitalised, mainly from general building maintenance costs (\$1.015 million), together with projects being capitalised under different classes (\$0.390 million). Also, works on the Early Years Hubs (\$8.333 million), Stamford Park development (\$7.734 million) and the Building Renewal program (\$1.665 million) that is to be carried forward to 2018-19.
3	Computers and telecommunications	Capital expenditure is lower than budget due to the delay in commencing the ICT Strategy, with \$3.678 million of this strategy being carried forward to 2018-19. On top of this, there is also \$3.316 million of renewal capital expenditure being carried forward to 2018-19 - this is partially offset by the capital expenditure carried forward from 2016-17 into 2017-18 (\$0.858 million). \$0.826 million of works were unable to be capitalised while \$0.059 million was capitalised under different classes.
4	Roads	Capital expenditure is greater than budget due to work being completed on capital works carried forward from 2016-17, particularly for road reconstructions at Windermere Drive, Ferntree Gully (\$0.501 million), Sasses Avenue, Boronia (\$0.309 million) and Macquarie Place, Boronia (\$0.282 million).
5	Recreational, leisure and community facilities	Capital expenditure is lower than budget due to landscaping and planting works unable to be capitalised (\$1.744 million). The outstanding work for the 2017-18 Playground Renewal program will be carried forward (\$0.917 million), while \$1.821 million will be carried forward for unstructured recreation capital works and \$0.318 million will be carried forward for active open space.
6	Other infrastructure	Capital expenditure is lower than budget due to works that cannot be capitalised, particularly related to the Street Tree Replacement program (\$0.587 million), together with projects being capitalised under different classes (\$0.132 million). Works on the Knox Regional Sports Park signage (\$0.125 million) and Council Property Tree Management (\$0.099 million) have been carried forward to 2018-19.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## Note 2 Funding for the delivery of our services

### 2.1 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 2017-18 was \$41,587 million (2016-17 \$41,011 million). The 2017-18 rate in the CIV dollar was \$0.0018917 (2016-17 \$0.0021114) for the residential rate.

	2018 \$'000	2017 \$'000
General rates	96,792	100,856
Residential garbage charge	8,889	-
Service rates and charges	1,795	3,843
Supplementary rates and rate adjustments	927	1,859
Cultural and recreational	60	43
Interest on rates and charges	561	483
<b>Total rates and charges</b>	<b>109,024</b>	<b>107,084</b>

The date of the latest general revaluation for rating purposes within the municipal district was 1 January 2016 and the valuation first applied to the rating year commencing 1 July 2016.

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.

### 2.2 Statutory fees and fines

Permits	1,979	1,642
Infringements and costs	636	704
Town planning fees	361	200
Land information certificates	114	110
Court recoveries	17	2
<b>Total statutory fees and fines</b>	<b>3,107</b>	<b>2,658</b>

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

### 2.3 User fees

Waste management services	5,217	4,869
Child care/children's programs	3,458	3,445
Registration and other permits	1,856	1,836
Leisure centre and recreation	1,652	1,515
Aged and health services	967	960
Building services	491	552
Other fees and charges	1,131	1,307
<b>Total user fees</b>	<b>14,772</b>	<b>14,484</b>

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

## 2.4

## Funding from other levels of government

Grants were received in respect of the following:

Summary of grants	2018 \$'000	2017 \$'000
Commonwealth funded grants	16,406	18,641
State funded grants	11,574	11,888
<b>Total grants received</b>	<b>27,980</b>	<b>30,529</b>

**(a) Operating grants****Recurrent - Commonwealth Government**

Financial Assistance Grants	6,502	9,006
General home care	3,645	3,882
Family and children - child care	2,211	2,432

**Recurrent - State Government**

Family and children - preschool	5,968	5,676
General home care	1,809	1,978
Family and children - maternal and child health	1,227	1,215
School crossing supervisors	584	410
Family and children - youth services	240	237
Other	240	183
Community health	145	158
Family and children - child care	204	80
<b>Total recurrent operating grants</b>	<b>22,775</b>	<b>25,257</b>

**Non-recurrent - Commonwealth Government**

Family and children - child care	15	-
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**Non-recurrent - State Government**

Environmental planning	195	23
Recreation	103	22
Family and children - youth services	68	19
Other	36	76
Family and children - preschool	35	-
Community health	19	32
Family and children - early intervention	-	528
<b>Total non-recurrent operating grants</b>	<b>471</b>	<b>700</b>
<b>Total operating grants</b>	<b>23,246</b>	<b>25,957</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 2.4 Funding from other levels of government (cont)

### (b) Capital grants

	2018 \$'000	2017 \$'000
<b>Recurrent - Commonwealth Government</b>		
Financial Assistance Grants - local roads	1,104	1,581
Roads to recovery	1,017	1,174
<b>Total recurrent capital grants</b>	<b>2,121</b>	<b>2,755</b>
<b>Non-recurrent - Commonwealth Government</b>		
Recreational, leisure and community facilities	1,912	471
Buildings	-	75
Off street car parks	-	20
<b>Non-recurrent - State Government</b>		
Recreational, leisure and community facilities	479	1,036
Roads	187	65
Buildings	35	150
<b>Total non-recurrent capital grants</b>	<b>2,613</b>	<b>1,817</b>
<b>Total capital grants</b>	<b>4,734</b>	<b>4,572</b>

### (c) Unspent grants received on condition that they be spent in a specific manner

Balance at start of year	1,011	143
Received during the financial year and remained unspent at balance date	1,404	1,011
Received in prior years and spent during the financial year	(669)	(143)
<b>Balance at year end</b>	<b>1,746</b>	<b>1,011</b>

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

## 2.5 Contributions

	2018 \$'000	2017 \$'000
Monetary	8,808	6,520
Non-monetary	9,495	-
<b>Total contributions</b>	<b>18,303</b>	<b>6,520</b>

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

Land	4,462	-
Drainage	2,442	-
Roads	2,087	-
Footpaths and cycleways	489	-
Car parks	15	-
<b>Total non-monetary contributions</b>	<b>9,495</b>	<b>-</b>

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

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

Proceeds of sale	1,475	1,545
Written down value of assets disposed	(3,413)	(3,780)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,938)</b>	<b>(2,235)</b>

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

## 2.7 Other income

Interest	1,380	1,313
Recyclable material sales	471	783
Reimbursements	419	549
Rent	411	343
Other	350	430
<b>Total other income</b>	<b>3,031</b>	<b>3,418</b>

Interest is recognised as it is earned.

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

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## Note 3 The cost of delivering services

### 3.1 Employee costs

	2018 \$'000	2017 \$'000
Wages and salaries	48,119	49,127
Annual leave and long service leave	6,315	6,188
Agency staff	4,911	4,261
Superannuation	4,861	4,860
WorkCover	770	993
Fringe benefits tax	310	414
<b>Total employee costs</b>	<b>65,286</b>	<b>65,843</b>

#### (b) Superannuation

Council made contributions to the following funds:

##### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	436	416
Employer contributions - other funds	-	-
	<b>436</b>	<b>416</b>
Employer contributions payable at reporting date	-	-

##### Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,055	3,071
Employer contributions - other funds	1,577	1,586
	<b>4,632</b>	<b>4,657</b>
Employer contributions payable at reporting date	367	359

Refer to Note 8.3 for further information relating to Council's superannuation obligations.

### 3.2 Materials and services

Contract payments	30,532	30,244
Administration costs	5,711	5,725
Consumable materials and equipment	2,885	2,610
Utilities	2,446	2,581
Information technology	2,375	1,665
Consultants	2,284	2,689
Building maintenance	1,470	1,472
Insurance	1,405	1,498
Finance and legal costs	934	925
General maintenance	680	560
<b>Total materials and services</b>	<b>50,722</b>	<b>49,969</b>



### 3.3 Depreciation and amortisation

	2018 \$'000	2017 \$'000
Infrastructure	14,317	13,970
Property	3,623	3,463
Plant and equipment	1,476	1,426
<b>Total depreciation</b>	<b>19,416</b>	<b>18,859</b>
Intangible assets	570	448
<b>Total depreciation and amortisation</b>	<b>19,986</b>	<b>19,307</b>

Refer to Note 4.2(b) and 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

### 3.4 Bad and doubtful debts

Parking and animal infringement debtors	101	19
Other debtors	27	22
<b>Total bad and doubtful debts</b>	<b>128</b>	<b>41</b>
<b>Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	20	12
New provisions recognised during the year	15	21
Amounts already provided for and written off as uncollectible	(16)	(13)
Amounts provided for but recovered during the year	-	-
<b>Balance at the end of the year</b>	<b>19</b>	<b>20</b>

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

### 3.5 Borrowing costs

Interest - borrowings	-	148
Interest - borrowings break fee	-	1,897
<b>Total borrowing costs</b>	<b>-</b>	<b>2,045</b>

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

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 3.6 Other expenses

	2018 \$'000	2017 \$'000
Operating lease rentals	738	929
Councillors allowances	368	345
Auditor's remuneration - internal	119	136
Auditor's remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	57	66
<b>Total other expenses</b>	<b>1,282</b>	<b>1,476</b>

## 3.7 Contributions and donations

Contribution to the Eastern Regional Libraries Corporation	4,004	3,930
Community support payments	2,117	1,636
<b>Total contributions and donations</b>	<b>6,121</b>	<b>5,566</b>

## Note 4 Our financial position

### 4.1 Financial assets

#### (a) Cash and cash equivalents

Cash on hand	7	6
Cash at bank	12,644	13,424
Term deposits	5,000	5,000
<b>Total cash and cash equivalents</b>	<b>17,651</b>	<b>18,430</b>

#### (b) Other financial assets

Term deposits - current	46,600	49,100
<b>Total other financial assets</b>	<b>46,600</b>	<b>49,100</b>
<b>Total financial assets</b>	<b>64,251</b>	<b>67,530</b>

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 4.3 (b))	3,683	7,164
• Restricted reserves (Note 8.1 (b))	15,884	11,448
<b>Total restricted funds</b>	<b>19,567</b>	<b>18,612</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>(1,916)</b>	<b>(182)</b>

As at balance date Council had \$38.500 million in term deposits maturing within 90 days.

## 4.1

**Financial assets (cont)****Intended allocations**

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

	<b>2018 \$'000</b>	<b>2017 \$'000</b>
• Other reserves (Note 8.1 (b))	26,647	28,954
<b>Total funds subject to intended allocations</b>	<b>26,647</b>	<b>28,954</b>

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.

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

**(c) Trade and other receivables****Current****Statutory receivables**

Rates debtors	8,804	7,407
Special rate assessment	52	52
Parking and animal infringement debtors	1,386	1,325
Provision for doubtful debts - parking and animal infringement debtors	(860)	(759)

**Non statutory receivables**

Other debtors	3,765	2,538
Provision for doubtful debts - other debtors	(19)	(20)

<b>Total current trade and other receivables</b>	<b>13,128</b>	<b>10,543</b>
--	---------------	---------------

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

**(a) Ageing of receivables**

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	3,433	2,120
Past due by up to 30 days	128	162
Past due between 31 and 180 days	102	133
Past due between 181 and 365 days	39	33
Past due by more than 1 year	63	90
<b>Total trade and other receivables</b>	<b>3,765</b>	<b>2,538</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 4.1 Financial assets (cont)

### (b) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$693 (2017: \$4,675) were impaired. The amount of the provision raised against these debtors was \$693 (2017: \$4,675). They individually 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:

	2018 \$'000	2017 \$'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	1	-
Past due by more than 1 year	-	5
<b>Total trade and other receivables</b>	<b>1</b>	<b>5</b>

## 4.2 Non-financial assets

### (a) Other assets

Prepayments	1,169	802
Accrued income	404	469
<b>Total other assets</b>	<b>1,573</b>	<b>1,271</b>

### (b) Intangible assets

Software	1,442	1,858
<b>Total intangible assets</b>	<b>1,442</b>	<b>1,858</b>

### Gross carrying amount

Balance at beginning of year	4,524	3,530
Additions	92	994
<b>Balance at end of year</b>	<b>4,616</b>	<b>4,524</b>

### Accumulated amortisation and impairment

Balance at beginning of year	2,666	2,218
Amortisation expense	508	448
<b>Balance at end of year</b>	<b>3,174</b>	<b>2,666</b>
<b>Net book value at the end of the year</b>	<b>1,442</b>	<b>1,858</b>

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

## 4.3

## Payables

<b>(a) Trade and other payables</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Trade payables	10,124	5,969
Accrued expenses	2,938	3,251
Prepaid income	959	800
Unearned income	669	-
<b>Total trade and other payables</b>	<b>14,690</b>	<b>10,020</b>

**(b) Trust funds and deposits**

Refundable deposits	2,987	5,740
Fire services levy	29	902
Retention amounts	304	58
Other	363	464
<b>Total trust funds and deposits</b>	<b>3,683</b>	<b>7,164</b>

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

**Purpose and nature of items**

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

Fire service levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a four-instalment basis. Amounts disclosed 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 4.4 Provisions

	Employee \$'000	Landfill rehabilitation \$'000	Total \$'000
<b>2018</b>			
Balance at beginning of the financial year	16,332	6,110	22,442
Additional provisions	6,117	(1,054)	5,063
Amounts used	(6,377)	(572)	(6,949)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(50)	11	(39)
<b>Balance at the end of the financial year</b>	<b>16,022</b>	<b>4,495</b>	<b>20,517</b>
<b>2017</b>			
Balance at beginning of the financial year	16,947	7,401	24,348
Additional provisions	6,093	(170)	5,923
Amounts used	(6,436)	(869)	(7,305)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(272)	(252)	(524)
<b>Balance at the end of the financial year</b>	<b>16,332</b>	<b>6,110</b>	<b>22,442</b>

### (a) Employee provisions

Current provisions expected to be wholly settled within 12 months	2018 \$'000	2017 \$'000
Annual leave	2,266	2,240
Long service leave	974	973
Gratuities	81	97
	<b>3,321</b>	<b>3,310</b>

Current provisions expected to be wholly settled after 12 months	2018 \$'000	2017 \$'000
Annual leave	2,565	2,644
Long service leave	8,553	8,667
Gratuities	811	863
	<b>11,929</b>	<b>12,174</b>
<b>Total current employee provisions</b>	<b>15,250</b>	<b>15,484</b>

Non-current	2018 \$'000	2017 \$'000
Long service leave	772	848
<b>Total non-current employee provisions</b>	<b>772</b>	<b>848</b>

### Aggregate carrying amount of employee provisions:

Current	15,250	15,484
Non-current	772	848
<b>Total aggregate carrying amount of employee provisions</b>	<b>16,022</b>	<b>16,332</b>

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

## 4.4

### Provisions (cont)

#### 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 the 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.

<b>Key assumptions - annual leave:</b>	<b>2018</b>	<b>2017</b>
• Weighted average discount rate	1.06%	0.94%
• Weighted average index rate	2.33%	2.55%
• Average settlement period (years)	2	2

#### Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

<b>Key assumptions:</b>	<b>2018</b>	<b>2017</b>
• Weighted average discount rate - current	2.28%	2.04%
• Weighted average discount rate - non-current	2.09%	1.92%
• Weighted average index rate - current	2.64%	2.51%
• Weighted average index rate - non-current	2.39%	2.52%
• Average settlement period (years)	18	17

#### 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. Liabilities expected to be wholly settled within 12 months of the reporting date are measured at their nominal values. Liabilities that are not expected to be wholly settled within 12 months of the reporting date are measured at the 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.

<b>Key assumptions:</b>	<b>2018</b>	<b>2017</b>
• Weighted average discount rate	1.97%	1.96%
• Weighed average index rate	2.64%	2.51%
• Average settlement period (years)	22	22

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 4.4 Provisions (cont)

### (b) Landfill rehabilitation

<b>Current</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Cathies Lane landfill site	329	586
Llewellyn Reserve landfill site	203	569
	<b>532</b>	<b>1,155</b>
<b>Non-current</b>		
Cathies Lane landfill site	3,007	3,499
Llewellyn Reserve landfill site	956	1,456
<b>Total non-current provisions</b>	<b>3,963</b>	<b>4,955</b>
<b>Total aggregate carrying amount of landfill rehabilitation provisions</b>	<b>4,495</b>	<b>6,110</b>

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.

<b>Key assumptions - Cathies Lane landfill site:</b>	<b>2018</b>	<b>2017</b>
• Weighted average discount rate	3.64%	3.54%
• Inflation rate	2.00%	2.00%
• Settlement period (years)	16	17
• Estimated cost to rehabilitate	\$3.873 m	\$4.741 m

<b>Key assumptions - Llewellyn Reserve landfill site:</b>	<b>2018</b>	<b>2017</b>
• Weighted average discount rate	3.59%	3.34%
• Inflation rate	2.00%	2.00%
• Settlement period (years)	16	17
• Estimated cost to rehabilitate	\$1.330 m	\$2.274 m



## 4.4

### Provisions (cont)

#### Cathies Lane landfill site

Council operated the Cathies Lane landfill site, Wantirna South from 1986 to 2004, under a licence issued by the Environment Protection Authority (EPA). 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. In 2015-16 the EPA issued a Post Closure Pollution Abatement notice and Council has surrendered the landfill licence.

In the financial report for June 2018, Council has an amount of \$3.336 million as a provision for the restoration of the Cathies Lane landfill site and includes an ongoing commitment of approximately \$0.236 million per annum for site aftercare to meet EPA obligations where restoration works have been completed. This is based on the assessment undertaken in 2015 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 aftercare and site monitoring costs. Included in the aftercare is the cost to provide a bank guarantee to meet the Financial Assurance requirements imposed by the EPA on Council for thirty years post closure of this site.

#### Llewellyn Reserve landfill site

Council's landfill site at Llewellyn Reserve was closed in 1985. In 2015-16 the EPA issued a Post Closure Pollution Abatement notice.

In the financial report for June 2018, Council has an amount of \$1.159 million as a provision for the restoration of the Llewellyn Reserve landfill site and includes an ongoing commitment of approximately \$0.075 million per annum to cover sampling, testing and reporting requirements as required by the EPA. This is based on an assessment undertaken in 2015 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 aftercare and site monitoring costs.

<b>Summary of provisions</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Current	15,782	16,639
Non-current	4,735	5,803
<b>Total provisions</b>	<b>20,517</b>	<b>22,442</b>

## 4.5

### Financing arrangements

The Council has the following funding arrangements in place:

Bank overdraft	1,500	1,500
Credit card facilities	200	200
<b>Total facilities</b>	<b>1,700</b>	<b>1,700</b>
Used facilities	20	20
<b>Unused facilities</b>	<b>1,680</b>	<b>1,680</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 4.6 Commitments

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

2018	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Garbage collection and recycling	17,567	16,113	2,076	-	35,756
Open space management	2,534	-	-	-	2,534
Consultancies	1,871	497	716	-	3,084
Cleaning contracts for council buildings	1,096	25	-	-	1,121
Infrastructure management	895	212	85	-	1,192
Home care services	402	-	-	-	402
Meals for delivery	661	-	-	-	661
<b>Total</b>	<b>25,026</b>	<b>16,847</b>	<b>2,877</b>	<b>-</b>	<b>44,750</b>

<b>Capital</b>					
Buildings	13,503	-	-	-	13,503
Other infrastructure	600	-	-	-	600
<b>Total</b>	<b>14,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,103</b>

2017	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Garbage collection and recycling	17,005	16,340	32,241	-	65,586
Open space management	910	607	-	-	1,517
Consultancies	1,177	213	231	-	1,621
Cleaning contracts for council buildings	624	292	20	-	936
Infrastructure management	1,008	29	29	-	1,066
Home care services	403	403	-	-	806
Meals for delivery	513	513	-	-	1,026
<b>Total</b>	<b>21,640</b>	<b>18,397</b>	<b>32,521</b>	<b>-</b>	<b>72,558</b>

<b>Capital</b>					
Buildings	677	-	-	-	677
Roads	1,829	-	-	-	1,829
Other infrastructure	434	-	-	-	434
<b>Total</b>	<b>2,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,940</b>

## 4.6 Commitments (cont)

### 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):

	2018 \$'000	2017 \$'000
Not later than one year	596	638
Later than one year and not later than five years	799	1,123
Later than five years	-	263
	<b>1,395</b>	<b>2,024</b>

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

## Note 5 Assets we manage

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

Buildings	402	-
Land at fair value	1,316	314
<b>Total non-current assets classified as held for sale</b>	<b>1,718</b>	<b>314</b>

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of their carrying amount and fair value less costs of disposal, and are 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 (or disposal group sale) is expected to be completed within 12 months from the date of classification.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 5.2 Property, infrastructure, plant and equipment

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

	At fair value 30 June 2017 \$'000	At cost 30 June 2017 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000
Property	922,519	8,998	8,661	4,462	264,666
Plant and equipment	-	8,390	2,266	-	-
Infrastructure	695,815	51,568	22,841	5,033	(229)
Work in progress	-	8,492	16,818	-	-
	<b>1,618,334</b>	<b>77,448</b>	<b>50,586</b>	<b>9,495</b>	<b>264,437</b>

### Summary of work in progress

	Opening work in progress \$'000	Additions \$'000	Transfers \$'000	Write offs \$'000	Closing work in progress \$'000
Property	3,579	13,419	(1,654)	(86)	<b>15,258</b>
Infrastructure	4,913	3,399	(4,368)	(142)	<b>3,802</b>
	<b>8,492</b>	<b>16,818</b>	<b>(6,022)</b>	<b>(228)</b>	<b>19,060</b>

### Asset recognition thresholds and depreciation periods

	Depreciation Period - Years	Threshold Limit \$'000
<b>Land &amp; land improvements</b>		
Land	n/a	10
Land improvements	n/a	10
Land under roads	n/a	10
<b>Buildings</b>		
Buildings	20-200	10
<b>Plant and equipment</b>		
Plant, machinery and equipment	3-10	2
Fixtures, fittings and furniture	3-10	1
Computers and telecommunications	3-10	1
Artworks	n/a	1
<b>Infrastructure</b>		
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	80	5
Recreational, leisure and community facilities	15-60	10
Off street car parks	2-185	10
Other infrastructure	7-30	2
<b>Intangible assets</b>		
Software	5	10

Depreciation \$'000	Disposal \$'000	Impairment \$'000	Transfers and write offs \$'000	At fair value 30 June 2018 \$'000	At cost 30 June 2018 \$'000	Written down value 30 June 2018 \$'000
(3,623)	(2,767)	(545)	-	1,195,339	7,032	1,202,371
(1,476)	(733)	-	-	-	8,447	8,447
(14,317)	(1,495)	-	-	681,962	77,254	759,216
-	-	-	(6,250)	-	19,060	19,060
<b>(19,416)</b>	<b>(4,995)</b>	<b>(545)</b>	<b>(6,250)</b>	<b>1,877,301</b>	<b>111,793</b>	<b>1,989,094</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 5.2 Property, infrastructure, plant and equipment (cont)

### (a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000
At fair value 1 July 2017	650,428	147,020	-
At cost 1 July 2017	2,525	178	3,155
Accumulated depreciation at 1 July 2017	-	-	-
	<b>652,953</b>	<b>147,198</b>	<b>3,155</b>
<b>Movements</b>			
Additions at cost	-	3,083	-
Contributions	1,352	3,110	-
Revaluation	220,185	30,889	-
Disposal at fair value	(865)	(561)	-
Disposal at cost	-	(300)	-
Impairment losses recognised in operating result	-	-	-
Transfers and write offs	-	-	-
	<b>220,672</b>	<b>36,221</b>	<b>-</b>
<b>Movements in accumulated depreciation</b>			
Depreciation and amortisation	-	-	-
Accumulated depreciation of disposals	-	-	-
Revaluation	-	-	-
	-	-	-
At fair value 30 June 2018	869,748	183,419	-
At cost 30 June 2018	3,877	-	3,155
Accumulated depreciation at 30 June 2018	-	-	-
	<b>873,625</b>	<b>183,419</b>	<b>3,155</b>

### (b) Plant and equipment

At cost 1 July 2017
Accumulated depreciation at 1 July 2017

#### Movements

Additions at cost
Disposal at cost

#### Movements in accumulated depreciation

Depreciation and amortisation
Accumulated depreciation of disposals

At cost 30 June 2018
Accumulated depreciation at 30 June 2018

Total land \$'000	Buildings - specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
797,448	230,176	230,176	-	1,027,624
5,858	3,175	3,175	3,579	12,612
-	(105,140)	(105,140)	-	(105,140)
803,306	128,211	128,211	3,579	935,096
3,083	5,578	5,578	13,419	22,080
4,462	-	-	-	4,462
251,074	28,432	28,432	-	279,506
(1,426)	(1,903)	(1,903)	-	(3,329)
(300)	-	-	-	(300)
-	(546)	(546)	-	(546)
-	-	-	(1,740)	(1,740)
256,893	31,561	31,561	11,679	300,133
-	(3,623)	(3,623)	-	(3,623)
-	862	862	-	862
-	(14,839)	(14,839)	-	(14,839)
-	(17,600)	(17,600)	-	(17,600)
1,053,167	264,913	264,913	-	1,318,080
7,032	-	-	15,258	22,290
-	(122,741)	(122,741)	-	(122,741)
1,060,199	142,172	142,172	15,258	1,217,629
Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecomms \$'000	Artworks \$'000	Total plant and equipment \$'000
11,728	2,247	3,414	346	17,735
(5,206)	(1,637)	(2,502)	-	(9,345)
6,522	610	912	346	8,390
1,735	64	376	91	2,266
(2,017)	-	-	-	(2,017)
(282)	64	376	91	249
(1,087)	(136)	(253)	-	(1,476)
1,284	-	-	-	1,284
197	(136)	(253)	-	(192)
11,446	2,311	3,790	437	17,984
(5,009)	(1,773)	(2,755)	-	(9,537)
6,437	538	1,035	437	8,447

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 5.2 Property, infrastructure, plant and equipment (cont)

### (c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000
At fair value 1 July 2017	623,667	13,043	139,617
At cost 1 July 2017	9,141	-	2,228
Accumulated depreciation at 1 July 2017	(181,463)	(3,429)	(74,935)
	<b>451,345</b>	<b>9,614</b>	<b>66,910</b>
<b>Movements</b>			
Additions at cost	9,854	307	3,818
Contributions	2,087	-	489
Revaluation	-	-	-
Disposal at fair value	(1,816)	(43)	(3,920)
Disposal at cost	-	-	-
Transfers and write offs at cost	-	-	-
	<b>10,125</b>	<b>264</b>	<b>387</b>
<b>Movements in accumulated depreciation</b>			
Depreciation and amortisation	(6,010)	(135)	(2,771)
Accumulated depreciation of disposals	1,434	41	2,963
Revaluation	-	-	345
	<b>(4,576)</b>	<b>(94)</b>	<b>537</b>
At fair value 30 June 2018	621,852	13,000	135,697
At cost 30 June 2018	21,081	307	6,535
Accumulated depreciation at 30 June 2018	(186,039)	(3,523)	(74,398)
	<b>456,894</b>	<b>9,784</b>	<b>67,834</b>



Drainage \$'000	Recreational, leisure and community facilities \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
289,358	-	24,471	5,324	-	1,095,480
-	53,796	635	169	4,913	70,882
(132,745)	(14,362)	(5,374)	(1,758)	-	(414,066)
<b>156,613</b>	<b>39,434</b>	<b>19,732</b>	<b>3,735</b>	<b>4,913</b>	<b>752,296</b>
3,175	4,443	1,141	103	3,399	26,240
2,443	-	15	-	-	5,034
-	-	-	56	-	56
-	-	-	-	-	(5,779)
-	(513)	-	-	-	(513)
-	-	-	-	(4,510)	(4,510)
<b>5,618</b>	<b>3,930</b>	<b>1,156</b>	<b>159</b>	<b>(1,111)</b>	<b>20,528</b>
(3,632)	(1,352)	(231)	(186)	-	(14,317)
-	358	-	-	-	4,796
-	-	-	(630)	-	(285)
<b>(3,632)</b>	<b>(994)</b>	<b>(231)</b>	<b>(816)</b>	<b>-</b>	<b>(9,806)</b>
289,359	-	24,471	5,646	-	1,090,025
5,617	57,726	1,791	6	3,802	96,865
(136,377)	(15,356)	(5,605)	(2,574)	-	(423,872)
<b>158,599</b>	<b>42,370</b>	<b>20,657</b>	<b>3,078</b>	<b>3,802</b>	<b>763,018</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 5.2 Property, infrastructure, plant and equipment (cont)

### 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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

### 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.

### Depreciation and amortisation

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 consistent with the prior year unless otherwise stated.

### Repairs and maintenance

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.

## 5.2

### Property, infrastructure, plant and equipment (cont)

#### Valuation of land and buildings

Valuation of land and buildings were undertaken by Brian Robinson from Westlink Consulting, a qualified independent valuer, registration number 62215. 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.

The date of the current valuation is detailed in the following table. Details of the Council's land and buildings and information about their fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land	-	183,419	-	June 2018
Specialised land	-	-	869,748	June 2018
Specialised buildings	-	-	142,172	June 2018
<b>Total</b>	<b>-</b>	<b>183,419</b>	<b>1,011,920</b>	

#### Valuation of infrastructure

The valuation of fire hydrants (other infrastructure) has been determined based on information supplied by South East Water. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. The date of the current valuation is detailed in the following table.

An index based revaluation was conducted in the current year for footpaths, cycleways, bridges, off street car parks, drainage and roads.

A full revaluation of footpaths, off street car parks and roads will be conducted in 2018-19 and a full revaluation of cycleways, bridges and drainage will be conducted in 2019-20.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	436,174	June 2016
Bridges	-	-	9,477	June 2017
Footpaths and cycleways	-	-	61,355	June 2016/ June 2017
Drainage	-	-	152,996	June 2017
Off street car parks	-	-	18,882	June 2016
Other infrastructure	-	-	3,078	June 2018
<b>Total</b>	<b>-</b>	<b>-</b>	<b>681,962</b>	

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 5.2 Property, infrastructure, plant and equipment (cont)

### 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 \$9 and \$1,317 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 147 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.

<b>Reconciliation of specialised land at fair value</b>	<b>2018 \$'000</b>	<b>2017 \$'000</b>
Parks and reserves	806,951	594,781
Community facilities	28,099	24,954
Civic precinct	22,911	21,737
Transfer station	11,787	8,956
<b>Total specialised land at fair value</b>	<b>869,748</b>	<b>650,428</b>

## 5.3

### Investment in associates

Investment in associate accounted for by the equity method is:

	2018 \$'000	2017 \$'000
Eastern Regional Libraries Corporation (ERLC)	4,422	3,981

#### 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 2018 was 36.39% (2017 - 36.39%) based on Council's contribution of the net assets to the entity on its commencement on 1 July 1996. Council's proportion of voting power as at 30 June 2018 was 33.33% (2017 - 33.33%).

<b>Fair value of Council's investment in Eastern Regional Libraries Corporation</b>	<b>4,422</b>	<b>3,981</b>
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##### Council's share of accumulated surplus

Council's share of accumulated surplus at start of year	3,981	3,741
Reported surplus for year	441	240
<b>Council's share of accumulated surplus at end of year</b>	<b>4,422</b>	<b>3,981</b>

##### Movement in carrying value of specific investment

Carrying value of investment at start of year	3,981	3,741
Share of surplus for year	441	240
<b>Carrying value of investment at end of year</b>	<b>4,422</b>	<b>3,981</b>

##### Council's share of expenditure commitments

Operating commitments	429	227
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	<b>429</b>	<b>227</b>

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	35	35
Knox City, Rowville, Ferntree Gully, Boronia and Bayswater Library Branches	677	676

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.

Changes in the net assets of the ERLC are brought to account as an adjustment to the carrying value of the investment.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## Note 6 People and relationships

### 6.1 Council and key management remuneration

#### (a) Related parties

##### Parent entity

Knox City Council

##### Associates

Eastern Regional Libraries Corporation (ERLC)

Interests in associates are detailed in Note 5.3.

#### (b) Key management personnel

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

##### Councillors

Councillor John Mortimore (Mayor)	Deputy Mayor from 1 July 2017 to 1 November 2017. Mayor from 1 November 2017 to current.
Councillor Darren Pearce (Mayor)	Mayor from 1 July 2017 to 1 November 2017. Councillor from 1 November 2017 to current.
Councillor Jake Keogh (Deputy Mayor)	Councillor from 1 July 2017 to 1 November 2017. Deputy Mayor from 1 November 2017 to current.
Councillor Tony Holland	1 July 2017 to current.
Councillor Peter Lockwood	1 July 2017 to current.
Councillor Adam Gill	1 July 2017 to current.
Councillor Nicole Seymour	1 July 2017 to current.
Councillor Lisa Cooper	1 July 2017 to current.
Councillor Jackson Taylor	1 July 2017 to current.

##### Chief Executive Officer and other key management personnel

Tony Doyle - Chief Executive Officer

Dr Ian Bell - Director Engineering and Infrastructure

Michael Fromberg - Director Corporate Services

Angelo Kourambas - Director City Development 1 July 2017 to 16 February 2018.

Samantha Mazer - Director Knox Central

Julia Oxley - Director City Development 14 May 2018 to current.

Kerry Stubbings - Director Community Services

	2018 No.	2017 No.
Total number of Councillors	9	11
Chief Executive Officer and other key management personnel	7	7
<b>Total key management personnel</b>	<b>16</b>	<b>18</b>

## 6.1

## Council and key management remuneration (cont)

## (c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2018 \$'000	2017 \$'000
Short-term benefits	1,878	2,115
Long-term benefits	74	13
Termination benefits	-	-
<b>Total</b>	<b>1,952</b>	<b>2,128</b>

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2018 No.	2017 No.
\$1 - \$9,999	-	2
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	1	2
\$30,000 - \$39,999	7	5
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	-	-
\$80,000 - \$89,999	1	1
\$170,000 - \$179,999	-	1
\$190,000 - \$199,999	1	-
\$230,000 - \$239,999	-	1
\$240,000 - \$249,999	2	-
\$250,000 - \$259,999	-	2
\$260,000 - \$269,999	2	2
\$330,000 - \$339,999	-	1
\$340,000 - \$349,999	1	-
<b>Total</b>	<b>16</b>	<b>18</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 6.1 Council and key management remuneration (cont)

### (d) Senior officer remuneration

A senior officer is an officer of Council, other than key management personnel who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$145,000 (\$142,000 in 2016-17).

The number of senior officers are shown below in their relevant income bands:

Income range	2018 No.	2017 No.
< \$145,000	-	1
\$145,000 - \$149,999	5	3
\$150,000 - \$159,999	7	2
\$160,000 - \$169,999	1	4
\$170,000 - \$179,999	9	5
\$180,000 - \$189,999	2	2
\$200,000 - \$209,999	1	-
\$270,000 - \$279,999	1	-
	<b>26</b>	<b>17</b>

	2018 \$'000	2017 \$'000
<b>Total remuneration for the reporting year for senior officers included above amounted to:</b>	<b>4,401</b>	<b>2,818</b>

## 6.2 Related party disclosure

### (a) Transactions with related parties

During the period Council did not enter into any transactions with related parties.

### (b) Outstanding balances with related parties

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties.

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

There were no loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party.

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

There were no commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party.



## Note 7

## Managing uncertainties

### 7.1

### Contingent assets and liabilities

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

#### (a) Contingent assets

##### Developer contributions

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 \$28.734 million (2016-17, \$25.603 million).

##### 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.

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

	2018 \$'000	2017 \$'000
Not later than one year	477	336
Later than one year and not later than five years	1,486	1,213
Later than five years	8,504	8,584
	<b>10,467</b>	<b>10,133</b>

#### (b) Contingent liabilities

##### Superannuation

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

##### *Future superannuation contributions*

In addition to the disclosed contributions, Knox City Council has paid unfunded liability payments to Vision Super totalling \$Nil during 2017-18 (2016-17: \$Nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 is \$0.410 million.

##### 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 7.2 Change in accounting standards

The following new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

### *Financial Instruments - Disclosures (AASB 7) (applies 2018-19)*

This standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

### *Financial Instruments (AASB 9) (applies 2018-19)*

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

### *Revenue from contracts with customers (AASB 15) (applies 2019-20 for Local Government sector)*

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

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

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

### *Leases (AASB 16) (applies 2019-20)*

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

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

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

## Financial instruments

### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables). 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 the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### (b) Market risk

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

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

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

There has been no significant change in 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 7.3 Financial instruments (cont)

### (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 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 Council's investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet. Details of our contingent liabilities are disclosed in Note 7.1 (b).

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

### (d) Liquidity risk

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

To help reduce these risks Council:

- has an investment policy which specifies the need to meet Council's 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
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet and 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.

All financial liabilities are expected to be settled within normal terms of trade.

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## 7.3 Financial instruments (cont)

### (e) 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 2.624% which is Council's average 90 day term deposit interest rate.

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.

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## 7.4 Fair value measurement

### *Fair value hierarchy*

Knox City Council does not have any financial assets that are measured at fair value subsequent to initial recognition.

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

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

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

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

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

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 reassessing 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

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## 7.4 Fair value measurement (cont)

### *Fair value hierarchy (cont)*

#### **Revaluation**

Subsequent to the initial recognition of assets, non-current physical assets, other than 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. 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. Land, buildings and fire hydrants were formally revalued as at 30 June 2018.

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.

#### **Impairment of assets**

At each reporting date, 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 of disposal 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.

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## 7.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

## Note 8 Other matters

### 8.1 Reserves

#### (a) Asset revaluation reserve

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2018</b>			
<b>Property</b>			
Land	632,959	251,074	884,033
Buildings	52,016	13,047	65,063
	<b>684,975</b>	<b>264,121</b>	<b>949,096</b>
<b>Plant and equipment</b>			
Artworks	31	-	31
	<b>31</b>	<b>-</b>	<b>31</b>
<b>Infrastructure</b>			
Roads	256,306	-	256,306
Bridges	5,462	-	5,462
Footpaths and cycleways	18,023	345	18,368
Drainage	97,153	-	97,153
Off street car parks	7,348	-	7,348
Other infrastructure	2,795	(574)	2,221
	<b>387,087</b>	<b>(229)</b>	<b>386,858</b>
<b>Total asset revaluation reserve</b>	<b>1,072,093</b>	<b>263,892</b>	<b>1,335,985</b>
<b>2017</b>			
<b>Property</b>			
Land	632,959	-	632,959
Buildings	52,016	-	52,016
	<b>684,975</b>	<b>-</b>	<b>684,975</b>
<b>Plant and equipment</b>			
Artworks	31	-	31
	<b>31</b>	<b>-</b>	<b>31</b>
<b>Infrastructure</b>			
Roads	256,306	-	256,306
Bridges	3,445	2,017	5,462
Footpaths and cycleways	17,962	61	18,023
Drainage	94,221	2,932	97,153
Off street car parks	7,348	-	7,348
Other infrastructure	2,795	-	2,795
	<b>382,077</b>	<b>5,010</b>	<b>387,087</b>
<b>Total asset revaluation reserve</b>	<b>1,067,083</b>	<b>5,010</b>	<b>1,072,093</b>

#### 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

8.1 Reserves (cont)				
(b) Other reserves	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>2018</b>				
<b>Restricted reserves</b>				
Open space reserve	10,603	6,721	(2,538)	14,786
Basketball stadium infrastructure reserve	100	24	(24)	100
State Basketball Centre asset renewal fund	289	100	-	389
Football pitch replacement fund	456	153	-	609
<b>Total restricted reserves</b>	<b>11,448</b>	<b>6,998</b>	<b>(2,562)</b>	<b>15,884</b>
<b>Unrestricted reserves</b>				
Mountain Gate reserve	140	-	-	140
City futures fund	2,915	-	-	2,915
Revegetation net gain	182	100	-	282
Revolving energy fund	70	66	-	136
Aged care reserve	5,003	-	(33)	4,970
Unexpended grant reserve (Financial Assistance Grants)	3,611	3,824	(3,611)	3,824
Stamford Park	15,311	-	(1,172)	14,139
Blue Hills	1,403	-	(1,400)	3
Scoresby Recreation Reserve	44	23	-	67
HACC capital reserve	275	-	(104)	171
<b>Total unrestricted reserves</b>	<b>28,954</b>	<b>4,013</b>	<b>(6,320)</b>	<b>26,647</b>
<b>Total other reserves</b>	<b>40,402</b>	<b>11,011</b>	<b>(8,882)</b>	<b>42,531</b>
<b>2017</b>				
<b>Restricted reserves</b>				
Open space reserve	8,671	5,936	(4,004)	10,603
Basketball stadium infrastructure reserve	100	24	(24)	100
State Basketball Centre asset renewal fund	289	-	-	289
Football pitch replacement fund	304	152	-	456
<b>Total restricted reserves</b>	<b>9,364</b>	<b>6,112</b>	<b>(4,028)</b>	<b>11,448</b>
<b>Unrestricted reserves</b>				
Mountain Gate Reserve	-	140	-	140
City futures fund	3,161	-	(246)	2,915
Revegetation net gain	121	61	-	182
Revolving energy fund	70	-	-	70
Aged care reserve	4,822	250	(69)	5,003
Unexpended grant reserve (Financial Assistance Grants)	-	3,611	-	3,611
Stamford Park	14,158	1,840	(687)	15,311
Blue Hills	3,421	-	(2,018)	1,403
Scoresby Recreation Reserve	21	23	-	44
HACC capital reserve	508	45	(278)	275
<b>Total unrestricted reserves</b>	<b>26,282</b>	<b>5,970</b>	<b>(3,298)</b>	<b>28,954</b>
<b>Total other reserves</b>	<b>35,646</b>	<b>12,082</b>	<b>(7,326)</b>	<b>40,402</b>



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## Nature and purpose of other 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 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.

### **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.

### **Revegetation net gain**

The purpose of this reserve is to ensure any loss of vegetation through development is re-established in a sustainable location.

### **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.

### **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.

### **Unexpended grant reserve (Financial Assistance Grants)**

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.

### **Blue Hills**

The purpose of this reserve is to construct the Early Years Hubs facilities for the benefit of the Knox Community.

### **Scoresby Recreation reserve**

The purpose of this reserve is to invest the income derived from lease of this site into the Scoresby Recreation Reserve.

### **HACC capital reserve**

The purpose of this reserve is to refurbish, upgrade and maintain minor capital within the Home and Community Care funded programs.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

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

	2018 \$'000	2017 \$'000
Surplus for the year	31,195	18,451
Depreciation/amortisation	19,986	19,307
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	1,938	2,235
Contributions - non-monetary assets	(9,495)	-
Provision for bad and doubtful debts	128	41
Increment in investment in associate	(441)	(240)
Finance costs	-	2,045
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	(2,713)	(743)
(Increase)/decrease in prepayments	(135)	414
(Increase)/decrease in accrued income	65	137
Increase/(decrease) in trade and other payables	1,418	(460)
Increase/(decrease) in provisions	(1,924)	(1,906)
Increase/(decrease) in other liabilities	(3,481)	4,511
(Increase)/decrease in inventories	(2)	(1)
<b>Net cash provided by operating activities</b>	<b>36,539</b>	<b>43,791</b>

## 8.3 Superannuation

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 2018, this was 9.5% as required under Superannuation Guarantee legislation (9.5% in 2016-17)).

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

## Superannuation (cont)

### *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 Actuary.

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Knox City Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	6.5% pa
Salary information	3.5% pa
Price inflation (CPI)	2.5% pa

Vision Super has advised that the VBI at the quarter ended 30 June 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

### *Employer contributions*

#### *Regular contributions*

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016-17). This rate will increase in line with any increases in the 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.

# Notes to the Financial Statements

For the Year Ended 30 June 2018

## 8.3 Superannuation (cont)

### *Employer contributions (cont)*

#### *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.

#### *2017 triennial actuarial investigation surplus amounts*

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Knox City Council is a contributing employer:

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017.

Knox City Council was notified of the 30 June 2017 VBI in August 2017.

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.

#### *2018 interim actuarial investigation*

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

# How to Access Knox's 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 formats as follows:

- PDF on Council's website
- MS Word
- Large print
- Hardcopy

You are 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**

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## Acknowledgement of Victorian State Government Funding

Knox City Council acknowledges the support of the Victorian State Government, which enables the delivery of some of Council's projects and programs, which include:

- Engage program for young people
- Metro Access program
- HACC program
- Immunisation program

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## Community Input

Council welcomes community input into the development of its plans and strategies as well as feedback on any of its publications. Access to these is provided via the website (knox.vic.gov.au), in person, or calling our Customer Service team on **03 9298 8000**.

**KNOX**  
your city



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133 677 (ask for 03 9298 8000)



Interpreter  
131 450

Speak and Listen Users  
1300 555 727 (ask for 03 9298 8000)

ABN 24 477 480 661

## Councillor expenses

Councillors are entitled to have paid or reimbursed, any necessary out of pocket expenses incurred while performing their duties. Council is also required to make available a “minimum toolkit” of resources for Councillors including computers, phones and a vehicle for the Mayor.

### Expenses for 2017-18

Councillor	Ward	Car Mileage	Travel	Conference & Training	Information & Communication	Other expenses	Grand Total
Cr Peter Lockwood	Baird Ward	-	\$1,385	\$6,365	\$3,000	\$586	\$11,337
Cr John Mortimore	Chandler Ward	\$6,476	\$638	\$6,202	\$2,384	\$365	\$16,066
Cr Jackson Taylor	Collier Ward	-	\$205	\$1,007	\$1,799	\$286	\$3,299
Cr Adam Gill	Dinsdale Ward	-	\$80	-	\$5,862	\$540	\$6,482
Cr Jake Keogh	Dobson Ward	-	\$315	\$1,007	\$2,783	\$1,065	\$5,172
Cr Tony Holland	Friberg Ward	-	\$163	\$1,725	\$6,413	\$1,074	\$9,375
Cr Lisa Cooper	Scott Ward	-	-	-	\$2,815	\$728	\$3,543
Cr Darren Pearce	Taylor Ward	\$3,213	\$773	\$1,010	\$5,174	\$643	\$10,815
Cr Nicole Seymour	Tirhatuan Ward	-	-	-	\$4,790	\$803	\$5,593

## Car Mileage

Car Mileage represents the costs of providing a fully maintained vehicle to the Mayor. Depreciation, maintenance, registration and insurance costs are apportioned to the Mayor of the day on an annualised, pro-rata basis. Fuel costs are allocated to the Mayor of the day as incurred.

Councillor Darren Pearce's Mayoral year concluded on 1 November 2017 when Councillor John Mortimore was elected Mayor for 2017-18.

## Other Expenses

Other Expenses include minor equipment, subscriptions, memberships, and hospitality expenses.

### Date Updated: 17 April 2019

The above information is provided as an addendum to Council's Annual Report 2017-18 in accordance with the Local Government (Planning and Reporting) Regulations 2014.