

# knox

your city



## Annual Report 2019-20

# Welcome to Knox City Council's Annual Report for 2019-20

The Annual Report provides a thorough account of Council's achievements, challenges and performance from 1 July 2019 to 30 June 2020. 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 Wurundjeri and Bunurong people of the Kulin Nation.

# Contents

<b>02</b>	Welcome	<b>18</b>	Capital Works Program
<b>05</b>	Report of Operations	<b>20</b>	Description of Operations
<b>06</b>	Purpose	<b>26</b>	Our City
<b>06</b>	Vision 2035	<b>32</b>	Our People
<b>07</b>	Our Values	<b>40</b>	Our Performance
<b>08</b>	Fast facts about our services	<b>92</b>	Governance and Statutory Information
<b>10</b>	Mayor's Message	<b>107</b>	Performance Statement
<b>12</b>	CEO's Message	<b>123</b>	Financial Report
<b>14</b>	COVID-19 Response	<b>192</b>	How to Access Knox's Annual Report
<b>16</b>	Financial Summary	<b>192</b>	Contact Us



A \$3 million Community and Business Support Package was established to fund dedicated services and programs to support relief, response and recovery efforts and lessen the impacts of COVID-19.

# Report of Operations

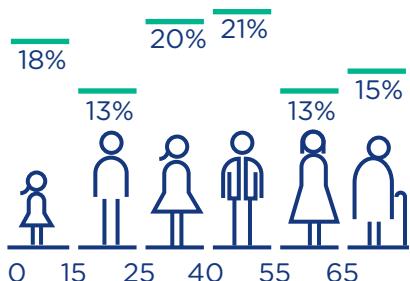
Knox City Council is committed to transparent reporting and accountability to the community. The Report of Operations 2019-20 is the primary means of advising the community about Council's operations and performance during the financial year.

## Who we are

Knox City Council covers an area of 114 square kilometres and consists of the suburbs of Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Scoresby, The Basin, Upper Ferntree Gully, Wantirna and Wantirna South.



**164,538**  
people call  
Knox home



**39**  
is the average  
age of residents

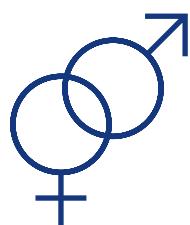


**35%**  
of residents  
were born overseas

China:	3.9%
United Kingdom:	3.7%
India:	2.6%
Malaysia:	2.1%
Sri Lanka:	2.1%



**30%**  
of working  
residents are  
employed in Knox



**49%** male  
**51%** female



## Family composition

- 51% Couple family with children
- 33% Couple family
- 15% One-parent family
- 1% Other family configurations

Source: 2016 Census & id. Estimated Residential population

# Purpose

The role of Knox City Council is to guide and lead the community through action, decision-making and advocacy.

During 2019-20, we continued to strengthen our staff's connection to our common purpose of 'empowering our diverse community to thrive and prosper'. We look forward to the next stage of the organisation's cultural evolution to deepen this connection.

# Vision 2035

We will work with our community to achieve our vision for the future:

**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

## Teamwork

### Working and acting together in the interests of a common cause

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

## Integrity

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

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

# Fast facts about our services

## In 2019-20, there were...



**57**

sportsgrounds  
and major reserves  
maintained



**30,631**

hard waste  
bookings lodged



**5,355**

children provided with  
maternal and child health  
(MCH) services

**1,654**

MCH four-week key age  
and stage visits



**277,268**

visits to aquatic  
facilities



**38,921**

online service  
requests received



**241**

council owned  
buildings maintained

**31,049 m<sup>2</sup>**

graffiti removed from  
Knox Council's assets



**6,957**

infants and  
children  
immunised



**1,724**

animal management  
requests received



**25,538**

visits to Council's  
Customer Service  
Centre



**988,616**  
physical library  
items loaned



**12,095**  
community transport  
trips made



**960**  
planning  
applications  
received



**38,373**  
drainage pits  
maintained



**4,152**  
threatened species  
planted in **21** distinct sites  
**2,224**  
trees planted



**211**  
playgrounds  
maintained



**724km**  
of local roads  
maintained



**1,244 km**  
of footpaths  
maintained



**91,550**  
phone calls received,  
with **95%** resolved  
at the first point of  
contact

# The Year in Review

## Mayor's Message

The past 12 months have been marked by events that have impacted our daily lives and shifted our collective focus and conversation. During this time, it is rewarding to reflect on the achievements of our Council towards delivering on our promises to the community.

The devastating bushfire emergency in East Gippsland captured our hearts and minds and it was humbling to see the Knox community's response, sending support in the form of messages, supplies, funds and volunteer hours. During this time, nine Knox staff members were deployed to assist the recovery efforts and together provided more than 400 hours of service.

This typifies the generosity of the people of Knox, which we see every day in the countless volunteers who give their time, their skills and their passions to benefit the lives of others. On behalf of all my fellow Councillors, I thank these volunteers for their contribution to our community.

Following a summer that demonstrated the fragility of our natural environment, Council was driven to ponder some of the big challenges we face in preserving it for future generations. In October 2019, we voted unanimously to take swift action on climate change and I'm proud to see the progress we've made already on numerous sustainability initiatives while continuing preparation of a new Climate Response Plan.

This action is complemented by several projects to protect and enhance our natural and open spaces, such as daylighting Blind Creek under Melbourne Water's Reimagining Your Creek project. This has brought a segment of the creek back above ground and delivered a new open space for the community to enjoy as well as creating areas of wet habitat that promote local flora and fauna.

Of course the later months of this financial year were also marked by the COVID-19 pandemic, which has fundamentally changed the way many of us work and live.

As a Council we have adapted quickly and worked hard to ensure support is provided where it is needed most, while maintaining our long term focus on community aspirations and continuing to invest for the future of our city.



My fellow Councillors and I were proud to support the establishment of a dedicated \$3 million fund to support relief and recovery measures, ranging from immediate services and resources to lessen the impacts on residents and businesses, to continued programs and support for our future recovery.

In such a time it was also pleasing to introduce live streaming for all Council meetings, which has allowed even more of our community to access and experience Council meetings, providing greater transparency and insight so our community can have confidence in Council's decision making.

Our capital works program is more important than ever to provide a critical stimulus for the recovery of the local economy. In the past 12 months, we have seen countless examples of the benefits infrastructure projects can provide, both in the jobs created during their construction and in the facilities they deliver for our community.

One such project was the completion of the Henderson Road Bridge to provide a much-needed link between Rowville and Knoxfield. This \$6.5 million project is the result of decades of tireless advocacy by Council and was delivered in conjunction with the Australian Government, which contributed \$6 million to fund construction.

Similarly, we have continued delivery of infrastructure upgrades and construction to support community participation in sport, with a particular focus on accessible and inclusive access for all abilities, genders and ages. For example, our Modular Buildings Program has provided fast and cost-effective change room facilities to improve inclusivity at Colchester Reserve in Boronia and Wally Tew Reserve in Ferntree Gully.

Our advocacy on behalf of the people of Knox continues, and I am pleased by Council's success securing support for a range of projects including a new expanded Knox Library, expansion of the Knox Regional Netball Centre, extension of Dorset Road, a dog park at Emerson Place Reserve in Rowville, new community facilities at Fairpark Reserve and pavilion, and playground upgrades at Marie Wallace Bayswater Park.

On behalf of my fellow Councillors I am proud to recognise the achievements of our Council over the last year and while we are facing a time of uncertainty and challenge, I have confidence that our deeply compassionate and motivated community will recover together.



**Cr Nicole Seymour**  
Mayor  
Knox City Council

**Our advocacy on behalf of the people of Knox continues, and I am pleased by Council's success securing support for a range of projects...**

# The Year in Review

## CEO's Message

I am pleased to present our Annual Report and inform the Knox community of the progress Council has made towards the goals of our *Knox Community and Council Plan 2017-21*.

The strategies outlined in the Plan reflect our community's priorities and set a roadmap for Council, community, local groups and businesses to improve life in Knox. I am pleased to report significant achievements across our eight core goals over the past 12 months.

Supporting and enhancing a connection with the natural and built landscape is a priority of our community, and a number of initiatives have been delivered towards this goal. For example, the introduction of e-waste recycling has allowed residents to safely and responsibly dispose of electronic objects through their hard waste service.

Council has also delivered energy efficiency upgrades at community facilities, including LED light replacements and solar panel installations. This program of upgrades is still underway and is expected to lower Council's greenhouse emissions by 45% per annum, saving approximately \$210,000 per annum in operational and maintenance costs.

Delivering services to support our community's health, safety and wellbeing is a core function of Council, and I wish to recognise and acknowledge the many frontline staff across our aged care, kindergarten and childcare, safety and health, customer service, community laws and operations teams, as well as many more, who have shown exceptional resilience and compassion under the challenging circumstances of the COVID-19 pandemic.

Indeed I have been proud to observe this strength across our organisation, as it has quickly responded to emerging community needs and continued high-quality service provision during the pandemic. Our people have demonstrated an obvious passion for community service and in many cases have gone to extraordinary lengths to ensure those most at risk in our community receive the care and support they need.

As an organisation, Council continues to implement operational improvements to streamline and improve the efficiency of our processes, programs and services. The redevelopment of Council's website is a key project under the Information and Communications Technology (ICT) Strategy and has progressed in 2019-20, with designs approved and development to commence in 2020.

The COVID-19 pandemic has also served as an ongoing, real-life test of Council's Business Continuity Management System, and driven us to adapt our ways of working on a timeline we may have previously thought was impossible.

It is worth noting that while the 2019-20 Annual Report reports on the former *Local Government Act 1989*, the *Local Government Act 2020* received Royal Assent in March 2020 and introduces wide-ranging reforms to the local government sector. Every department of Council is working to ensure thorough implementation of the changes and we welcome the new measures to improve community engagement, public transparency, strategic planning, financial management and service performance.

As we reflect on our progress under the *Knox Community and Council Plan 2017-21*, preparations are underway for the next Plans which will come into effect from July 2021. The input of our community contributes to making our plans meaningful and relevant to the people of Knox, and in the coming months there will be a number of opportunities for local residents and businesses to participate and share their vision for our future.

In recognising the significant achievements of Council in the last 12 months and reflecting on the challenging times we as an organisation and a community face, I thank our Councillors for their support in making these outcomes a reality and their dedication to advocating for Knox's interests. I also recognise our dedicated Council staff who have demonstrated great compassion, tenacity, professionalism and a commitment to delivering on our promises to the community.



**Tony Doyle**  
CEO  
Knox City Council

**As an organisation, Council continues to implement operational improvements to streamline and improve the efficiency of our processes, programs and services.**



# COVID-19 Response

The COVID-19 pandemic has had a significant impact on local residents, groups and businesses and changed the way we work and live. This in turn presents Council with a complex and unpredictable challenge.

Council has an important role to play in managing and responding to COVID-19, including supporting community health and wellbeing, delivering emergency response both on its own and in conjunction with state and federal emergency management plans, implementing stimulus projects and driving community recovery.

In the first instance, we prioritised the ongoing delivery of essential services to support our vulnerable and elderly residents, and have been progressively implementing measures to protect the health, wellbeing and safety of our community and staff.

A \$3 million Community and Business Support Package was established to fund dedicated services and programs to support relief, response and recovery efforts and lessen the impacts of COVID-19. In addition, further Commonwealth funding supported aged care services to increase delivery and expand services to provide transport, supplies and social support for older residents.

To support Council's emergency response, relief and recovery planning, staff have taken an innovative and proactive approach to delivering services in new ways and in different settings. Council has implemented a range of workforce strategies in compliance with all pandemic-related restrictions and directions placed upon the organisation by other levels of government.

As the situation evolves, Council is actively working with local stakeholders, community groups, businesses and residents to understand the impacts of COVID-19, provide support where it is needed most, and plan for recovery.

## Council's COVID-19 response: a snapshot



**\$380,000**

for homelessness support

including increased access to hot meals, showers and laundry facilities



**\$200,000**

for local service organisations

to support delivery and meet demand



**\$1,000**

'kick-start' contribution to clubs and groups

in Council facilities to support with costs



**\$200,000**

for Mental Health First Aid

training via local sporting clubs



**\$465,000**

in business support including grants, training and development, and mentoring



**Meals on Wheels**

met 20% increase in demand

and supported delivery of toilet paper and other essentials



## **Shopping from a list service**

assisted older residents to access groceries



## **Waiver on interest**

on late payments on rates and charges



## **Redesigned the structure of community immunisation sessions**

to retain delivery of the service during COVID-19 restrictions



## **Facilitated working from home arrangements**

for all staff who were able to work remotely



**Departments reprioritised work plans to take on urgent COVID-19 related work**  
whilst continuing to maintain service delivery



## **Social Support Group went virtual**

delivery of activity packs to members and hosting online catch-ups



## **Hire and licence fees waived**

for non-profit groups using Council facilities



## **Secured a \$3.2M Working for Victoria Grant**

to support unemployed Victorians with shorter term work opportunities



## **Modified work practices**

across all departments to maintain service delivery without significant disruption



**Moved Council's customer service on-site call centre to a remote call centre set up**



## **Community transport**

bus service adapted to support older residents to access shops, banks, chemists and other essential locations



## **Minor Grants Program**

and Community Development Fund  
increased funding to support community



## **Established the Crisis Management Team (CMT)**

which met daily to monitor the unfolding situation



**Adapted the delivery model of in person community events**  
to move to online events

# Financial Summary

## Financial Performance

For the year ended 30 June 2020, Council recorded a surplus of \$9.786 million. This net surplus compares favourably with an operating budget surplus of \$3.638 million.

The variance is primarily due to lower than budgeted materials and services (\$6.726 million) and the delay in budgeted borrowings and therefore no borrowing costs (\$2.284 million). These lower than budgeted expenditure categories were partially offset by an increase in employee costs (\$5.928 million), which was in part due to the increase in employee provision liabilities. A reduction in user fees primarily due to the COVID-19 pandemic (\$2.312 million) was offset by unbudgeted operating grants received in response to the COVID-19 pandemic and for the Local Government Recycling Support program (\$2.234 million). Capital grants were greater than budget due to unbudgeted capital grants received and capital grants carried forward from 2018-19 (\$2.160 million).

## Income

Total income for the year was \$175.829 million. Overall income decreased in 2019-20 by \$4.399 million, a 2.44% decrease from the previous year. The majority of this income was derived from rates and charges of \$117.249 million. This represents 66.68% of the total income generated. Other major sources of income included grants of \$28.819 million, user fees of \$14.608 million and monetary contributions of \$7.694 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.

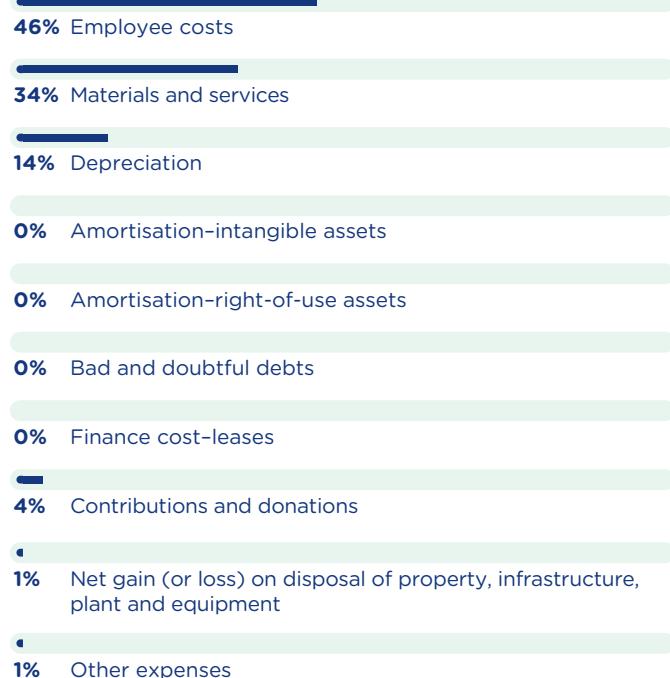
### INCOME



## Expenses

Total expenses for 2019-20 were \$166.043 million, an increase of \$11.374 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 \$76.789 million and materials and services of \$57.216 million.

### EXPENSES





## 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 1.69:1 is an indicator of Council's strong financial position, which is consistent with the working capital ratio from the previous financial year. This means that Council has \$1.69 of current assets for each \$1.00 of current liabilities. Council's total net assets decreased to \$1.992 billion as at 30 June 2020, which reflects the comprehensive result for the financial year. This decrease in total net assets is due to a net asset revaluation decrement of \$104,930.026 million as at 30 June 2020, which has occurred primarily due to a decrease in land and building values since 30 June 2018.

## Cash Flow

Council's cash position as at 30 June 2020 was \$40.484 million, which is represented by cash and cash equivalents of \$30.584 million and other current financial assets (term deposits) of \$9.900 million. Of this amount, \$1.584 million is restricted cash that is to be applied to trust funds and \$15.014 million to other reserves. This result represents a decrease in cash holdings from the previous year of \$15.761 million.

# 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.

## Capital Expenditure

Council allocates funding on an annual basis for the renewal of the community's assets, which are valued at over \$1.9 billion. Funding is also allocated for the new, upgrade, asset expansion and legal requirement programs, which deliver a range of works that enhance the city and its infrastructure. In 2019-20, Council delivered capital works to the value of \$59.48 million of which \$50.74 million met the accounting requirements for capitalisation. The following chart details the allocation of the capital works expenditure for 2019-20.

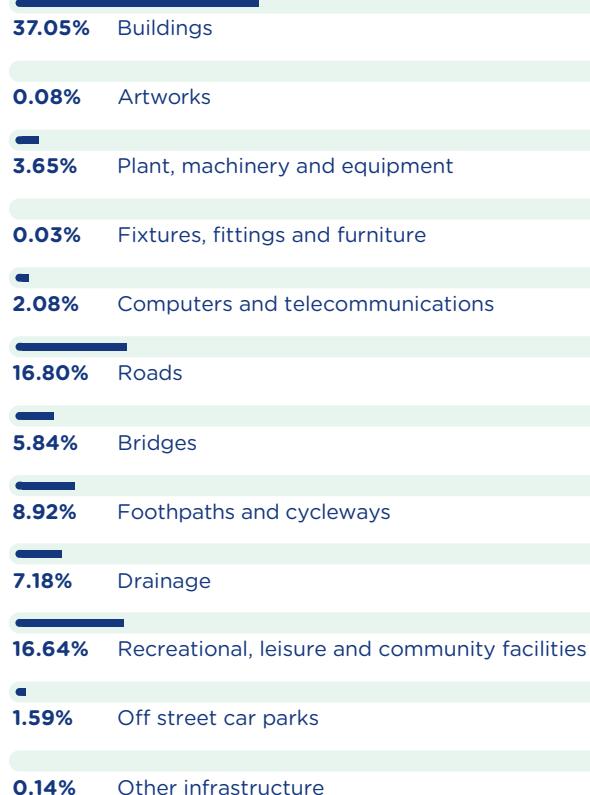
## Asset Management

Council continued its journey towards providing a sustainable level of asset renewal funding to ensure financial sustainability into the future. Council's capital works adjusted budget for 2019-20 was \$104.02 million. This included \$32.55 million for asset renewal, which incorporated funding to support the renewal of existing assets such as roads, bridges, buildings, drainage, footpaths, shared paths, street trees, open space and recreation facilities.

Having implemented its initial suite of Asset Management Plans, Council commenced 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 are defined and costed across all asset infrastructure categories.

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

### CAPITAL EXPENDITURE



## Asset Renewals in 2019-20

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

- Road reconstructions of Selman Avenue, Forest Road, Windermere Drive, 1101 Burwood Highway, Burwood Highway Service Road and Sheraton Road, Ferntree Gully; Barmah Drive, Wantirna; Albert Avenue, Boronia; and Albert Street, Upper Ferntree Gully
- \$5.30 million in road resurfacing works throughout Knox
- \$3.03 million in footpath improvements and \$0.63 million in shared-path improvements.

The Active Open Space program included the following works:

- Finalisation of oval renewal at Milpera Reserve, Wantirna; and works at Batterham Reserve, The Basin; Seebeck Reserve and Eildon Park Reserve, Rowville; Knox Regional Sports Park, Wantirna South; Knox Park, Knoxfield; Lakesfield Reserve, Lysterfield; and the Knox Regional Netball Centre and Fair Park Reserve, Ferntree Gully
- Tennis court renewals at Templeton Reserve, Wantirna; and public courts at Flamingo Reserve, Wantirna South
- Internal and external repairs and painting at multiple community facilities.

## New Assets Built or Upgraded in 2019-20

- Energy performance contract endorsed by Council—implementation phase commenced
- Solar in Community Facilities program—panel installations complete
- New footpaths at Valerie Street, Boronia; and preparation commenced for footpaths at Boronia Road, Bayswater; Glenfern Road, Ferntree Gully; and Montana Avenue, Boronia
- New shared paths, various bicycle repair stations, intersection safety improvements and wayfinder signage
- Open-space upgrades at Stud Park Reserve, Rowville; Tormore Reserve and Ramon Cowling Bushland Reserve, Boronia; Quarry Reserve, Ferntree Gully; Benedikt Reserve and Exner Reserve, Scoresby; and Templeton Reserve, Wantirna. Additionally there were several other significant ongoing projects, including Fairpark Reserve and Pickett's Reserve, Ferntree Gully; Talaskia Reserve, Upper Ferntree Gully; Egan Lee Reserve and Gilbert Park Reserve, Knoxfield; Peregrine Reserve, Rowville; and Marie Wallace Reserve, Bayswater.
- Drainage works—Manson Reserve wetland construction and ongoing flood mitigation reactive complaint upgrades
- New floodlighting at Ferntree Gully Bowls Club and Wally Tew Reserve, Ferntree Gully; Scoresby Reserve, Scoresby; and Kings Park, Upper Ferntree Gully. Oval 2 upgrades to the floodlighting at Pickett's Reserve, Ferntree Gully; and Carrington Park, Knoxfield.

Buildings and facilities new/upgrade works included the following:

- Batterham Reserve, The Basin—extension to existing pavilion change rooms (female change rooms)
- Knox BMX Track—new storage and start gate structure
- Placemakers site building reconstruction
- Billoo Park Preschool—toilet and storage upgrade
- Aimee Seebeck Hall—amenities upgrade
- Orana Neighbourhood House—kitchen upgrade.

# Description of Operations

Knox City Council provides a broad range of services from family and children's services, traffic regulation, open space, youth services and waste management to business development, planning for appropriate development and ensuring accountability to Council's budget.

This broad range of services and infrastructure for residents supports the wellbeing and prosperity of the community. Council's Vision, Goals and Strategies to further improve services and facilities are described in our Community and Council Plan 2017-21. Further information regarding Council's services can be found in the section Our Performance on page 40.

The delivery of services, facilities, support and advocacy to achieve our Goals is measured by a set of targets and measures. Council also has a wide range of responsibilities that have been legislated by the Victorian and Australian governments.

## Economic Factors

The Australian economy continues to experience a period of low inflation and record low interest rates. This has impacted Council's investment returns on cash holdings. Council does not have any borrowings at present, but borrowings are included in Council's Strategic Resource Plan for the upcoming years.

Changes to the market price for recyclable materials, together with breakdowns in the service provision of recycling providers, has resulted in an increase to the overall cost of waste services across the sector and will likely result in a price reset for waste processing costs.

## Major Projects

During 2019-20, the major capital works projects included:

### Stamford Park

Occupying 45 hectares of natural habitat, waterways and open space, Stamford Park is being developed into a place of true beauty—a place where people can live, work, play and enjoy life. Stage one of the redevelopment was completed in 2018-19 with the restoration of the historic Stamford Park Homestead, which included the addition of a restaurant and function spaces as well as landscape improvements to the gardens. Stage Two of the redevelopment began in 2019-20 with works on the surrounding 38 hectares of parkland including the construction of walking paths and trails, enhanced open space, wetland development and substantial revegetation works. In June 2020, work also commenced on an exciting new adventure play precinct.

A young girl with dark hair is looking down at a book she is holding. The book has a blue cover with the word 'BUSES' printed on it in large, white, block letters. She is wearing a dark t-shirt. In the background, there are other books on a shelf.

**A broad range of services and infrastructure for residents supports the wellbeing and prosperity of the community.**

# Description of Operations

## Knox Operations Centre Relocation

In early 2017, Council began the scoping, feasibility and design of the new Operations Centre. With significant input from the Operations team and a detailed review of the current processes and requirements for the relocated centre, Council officially opened the new Operations Centre at Henderson Road, Knoxfield, in 2020. The new centre is functional and efficient, with improved amenities, change rooms, meeting rooms and breakout spaces as well as a larger training area and a more professional reception area to cater for an improved visitor experience.

## Henderson Road Bridge

The Henderson Road Bridge that links north and south Henderson Road was a joint federal government and Council infrastructure project that was completed in October 2019 and officially opened on Friday 25 October 2019 by the Hon Alan Tudge MP and the Mayor at the time, Cr Jake Keogh. Featuring pedestrian paths, possum ladders, solar lights for the bike path tunnel, and stormwater works, this \$6.5 million project was carefully planned to ensure all needs of the area were considered and to respond to community feedback.

## ICT Strategy

In 2016, Council approved a \$16 million Information and Communications Technology (ICT) Strategy to be delivered over a five-year period. This strategy was developed to ensure our digital and information technology assets would deliver convenient self-service options to our community and contemporary technologies to our staff. Key focus areas for the project include improving customer experience and community safety as well as reducing operational risk and improving internal efficiencies. A key project within the strategy is the redevelopment of Council's website to create improved online services for the community.

## Modular Building Program

Council's Modular Buildings program is a three-year pilot initiative that has been introduced to address the gap in the availability of female-friendly changing facilities and provide changing facilities at secondary ovals at Council's sporting reserves.

Modular design is a fast and cost-effective approach, with 90 per cent of the build taking place in a factory off-site, before the buildings are transported, joined and erected at the reserves. The pre-fabricated nature of this process not only delivers high-quality facilities but it also means that there is minimal disruption to the community. The buildings have a solid environmental record and are constructed from sustainably sourced, engineered timber products and include low-energy LED lighting and solar hot-water units.

As part of this program, in 2019-20 Council completed the installation of new, modern change rooms at Colchester Reserve in Boronia and at Wally Tew Reserve in Ferntree Gully.

## Lewis Park Masterplan

Lewis Park is one of the largest open spaces in Knox. As our community grows, it has the potential to become a place that people of all ages and abilities can enjoy.

Following community consultation, the Lewis Park Draft Masterplan was developed, which provides a 20-year vision for creating inclusive spaces for people to engage with nature, culture and sport and where our natural environment can thrive. This vision includes the following elements:

- Lively spaces for people to engage with nature, culture and sport opportunities.
- Stronger connections between the parklands and our busiest community hubs.
- Revitalised waterways that support our local flora and fauna to thrive.
- Opportunities to tell the story of Indigenous culture and history.

In 2019-20 work was completed to further refine the masterplan. Design work is now underway and community engagement will continue in 2020-21.

## Major Organisational Changes

In 2019-20, Ian Bell left his role as Director Engineering and Infrastructure to transition to retirement. Ian joined Knox City Council in 1989 as the Senior Landscape Architect and after progressing through a number of roles became the Director on 25 July 2005.

Council also farewelled Michael Fromberg as Director Corporate Services in 2019-20. Council implemented interim arrangements for the Corporate Services Directorate upon Michael's departure under which existing Executive Management Team members took on additional portfolios.

### **Matt Kelleher, Director City Development**

- Business and Financial Services
- Governance

### **Samantha Mazer, Director Knox Central**

- Communications
- Transformation (Customer Service)

### **Samantha Stanton, Executive Manager, Strategy, People & Culture**

- Information Technology
- Transformation (Change & Lean)

The Executive Management Team will progress a permanent arrangement for the Corporate Services Directorate in 2020-21.



**On 28 October 2019, Knox Council voted unanimously to take swift and decisive action to address climate change by developing a Climate Response Plan in 2020.**

## Major Achievements

### **Climate Response**

On 28 October 2019, Knox Council voted unanimously to take swift and decisive action to address climate change by developing a Climate Response Plan in 2020. Council has worked hard to progress initiatives to reduce our carbon footprint, reduce waste and protect our natural environment. Leading by example, there are a range of ways Council is taking ongoing action to reduce our own energy usage.

Key measures to address climate change carried out by Council include the following:

- Energy efficiency upgrades were completed at community facilities, including LED light replacements and solar panel installations at small to medium-sized community buildings.
- Three electric cars were introduced into Council's fleet to reduce fuel emissions and two double-charging stations were installed: one for the exclusive use of fleet vehicles; the other for public use at the Civic Centre.

In 2020, Council signed a power purchasing agreement (PPA) to cost effectively purchase renewable energy from Bald Hills Wind Farm in Gippsland to power streetlights for nine years, commencing 1 July 2021.

# Description of Operations

## E-Waste Recycling

In 2019-20, Council introduced e-waste (electronic waste) recycling. Residents can now include e-waste with a booked hard waste collection and Council's contractor will collect it and recycle it. Residents can also drop off e-waste at the Knox Transfer Station where it is sorted and recycled.

E-waste is increasing three times faster than standard municipal waste. When you consider what is inside e-waste and that it can be recovered and made into something else, it makes no sense to bury electronic objects in the ground.

E-waste also contains potentially hazardous materials like lead, mercury and cadmium as well as ozone-depleting chlorofluorocarbons (CFCs) and flame retardants. Even in small amounts, these dangerous chemicals can cause environmental contamination. Recycling e-waste can help protect our environment and help reduce the amount of rubbish in landfill.

## Knox Stormwater Solution Excellence in Infrastructure Award

On 5 December 2019, Knox's stormwater team won an Excellence in Infrastructure award for designing a fully integrated water-harvesting, flood protection and water quality treatment system that uses water collected from Dobson Oval and the Tim Neville Arboretum wetlands and lakes. The award-winning system collects water run-off from the oval, sends it across to the arboretum, where the wetland plants help filter and clean the water, and then carries it into the lakes. Water from the lakes is then re-circulated back to the oval to irrigate the grass.

## Blind Creek Trail Daylighting

In 2019-20, Blind Creek became the latest site in Knox to benefit from Melbourne Water's Reimagining Your Creek project, which identifies and restores existing waterways back to their natural form. In the 1960s, Blind Creek was piped underground; however, in 2019-20, daylighting works were completed on the creek from Manuka Drive to Scoresby Road to bring the water back to the surface, which has created areas of wet habitat that promote local flora and fauna as well as help manage the water. The existing underground stormwater pipe was removed and a new waterway constructed with rock pools, riffles and stepping-stone crossings. These works, developed in consultation with the community, have created new open space and a natural landscape for the community to enjoy.

## Council Meeting Live Streaming

As of Monday 30 March 2020, all Council meetings and Strategic Planning meetings, unless closed to the public, have been live streamed via Council's website. Recordings remain available on the website for at least two years after each meeting has been held.

This initiative was implemented to improve the transparency, accessibility and awareness of Council's decision-making processes. The streamed meetings provide Council with an opportunity to facilitate greater engagement with the community. This has been particularly important during the current COVID-19 social-distancing and stay-at-home restrictions and has enabled Council to facilitate safe meetings during the pandemic.

## Community Investment Plan

The 2019 Community Investment Plan outlines the work Knox Council is doing, in partnership with other levels of government, to build the vital infrastructure we need across transport, sport and leisure, community wellbeing, employment, the built environment and the natural environment. The plan outlines the priorities of the Knox community under six key themes: Transport Solutions, Enhancing Our Natural Environment, Enhancing Our Built Environment, Sport and Leisure Participation, Community Wellbeing, and Supporting Local Employment.

The plan covers long-term projects such as the Fairpark Reserve Pavilion upgrades to provide a better experience for all local sportspeople by fostering healthy, active communities as well as the further expansion of the Knox Regional Netball Centre to meet increased demand for the facility. Also covered is an extension of the Route 75 Tram to Knox to provide greater access to employment and education for the Knox community as well as seeking state and federal government support for families struggling with housing insecurity, gambling addiction and homelessness issues.

## Knox Staff Deployed to Support East Gippsland Shire Council during Bushfire Emergency

In early 2020, the Municipal Association of Victoria (MAV) requested Knox Council's support as part of the bushfire emergency in eastern Gippsland. During the bushfire emergency, nine Knox employees were deployed to assist in the recovery process from the fires in East Gippsland. Together, they provided over 400 hours in their respective roles.

The readiness and capacity of our Emergency Management Team and organisation to respond to an emergency event in another part of Victoria was carefully considered before accepting the deployment request. The Knox Emergency Management Team closely monitored the fire emergency situation across the state so that Council was ready for any emergencies in Knox and the neighbouring areas in order to keep our community safe.



# Our City

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 residential population of 164,538 (30 June 2019) and covers an area of 114 square kilometres. The area boasts a green, leafy environment that extends to the foothills of the picturesque Dandenong Ranges. Knox comprises the following suburbs: The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Scoresby, Upper Ferntree Gully, Wantirna, and Wantirna South.

## MAP OF KNOX

### Council Offices

**Address:**  
511 Burwood Highway  
Wantirna South VIC 3152

**Opening Hours:**  
8:30am to 5pm  
Monday to Friday  
  
Council's Civic Centre Customer Service Counter has been closed temporarily from March 2020 due to the COVID-19 pandemic.

**How to Contact Knox City Council**  
Phone: 9298 8000  
Fax: 9800 3096  
Email:  
knoxcc@knox.vic.gov.au



## Our Councillors



**Cr Nicole Seymour, Mayor  
Tirhatuan Ward**  
Current term: 2012-current  
Mayoral term: October 2019-current



**Cr Marcia Timmers-Leitch,  
Deputy Mayor  
Collier Ward**  
Current term: April 2019-current  
Deputy mayoral term: October 2019-current



**Cr Peter Lockwood  
Baird Ward**  
Current term: 2012-current  
Mayoral term: November 2014–November 2015  
Deputy mayoral term: December 2018–October 2019



**Cr John Mortimore  
Chandler Ward**  
Current term: 2008-current  
Mayoral term: November 2017– October 2018  
Deputy mayoral term: February 2017–November 2017



**Cr Adam Gill  
Dinsdale Ward**  
Current term: 2003-current  
Mayoral term: November 2011–November 2012



**Cr Jake Keogh  
Dobson Ward**  
Current term: 2016-current  
Mayoral term: October 2018–October 2019  
Deputy mayoral term: November 2017–October 2018



**Cr Tony Holland  
Friberg Ward**  
Current term: 2012-current  
Mayoral term: November 2015– November 2016



**Cr Lisa Cooper  
Scott Ward**  
Current term: 2015-current



**Cr Darren Pearce  
Taylor Ward**  
Current term: 2008-current  
Mayoral term: November 2013–November 2014,  
November 2016–November 2017

# Our People

## Executive Management Team



**Tony Doyle**  
**Chief Executive Officer**

Tony Doyle joined Knox Council as its Chief Executive Officer in July 2016. Tony's previous position was as Chief Executive Officer at Hindmarsh Shire Council in western Victoria, a position he held for three years. He has brought strong leadership and financial skills to the role as well as having a passion for working with communities and creating formative community partnerships.

Before joining the local government sector, 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.



**Matt Kelleher**  
**Director City Development**

Matt Kelleher joined Knox in May 2019 as Director City Development.

Before joining Knox, Matt was Director Community and Planning at Nillumbik Shire Council.

Matt has had extensive experience in senior leadership and executive roles in the local government sector, leading teams across a diverse range of functional areas, including planning, city strategy, community services, customer experience, regulatory services, organisation development and human resources. He has a strong track record of delivering on a range of complex strategic projects, with strong community and stakeholder engagement supporting his ability to make a positive difference for communities.

Experience in service reviews and leading change has enabled Matt to build high-performing teams who have a clear shared vision in delivering improved services and results for customers and stakeholders. Matt's experience across a range of urban planning, community liveability, service performance and organisational capability projects and initiatives has been focused on supporting teams and organisations to effectively position for strategic challenges in the external environment.

Matt's formal qualifications include an MBA along with a Bachelor of Applied Science in Planning and a Graduate Diploma of Management. He is also a certified change management practitioner (ProSci). Matt is a fellow of Local Government Professionals (LGPro) and in 2019 was a participant in its Executive Leadership program, XLP.

Matt's directorate consists of:

- Business and Financial Services
- City Futures
- City Planning and Building
- City Safety and Health
- Governance



**Tanya Scicluna**  
**Director Community Services**

Tanya Scicluna commenced as Director Community Services in October 2018.

Tanya has had extensive experience working at a senior level in a wide range of community service programs in local government, state government and the community sector. She is a highly regarded industry leader, renowned for her innovative and collaborative regional and sector leadership and has led teams and organisations through significant change.

Tanya's background includes the leadership of large teams providing a wide range of community services and experience across multiple sectors, including aged and disability, family and children's services, leisure and recreation, community development, public health, economic development and strategic planning.

Tanya's formal qualifications include a Bachelor of Applied Science (Disability Studies) and a Postgraduate Diploma of Health and Human Services Management (Deakin). She is also currently completing a Master of Management (Monash).

Tanya's directorate consists of:

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



**Matthew Hanrahan**  
**(Acting) Director Engineering and Infrastructure**

Matt Hanrahan is Acting Director Engineering and Infrastructure and over the past 25 years has worked across multiple roles in local government, state government and the private sector, typically in the fields of engineering management, asset management, transport planning and capital works program development. He also has a strong record of engaging with the community, political leaders and the business sector.

Matt has worked in a number of different operating environments across multiple continents, including Europe, North America and the Middle East.

He holds a Degree in Engineering (Civil) from RMIT University and a Diploma of Arts in Professional Writing. He is also a member of the Australian Institute of Traffic Planning and Management (AITPM), the Institute of Public Works Engineering Australia (IPWEA) and Local Government Professionals (LGPro).

Matt's directorate consists of:

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

# Our People

## Executive Management Team



**Samantha Mazer**  
**Director Knox Central**

As Director Knox Central, Samantha leads a 220 hectare urban regeneration program that brings together public and private sector stakeholders to deliver on an integrated vision for the municipality's largest activity centre.

Samantha has spent many years using her advocacy, leadership and commercial expertise to lead teams and organisations through periods of significant change. She has held senior and executive positions in banking and professional services as well as consulting across a broad range of sectors, including government, property, technology, retail, manufacturing and not-for-profit.

Samantha's diversity of experience, combined with her passion for contemporary leadership, has helped take Knox Central from aspiration to strategy and delivery whilst also adding a valuable perspective to the Knox Executive Management Team.

Samantha's directorate consists of:

- Knox Central
- Communications
- Transformation (Customer Service)



**Samantha Stanton**  
**Executive Manager Strategy, People & Culture**

Samantha Stanton is Knox's Executive Manager, Strategy, People & Culture, having originally joined Knox in November 2016.

Samantha is an experienced senior leader and before joining Knox, was Manager People & Performance with the City of Greater Bendigo. She is a contemporary leader, renowned for her strategic mindset and has a deep understanding of local government and the importance of creating public value through organisational transformation and growth. She has particular strengths in corporate performance, facilitating new ways of working and pursuing digital and service innovation, managing corporate risk, and developing adaptive capacity in people, teams and cultures.

Samantha's background and experience includes the leadership of strategy, integrated planning, innovation and service reviews, information technology, organisation development, human resources, risk management, safety and wellbeing.

Samantha's formal qualifications include a Master of Public Policy and Management (Monash), a Bachelor of Arts (Criminal Justice Administration), and Certificates in Business Excellence and Organisational Self Assessment. Samantha is a member of Local Government Professionals (LGPro) and in 2014 completed its Executive Leadership Program, XLP. Samantha is currently completing the Adaptive CulturesTM Practitioner Development Accreditation Program.

Samantha's area consists of:

- Strategy, People and Culture
- Information Technology
- Transformation (Change/Lean)

# Organisation Chart



# Our People

## Workplace Report

As at 30 June 2020, Council employed 1,046 staff, which consisted of full-time, part-time, temporary and casual positions.

Overall, 139 permanent, temporary or casual staff joined Council during the year to fill vacant positions and meet increased legislative, project and operational requirements.

### Staff by Functional Area 2019-20

Headcount as at 30 June 2020

Directorate	Full-time		Part-time		Casual		Gender Total		Grand Total
	Female	Male	Female	Male	Female	Male	Female	Male	
Chief Executive's Office/ Strategy, People and Culture	19	14	23	0	4	1	46	15	61
City Development	55	58	98	48	24	12	177	118	295
Community Services	120	14	274	21	68	8	462	43	505
Engineering & Infrastructure	29	107	12	3	0	0	41	110	151
Knox Central	15	3	14	1	1	0	30	4	34
<b>Grand Total</b>	<b>238</b>	<b>196</b>	<b>421</b>	<b>73</b>	<b>97</b>	<b>21</b>	<b>756</b>	<b>290</b>	<b>1046</b>

Full-time Equivalent as at 30 June 2020

Directorate	Full-time		Part-time		Casual		Gender Total		Grand Total
	Female	Male	Female	Male	Female	Male	Female	Male	
Chief Executive's Office/ Strategy, People and Culture	19	14	15.94	0	0.11	0.03	35.04	14.03	49.07
City Development	55.00	58.00	34.95	10.30	0.63	0.32	90.59	68.62	159.20
Community Services	119.63	14.00	148.58	8.87	1.79	0.21	270.00	23.08	293.08
Engineering & Infrastructure	29.00	107.00	7.90	1.29	0.00	0.00	36.90	108.29	145.19
Knox Central	14.80	3.00	8.64	0.63	0.03	0.00	23.47	3.63	27.10
<b>Total</b>	<b>237.43</b>	<b>196.00</b>	<b>216.01</b>	<b>21.09</b>	<b>2.55</b>	<b>0.55</b>	<b>455.99</b>	<b>217.64</b>	<b>673.63</b>

\*Each casual is calculated as 0.3, which is equivalent to 1 hour per week.

## Council Staff

A summary of the number of Full Time Equivalent (FTE) staff categorised by employment classification and gender is detailed in the following table.

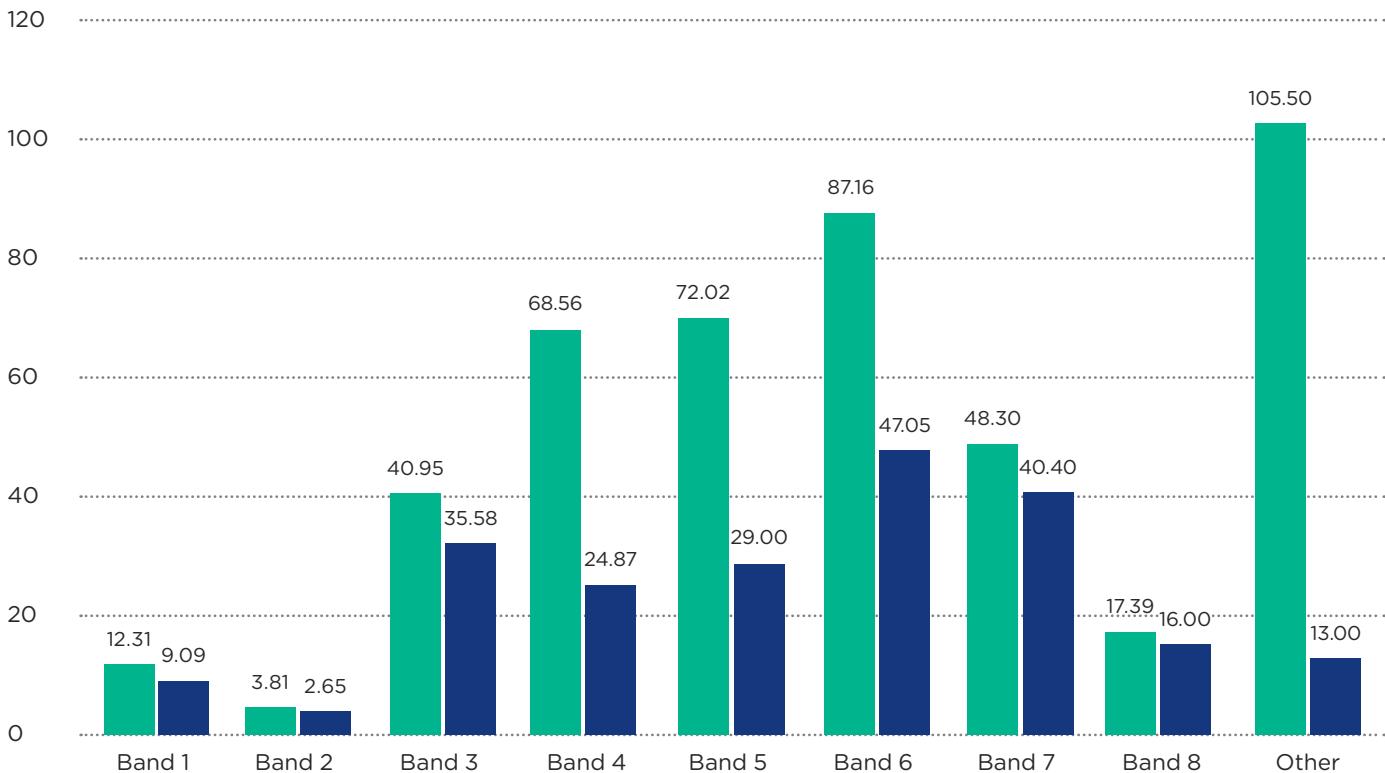
Employee Classification	Female	Male	Total FTE
<b>Band 1</b>	12.31	9.09	21.40
<b>Band 2</b>	3.81	2.65	6.46
<b>Band 3</b>	40.95	35.58	76.53
<b>Band 4</b>	68.56	24.87	93.43
<b>Band 5</b>	72.02	29.00	101.02
<b>Band 6</b>	87.16	47.05	134.21
<b>Band 7</b>	48.30	40.40	88.70
<b>Band 8</b>	17.39	16.00	33.39
<b>Other*</b>	105.50	13.00	118.50
<b>Grand Total</b>	<b>455.99</b>	<b>217.64</b>	<b>673.63</b>

Notes:

\* "Other" includes non-banded workforce members, including health professionals and nurses, teachers, assistants and senior officers.

FTE Employees by Classification

■ Female ■ Male



# Our People

## People and Culture

*THRIVE: Future-Ready Knox* was designed and adopted as Council's new people and workplace strategy in 2019-20. The combination of new technologies, global change and unprecedented diversity, where we have five generations in the workforce for the first time, is a genuine and disruptive force that is redefining every aspect of how work gets done. How we structure our future, how we prepare our people, and how we build our capacity will rapidly come to define our organisation.

Future-ready Knox commits us to leading our future across four inter-related strategic priorities:

- Adaptive future
- Evolving culture
- Flexible workplace
- Thriving people

Operationally, the People and Culture business partnering model introduced last year has continued to strengthen internal working relationships and provide enhanced internal support, advice and insight. The various needs and aspirations of directorates and departments are now better able to be supported through dedicated business partners.

## Enhancing our People Systems

Council has made enhancements to recruitment, on-boarding and learning systems and has automated and streamlined related processes, which has resulted in a saving of time and money. These enhancements have also enabled greater volumes of work to be processed without an associated increase in resources. The way our employees now experience their workplace upon arrival and during their first six months has considerably improved.

Significant effort has been invested in preparing to implement a new time and attendance system in 2020-21 that will minimise the manual data processing of staff salaries. In addition, a co-design approach using human-centred design principles has resulted in staff testing prototypes for a new approach to performance, talent, and succession that will enable our people to be in the 'driver's seat' of their careers. The benefits of a streamlined, user-friendly and integrated solution will be fully realised when the project concludes in 2021.

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

During the year, Council initiated a new expression of interest process to explore a revamp of the previous equal opportunity contact officer structure. Council has now recruited five new equal opportunity contact officers who have completed their required training.

## Workplace Equality and Respect

Building upon the successful Listen, Learn and Lead Gender Equity (LLLGE) program run previously, Council's 10-point Gender Equity Plan for its own workforce is now being implemented. This plan provides a strong basis for meaningful and lasting change. To support and strengthen the plan, the organisation has adopted the five Workplace Equality and Respect Standards, which set the goals that workplaces must achieve to address gender inequality and prevent violence against women. Staff training and a survey regarding the standards were completed. Council also formed a gender equity working group to assist progress.

# Workplace Equality and Respect Standards

## STAFF FOCUS

### 1 Commitment

We are committed to preventing violence against women and we have structures, strategies and policies that explicitly promote gender equality.

### 2 Conditions

We embed gender equality in our recruitment, remuneration and promotion processes, and men and women utilise flexible work options without penalty.

### 3 Culture

All staff feel safe and confident in the workplace, and we actively challenge gender stereotypes, roles and norms. Staff can raise concerns about gender inequality and potential discrimination without adverse consequences.

### 4 Support

We have the structures, practices and culture to respond appropriately to staff and stakeholders affected by violence, bullying and sexual harassment.

### 5 Core business

The work we do and the way we promote it aligns with our commitment to gender equality and the prevention of violence against women.

## STAKEHOLDER FOCUS

Source: Our Watch 2018, *Workplace Equality Respect and Standards*, digital image, accessed July 2020, <[https://d2bb010tdzqaq7.cloudfront.net/wp-content/uploads/sites/2/2019/10/29045029/OurWatch\\_WER\\_Standards\\_2019-April\\_final.pdf](https://d2bb010tdzqaq7.cloudfront.net/wp-content/uploads/sites/2/2019/10/29045029/OurWatch_WER_Standards_2019-April_final.pdf)>

Council received a grant of \$130,000 from the Victorian Government to join a consortium of organisations including Women's Health Victoria; RMIT University; Monash University; Women with Disabilities Victoria; ACEVic; and two adult community-learning centres, Coonara Community House and Yarrawonga Neighbourhood House, to develop and pilot a course in gender equity. This project is an Australian first and participating Knox staff commenced the training modules in January 2020 and have now completed their requirements.

# Our People

## Health and Wellbeing

Council's health and wellbeing focus continued in 2019-20 with the aim of encouraging self-engagement and motivating and supporting staff to adopt healthy habits that would be beneficial for both work and home life.

Council's commitment to supporting the mental health of staff continued to be an important focus in 2019-20. Council continued to deliver mental health first-aid training as a means of improving staff knowledge and skills, and there are now approximately 100 staff with mental health first-aid accreditation.

The need for additional mental health support and resources was also recognised with the onset of the COVID-19 pandemic. In response to the pandemic, an extension to the Employee Assistance program was arranged, including a widening of the service to include volunteers. To help manage the predicted additional mental health burden associated with the COVID-19 pandemic, a panel of counselling/psychological providers was selected to further extend availability of services in this area.

The Wellness@Knox committee continued its health promotion work in 2019-20 and finalised a recurring calendar of annual health and wellness initiatives. Additional activities were also undertaken including continuation of the popular Food4Life program, Ride2Work Day, increased participation in the Corporate Games (including soccer, table tennis, netball and cross-country running) as well as a range of social activities such as walking groups, bicycle maintenance classes, pilates and yoga.



**Council's commitment to supporting the mental health of staff continued to be an important focus in 2019-20.**

## Safety Activities

Occupational health and safety (OHS) has continued to be a major focus for Council. The organisation continues to adapt its health and safety system to be responsive to both compliance requirements and best practice as well as the integration of wellbeing into the Health & Safety Management System and consultative structure.

Council's focus on the promotion of proactive safety reporting (hazards and near-misses) as a means to mitigate hazards and risks before they become a source of incident and injury has continued. The COVID-19 pandemic resulted in an overall decrease in proactive safety reporting in the second half of the 2019-20 year as a large proportion of the workforce began working from home in mid-March 2020:

**13%** Decrease in total proactive safety reports from **233** in 2018-19 to **202** in 2019-20.

**53%** Decrease in hazard reports from **150** in 2018-19 to **71** in 2019-20.

**58%** Increase in near-miss reports from **83** in 2018-19 to **131** in 2019-20.

Analysis of these figures indicates that reports increased significantly for the first half of the year: there were 148 proactive reports for the period July to December 2019 compared to 48 for the same six-month period in 2018.

However, with the move to working from home as a result of the COVID-19 pandemic, there were only 57 proactive reports for the period January to June 2020 compared to 185 for the same six-month period in 2019.

## KEY INCIDENT STATISTICS

- 29%** Decrease in property damage incidents from **65** reports in 2018-19 to **46** reports in 2019-20.
- 33%** Decrease in motor vehicle incidents from **54** in 2018-19 to **36** in 2019-20.
- 9%** Decrease in plant and equipment incidents from **11** in 2018-19 to **10** in 2019-20.
- 14%** Decrease in the number of safety reports from **480** in 2018-19, to **415** in 2019-20.

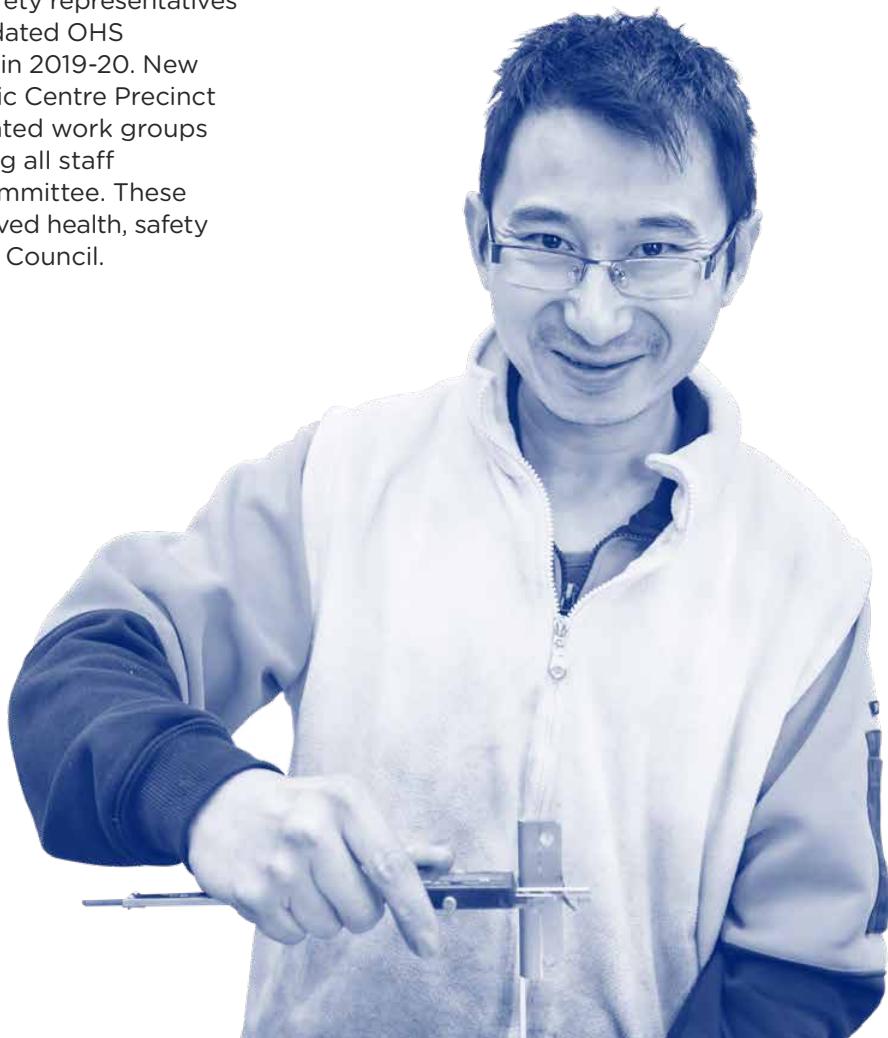
There was an increase in WorkSafe incident notifications, required under the *Occupational Health and Safety Act 2004*, from five in 2018-19 to 14 in 2019-20. This increase was partly due to more stringent internal policy guidelines being adopted in relation to reporting of certain classes of WorkSafe notifiable incidents. The 14 Worksafe notifications this year were: six reports involving a client, volunteer or member of the public; two resulting from impacts with objects; one incident causing a laceration; two slip, trip and fall incidents; two dog bites and one incident involving a fire.

The election of new health and safety representatives (HSR) for the redesigned and updated OHS consultation structure took place in 2019-20. New local OHS committees for the Civic Centre Precinct and Community Services designated work groups also commenced operation, giving all staff representation via a local OHS committee. These measures have significantly improved health, safety and wellbeing consultation within Council.

The final report relating to the internal OHS audit that was conducted in early 2019 concluded that Council's OHS practices are of a high standard and are well established and maintained, with continual improvements taking place. The report did provide recommendations to further strengthen OHS management, which included a review of all OHS policies and procedures, their alignment with the new international OHS Management Standard (ISO 45001), finalisation and adoption of the Motor Vehicle Safety Strategy and review of contractor safety management procedures. Council accepted and began work on the implementation of these recommendations in 2019-20.

Other initiatives that were progressed or commenced during 2019-20 included:

- Implementation of lone-worker mobile phone apps after relevant trials and evaluation.
- The continuation of occupational violence prevention training to relevant staff groups.
- The production of a range of safety consultation activity and policy, procedure, and guidance material concerning control measures for the COVID-19 pandemic.



# Our People

## Injury Management

Overall, there was an 8% decrease in injuries from 108 in 2018-19 to 99 in 2019-20. Minor injuries (injuries requiring no treatment or first aid only) decreased from 133 in 2018-19 to 107 in 2019-20; however, there was an increase in major injuries (medical treatment and lost-time injuries) from 49 in 2018-19 to 60 in 2019-20.

Council's early injury intervention and return-to-work management processes proved effective, with there being a decrease in WorkCover claims lodged from 18 in 2018-19 to 17 in 2019-20 despite the increase in major injuries.

Council's injury management program continued to successfully assist staff to return to work after experiencing both work-related and personal physical injuries. In 2019-20, the on-site physiotherapy provider was well utilised for the first three quarters. However, with the onset of the COVID-19 pandemic, services were converted to an e-health platform and face-to-face consultations were suspended in March 2020. With very few staff continuing to work in the Civic Centre precinct and Operations Centre, there was a significant drop in the utilisation of the service. Given the current contract expired on 30 June 2020, the service was suspended pending a review of short-term replacement options during the COVID-19 pandemic period as well as finalisation of a longer-term strategy for improvement and possible expansion of this service.

## Risk Management and Review

Council's Risk Register is reviewed by the Executive Management Team quarterly and during 2019-20, regular reports for both operational and strategic risks were provided to Council's Audit Committee to ensure effective monitoring. A new format for the risk register report was developed and an additional report showing any changes in quarterly risk ratings for the past year was produced. Both of these changes are aimed at improving the risk review process. Planning around the provision of risk management training to key staff in the new financial year has begun. A new strategic risk relating to climate change was added to the risk register.



## **Business Continuity Management**

The key elements of Council's Business Continuity Management System (BCMS), the Business Continuity Framework and Crisis Management Plan, were reviewed and updated in 2019-20. A test exercise to assess business continuity capabilities was planned for the last quarter of 2019-20; however, the COVID-19 pandemic has served as an ongoing real-life test of the system and Council's capabilities and it included activation of the Crisis Management Plan/Team and Regional Pandemic Sub Plan. Council concluded that a COVID-19 pandemic debrief is a more effective use of resources and produces better learning outcomes than a test exercise. Planning is underway for a debrief to be conducted in the first quarter of 2020-21.

An internal, independent audit of business continuity and disaster recovery was conducted in 2019-20. It found that, in general, Council had taken the necessary steps to develop an effective BCMS. The audit recommended a number of areas where improvement could be made to further strengthen the business continuity process, including reporting on new key performance indicators (KPIs) for the BCMS and undertaking a gap analysis of the BCMS. These recommendations were implemented by Council in 2019-20.

### **Vehicle Insurance Claims**

Council's fleet of registered vehicles, which includes cars, trucks, tractors and trailers, remained stable at 196 in 2019-20 compared to 197 in 2018-19, allowing for a meaningful year-on-year comparison.

The number of over-excess (greater than \$5,000) vehicle insurance claims continued the pattern of decrease over recent years, dropping from 19 in 2017-18 to 12 in 2019-20.

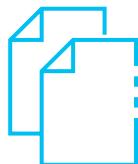
The number of vehicle under-excess vehicle claims also continued to decrease from 29 in 2018-19 to 18 in 2019-20.

### **Non-Vehicle Insurance Claims**

There was a minor decrease in non-vehicle under-excess insurance claims from 115 in 2018-19 to approximately 107 in 2019-20. The majority of claims were related to tree branch/debris failure, tree-root damage, trips and falls due to uneven surfaces and flooding/stormwater damage.

There were only two over-excess liability claims reported to Council's insurer during 2019-20. Both claims involved discharge-of-water issues. During this time we again experienced a decrease in tree-root damage claims, which is testament to the proactive work undertaken by our Parks staff.

In 2019-20, a tender process was completed for the provision of under-excess claims management for the next three-years and the contract was awarded to the current supplier of these services.



**Council's injury management program continued to successfully assist staff to return to work after experiencing both work-related and personal physical injuries.**

# Our Performance

## Community and Council Plan 2017-21

On 26 June 2017, Council endorsed the Community and Council Plan 2017-21, which replaced the:

- Knox Vision: Our City, Our Future
- City Plan (incorporating the Council Plan) 2013-17
- Integrated City Strategy.

The Community and Council Plan 2017-21 was informed by relevant legislation, research and a range of community engagement activities. The following planning framework illustrates how the Community and Council Plan 2017-21 guides the development of other Council planning documents.

All of these planning documents guide Council's ongoing work and service delivery, which contribute to the achievement of the vision defined in the Community and Council Plan 2017-21.



## Goals

Together with the community, Council has identified eight key goals, with associated strategies, as the framework for progressing towards achievement of the vision:



**GOAL 1**  
We value  
our natural and  
built environment



**GOAL 2**  
We have  
housing to meet  
our changing needs



**GOAL 3**  
We can move  
around easily



**GOAL 4**  
We are safe  
and secure



**GOAL 5**  
We have a  
strong regional  
economy, local  
employment and  
learning opportunities



**GOAL 6**  
We are happy, healthy  
and well



**GOAL 7**  
We are  
inclusive, feel a  
sense of belonging  
and value our identity



**GOAL 8**  
We have  
confidence in  
decision-making

# Our Performance

## Annual Plan 2019-20

Each year, Council develops an annual action plan based on the strategies and initiatives outlined in the Community and Council Plan 2017-21. The Annual Plan 2019-20 was adopted by Council on 24 June 2019 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.

## 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 undertaken in a consistent way for all local government authorities in Victoria.

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

## Service Delivery

Service delivery accounts for a significant part of Council's annual investment in the community and is one way to support and maintain Knox's areas of strength.

It also addresses some key challenges for our community. Service delivery is equally as important as our priority strategies and actions.

## 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

Progress against the targets and measures identified in the Community and Council Plan 2017-21 that will inform our success in achieving our goals and strategies.

### 2. Annual Plan Initiatives

Details of the progress of major initiatives and initiatives identified in the 2019-20 Annual Plan.

### 3. Services

Details of the services funded in the 2019-20 Budget that most closely align to the particular Community and Council Plan goal and, where relevant, the associated LGPRF measures and results.



Four indicator sets have been developed across three thematic areas—service performance, financial performance and sustainability.

# We value our natural and built environment

## 2019-20 Highlights



Planted 4,152 threatened species in 21 distinct sites



Implemented e-waste and X-ray recycling services



Developed a geographic information system (GIS) mapping layer to map all locally threatened species in reserves



Expanded the Gardens for Wildlife Program, which now has 895 participants

## Results

### Council Targets

Council has progressed work towards achieving the 12 Community and Council Plan targets identified under the strategies of Goal 1.

### Annual Plan Progress

Council has completed four of the five initiatives identified under Goal 1 in the 2019-20 Annual Plan. Work continues to progress on the remaining initiative.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Develop and implement a strategic pest animal plan.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 1.1: Protect and enhance our natural environment

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>A reduction in environmental impact</b>	Council's corporate greenhouse gas emissions	-	5,257 tonnes per annum (CO <sub>2</sub> -Equivalent)	<b>5,257 tonnes per annum (CO<sub>2</sub>-Equivalent)</b>	Data includes emissions from Knox Leisureworks. Billing responsibility transferred from previous tenants to Council in 2019-20.
<b>An increase in the usage of renewable energy</b>	Council's corporate renewable energy usage	108.18 kW	306.00 kW	<b>461.00 kW</b>	In 2019-20, Council's corporate renewable energy usage was 461 kW (Total Installed Capacity - Solar PV), an increase from 306kW in 2018-19.
<b>A reduction in waste generated in our homes</b>	Annual non-recyclable garbage generation per household (waste to landfill)	9.99 kg	9.25 kg	<b>10.30kg</b>	In 2019-20, non-recycling garbage generation was 10.3kg per household per week, an 11% increase from 2018-19. In 2019-20 the truck audit was completed in February rather than previous years when it was completed in November. This creates challenges in accurate comparison of year on year data.
	Annual diversion rate per household (recyclable and green waste)	51.97%*	55.89%*	<b>53.44%</b>	Council has aligned this measure in 2019-20 to reflect LGPRF reporting and ensure consistency.
					* Council has reinstated 2017-18 and 2018-19 figures to reflect these changes and to ensure comparative data.
<b>A reduction in water use of new buildings</b>	Percentage of applicable buildings assessed in planning as meeting the best-practice target of a 25% reduction in potable water consumption	94.00%	97.39%	<b>94.05 %</b>	79 of 84 applications assessed were found to have achieved the 25% reduction in potable-water consumption target.
<b>A reduction in Greenhouse Gas emissions of new buildings</b>	Percentage of applicable buildings assessed in planning as meeting the best-practice target of a 50% reduction in Greenhouse Gas emissions	69.00%	74.78%	<b>60.71%</b>	51 of the 84 applications assessed were found to have achieved the 50% reduction in greenhouse gas emissions target.
<b>Sustainable design of Council's new buildings</b>	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	100%	0%	<b>0%</b>	No Council projects were fully assessed for environmental targets in 2019-20. Initial consultation was undertaken for the Knox Fairpark Reserve multipurpose development and the Carrington Park multipurpose centre project.

## What we achieved in 2019-20

### Strategy 1.2: Create a greener city with more large trees, indigenous flora and fauna

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
An increase in canopy tree cover along streets	Percentage of street corridors covered by canopy trees	494	1,249	830	Reporting against this measure focused on net gain (difference between trees removed and planted) as it can take many years for a new tree to grow large enough to provide canopy coverage. In 2019-20, a net gain of 830 street trees was achieved.
An increase in canopy tree cover on private land	<i>Under development</i>	-	-	-	
An increase in the number of indigenous plant species in Knox	The total number of indigenous plant species in Knox	3,662	5,208	4,152	The total number of threatened species planted in Knox in 2019-20 was 4,152. Threatened species were planted at 21 distinct sites.
An increase in local Knox residents' biodiversity awareness	The total number of Gardens for Wildlife participants	779	849	895	895 individuals participated in Gardens for Wildlife in 2019-20, 54 more than 2018-19. Additional applicants are on the waiting list whilst Council develops a safe practice and virtual visit to support new participants during COVID-19 restrictions.

### Strategy 1.3: Ensure the Knox local character is protected and enhanced through the design and location of urban development and infrastructure

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
A decrease in the number of 'at-risk buildings' in Knox	The number of at-risk buildings in Knox	6	6	10	In 2019-20, there were 10 buildings on the At-Risk Register. Rectification works were completed at four sites. A review of facility future uses and redevelopment plans determined that no works were required for the other six sites in 2019-20. Further structural intervention and remedial works have been scheduled for these sites in 2020-21.
Increase Council's urban design management and assessment capacity to facilitate best practice urban design outcomes	The number of workshops, forums, and recognition programs to build Council's urban design management and assessment capacity	5	4	0	There were no urban design professional development/learning sessions held in 2019-20. However, urban design management and assessment capacity was increased with site-specific discussions held with Council's Urban Design Advisor.

# 2019-20 Annual Plan

## Key activities undertaken in 2019-20 to work towards the achievement of Goal 1.

Major Initiative	Progress	Comment
<b>Expand the range of items to be recycled through the kerbside domestic and commercial waste service.</b>	100%	<p>As a result of the renewed focus on waste reduction and minimisation as well as circular economy principles, Council reviewed and adapted its current recycling education program during 2019-20. Due to recent service disruptions, and with a changing landscape within the sector, it is expected that the review and adaptions will be ongoing for a substantial period.</p> <p>New e-waste and X-ray recycling services have been implemented, and work has commenced on the evaluation of collection models for food and green organics collection, including discussions with providers of these services.</p> <p>The Knox City Council website has also been expanded to include more information on Waste Minimisation.</p> <p>Council has participated in a number of reviews of the waste sector during the 2019-20 year. With the release of Recycling Victoria, the Victorian Government's new circular economy policy, there will be further changes to Council's recycling service required in future years. It is likely that the range of materials accepted in the future will be reduced to value added products, to improve the viability and sustainability of the sector. Council will need to develop a transition plan for this implementation.</p> <p>Additionally, Council officers have actively participated in a number of consultations and working groups in 2019-20.</p>
Initiative	Progress	Comment
<b>Progress discussions with Melbourne Water to transfer the catchments of 60Ha and above to the regional drainage authority.</b>	0%	<p>Council is represented on the Melbourne Urban Stormwater Institutional Arrangements (MUSIA) advisory committee coordinated by the Municipal Association of Victoria (MAV).</p> <p>The Department of Environment, Land, Water and Planning (DELWP), Melbourne Water, local government representatives and the MAV are jointly focused on the delineation of responsibility between Melbourne Water and local government for stormwater management assets. The review is exploring a wide range of issues that impact councils and their communities, including flood management, land use planning, changing community expectations and liveability opportunities.</p> <p>A major consideration for this review is where, and at what scale within the catchment can stormwater most efficiently and cost-effectively be managed as part of a coordinated approach, and what institutional arrangements will best support that approach.</p> <p>The MAV have not engaged the Working Group since July 2018. Progress on this matter is currently occurring between the MAV, Melbourne Water and DELWP.</p>
<b>Implement the Knox Locally Threatened Species Management Plan 2010.</b>	100%	<p>A Geographic Information System (GIS) mapping layer was developed to map all locally threatened species in reserves. 4,152 threatened plants were planted in 2019-20, consisting of 36 separate species. The threatened species were planted and mapped across 21 reserves.</p>
<b>Continue to grow and support the Knox Gardens for Wildlife Program and Bushland Reserve Friends Groups and associated activities.</b>	100%	<p>The Gardens for Wildlife Victoria Network was formed to support the development of Gardens for Wildlife (G4W) programs across the State, with Council chairing the steering Committee. Currently 35 Local Government Associations are participating in the Network and there are 14 programs running with another 13 being developed across Victoria. The Department Of Environment, Land, Water, and Planning (DELWP) provided a \$50,000 grant to support the growth of the program.</p> <p>The Knox G4W Program now has 890 registered households, including 12 businesses. Partnering with Monash University and Swinburne TAFE has increased the number of volunteers for the program. In addition, a recruitment video has been developed and is now available on the Council website. The program currently has 30 active volunteers. Council together with these volunteers, is developing a method of virtual garden tours to allow the program to continue during the COVID-19 restrictions. A community Facebook page has also been developed to allow peer support and feedback.</p>
<b>Complete an At Risk Building Assessment and develop a program of works for inclusion in Council's capital works program.</b>	100%	<p>Structural assessments of buildings deemed to be at-risk were completed in 2019-20. Rectification works were identified for sixty per cent of the building stock with works prioritised in accordance of risk. Rectification works were completed at Murrindal Family Centre, Wattlevie Preschool and Maternal and Child Health Centre (MCHC), West Gully Preschool and MCHC and Sasses Avenue Soccer Pavilion. Review of facility future uses and redevelopment plans resulted in no works being required at six sites.</p> <p>Further remedial works have been scheduled for 2020-21</p>

# Services

## The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20		
		Budget	Actual	Variance
		\$'000		
<b>Asset Management</b>	The Asset Management 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.	1,238	1,423	(185)
<b>Biodiversity</b>	Biodiversity 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.	1,153	1,349	(196)
<b>Building</b>	Council's Building 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.	282	556	(274)
<b>Facilities</b>	Facilities 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.	2,501	3,070	(569)
<b>Integrated Water Management</b>	The Integrated Water Management service provides technical and strategic advice and drainage advice/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.	2,528	2,941	(413)
<b>Major Initiatives</b>	The Major Initiatives Unit provides for the delivery of major projects supplementing the full program of capital projects being delivered by the various delivery teams across Council. 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.	255	331	(76)
<b>Open Space Management</b>	Open Space Management 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.	10,266	10,972	(706)
<b>Operations</b>	Operations 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.	3,583	3,276	307
<b>Research and Mapping</b>	Research and Mapping supports an evidence-based approach to policy development and decision-making by undertaking specialist research and mapping activities. The service also provides advice, builds organisational capacity and develops and implements new tools and applications in the area of research and mapping. The service is responsible for the maintenance of Council's GIS system, spatial database and on-line data resources.	63	88	(25)
<b>Social and Community Infrastructure</b>	The Social and Community Infrastructure service supports the organisation through an integrated approach to the development of community infrastructure plans relevant to the needs of local communities and the broader municipality. The service also manages the development, monitoring, compliance and review of all Community Wellbeing community facility licences and leases.	228	207	21
<b>Sustainable Futures</b>	Sustainable Futures 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.	408	385	23
<b>Waste Management</b>	The Waste Management service aims to minimise waste and provides waste collection and disposal services for the Knox community.	17,722	15,551	2,171

# 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	Results				Material Variation Comment
	2016-17	2017-18	2018-19	2019-20	
<b>Waste Collection</b>					
<b>Satisfaction</b>	63.86	76.56	109.58	<b>100.60</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					
<b>Service Standard</b>	3.33	3.68	5.62	<b>6.22</b>	Council has seen an increase in the number of missed bins due to COVID-19 and the increase in the number of cars being parked in residential streets during the day as well as bins being placed out for collection later than usual.
<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					
<b>Service Cost</b>	\$108.62	\$106.87	\$108.96	<b>\$111.34</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)					
<b>Cost of kerbside recyclables bin collection service</b>	\$11.65	\$19.89	\$45.00	<b>\$64.64</b>	Changes to policies internationally had a significant impact on the local recycling sector. This resulted in the collapse of the recycling processor used by Council, and the use of an alternative processor. This has resulted in considerable price increases across the recycling sector.
<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	53.41%	51.97%	55.89%	<b>53.44%</b>	

# We have housing to meet our changing needs

## 2019-20 Highlights



Implemented the Housing Strategy to continue to guide residential development and strategic investigation sites



Progressed the Waterlea development at Stamford Park



Completed the Laying a Social Housing Pipeline in Knox project



Reduced the time taken to decide planning applications from 65 days in 2018-19, to 34 days in 2019-20

## Results

### Council Targets

Council has progressed work towards achieving the four Community and Council Plan targets identified under the strategies of Goal 2.

### Annual Plan Progress

Council has completed two of the three initiatives identified under Goal 2 in the 2019-20 Annual Plan. Work continues to progress on the remaining initiative.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Implement Council's Housing Strategy including facilitation of strategic redevelopment sites.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 2.1: Plan for a diversity of housing in appropriate locations

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
An increase in the number of smaller dwellings available	The number of one and two bedroom dwellings approved for construction in Knox	623	227	258	In 2019-20, 258 one and two bedroom dwellings were approved for construction.
An increase in the number of new housing developments in well-located areas	The number of approved dwellings in activity centres	510	210	241	In 2019-20, 241 dwellings in activity centres were approved.

## Strategy 2.2: Encourage high quality sustainable design

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
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	159	115	84	The number of applications assessed in 2019-20 has reduced significantly from the number assessed in 2018-19 and 2017-18. This reduction is due to the lower number of applications submitted, which is in turn due to a general slowdown in the economy, particularly as it impacts redevelopment applications.

## Strategy 2.3: Support the delivery of a range of housing that addresses housing and living affordability needs

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
	The amount of social housing that is affordable to low-income households in Knox	2%	2%	2%	In 2019-20, social housing accounted for 2% of the total housing stock in Knox. This figure has remained stable since 2017-18.
An increase in social and affordable housing in Knox	The amount of rental housing that is affordable to low-income households in Knox	2.9%	3.1%	2.7%	2.7% of rental stock in Knox was considered affordable to low-income households for the period 1 July 2019 to 31 March 2020. Data for the final quarter of 2019-20 was not available at the time of reporting.

# 2019-20 Annual Plan

## Key activities undertaken in 2019-20 to work towards the achievement of Goal 2.

Major Initiative	Progress	Comment
<b>Implement Council's Housing Strategy including facilitation of strategic redevelopment sites.</b>	100%	<p>The Housing Strategy was implemented into the Knox Planning Scheme via Amendment C131. The Strategy, and the Knox Planning Scheme, continue to guide residential development and strategic investigation sites.</p> <p>Two strategic sites are currently underway - the Norvel Road Quarry site and the Boral site in Wantirna South. Council officers are working with both developers to ensure appropriate development outcomes.</p> <p>Issues at the Norvel Road Quarry site, relating to social housing, stormwater management, and bushfire safety (including its impact on biodiversity) are being reviewed prior to the proposal being reported to Council.</p> <p>A planning scheme amendment request regarding the Boral site has been submitted to Council, however a number of issues are being reviewed and resolved before the amendment is reported to Council. Reviewing and resolving these issues will contribute to the alignment with Council's Housing Strategy.</p> <p>The Housing Monitoring Report is scheduled to be reported to Council in August 2020.</p>
Initiative	Progress	Comment
<b>Continue to support the development of Stamford Park residential estate.</b>	100%	<p>The Waterlea development at Stamford Park progressed well in 2019-20, with a number of stages completed and occupied, and a number of other stages well into construction. An Amended Development Plan for the apartment building site has been submitted and is expected to be considered by Council in July 2020.</p>
<b>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.</b>	100%	<p>The Laying a Social Housing Pipeline in Knox project has been completed. The Department of Health and Human Services (DHHS), the project funder, has been formally advised of this in accordance with the contract. The project's findings have been presented to key internal stakeholders, the Executive Management Team and the Chief Executive Officer.</p> <p>Social planning input into the rezoning of the Boral site to work towards achieving a five per cent social housing mix is continuing. Various documents have been reviewed and meetings held with officers and the developer.</p> <p>Council also participates in six-weekly Inter-Council Affordable Housing Forums to share information regarding social housing supply issues.</p>

## Services

### The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20	Budget	Actual	Variance	\$'000
<b>Municipal Strategic Social Planning</b>	The Municipal Strategic Social Planning service supports the planning and implementation of the Community and Council Plan and related Council strategic plans and enables Council and community partners to make informed, effective decisions. The service conducts research, strategic planning, analysis and community consultation to identify relevant data to inform the development of evidence-based social policy and strategic planning responses and strategies for Council. This Service supports and advises on service planning and community facility development within Knox service and facility proposals.					
<b>Planning Approvals</b>	The Planning Approvals service provides for <b>statutory planning</b> assessment and enforcement and regulatory services under of the Planning and Environment Act and related Acts and Regulations.					
<b>Strategic Land Use Planning</b>	The Strategic Land Use Planning 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	Results			2019-20	Material Variation	Comment
	2016-17	2017-18	2018-19			
<b>Statutory Planning</b>						
<b>Timeliness</b>	63	70	65	<b>31</b>	Council reduced the time taken to decide planning applications by 34 days in 2019-20. This significantly lower figure is due to a combination of lower application numbers, implementation of process improvements as well as improved recording of application information.	
<b>Time taken to decide planning applications</b>						
[The median number of days between receipt of a planning application and a decision on the application]						
<b>Service Standard</b>	80.19%	76.60%	73.66%	<b>85.46%</b>	Council improved the number of applications decided within the required timeframe by 12% in 2019-20. This improvement has been due to lower application numbers and improvements to Council processes.	
<b>Planning applications decided within required timeframes</b>						
[Number of planning applications decisions made within 60 days for regular permits and 10 days for VicSmart permits/Number of planning application decisions made] x100						
<b>Service Cost</b>	\$1,762.98	\$2,031.59	\$1,951.76	<b>\$1,878.71</b>		
<b>Cost of statutory planning service</b>						
Direct cost of statutory planning service/Number of planning applications received]						
<b>Decision-making</b>	52.00%	54.05%	33.33%	<b>58.62%</b>	Improvements in VCAT support for Council decisions is as a result of improved compliance with, and applicant understanding of Knox Housing Strategy policy requirements and provisions.	
<b>Council planning decisions upheld at VCAT</b>						
[Number of VCAT decisions that did not set aside Council's decisions in relation to a planning application/Number of VCAT decisions in relation to planning applications] x100						

# We can move around easily

## 2019-20 Highlights



Released the new iteration  
of the Community  
Investment Plan



Installed bike lanes  
along Valleyview Drive,  
Rowville



Installed bike repair stations  
and seating at various locations  
across Knox



12,095 clients used the  
Community Transport  
service



Reviewed Council's current  
public transport position in  
light of the recently announced  
Suburban Rail Loop project

## Results

### Council Targets

Council has progressed work towards achieving the seven Community and Council Plan targets identified under the strategies of Goal 3.

### Annual Plan Progress

Council has completed one of the two initiatives identified under Goal 3 in the 2019-20 Annual Plan. Work continues to progress on the remaining initiative.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Advocate to State and Federal Governments for improved sustainable transport infrastructure and services.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 3.1: Enable improved transport choices supported by integrated and sustainable transport systems and infrastructure

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase in the number of vulnerable community members accessing Knox Council's Community Transport service</b>	The number of people using Council's Community Transport service	16,945	17,679	<b>12,095</b>	12,095 clients used Council's Community Transport service in 2019-20. This was 5,584 fewer than for 2018-19 due to the COVID-19 restrictions.
<b>An increase in Council's advocacy efforts to improve transport in Knox</b>	Media coverage relating to improving transport options in Knox	13	11	<b>3</b>	In 2019-20, reporting on Council's transport advocacy priorities centred on delivery of the Henderson Road bridge.
<b>Maximising grant funding secured for transport improvements in Knox</b>	The percentage of successful grant applications for transport improvements in Knox	71%	64%	<b>78%</b>	Council was successful in 11 of 14 grant applications for the following projects: <ul style="list-style-type: none"> <li>• Bike maintenance course</li> <li>• Bike Ed Challenge</li> <li>• VicHealth Walk to School</li> <li>• TAC Local Government Grant-Lupton Way</li> <li>• TAC Community Safety Grant-Knox Principal Cycling Network</li> <li>• Safe Travel in Local Streets-Knoxfield LATM Stage 1-Anne Road Precinct</li> <li>• Safe Travel in Local Streets-Knoxfield LATM Stage 2-Kathryn Road</li> <li>• Macauley Place (Design)</li> <li>• Variable Message Speed Trailer Advisory signs</li> <li>• Blackspot Funding - Forest Road-Dorian Av to Stockton Av</li> <li>• Blackspot Funding - Wentworth Av</li> </ul>
<b>An increase in the number of schools participating in the Walk2School program</b>	The number of schools participating in the Walk2School program	28	25	<b>18</b>	In 2019-20, 18 schools participated in the Walk2School program. Feedback from schools has indicated that conflicting demands within the school curriculum has meant that some schools that have previously participated were not able to this year.

## What we achieved in 2019-20

### Strategy 3.2: Improve bike and footpath connectivity, including identifying gaps between existing bike routes, footpaths and key places

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>A decrease in the number of school crossing incidents</b>	The number of school crossing incidents reported to Council	425	43	<b>103</b>	The majority of the 103 incident reports in 2019-20 were from one school crossing location, which is currently under review by the Department of Transport.
<b>Improved footpath connectivity in Knox</b>	Kilometres of new footpaths constructed	1.8 km	1.65 km	<b>0.8 km</b>	In 2019-20, 800 metres of new footpaths were constructed in the municipality. The decrease in kilometres of footpath constructed in 2019-20 is partially due to unexpected delays which have pushed back programmed works to early 2020-21.
<b>An increase in cyclists using Knox's shared path networks</b>	The number of cyclists recorded on a typical day at a typical site on Knox's shared path networks	423	882	<b>553</b>	553 cyclists used the Dandenong Creek Trail, west of Abbey Walk on Tuesday 10 March 2020. 1,271 cyclists were recorded at the same site on Wednesday 6 May 2020, during the COVID-19 lockdown period.

## 2019-20 Annual Plan

### Key activities undertaken in 2019-20 to work towards the achievement of Goal 3.

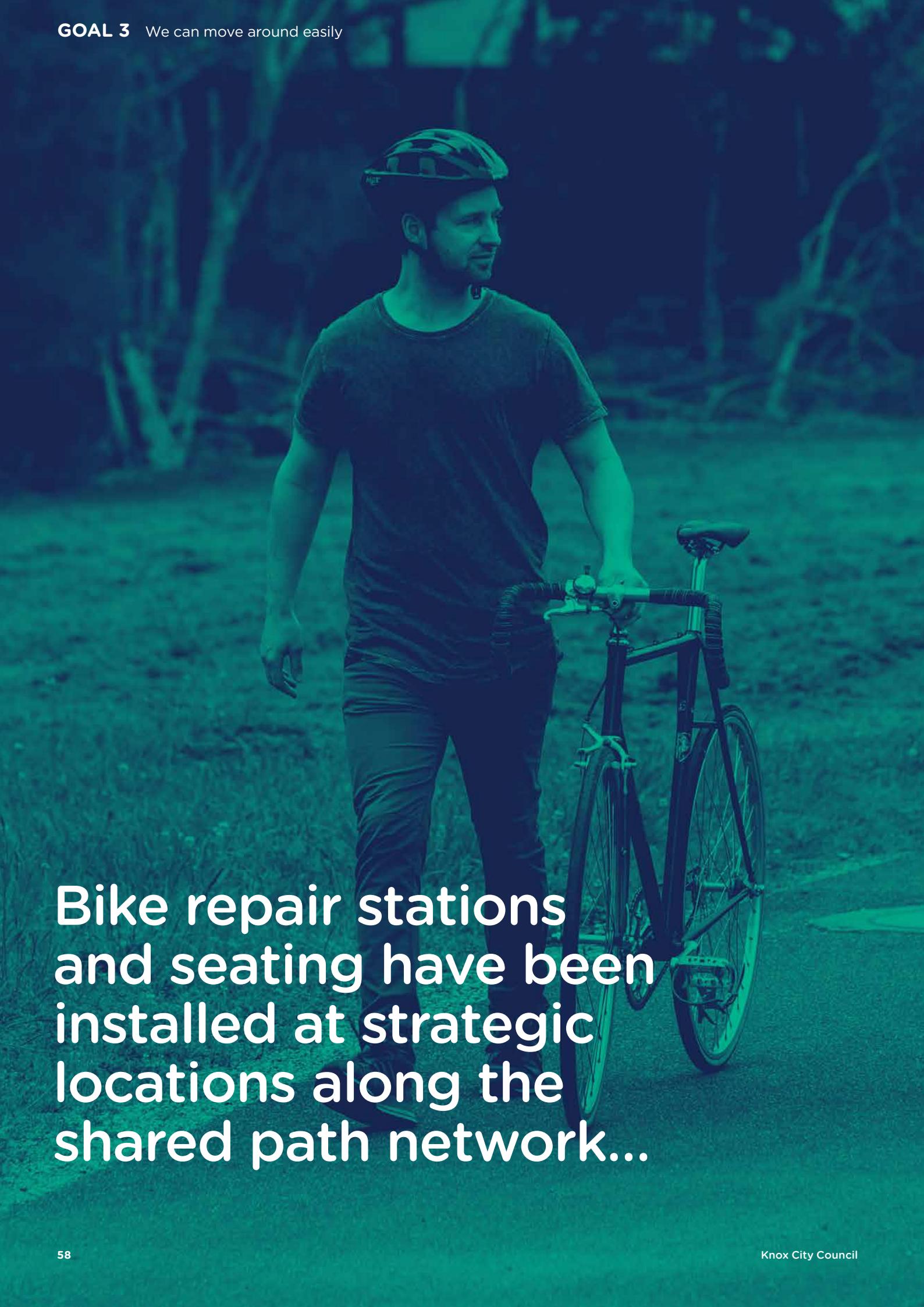
Major Initiative	Progress	Comment
<b>Advocate to State and Federal Governments for improved sustainable transport infrastructure and services.</b>	100%	<p>The new iteration of the Community Investment Plan has been released with key input on major road and public transport priorities included alongside an accompanying map.</p> <p>A review of Council's current public transport position was considered in light of the recently announced Suburban Rail Loop project. Key feedback provided indicated that the current advocacy position be maintained.</p> <p>As a member of the Eastern Transport Coalition, Council is also working to prepare a Supplementary Bus Review by identifying key bus network improvements.</p>
Initiative	Progress	Comment
<b>Increase the number of cyclists using Council's shared path networks.</b>	100%	<p>In 2019-20, bike lanes were installed along Valleyview Drive, which provides a link from the residential area of Karoo Road to the Henderson Road industrial precinct and the Ferny Creek Trail. This work included green treatment at intersections, which aims to make motorists more aware of potential cyclists crossing.</p> <p>Bike repair stations and seating have been installed at strategic locations along the shared path network, and designs have been prepared for the installation of bike lanes along Timothy Drive, Templeton Street and Renou Road. Installation commenced in June 2020 but construction has been delayed due to wet weather and delays in obtaining some approval from other authorities.</p> <p>Designs were also prepared for shared paths on Kelletts Road between Stud Road and Taylors Lane, and on Wellington Road between Napoleon Road and Straughan Close. These paths will be constructed in the first half of the 2020-21 financial year.</p> <p>Ongoing discussions are being held with the Department of Transport (VicRoads) in relation to the Burwood Highway shared path link between Mountain Highway and Morack Road. VicRoads has now advertised a Request for Tender. Discussions will continue in 2020-21.</p>

# Services

## The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20		
		Budget	Actual	Variance \$'000
Community Transport	Council's Community Transport 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. The buses in operation enable people to do activities such 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 and other Council activities.	274	260	14
Traffic and Transport	Traffic and Transport 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.	3,618	3,530	88





Bike repair stations  
and seating have been  
installed at strategic  
locations along the  
shared path network...

# 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	Results					Material Variation	Comment
	2016-17	2017-18	2018-19	2019-20			
<b>Roads</b>							
<b>Satisfaction of use</b>	39.60	36.61	37.22	<b>46.81</b>			
<b>Sealed local road requests</b>							
[Number of sealed local road requests/Kilometres of sealed local roads] x100							The variation is attributed to an unusual rise in customer requests categorised as pot holes of which half were determined not to exceed Council's intervention level. The ease of use offered by mobile applications such as Snap Send Solve is recognised as having some influence.
<b>Condition</b>	95.56%	95.31%	96.70%	<b>94.49%</b>			
<b>Sealed local roads maintained to condition standards</b>							
Number of kilometres of sealed local roads below the renewal intervention level set by Council/Kilometres of sealed local roads] x100							
<b>Service Cost</b>	\$0	\$103.51	\$115.76	<b>\$133.20</b>			
<b>Cost of sealed local road reconstruction</b>							
[Direct cost of sealed local road reconstruction/Square metres of sealed local roads reconstructed]							The cost of sealed local road reconstruction varies year on year based on the extent of construction required.
<b>Cost of sealed local road resealing</b>	\$21.56	\$24.01	\$25.13	<b>\$24.37</b>			
[Direct cost of sealed local road resealing/ Square metres of sealed local roads resealed]							
<b>Satisfaction</b>	68	69	73	<b>68</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]							

# We are safe and secure

## 2019-20 Highlights



Removed 31,049 m<sup>2</sup> of graffiti reported on Knox Council's assets



Immunised 6,957 infants and children at Council-run immunisation sessions



Organised a number of community safety activities that were attended by a total of 352 individuals



Conducted 2,480 inspections during the Fire Danger Period

## Results

### Council Targets

Council has progressed work towards achieving the nine Community and Council Plan targets identified under the strategies of Goal 4.

### Annual Plan Progress

Council has completed both of the initiatives identified under Goal 4 in the 2019-20 Annual Plan.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Ensure Council's Emergency Management Plans and Sub-Plans meet legislative requirements.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 4.1: Encourage and support the community to take responsibility for their own safety, and the safety of others

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
An increase in participation in community safety programs	The number of individuals participating in community safety activities	450	200	352	In 2019-20, 352 individuals attended a variety of community safety and development coordinated activities including the Sorry Day online event, Reconciliation Week, 16 Days of Activism and the IDAHOBIT Day online event.
An increase in the number of community safety programs delivered by Knox	The number of community safety activities delivered by Knox	3	8	9	<p>In 2019-20, the Community Safety and Development Team facilitated the following community safety activities:</p> <ul style="list-style-type: none"> <li>• 2 x Knox Night Owls Hoops for youth basketball programs</li> <li>• Provision of monitoring program of all Knox EFL football clubs and bottle shops and participated in a national trial</li> <li>• Communities that Care</li> <li>• 16 Days of Activism activities</li> <li>• Sorry Day online event</li> <li>• IDAHOBIT Day online event</li> <li>• NAIDOC Week event</li> <li>• The planned Cultural Diversity Week event was cancelled due to COVID-19 restrictions</li> </ul>

## Strategy 4.2: Enhance community connectedness opportunities to improve perceptions of safety

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
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	2	3	2	<p>In 2019-20, Council ran two awareness-raising activities that incorporated the prevention of family violence, including:</p> <ul style="list-style-type: none"> <li>• 16 Days of Activism</li> <li>• An online campaign during COVID-19 that targeted respectful relationships</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	524	251	4	<p>The Country Fire Authority (CFA) Fire Home Emergency Letter Project was deferred by CFA and is unlikely to re-commence. The Ready2Go program commenced with four vulnerable people matched to volunteers. However, due to COVID-19 impacts and the Ready2Go (ECHO) business model changing, the program's priority was reduced and it is now on hold.</p>

# What we achieved in 2019-20

## Strategy 4.3: Maintain and manage the safety of the natural and built environment

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>A decrease in the amount of reported graffiti on Knox Council's assets</b>	The square metre amount of graffiti reported on Knox Council's assets	3,500 m <sup>2</sup>	13,800 m <sup>2</sup>	<b>31,049 m<sup>2</sup></b>	In 2019-20 graffiti removal included: <ul style="list-style-type: none"><li>• Corrections program of reserve fence lines and underpasses. A number of these cleaning incidents were proactive and had not been reported through Council's systems in the previous year.</li><li>• Council contractors removed graffiti from a number of Council buildings and facilities.</li></ul>
	The total number of graffiti incidents reported to Council	404	903	<b>727</b>	727 graffiti incidents were reported to Council in 2019-20, a reduction on the 2018-19 year.
	Uptake and utilisation of the VandalTrak reporting app	447	351	<b>43</b>	Incidents logged via VandalTrak this financial year were significantly lower than for previous years. Most incidents during this financial year were lodged via the online web page, the customer service team, internal notification, and Snap Send Solve.

## Strategy 4.4: Protect and promote public health, safety and amenity

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>Improved bushfire safety throughout the bushlands interface areas of the municipality</b>	The number of properties that comply with the requirements during the annual inspections at the start of the Fire Danger Period	2,490	2,456	<b>2,742</b>	In 2019-20, 99.68% of 2,480 properties in the Bushfire Management Overlay (BMO) complied with their obligations. 2,480 BMO inspections were conducted, along with a further 262 inspections of vacant land in the non-BMO areas. 58 Fire Prevention Notices were issued. Nine compulsory clearances were issued with six undertaken. 13 infringements were issued—three were paid, five were withdrawn after review and five are pending prosecution.
<b>An increase in infant and child immunisation rates in Knox</b>	The number of infants and children in the Knox region who are immunised at Council-run immunisation sessions	8,818	6,281	<b>6,957</b>	In 2019-20, 6,957 infants and children from the Knox region were immunised at Council-run immunisation sessions, 676 more than 2018-19.
<b>Improvement in the quality of food services in Knox</b>	The time taken to action food complaints	1.16 days	1.88 days	<b>1.97 days</b>	In 2019-20, Council had a number of complaints, which had been initially notified to other councils and consequently took many days to forward to Knox for follow-up. This was in addition to complaints lodged just prior to long weekends, such as Easter, which resulted in a four- to five-day response time. These anomalies impacted on the overall result, where the norm is for same or next-day turnaround.

## Strategy 4.5: Support the provision of emergency services

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>Improved knowledge of the Municipal Emergency Management Plan throughout Knox</b>	The number of individuals participating in Council-run emergency management events	95	83	<b>100</b>	The Emergency Management Team facilitated community engagement at the Knox Festival. This involved asking resilience-based questions of adults and children. The team engaged over 100 people at the two day event.

## 2019-20 Annual Plan

### Key activities undertaken in 2019-20 to work towards the achievement of Goal 4.

Major Initiative	Progress	Comment
<b>Engage with emergency services through the Municipal Emergency Management Planning Committee to assist with the adequate provision of emergency services across the municipality.</b>	100%	The Municipal Emergency Management Planning Committee (MEMPC) met throughout 2019-20 to ensure reviews and changes are discussed and implemented, and that Council's Emergency Management Plans and Sub-Plans meet legislative requirements.
Initiative	Progress	Comment
<b>Ensure Council's Emergency Management Plans and Sub-Plans meet legislative requirements.</b>	100%	The Municipal Emergency Management Planning Committee (MEMPC) met in accordance with the schedule for 2019-20.

## Services

### The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20	Budget	Actual	Variance	\$'000
<b>Community Safety</b>	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.					
			1,344	1,631	(287)	
<b>Emergency Management</b>	Traffic and Transport 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.					
			527	401		
					126	
<b>Local Laws</b>	This service provides local law and parking enforcement, school crossing supervision, and animal management programs to the community.					
			1,376	1,083		
					293	



The total number of threatened species planted in Knox in 2019-20 was 4,152 at 21 distinct sites.

# 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	Results				Material Variation	Comment
	2016-17	2017-18	2018-19	2019-20		
<b>Animal Management</b>						
<b>Timeliness</b>	2.01	2.19	2.43	<b>2.04</b>	The time taken to action animal management requests in 2019-20 has decreased due to improved processes which enable officers to better manage customer response times.	
<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]					
<b>Service Standard</b>	49.70%	51.51%	38.62%	<b>51.18%</b>	The number of animals collected in 2019-20 remained relatively unchanged from 2018-19, however, there was an increase of 32% in the number of animals reclaimed.	
<b>Animals reclaimed</b>	[Number of animals reclaimed/Number animals collected] x100					
<b>Animal rehomed</b>	-	-	-	<b>33.38%</b>	New measure in 2019-20.	
	[Number of animals rehomed/ Number of animals collected] x100					
<b>Service Cost</b>	-	-	-	<b>\$5.35</b>	New measure in 2019-20.	
<b>Cost of animal management service per population</b>	[Direct cost of animal management service/ Population]					
<b>Health and safety</b>	-	-	-	<b>100%</b>	New measure in 2019-20.	
<b>Animal management prosecutions</b>	[Number of successful animal management prosecutions/ Number of animal management prosecutions]					

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

## 2019-20 Highlights



Organised 30 events as part of Knox's Business Education program that were attended by 561 individuals



Organised skills development programs for community groups that were attended by 179 individuals



Prepared the draft Development Contributions Plan (DCP), which is expected to be finalised in early 2020-21



Finalised the masterplan and planning framework for the Wantirna Health Precinct



Launched the Bayswater Business Precinct Connect web platform

## Results

### Council Targets

Council has progressed work towards achieving the seven Community and Council Plan targets identified under the strategies of Goal 5.

### Annual Plan Progress

Council has completed two of the four initiatives identified under Goal 5 in the 2019-20 Annual Plan. Work continues to progress on the remaining two initiatives.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Continue to implement the Knox Central program to progress the development of a new Civic and Arts precinct for Knox.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## 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.

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase in access to and participation in Knox's Business Education Program</b>	Participation numbers in Knox's Business Education Program	669	539	<b>561</b>	In 2019-20, 561 individuals attended a total of 30 events as part of Knox's Business Education program. Regional events, such as the Melbourne East Regional Business Breakfast, that Knox endorses and co-funds are not included in these figures. These results were impacted by the COVID-19 pandemic. Seven events were cancelled, though many of the business education events were able to successfully move to a digital platform.
<b>Knox businesses have a better understanding of business support services offered by Council</b>	The number of Knox businesses registered in the Knox Biz database	5,475	5,142	<b>5,000</b>	There are approximately 5,000 entries registered in the Knox Biz database. Work is currently underway to better maintain this data and integrate it with other local business data.

## 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

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>Community infrastructure that fits changing community needs</b>	The number of Council facilities developed in activity centres in Knox	1	1	0	A concept plan was being prepared for the Bayswater Activity Centre's strategic assets but work was suspended due to COVID-19 restrictions.
<b>Initiate investment in Wantirna Health Precinct</b>	Completion and initial implementation of an investment strategy and planning framework for the Wantirna Health Precinct	-	30%	<b>70%</b>	The masterplan and planning framework for the Wantirna Health Precinct was finalised by the Victorian Planning Authority, with input from Council officers. The investment strategy, known as the Enterprise Corridor Strategic Directions paper, continued to be prepared. Consultants were engaged in 2019-20, and they are continuing to undertake background research.

## What we achieved in 2019-20

### Strategy 5.3: Promote and improve infrastructure and technology within the municipality and enhance strategic employment places for business

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
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	-	-	-	- The Development Contributions Plan is being finalised and will be submitted to Council in September 2020. Following this, a planning scheme amendment will be prepared to implement the Development Contributions Plan, which could take 12 to 18 months post September 2020. Contributions are likely to be collected in late 2021 or early 2022.

### Strategy 5.4: Increase and strengthen local opportunities for lifelong learning, formal education pathways and skills development to improve economic capacity of the community

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
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	84	206	179	In 2019-20, 179 people attended 13 workshops, which is an average of just under 14 people per workshop.
An increase in skills development programs run for community groups	The number of skills development programs run annually	9	11	13	In 2019-20, Council ran 13 skills development programs. Sessions were offered at the Civic Centre and moved to digital delivery when the COVID-19 restrictions were introduced.

# 2019-20 Annual Plan

## Key activities undertaken in 2019-20 to work towards the achievement of Goal 5.

Major Initiative	Progress	Comment
<b>Continue to implement the Knox Central program to progress the development of a new Civic and Arts precinct for Knox.</b>	30%	The new Knox Central Library and Youth Information Centre was publicly announced in 2019-20, with grant funding of \$450k from the Victorian Government. Council is awaiting confirmation from Westfield on the redevelopment timeline to guide design and delivery timelines. This initiative is unable to progress until confirmation from Westfield is received.
Initiative	Progress	Comment
<b>Progress the development, implementation and evaluation of Development Contributions Plan (DCP) planning including addressing infrastructure information gaps and mapping necessary to inform these plans.</b>	98%	<p>The DCP justification report was drafted, finalised, and discussed at Issues Briefing on 21 October 2019. Council was informed that there is strategic justification to prepare a DCP and there would be a positive financial outcome. Council agreed for a draft DCP to be prepared.</p> <p>During 2019-20, future project/infrastructure data and spatial catchments were collected, and DCP modelling was undertaken.</p> <p>The first version of the DCP was submitted for Council officer review in December 2019. Council officers worked with the project consultant, Urban Enterprise, to finalise the DCP, however additional and necessary changes to the DCP were revealed. Final revisions include remodelling to include a number of strategic sites and to consolidate the number of charge areas. The DCP is expected to be finalised in July 2020, and reported to Council for consideration in September 2020.</p>
<b>Advance the next stage of the collaborative Strategic Investment and Development Program in partnership with Maroondah and Yarra Ranges Council and the state government for the Bayswater Business Precinct, with a focus on business networks, precinct amenity, streamlining assessment and new investment.</b>	100%	<p>Four Transport initiatives were identified during 2019-20 including:</p> <ul style="list-style-type: none"> <li>• Improved precinct signalisation</li> <li>• Improved frequency of public bus services</li> <li>• Freight movement strategy</li> <li>• Bike network/circulation plan.</li> </ul> <p>These initiatives form the basis of the 'Transport Access Improvements' Paper. Prepared in October 2019, this paper will be used as an advocacy document for improvements. Council continues to advocate for the funding and scoping of the four Transport initiatives. The Bayswater Business Precinct Connect web platform was also launched. Businesses across Knox, Maroondah and Yarra Ranges are being encouraged to register.</p>
<b>Explore the development of a pilot program within existing educational services and facilities to advance the business community's second language skills, particularly in Mandarin and Hindi.</b>	100%	<p>Scoping has been undertaken which demonstrated that:</p> <ul style="list-style-type: none"> <li>• Mandarin and English language classes are currently available through the Mountain District Learning Centre, the Rowville Neighbourhood Learning Centre, Swinburne Wantirna Campus, and the Adult Migrant English Program.</li> <li>• The Migrant Information Centre (located in the eastern region) provides a variety of cultural awareness training.</li> <li>• The State Government and other relevant associations provide a number of training and networking programs aimed at assisting Australian businesses and manufacturers to enter the export market.</li> </ul> <p>Given that these opportunities are currently available to local businesses and the community, it is recommended that an additional language program is not offered by Knox City Council at this time.</p>

In 2019-20, 561 individuals attended a total of 30 events as part of Knox's Business Education program.

# Services

## The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20		
		Budget	Actual	Variance \$'000
Economic Development	The Economic Development service aims to realise Knox's potential as a prosperous, sustainable economy. It provides an integrated approach to information, advice and action to generate local employment opportunities, encourage and attract new investment, and position the municipality as a leading vibrant and diverse place of business. The service focuses on initiatives and projects around business support, partnerships and alliances, investment facilitation and research. The service contributes to the overall health and wellbeing of the Knox Community.	1,653	1,255	398
Investment and partnerships	This service creates the projects and implementation frameworks required to help Council activate its priorities from the Community and Council Plan. The service employs a venture planning and partnership building approach to align people, capital and ambition to create a sustainable and resilient City.	477	451	26

## Local Government Performance Reporting Framework

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

# We are happy, healthy and well

## 2019-20 Highlights



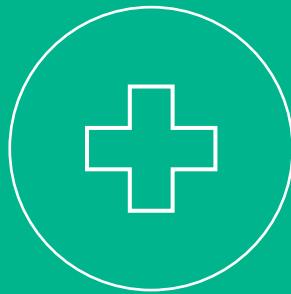
Organised the Knox Senior Zest 4 Life activities, which were attended by 6,829 people



Developed the ConnectUS web platform for young people



Completed a revised Municipal Disability Leadership Plan 2020-22



Defined and scoped categories of allied health providers suitable for co-location in the Integrated Early Years Hubs to better support health and wellbeing outcomes for children



Delivered a number of events including IDAHOBIT Day, Mental Health Week, 16 Days of Activism, Sorry Day and Reconciliation Week, This Is Me disability campaign, Pride March and various anti-racism community messages

## Results

### Council Targets

Council has progressed work towards achieving the seven Community and Council Plan targets identified under the strategies of Goal 6.

### Annual Plan Progress

Council has completed one of the two initiatives identified under Goal 6 in the 2019-20 Annual Plan. Work continues to progress on the remaining initiative.

### Looking Ahead...

#### **2020-21 Annual Plan Major Initiative**

Finalise and implement the Key Life Stages Implementation Plan focusing on Early Years, Youth and Older People.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 6.1: Mitigate lifestyle risks such as smoking, risky alcohol consumption and drug use, obesity, lack of physical activity and poor nutrition

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
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	4	4	4	<p>4 In 2019-20, Council held four programs which incorporated health promotion, harm minimisation education and capacity building. Sessions included the following topics:</p> <ul style="list-style-type: none"> <li>• Growing your membership base</li> <li>• Building influential relationships</li> <li>• Responsible servicing of alcohol</li> <li>• Childsafe training</li> <li>• Safe food handling and governance training for community groups.</li> </ul> <p>Online club education programs were also conducted during the COVID-19 period. Topics included:</p> <ul style="list-style-type: none"> <li>• Strategic planning</li> <li>• Member engagement/volunteer retention</li> </ul>

## Strategy 6.2: Support the community to enable positive physical and mental health

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
An increase in the number of females participating in sport	The number of females participating in organised sports in Knox	9,406	10,493		- Due to the COVID-19 pandemic, participation numbers for 2019-20 were not available at the time of reporting.
Sustain the number of juniors (under 17) participating in sport	The number of juniors participating in organised sports	14,276	16,035		- Due to the COVID-19 pandemic, participation numbers for 2019-20 were not available at the time of reporting.

# What we achieved in 2019-20

## Strategy 6.2: Support the community to enable positive physical and mental health (continued)

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase in the number of people with a disability participating in sport</b>	The number of people with a disability actively participating in organised sport	311	317		- Due to the COVID-19 pandemic, participation numbers for 2019-20 were not available at the time of reporting.
<b>An increase in the number of Indigenous people participating in sport</b>	The number of Indigenous people actively participating in organised sports	60	67		- Due to the COVID-19 pandemic, participation numbers for 2019-20 were not available at the time of reporting.
<b>An increase in the number of Council programs broadened to incorporate mental health messages</b>	The number of Council programs/activities that incorporate and/or promote mental health messages	9	8		<b>7</b> A range of community programs that supported mental health messaging was delivered, including: <ul style="list-style-type: none"> <li>• IDAHOBIT Day</li> <li>• Mental Health Week</li> <li>• 16 Days of Activism</li> <li>• Sorry Day and Reconciliation Week</li> <li>• This Is Me disability campaign</li> <li>• Pride March</li> <li>• Anti-racism community messages</li> </ul>
<b>An increase in participation in active ageing activities</b>	The number of participants attending Knox Seniors Festival events and Knox Senior Zest 4 Life events	5,358	5,469	<b>6,829</b>	6,829 people attended Zest4Life events in 2019-20, an increase of 25% from 2018-19. <ul style="list-style-type: none"> <li>• 3,308 people participated in the 2019 Knox Seniors Festival, which ran from 7 to 19 October 2019.</li> <li>• 3,521 participated in the Knox Over 55s Zest4Life activities</li> </ul>

# 2019-20 Annual Plan

## Key activities undertaken in 2019-20 to work towards the achievement of Goal 6.

Major Initiative	Progress	Comment
<b>Finalise and implement the Key Life Stages Implementation Plan focusing on Early Years, Youth and Older People.</b>	77%	<p>On 16 December 2019, Council supported a revised Municipal Disability Leadership Plan 2020-22. The plan continues to focus on families, young people and older people with a disability and key activities include a focus on mental health service gaps and advocacy, ongoing support for families and carers, early years professional development, and ongoing support to all community members to navigate the National Disability Insurance Scheme (NDIS). Implementation of the Plan has commenced and the team are adapting key actions to respond to the COVID-19 impact, including conducting Professional Development, carers exercise classes and key network meetings online. Ongoing support for the community is continuing through online platforms.</p> <p>Due to the impact of COVID-19 on Active Ageing &amp; Disability Services' programs and services, the development of an Implementation Plan, incorporating the WHO Age Friendly Cities eight areas of wellbeing, has not progressed due to resources being reprioritised for service delivery. At this stage, it is anticipated that this milestone will be progressed in early 2020-21.</p> <p>The testing phase of the ConnectUs web platform for young people was completed in 2019-20. Council have been successful in gaining external funding to develop a Marketing and Communication Plan. The impact of the relocation of work environments resulted in slight delays with this phase. A consultation process with the three Councils has been implemented, with the Knox consultation including representatives from the Knox Youth Advisory Committee.</p> <p>Work has also been undertaken in 2019-20 to define and scope categories of allied health providers suitable for co-location in the Integrated Early Years Hubs to better support health and wellbeing outcomes for children. This has included conducting a survey with current families attending the Wantirna and Bayswater Child and Family Centres to understand which allied health providers will meet community need. The results are in line with those identified as part of the School Readiness Funding project. Officers in Family and Children's Services are undertaking a review of the licence and lease process across the department. Licence and lease agreements for allied health providers will be consistent with the outcomes of this review. In addition to this work, all departments have contributed to the mid-term review of the <i>Key Life Stages Plan</i> and are confirming further opportunities for collaborative intergenerational work in support of the plan.</p>
Initiative	Progress	Comment
<b>Continue to implement Council's Health Promoting Organisation initiative in partnership with community organisations to positively affect organisational and community health outcomes.</b>	100%	<p>Council has an organisation-wide Wellness@Knox Committee to progress health promotion activities with staff across the organisation. The committee's activities have focused on three priority health risk areas - healthy eating, physical activity and mental health. There is an annual Calendar of events and initiatives prepared by the Committee, which attempts to coincide with broader community-wide initiatives (e.g. R U OK? Day, Ride to Work Day) but also aims to respond to internal issues/needs (e.g. Corporate Games participation, Employee Assistance Program/Mental Health presentation). In 2019-20, the scheduled Wellness@Knox calendar events have taken place, apart from those that have had to be cancelled due to COVID-19 restrictions. However, some additional initiatives related to COVID-19 issues (such as parenting/home schooling online support/chat sessions) have been developed to take the place of cancelled initiatives and fill needs related specifically to needs arising from the pandemic. The Committee continues to meet every six weeks to discuss wellness/wellbeing issues and initiatives.</p> <p>Across 2019-20, Council's Community Wellbeing Department also explored opportunities to progress health promotion activities within the community. A pilot Liveability project created to examine eight domains (Housing, Public Open Space, Public Transport, Physical Activity, Food, Alcohol and illicit drugs, Gambling and Perceptions of Safety) across four of Knox's lowest socioeconomic status (SES) suburbs (Bayswater, Boronia, Rowville and Scoresby) has been completed as a student work experience project. The project collated existing data to discuss the liveability of each suburb and produce recommendations and the report was completed in 2019-20.</p>

# Services

## The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20		
		Budget	Actual	Variance \$'000
<b>Active Communities</b>	<p>Active Communities 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.</p> <p>Food Services provides meals that are nutritionally balanced, and can cater for people with special dietary needs or allergies.</p>		947	717
				<u>230</u>
<b>Active Living</b>	<p>Active Living provides a range of Commonwealth Home Support Programme (CHSP) 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.</p>		808	675
				<u>133</u>
<b>Business Performance (Active Ageing &amp; Disability Services)</b>	<p>Business Performance provides Home Maintenance and Home Modification services through the Commonwealth Home Support Programme (CHSP) and supports 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.</p>		293	345
				<u>(52)</u>
<b>Integrated Services (Family and Children's Services)</b>	<p>Integrated Services provides high quality, integrated early years and family support services including:</p> <ul style="list-style-type: none"> <li>• Integrated early years hubs (where Council's centre-based early education and care services are located and integrated with Maternal and Child Health, playgroup and funded kindergarten (preschool))</li> <li>• Maternal and Child Health</li> <li>• Community and supported playgroups</li> <li>• State Government funded kindergarten (preschool) – Council is an Early Years Management Organisation</li> <li>• Additional support (including the Preschool Field Officer Program</li> <li>• Coordination and support for early years service operations and facility management</li> </ul>		2,949	2,800
				<u>149</u>
<b>Leisure Services</b>	<p>Leisure Services provides strategic advice and management for Council's leisure facilities to enable the provision of sport, leisure, recreation and wellbeing to the Knox municipality. Attracting over 1.9 million annual visitations across the major leisure facilities, the strategic management provided by Leisure Services to community organisations contributes to the positive physical and mental health outcomes for the community.</p> <p>This service includes the management, operation and/or support for Council's leisure facilities including 2 Council managed leisure centres (including aquatic facilities).</p>		763	1,575
				<u>(812)</u>
<b>Occupational Therapy</b>	<p>Occupational Therapy provides a services that aims to maximise the safety and independence of frail older people, people who have a disability and their carers in their home. This is achieved by providing education about alternate ways of completing tasks and the use of aides and equipment. The Occupational Therapist (OT) can also make recommendations for the home modifications service and/or referrals to other useful local services, such as a podiatrist.</p>		255	331
				<u>(76)</u>
<b>Strategy, Learning and Evaluation (Family and Children's Services)</b>	<p>Strategy, Learning and Evaluation provides:</p> <ul style="list-style-type: none"> <li>• Strategic planning for children and families in the municipality, including Council's early years services and infrastructure.</li> <li>• Strategic policy development, research, monitoring, and evaluation for projects and matters impacting children and families in the Knox community.</li> <li>• Support for Council's Early Years Advisory Committee.</li> <li>• Partnerships between Council and non-Council early years services and community managed programs.</li> <li>• Coordinated professional development, quality assurance and policy development for Council's early years services.</li> </ul>		1,754	3,324
				<u>(1,570)</u>
<b>Youth Services</b>	<p>Youth Services 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.</p>		932	962
				<u>(30)</u>

# 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	Results				Material Variation	Comment
	2016-17	2017-18	2018-19	2019-20		
<b>Aquatic Facilities</b>						
<b>Service standard</b>	4	4	4	<b>2</b>	Council conducts four inspections of Leisureworks annually. Due to COVID-19, Knox Leisureworks was closed from 23 March to 30 June 2020 and additional inspections were not able to be undertaken.	
<b>Health inspections of aquatic facilities</b>						
[Number of authorised officer inspections of Council aquatic facilities/Number of Council aquatic facilities]						
<b>Utilisation</b>	3.60	3.49	2.68	<b>1.69</b>	As a result of the closure of Leisureworks due to COVID-19 there has been a reduction in visitations in 2019-20.	
<b>Utilisation of aquatic facilities</b>						
[Number of visits to aquatic facilities/Municipal population]						
<b>Service Cost</b>	-	-	-	<b>\$0.32</b>	The external contract income achieved for Knox Leisureworks was \$755,420 (ex GST) against a budget of \$920,237. This variance was due to COVID-19 closures. The contract income fee was waived as a result of the COVID-19 closure, and replaced with a caretaker fee for the duration of the closure. Expenses for the service included internal maintenance and utilities costs of \$655,100, and leisure maintenance costs of \$12,587.	
<b>Cost of aquatic facilities</b>						
[Direct cost of aquatic facilities less income received/ Number of visits to aquatic facilities]						
<b>Food Safety</b>						
<b>Timeliness</b>	1.62	1.16	1.88	<b>1.98</b>		
<b>Time taken to action food complaints</b>						
[Number of days between receipt and first response action for all food complaints/ Number of food complaints]						

# Local Government Performance Reporting Framework

Service/Indicator/Measure	Results				Material Variation Comment
	2016-17	2017-18	2018-19	2019-20	
<b>Food Safety</b>					
<b>Service standard</b>	99.55%	100.00%	100.00%	<b>100.00%</b>	
<b>Food safety assessments</b> [Number of registered class 1 food premises and class 1 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					
<b>Service cost</b>	\$635.51	\$420.10	\$453.64	<b>\$477.77</b>	
<b>Cost of food safety service</b> [Direct cost of the food safety service/Number of food premises registered or notified in accordance with the Food Act 1984]					
<b>Health and safety</b>	90.50%	90.16%	100.00%	<b>100.00%</b>	
<b>Critical and major non-compliance outcome notifications</b> [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					

Service/Indicator/Measure	Results				Material Variation Comment
	2016-17	2017-18	2018-19	2019-20	
<b>Maternal and Child Health (MCH)</b>					
<b>Service standard</b>	101.47%	101.28%	101.10%	<b>101.14%</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					
<b>Service Cost</b>	\$71.95	\$71.80	\$78.51	<b>\$78.53</b>	
<b>Cost of the MCH service</b>					
[Cost of the MCH service/Hours worked by MCH nurses]					
<b>Participation</b>	80.88%	81.25%	79.12%	<b>76.27%</b>	
<b>Participation in the 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					
<b>Participation in the MCH service by Aboriginal children</b>	87.30%	75.47%	77.97%	<b>80.36%</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					
<b>Satisfaction</b>	-	-	-	<b>99.34%</b>	New measure in 2019-20.
<b>Participation in 4-week Key Age and Stage visit</b>					
[Number of 4-week key age and stage visits/Number of birth notifications received] x100					

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

## 2019-20 Highlights



A record 21,000 people attended the Knox Carols



Approximately 20,000 people attended the two-day Knox Festival



11,000 people attended the Stringybark Festival

## Results

### Council Targets

Council has progressed work towards achieving the six Community and Council Plan targets identified under the strategies of Goal 7.

### Annual Plan Progress

Council has completed one of the three initiatives identified under Goal 7 in the 2019-20 Annual Plan. Work continues to progress on the remaining two initiatives.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Design, develop and implement an integrated facility and service advocacy and management approach across the organisation to ensure a consistent approach and improve efficiencies with the management of Council's buildings

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 7.1: Protect and preserve our local cultural heritage

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase in people attending events aimed at embracing Aboriginal cultural heritage</b>	The number of individuals attending Sorry Day	151	113	<b>33</b>	Sorry Day 2020 was conducted online due to COVID-19 restrictions, hence the low attendance.
	The number of individuals attending National Aboriginal and Islander Day Observance Committee (NAIDOC) events	150	160	<b>56</b>	A total of 56 people attended the NAIDOC Warrigal Creek film screening event. The 2019-20 film screening event received fewer attendances than previous years' NAIDOC Week community events.

## Strategy 7.2: Celebrate our diverse community

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase the number of multicultural groups engaging in Council events and festivals</b>	The number of multicultural groups participating in Council-run community festivals and events	19	36	<b>27</b>	There is an ongoing focus to engage with new and returning local multicultural groups through the festivals and events program. Groups have participated as performers, cooking presenters, stallholders and more.
<b>An increase in the number of new and emerging groups applying for Council grants program</b>	The number of applications for grants	76	76	<b>102</b>	In 2019-20, 102 Community Development Fund grants were received. This was an increase from previous years due to increased promotional activity.

## Strategy 7.3: Strengthen community connections

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>Sustain attendance at Knox run community festivals, events and projects</b>	The number of individuals attending the Knox Carols	-	15,000	<b>21,000</b>	Knox Carols 2019 saw record crowds enjoy a stunning evening of professional and local Christmas entertainment with a wide variety of free children's activities, best-practice accessibility and world-class infrastructure and risk management.

## What we achieved in 2019-20

### Strategy 7.3: Strengthen community connections (continued)

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>Sustain attendance at Knox run community festivals, events and projects</b>	The number of individuals attending the Knox Festival	25,000	12,500	<b>20,000</b>	The Knox Festival experienced the return of strong crowd numbers of approximately 10,000 per day across this two-day event. With mild weather, free entry, free kids' hub, localised programming, and a Saturday evening program of music, rides and food trucks, the festival had its highest levels of community stallholder representation to date. Site layout, accessibility, infrastructure and risk management operated at best-practice standards.
	The number of individuals attending Stringybark	15,000	12,000	<b>11,000</b>	The Stringybark Festival continued to attract a loyal audience as a one-day event, with patrons enjoying free entry, free non-mechanical rides, and localised programming that reflected the theme "Discover the Wonders of Our Backyard".
<b>An increase in the percentage of participants reporting their enjoyment of attendance at Knox run events and festivals</b>	The number of surveyed participants who report that they enjoyed the event/festival attended	89%	95%	<b>83%</b>	Of the people surveyed during the 2019-20 event season, 83% of patrons provided a rating of at least four out of five stars. They rated a range of features such as parking and access, arts activities, affordability, site layout, and customer service.

### Strategy 7.4: Promote and celebrate the contribution of our volunteers

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase in the number of volunteers registered and trained to support Council programs</b>	The number of volunteers registered and trained to support Council programs	112	167	<b>58</b>	During 2019-20, Council recruited 58 volunteers. This number is lower than for previous years due to a few factors such as the COVID-19 pandemic postponing all volunteer engagement except for advisory committees. Most advisory committees had recruited members in 2018-19 for a two-year tenure.

# 2019-20 Annual Plan

## Key activities undertaken in 2019-20 to work towards the achievement of Goal 7.

Major Initiative	Progress	Comment
<b>Prioritise and promote programs and services which aim to build community connections and reduce social isolation across all life stages and spatially represent this information on Council's mapping system.</b>	100%	<p>Spatial mapping was undertaken across 2019-20, to map community groups and activities based on the cohorts identified as being prone to social isolation/loneliness. The cohorts included: Families, Young people, LGBTIQ+ community, People with a disability, People from a multicultural background, Adults, and Older people.</p> <p>Over 250 activities were mapped into the following categories: Social, Skill development, Creative/arts, Exercise, Playgroups, Churches, and Other. Sport and recreation activities were then overlaid across the map to provide a fuller picture of programs and services which aim to build community connections and reduce social isolation across all life stages. As expected, there are a number of programs and services located in or near suburb activity centres across the municipality.</p> <p>Ongoing work is being undertaken within Council across a number of departments to address social isolation within the Knox Community.</p> <p>Given the continued uncertainty around delivery of programs and services that address social isolation and loneliness, due to the COVID-19 pandemic, Council will need to continue to monitor the capacity of groups and organisations to offer services and programs to address loneliness and social isolation. Council also has an important role in continuing to build capacity of groups and organisations through grants, training and other support.</p>
Initiative	Progress	Comment
<b>Develop a plan for the ongoing protection and management of Indigenous and post European settlement heritage resources related to Knox.</b>	75%	<p>City Futures proposed the development of a Landscape and Thematic History to provide an understanding of Knox's heritage. This would underpin a future Heritage Study and assist with the ongoing protection and management of Indigenous and post-European settlement heritage resources related to Knox.</p> <p>A business case was prepared for a re-scoped heritage study. This was not supported as part of the Budget 2020-21 and therefore this initiative is unable to progress further.</p>
<b>Determine the most effective role for Council in the protection and maintenance of heritage assets in Knox.</b>	75%	<p>City Futures proposed the development of a Landscape and Thematic History to provide an understanding of Knox's heritage. This would inform the most effective role for Council in the protection and maintenance of heritage assets.</p> <p>A business case was prepared for a re-scoped heritage study. This was not supported as part of the Budget 2020-21 and therefore this initiative is unable to progress further</p>

# Services

## The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20		
		Budget	Actual	Variance
		\$'000		
<b>Arts &amp; Cultural Services</b>	Arts and Cultural Services delivers and engages the local community in a range of arts and cultural services and programs, including performing arts, events, festivals, arts courses, performances and public art projects.	1,721	1,741	(20)
<b>Community Access, Equity and Safety</b>	The Community Access, Equity and Safety service supports and advocates for the disadvantaged and marginalised communities and fosters an accessible, inclusive, safe and supportive Council and community.	697	710	(13)
<b>Community Partnerships</b>	Community Partnerships supports and strengthens local not-for-profit groups to be active, sustainable and resilient. This service also supports the development of new community organisations and community mobilisation and activity, as appropriate, in response to changing community needs and dynamics.	1,746	1,797	(51)
<b>Libraries</b>	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.	5,318	4,805	513



# 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	Results				Material Variation	Comment
	2016-17	2017-18	2018-19	2019-20		
<b>Libraries</b>						
<b>Utilisation</b>	9.03	10.03	9.83	<b>8.14</b>		
<b>Physical library collection usage</b>						COVID-19 and subsequent social distancing restrictions and library closures had a major impact on loans this year. Physical loans were down by 15%, but digital loans were up by 17% across the region which meant an overall reduction of 11% from 2018-19.
[Number of physical library collection item loans/Number of physical library collection items]						
<b>Resource Standard</b>	78.25%	76.07%	73.30%	<b>70.98%</b>		
<b>Recently purchased library collection</b>						
[Number of library collection items purchased in the last 5 years/Number of library collection items] x100						
<b>Participation</b>	13.01%	13.39%	13.28%	<b>12.87%</b>		
<b>Active library borrowers in municipality</b>						
[Number of active library borrowers in the last three Years/The sum of the population for the last three years] x100						
<b>Service Cost</b>	-	-	-	<b>\$21.64</b>	New measure in 2019-20.	
<b>Cost of library service per population</b>						
[Direct cost of library service/Population]						

# We have confidence in decision-making

---

## 2019-20 Highlights



Employed a dedicated community engagement lead to build capacity across Council and improve outcomes for the community



Completed Council's Corporate Learning Calendar, which offers a range of opportunities to upskill and understand corporate expectations in compliance, technical and human-focused areas

## Results

### Council Targets

Council has progressed work towards achieving the five Community and Council Plan targets identified under the strategies of Goal 8.

### Annual Plan Progress

Council has completed both of the initiatives identified under Goal 8 in the 2019-20 Annual Plan.

### Looking Ahead...

#### 2020-21 Annual Plan Major Initiative

Conduct the 2020 General Election and implement a comprehensive induction program for the elected members.

# What we achieved in 2019-20

Progress against the targets and measures identified in the Community and Council Plan 2017-21.

## Strategy 8.1: Build, strengthen and promote good governance practices across government and community organisations

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>An increase in people attending events aimed at embracing Aboriginal cultural heritage</b>	Community perceptions of Council performance (Index Score 0-100) in making community decisions	56	60	<b>58</b>	Perceptions of Council's performance in making community decisions fell slightly in 2019-20, a trend also evident in the metropolitan and state averages.
	Community perceptions of Council performance (Index score 0-100) in customer service	77	80	<b>76</b>	Perceptions of customer service fell slightly in 2019-20, a trend also evident in the metropolitan and state averages. Knox's result remains high and above both the metropolitan and state averages.
	Community perceptions of overall Council direction (Index score 0-100)	52	57	<b>53</b>	Perceptions of Knox's overall direction fell slightly in 2019-20. This result may have been influenced by the survey being conducted at the beginning of the COVID-19 pandemic.
	Community perceptions of overall Council performance (Index score 0-100)	65	68	<b>66</b>	Perceptions of Knox's overall performance fell slightly in 2019-20, a trend also evident in the metropolitan and state averages. Knox's result is equal to the metropolitan average and eight points higher than the state average.
	Number of Council decisions made at meetings closed to the public	5.81%	3.77%	<b>5.88%</b>	Council endeavours to make as few confidential decisions as possible, however, this result can vary according to the nature and subject of decisions to be made by Council. While the result is an increase against 2018-19 results, it is comparable to 2017-18. It is notable that the result does not take into account a number of decisions that were subsequently disclosed to the public at an appropriate time after the meeting.
<b>An increase in the number of Council services with a technology-based self-service option</b>	Council services with a technology-based self-service option	-	84	<b>136</b>	The ICT Strategy has continued to deliver an increase in online service offerings and community convenience.
<b>A reduction in the funding gap for the renewal of infrastructure</b>	The funding gap for renewal of infrastructure	\$29.7m	\$29.1m	<b>\$38.9m</b>	The renewal gap has increased from 2018-19 and was influenced by the latest road condition audit, which revealed that there had been a significant shift in the road surface condition from 3 to 4. The recent flood modelling audit indicated that Council's data on drainage assets had improved.
<b>Deliver community grant programs with robust governance structures</b>	The number of funded groups who acquit their 'Community Operational Grants' or 'Community Development Funds' on time for their intended spend	94%	95%	<b>100%</b>	All grant recipients submitted the required acquittals on time for the intended spend.

# What we achieved in 2019-20

## Strategy 8.2: Enable the community to participate in a wide range of engagement activities

What we are aiming for	How we measure our impact	2017-18 Result	2018-19 Result	2019-20 Result	Comment
<b>Increased opportunities for community participation in Council's decision making, clarifying the limits of influence</b>	Community perceptions of Council performance (Index Score 0-100) in community consultation and engagement	53	59	<b>57</b>	Perceptions of Council's performance in community engagement and consultation fell slightly in 2019-20 and may have been influenced by the Community Satisfaction Survey being conducted at the beginning of the COVID-19 pandemic. In 2019-20, Council employed a dedicated community engagement resource to build capacity across the organisation and improve outcomes for the community.
	Community perceptions of Council performance (Index Score 0-100) in advocacy (lobbying on behalf of the community)	55	58	<b>57</b>	Council continued to undertake significant advocacy work on behalf of the community in 2019-20, which produced similar results in perceptions of performance as those achieved in 2018-19.

## 2019-20 Annual Plan

### Key activities undertaken in 2019-20 to work towards the achievement of Goal 8.

Major Initiative	Progress	Comment
<b>Review and implement Council's updated Community Engagement approach.</b>	100%	In 2019-20 Council introduced a dedicated resource for community engagement to implement the revised Community Engagement Policy and improve outcomes for our community. Significant work has been completed throughout the year, including the development of an Action Plan and Framework, and progress on the implementation of a new online engagement tool, which is scheduled to launch early next financial year. Work will continue in 2020-21 on implementing the policy in line with the new Local Government Act.
Initiative	Progress	Comment
<b>Implement organisational development programs that ensure a shared responsibility for leadership and achievement of Council priorities.</b>	100%	The Corporate Learning Calendar offers a range of opportunities to up-skill and understand corporate expectations in compliance, technical and human focused areas.  When people join Knox they complete a comprehensive induction, including subjects designed to set corporate expectations, protect and keep people safe from harm, injury, damage or loss, and teach people how to use various corporate systems. For leaders, there are a range of business skills, communication, leadership and management courses available throughout the year, many of these are offered on-site.  Council's internal talent management program commenced for its second term in 2019. Council conducted its first Lean Champions program to assist with the deployment of Lean thinking and practice across Council. Council has also undertaken development planning to implement a new leadership capability framework within Knox as part of Council's new People Strategy.

# Services

## The services funded in the 2019-20 Budget.

Service	Description	Net cost of providing this service in 2019-20		
		Budget	Actual	Variance \$'000
<b>Communications</b>	Communications 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.	1,978	1,572	406
<b>Customer Service</b>	Council's Customer Service is designed to support the delivery of a range of 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.	1,894	1,489	405
<b>Financial Services</b>	Financial Services provides the strategic thinking, leadership, service delivery and management of all matters relating to financial management. The service 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 service works closely with Governance to develop and support the organisational financial compliance frameworks and works across the organisation educating and supporting stakeholders.	2,522	2,917	(395)
<b>Governance</b>	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 is responsible for Council's integrity framework, including the Audit Committee, fraud and corruption prevention, privacy compliance and Freedom of Information.	3,979	3,820	159
<b>Human Resources</b>	The Human Resources 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.	5,250	7,050	(1,800)
<b>Information Technology</b>	Information technology incorporates provision of information technology 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.	6,707	6,491	216
<b>Innovation</b>	The Innovation service is responsible for the development and deployment of strategies to support the organisation transforming to a customer centric, innovative, continuous improvement capable organisation. The service is responsible for the development, deployment and support of Knox LEAN and other innovation methods as developed and assessed suitable for Council. The team tracks and reports the organisational activity and benefits associated with the programs.	1,040	692	348
<b>Strategy and Reporting</b>	Strategy and Reporting provides leadership, guidance and direction for the planned and measurable delivery of Council's Vision. This is achieved through: strategic planning, corporate planning, performance monitoring and evaluation and reporting.	418	461	(43)



In 2019-20 Council introduced a dedicated officer for community engagement to implement the revised Community Engagement Policy and improve outcomes for our 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	Results				Material Variation	Comment
	2016-17	2017-18	2018-19	2019-20		
<b>Governance</b>						
<b>Transparency</b>	4.05%	5.81%	3.77%	<b>5.88%</b>	Council endeavours to make as few confidential decisions as possible, however, this result can vary according to the nature and subject of decisions to be made by Council. While the result is an increase against 2018-19 results, it is comparable to 2017-18. It is notable that the result does not take into account a number of decisions that were subsequently disclosed to the public at an appropriate time after the meeting.	
<b>Council decisions made at meetings closed to the public</b>						
[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] x100						
<b>Consultation and engagement</b>						
<b>Satisfaction with community consultation and engagement</b>	55	53	59	<b>57</b>		
[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]						
<b>Attendance</b>	99.21%	90.60%	90.48%	<b>87.96%</b>		
<b>Councillor attendance at Council meetings</b>						
[The sum of the number of Councillors who attended each ordinary and special Council meeting/ (number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100						
<b>Service Cost</b>	\$55,473.56	\$53,622.78	\$53,862.89	<b>\$53,714.33</b>		
<b>Cost of elected representation</b>						
[Direct cost of the governance service/Number of Councillors elected at the last council general election]						
<b>Satisfaction</b>	55	56	60	<b>58</b>		
<b>Satisfaction with Council decisions</b>						
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]						

# Governance and Statutory Information

## Governance

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

## Local Government Act 2020

Described as the most comprehensive reform of local government in Victoria for 30 years, the *Local Government Act 2020* received Royal Assent on 24 March 2020. The Act will improve local government democracy, accountability and service delivery for all Victorians.

The Act is being implemented in four staggered stages to ensure councils have sufficient time to comply with the new statutory requirements.

Council made significant progress implementing the new Act in 2019-20, responding to the first two stages which commenced on 6 April 2020 and 1 May 2020.

This Annual Report has been prepared according to the requirements of the *Local Government Act 1989* as the relevant provision of the *Local Government Act 2020* is yet to commence.

## Council and Committee Meetings

### Ordinary Council Meetings

Council conducts an Ordinary Meeting on the fourth Monday of each month.

Meetings are open to the public and are held at the Knox Civic Centre located at 511 Burwood Highway, Wantirna South. From 30 March 2020 Council commenced live streaming meetings on Council's website. Ordinary Meetings provide the opportunity for community members to submit a question to Council and to speak to their question.

### Special Committee Meetings

Council also conducts a Strategic Planning Committee Meeting on the second Monday of each month, excluding January. In 2019-20 the April meeting was cancelled due to no agenda items.

The Strategic Planning Committee is a special committee established under section 86 of the *Local Government Act 1989*. The purpose of this committee is to provide a decision-making forum that has less procedural formality than a Council meeting, which consequently promotes more extensive discussion and debate, particularly for, but not limited to, strategic- and policy-related matters.

Meetings are open to the public and are held at the Knox Civic Centre located at 511 Burwood Highway, Wantirna South. From 30 March 2020, these meetings also commenced being live streamed on Council's website.

### Other Committee Meetings

In addition to the regular meetings of Council, Councillors are appointed to various internal and external committees.

The following tables provide a summary of Councillor attendance at Council meetings, Strategic Planning Committee meetings, and various other committees for the 2019-20 financial year.

# Meetings of Council 2019–20 Financial Year

Committee	Cr Lockwood	Cr Mortimore	Cr Timmers-Leitch	Cr Gill	Cr Keogh	Cr Holland	Cr Cooper	Cr Pearce	Cr Seymour
<b>Specific Purpose Committees</b>									
Audit and Risk Committee	-	-	-	-	1/2	3/4	-	4/5	3/3
Australia Day Awards Committee	1/1	-	-	-	0/1	0/1	-	-	1/1
CEO's Performance Evaluation Committee*	3/3	4/5	3/3	0/3	3/5	1/3	1/3	3/5	3/3
<b>Strategic Projects Committees</b>									
Knox Central Advisory Committee	2/2	-	1/2	-	-	1/2	-	1/2	-
<b>Working Groups</b>									
Knox Regional Sports Park Working Group	-	-	1/1	2/2	-	-	0/2	-	-
Knox Hockey Working Group	-	-	4/4	-	-	-	-	-	-
<b>Life Stages Group</b>									
Early Years Advisory Committee	-	-	-	4/4	-	-	2/4	-	-
Youth Advisory Committee	-	-	8/10	-	5/10	-	-	-	-
Active Ageing Advisory Committee	-	2/5	-	-	-	-	-	-	5/5
<b>Sustainable Development Group</b>									
Environment Advisory Committee	-	6/6	-	0/3	-	-	-	-	-
Community Safety, Health and Wellbeing Committee	-	4/4	-	-	-	0/4	-	-	-
City Futures Committee	2/3	-	-	-	-	-	-	2/3	-
<b>Inclusive, Active and Creative Communities Group</b>									
Knox Disability Advisory Committee	-	1/6	-	-	-	-	-	-	6/6
Knox Multicultural Advisory Committee	5/5	-	4/5	-	-	-	-	-	-
Arts and Culture Committee	5/5	5/5	3/5	-	-	-	-	-	-
Recreation and Leisure Committee	-	-	3/3	-	2/3	2/3	-	-	-
<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	-	-	-

\*The composition of the CEO's Performance Evaluation Committee changed from three Councillors, to all Councillors, effective from 11 November 2019. The results reflect the maximum number of meetings each Councillor was entitled to attend in 2019–20.

# Governance and Statutory Information

## Meetings of Council

1 July 2019 to 30 June 2020

Meetings of Council	Cr Lockwood	Cr Mortimore	Cr Timmers-Leitch	Cr Gill	Cr Keogh	Cr Holland	Cr Cooper	Cr Pearce	Cr Seymour
Ordinary Council	12/12	11/12	12/12	11/12	12/12	11/12	9/12	11/12	12/12
Special Council	2/2	2/2	2/2	2/2	2/2	2/2	1/2	2/2	2/2
Strategic Planning Committee	9/10	9/10	10/10	5/10	8/10	10/10	6/10	8/10	8/10
Leave of absence granted to Councillors	-	-	-	-	-	-	-	1	-

## Councillor Allowances

Councillors	Allowance
Cr Peter Lockwood	\$34,206
Cr John Mortimore	\$34,206
Cr Marcia Timmers-Leitch	\$34,206
Cr Adam Gill	\$34,206
Cr Jake Keogh	\$52,722
Cr Tony Holland	\$34,206
Cr Lisa Cooper	\$34,206
Cr Darren Pearce	\$34,206
Cr Nicole Seymour	\$90,741

# 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 2019-20

Councillor	Ward	Conference & Training	Information & Communication	Other expenses	Travel	Car Mileage	Childcare	Total
Cr Peter Lockwood	BAIRD WARD	\$5,207	\$1,481	\$838	\$237	-	-	\$7,763
Cr John Mortimore	CHANDLER WARD	\$4,526	\$1,444	\$562	\$873	-	-	\$7,405
Cr Marcia Timmers-Leitch	COLLIER WARD	\$167	\$1,677	\$407	\$160	-	-	\$2,411
Cr Adam Gill	DINSDALE WARD	\$167	\$2,650	\$435	-	-	-	\$3,252
Cr Jake Keogh	DOBSON WARD	\$6,692	\$1,609	\$1,563	\$794	\$6,288	-	\$16,946
Cr Tony Holland	FRIBERG WARD	\$854	\$4,160	\$651	\$129	-	-	\$5,794
Cr Lisa Cooper	SCOTT WARD	\$167	\$1,215	\$218	-	-	-	\$1,600
Cr Darren Pearce	TAYLOR WARD	\$167	\$1,076	\$218	-	-	-	\$1,460
Cr Nicole Seymour	TIRHATUAN WARD	\$167	\$1,273	\$1,028	-	\$11,395	-	\$13,862
<b>Total</b>		<b>\$18,113</b>	<b>\$16,585</b>	<b>\$5,921</b>	<b>\$2,193</b>	<b>\$17,683</b>	-	<b>\$60,494</b>

## Car Mileage

Car mileage represents the costs of providing a fully maintained vehicle for 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.

## Other Expenses

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

# Governance and Statutory Information

## Governance and Management Checklist

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

Governance and Management Items	Assessment
1 <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 September 2019</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 September 2019</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>22 June 2020</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>22 June 2020</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—September 2019</li><li>• Building—September 2019</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>24 June 2019</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>4 January 2019</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>
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)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: <b>29 January 2019</b>
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)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: <b>4 June 2020</b>

Governance and Management Items	Assessment
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)	Plan Date of operation of current plan: Council's business continuity framework was approved in <b>March 2020</b>
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)	Plan Date of operation of current plan: <b>December 2018</b>
13 <b>Risk Management Framework</b> (framework outlining Council's approach to managing risks to Council's operations)	Framework Date of operation of current framework: <b>4 January 2019</b>
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)	Established in accordance with section 139 of the Act Date of establishment: Knox established an audit committee in 2003 and has maintained an audit committee since that date. The most recent terms of reference were endorsed on <b>27 March 2017</b>
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)	Engaged Date of engagement of current provider: <b>1 December 2018</b>
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)	Framework Date of operation of current framework: Council and community plan endorsed <b>26 June 2017</b>
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)	Report Date of report: <b>23 September 2019, 28 January 2020, 25 May 2020</b>
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)	Statements presented to Council in accordance with section 138(1) of the Act Dates of reports: <b>26 August 2019, 25 November 2019, 24 February 2020, 25 May 2020</b>
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>13 August 2019, 28 January 2020</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>23 September 2019, 28 January 2020, 25 May 2020</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>28 October 2019</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>

# Governance and Statutory Information

## Governance and Management Checklist

Governance and Management Items	Assessment
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)	<p>Reviewed in accordance with section 98(6) of the Act</p> <p>Date of review:</p> <p>Council to CEO—<b>22 June 2020</b></p> <p>Council to SPC—<b>29 April 2019</b></p> <p>Council to Staff—Cemeteries and Crematory— <b>30 March 2020</b></p> <p>Council to Staff—Domestic Animals, Environmental Protection and Food—<b>29 January 2019</b></p> <p>Council to Staff—Road Management Responsibilities— <b>30 March 2020</b></p> <p>Council to Staff—Planning—<b>30 March 2020</b></p> <p>VicSmart—<b>19 September 2014</b></p> <p>CEO Powers—<b>28 February 2020</b></p> <p>CEO sub-delegation to staff—<b>30 March 2020</b></p> <p>MBS to Building Department—<b>5 February 2020</b></p>
24 <b>Meeting Procedures</b> (a local law governing the conduct of meetings of Council and special committees)	<p>Meeting procedures local law made in accordance with section 91(1) of the Act</p> <p>Date local law made: <b>25 June 2018</b></p>

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



Tony Doyle  
Chief Executive Officer

28 September 2020  
Wantirna South



Cr Nicole Seymour  
Mayor

28 September 2020  
Wantirna South

A photograph showing a group of people, likely a council or community group, sitting together and smiling. They appear to be in a casual setting, possibly a meeting room or a public space. The lighting is warm and the overall atmosphere is positive and friendly.

**Council is committed to effective and sustainable forms of leadership as the key to ensuring the community's priorities are met.**

# Governance and Statutory Information

## Audit Operations

Consistent with good governance practice, Knox City Council operated an Audit Committee during 2019-20. The Audit Committee is an autonomous link between Council, Management and its external and internal auditors, established to strengthen Council's governance, risk management, and financial management framework. The responsibility of the Audit Committee is to monitor Council's:

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

Council members of the Audit Committee during 2019-20 were:

- Cr Darren Pearce
- Cr Tony Holland
- Cr Jake Keogh (July to October 2019)
- Cr Nicole Seymour (from November 2019)

Independent, external members were:

- Ms Lisa Tripodi (Chair)
- Mr Homi Burjorjee
- Dr John Purcell

The Audit Committee's role is to support Council in discharging its oversight and accountability responsibilities related to:

- Compliance with Council's policies, procedures and governance principles;
- Effectiveness of Council's system of internal controls, including fraud and corruption prevention;
- Financial and performance reporting;
- Internal audit and external audit functions;
- Council's risk management framework;
- Statutory and legislative compliance; and
- Liaison between Council, Management and the external and internal auditors.

The Audit Committee met on five occasions during 2019-20 and oversaw the programmed internal audit work plan. This involved the following separate internal audits by contractor Crowe:

- Project Management Governance
- Occupational Health and Safety Review (including contractors)
- Management of Food and Health Services
- Contract Management – Major Contracts
- Rates Management (including data analytics)
- Business Continuity and Disaster Recovery
- Procurement – below tendering threshold and Accounts Payable (including data analytics)

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.

## Privacy and Data Protection

The *Privacy and Data Protection Act 2014* states that Council must not contravene the 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 [knox.vic.gov.au](http://knox.vic.gov.au) or on request. The policy was reviewed in July 2016.

Five complaints were received and investigated by Council during 2019-20 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 9298 8000.

**Chief Privacy Officer: Manager Governance**

## 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 the Health Privacy Principles.

Council's Health Records Policy is a public document available from Council's website at 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 9298 8000.

### **Chief Privacy Officer: Manager Governance**

## 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 2019-20, Council received 16 valid FOI requests. Determinations were made on 11 of those applications during the period, three requests were withdrawn, and two requests were still being processed as at 30 June 2020. Three requests outstanding from 2018-19 were also determined in the period.

The median time taken to issue a determination on FOI applications in 2019-20 was 17 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 1982* 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 9298 8000.

### **Freedom of Information Officer: Governance Officer**

## 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 2019-20 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.**

## 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 2019-20 in relation to the *Road Management Act 2004*. A copy of the latest version of the Act can be viewed using the following link:

[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.

## National Competition Policy

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

# Governance and Statutory Information

## Public Interest Disclosures Act 2012

Council is required to establish and publish procedures under section 58 of the *Public Interest Disclosures Act 2012* and in accordance with the Guidelines of Independent Broad-based Anti-Corruption Commission published under section 57 of the *Public Interest Disclosures Act 2012*.

Council adopted new Public Interest Disclosure Procedures on 20 January 2020. These Procedures are a resource for disclosers and potential disclosers, whether an internal Council member, staff or an external member of the public, who wants to find out how to make a disclosure, receive the protections available under the *Public Interest Disclosures Act 2012*, and how the discloser and their disclosure may be managed and handled by the Council.

**Public Interest Disclosure Coordinator: Director City Development, Interim Finance and Governance**

## 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 2019-20, 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 2006.

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

**Human Rights Officer: Manager Governance**

## 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 principles are incorporated into the delivery of Knox's Community and Council Plan 2017-21, the Annual Budget, and Council's business planning process. This Annual Report details Council's performance against these Best Value Principles.

## 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 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 fewer 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 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.

## Contracts

During the year, Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works of a kind specified in section 186(5)(a) and (c) of the *Local Government Act 1989*. Council did not enter into any other contracts valued at \$150,000 or more for goods and services or \$200,000 for works without engaging in a competitive process.

Under section 186(1) Council declares that this year the following contracts exceeded 20% of the original contract value:

- |             |  |
|-------------|--|
| <b>2231</b> | Stamford Park Parklands Concept Design<br>Tract Consultants Pty Ltd                        |
| <b>2515</b> | Knox Regional Netball Centre Extension<br>Design Services<br>K2O Architecture              |
| <b>2523</b> | Rowville (Seebek) Reserve –<br>Multipurpose Community Workshop<br>DQ Constructions Pty Ltd |

Under section 186(5)(a) Council entered into the following contracts in accordance with arrangements approved by the Minister:

### Procurement Australasia

#### **2008-0837-1.1**

Cleaning of Council Buildings

#### **2105 -0840**

Office Products and Workplace Consumables

#### **2312 -0618**

Recruitment, Training & Associated Services

### Municipal Association of Victoria

#### **ES8111**

Cisco Blades and Memory Modules

#### **FSL8010**

Street Light Bulk Replacement – Major Roads

## 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 per cent 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 team, who also oversees the external third-party food audit system.

Environmental health officers have continued to manage these responsibilities in accordance with the current COVID-19 pandemic restrictions.

# Governance and Statutory Information

## Disability Act 2006 – Disability Action Plan Implementation

Knox City Council is committed to creating a community that is accessible, welcoming and inclusive of everyone. It is estimated that approximately 17 per cent of Knox residents (SDAC 2018) have some form of disability, representing a significant portion of our community. As the Knox population ages, this proportion is likely to increase.

Council acknowledges that initiatives to create a more accessible and inclusive community cannot be achieved without addressing the specific needs and rights of people with disabilities, their families and carers. Council's Access and 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 benefit the whole community. The plan focuses on building the capacity of people with disabilities and providing opportunities for leadership within the community.

The Knox Municipal Disability Leadership Plan provides greater detail and direction on key focus areas to support and provide specific benefits for people with disabilities and their families that complement those delivered by the NDIS and those who are not eligible for the NDIS through the provision of information, building the capacity of services to be more inclusive of people with a disability, and strengthening the community service system.

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.
- 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:
- Professional development training for Knox Early Years Services to build capacity and enhance the successful inclusion of children with a disability or developmental delay across universal early years services.
  - Support and capacity building for families and carers, including information sessions, carer groups and exercise groups aimed at social connection, health and building capacity.
  - Support delivered under the Commonwealth Home Support Program (CHSP) for people aged over 65 years and their carers, domestic assistance, personal care, flexible respite, home maintenance, home modifications, social support groups and social support for the individual.
  - CHSP Food Services (meals on wheels)—home-delivered meals, distributed by community volunteers.
  - Housing Support program—for residents aged over 55, including those with a disability, who are homeless or at risk of becoming homeless.
  - Parking permits—Council administers the disabled persons parking permit scheme.
  - Wheelie Bin Assistance Scheme – Provides support for people with a disability/frail aged who are unable to put bins out for Council collection.
  - 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.
  - Provision of 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.

- Incorporation of inclusive features in all Knox festivals 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.
- Training and information sharing for community members and services on topics such as the NDIS, NDIS self-management, managing challenging behaviours and autism.
- 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 of access keys for the Knox Civic Centre and a range of community venues in Knox, including neighbourhood houses, libraries and sport venues to increase the accessibility of our community for people with anxiety, an autism spectrum disorder, an intellectual disability, dementia, or sensory impairment.

## 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.

The Flexible Work Arrangements Policy and Procedure has been prepared, which 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 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 2012* is recognised and delivered to the community. Some of the programs are delivered in partnership with other community support services.
- Approximately 1,100 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.
- Provision of information such as: *Guide to Services for Disability and Aged Services, and People First: Supporting the Inclusion of People with a Disability—Your Guide to an Inclusive Community*—available on Council's website. These guides include valuable information for carers and have been widely distributed to individuals and community organisations throughout Knox.
- Carer information sessions such as parent/carer legal information that focus on powers of attorney, administration, guardianship, and wills and trusts for carers. NDIA self-management, autism, and managing challenging behaviour sessions have been well attended by Knox carers and parents.
- Council's flexible respite services through the CHSP for people over 65 years, which are supported by funding from the federal government.
- 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. 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.

# Governance and Statutory Information

- The Lab program hosted by two Knox neighbourhood houses provides programs for young people with Asperger's syndrome as well as 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.
- 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 young children who have a disability or a chronic medical condition. The playgroup is facilitated by a trained worker employed by Playgroup Victoria and supported by 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 the CHSP, the Knox RAS team refers carers to the 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 manage conditions, such as dementia or vision impairment, in order to maximise client independence and enable them to remain living in their own homes.

## Domestic Animal Management Plan 2017–21

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 2019-20:

- Commenced the implementation of a sunset-to-sunrise cat curfew effective 1 January 2020.
- Engaged an animal behaviourist to assist in the resolution of more complex nuisance matters. It was determined that limited success was attributed to this action.
- Delivery of a program of animal registration compliance that included:
  - an enhanced process to improve the timeliness and compliance of registration
  - issuing annual registration renewal notices earlier than in previous years
  - two renewal reminder text messages sent to owners who had provided Council with a mobile phone number in order to follow up unpaid registration renewals
  - issuing overdue renewal notices by Registered Mail
  - 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
  - letters being sent to the owners of animals that have been microchipped but not registered, advising them of registration requirements.
- Community education that included the promotion of animal registration through media releases, social media posts and Council's newsletter (distributed to all households in the municipality). Pets in the Park for 2020 was cancelled due to the COVID-19 pandemic.
- Ongoing identification of properties where more than two dogs 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 [knox.vic.gov.au](http://knox.vic.gov.au)

# Performance Statement

Year ending 30 June 2020

## 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 164,538 (as at 30 June 2019) 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: Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Scoresby, The Basin, Upper Ferntree Gully, Wantirna and Wantirna South.

## 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 2018-19 results.

The forecast figures included in the statement are those adopted by Council in its Strategic Resource Plan on 22 June 2020, which forms part of the Annual Budget. 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.

# Performance Statement

## Sustainable Capacity Indicators

For the year ended 30 June 2020

Service/Indicator/measure	Result				Material Variations
	2016-17	2017-18	2018-19	2019-20	
<b>Population</b>	\$918.47	\$897.28	\$947.71	<b>\$1,009.15</b>	
<b>Expenses per head of municipal population</b>					
[Total expenses/Municipal population]					
<b>Infrastructure per head of municipal population</b>	\$5,682.68	\$5,729.82	\$6,012.97	<b>\$6,138.10</b>	
[Value of infrastructure/Municipal population]					
<b>Population density per length of road</b>	217.52	224.54	225.42	<b>227.26</b>	
[Municipal population/Kilometres of local roads]					
<b>Own-source revenue</b>	\$800.05	\$804.21	\$828.59	<b>\$835.22</b>	
<b>Own-source revenue per head of municipal population</b>					
[Own-source revenue/Municipal population]					
<b>Recurrent grants</b>	\$178.36	\$153.57	\$156.50	<b>\$153.90</b>	
<b>Recurrent grants per head of municipal population</b>					
[Recurrent grants/Municipal population]					
<b>Disadvantage</b>	9.00	9.00	9.00	<b>9.00</b>	
<b>Relative socio-economic disadvantage</b>					
[Index of Relative Socio-economic Disadvantage by decile]					
<b>Workforce turnover</b>	12.8%	13.2%	13.0%	<b>9.3%</b>	
<b>Percentage of staff turnover</b>					
[Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year] x100					

### Definitions

“adjusted underlying revenue” means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to 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 Internet website

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

# Service Performance Indicators

For the year ended 30 June 2020

Service/Indicator/Measure	Result				Material Variations and Comments
	2016-17	2017-18	2018-19	2019-20	
<b>Aquatic Facilities</b>	3.60	3.49	2.68	<b>1.69</b>	As a result of the closure of Leisureworks due to COVID-19 there has been a reduction in visitations in 2019-20.
<i>Utilisation</i>					
<b>Utilisation of aquatic facilities</b>					
[Number of visits to aquatic facilities/Municipal population]					
<b>Animal Management</b>	New in 2020	New in 2020	New in 2020	<b>100%</b>	New measure in 2019-20.
<i>Health and safety</i>					
<b>Animal management prosecutions</b>					
[Number of successful animal management prosecutions/ Number of animal management prosecutions]					
<b>Food safety</b>	90.50%	90.16%	100.00%	<b>100.00%</b>	
<i>Health and safety</i>					
<b>Critical and major non-compliance outcome notifications</b>					
[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					
<b>Governance</b>	55	56	60	<b>58</b>	
<i>Satisfaction</i>					
<b>Satisfaction with Council decisions</b>					
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]					

# Performance Statement

## Service Performance Indicators

For the year ended 30 June 2020

Service/Indicator/Measure	Result				Material Variations and Comments
	2016-17	2017-18	2018-19	2019-20	
<b>Libraries</b>	13.01%	13.39%	13.28%	<b>12.87%</b>	
<b>Participation</b>					
<b>Active library borrowers in municipality</b>					
[Number of active library borrowers in the last three years/The sum of the population for the last three years] x100					
<b>Maternal and Child Health (MCH)</b>	80.88%	81.25%	79.12%	<b>76.27%</b>	
<b>Participation</b>					
<b>Participation in the 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					
<b>Participation</b>	87.30%	75.47%	77.97%	<b>80.36%</b>	
<b>Participation in the 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					
<b>Roads</b>	68	69	73	<b>68</b>	
<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]					

Service/Indicator/Measure	Result				Material Variations and Comments
	2016-17	2017-18	2018-19	2019-20	
<b>Statutory Planning</b>	52.00%	54.05%	33.33%	<b>58.62%</b>	Improvements in VCAT support for Council decisions is as a result of improved compliance with, and applicant understanding of Knox Housing Strategy policy requirements and provisions.
<b>Decision-making</b>					
<b>Council planning decisions upheld at VCAT</b>					
[Number of VCAT decisions that did not set aside Council's decisions in relation to a planning application/ Number of VCAT decisions in relation to planning applications] x100					
<b>Waste Collection</b>	53.41%	51.97%	55.89%	<b>53.44%</b>	
<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] x100					

#### Definitions

"Aboriginal child" means a child who is an Aboriginal person  
 "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006  
 "active library member" means a member of a library who has borrowed a book from the library  
 "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act  
 "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English  
 "class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act  
 "class 2 food premises" means food premises, within the meaning of the Food Act 1984 , that have been declared as class 2 food premises under section 19C of that Act  
 "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 a 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  
 "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.

# Performance Statement

## Financial Performance Indicators

For the year ended 30 June 2020

	Results			
	2017	2018	2019	2020
<b>Efficiency</b>				
<b>Expenditure level</b>				
<i>Expenses per property assessment</i>	\$2,219.18	\$2,237.89	\$2,308.49	<b>\$2,441.81</b>
[Total expenses/Number of property assessments]				
<b>Revenue level</b>				
<i>Average rate per property assessment</i>	New in 2020	New in 2020	New in 2020	<b>\$1,523.82</b>
[General rates and Municipal charges/Number of property assessments]				
<b>Liquidity</b>				
<b>Working capital</b>				
<i>Current assets compared to current liabilities</i>	235.53%	236.21%	236.52%	<b>168.76%</b>
[Current assets/Current liabilities] x100				
<b>Unrestricted cash</b>				
<i>Unrestricted cash compared to current liabilities</i>	-4.34%	-11.22%	27.20%	<b>36.99%</b>
[Unrestricted cash/Current liabilities] x100				
<b>Obligations</b>				
<b>Loans and borrowings</b>				
<i>Loans and borrowings compared to rates</i>	0.00%	0.00%	0.00%	<b>0.00%</b>
[Interest bearing loans and borrowings/Rate revenue] x100				
<i>Loans and borrowings repayments compared to rates</i>	14.34%	0.00%	0.00%	<b>0.00%</b>
[Interest and principal repayments on interest bearing loans and borrowings/Rate revenue] x100				

	Forecasts				Comments*
	2021	2022	2023	2024	
\$3,194.24	\$2,907.19	\$2,676.03	\$2,689.06		
\$1,559.78	\$1,610.32	\$1,638.30	\$1,667.01		
127.36%	101.19%	100.27%	101.96%	Cash and cash equivalents combined with Other Financial Assets have decreased \$15.8 million, contributing to the majority of the \$18.2 million decrease in current assets. Current provisions have increased by \$2.5 million due to the reduction in interest rates impacting discount rates, together with a reduction in employee leave being taken.  Unearned income increased by \$1.2 million due to the implementation of new Accounting Standards relating to the recognition of grant income. This ratio will decrease over the forecast period due to an increase in the capital works program, and the requirement to borrow funds to finance major projects.	
58.46%	31.94%	39.80%	44.88%	At 30 June 2020, Council had \$4.3 million in term deposits due to mature within 90 days. These deposits are not reflected in this measure as they are included in Other Financial Assets. Other Financial Assets, being term deposits held with an original maturity term greater than 90 days, have decreased by \$13.2 million at 30 June 2020 compared to 30 June 2019.	
58.31%	77.48%	79.26%	74.76%		
3.89%	6.74%	7.98%	10.29%		

# Performance Statement

## Financial Performance Indicators

For the year ended 30 June 2020

	Results			
	2017	2018	2019	2020
<b>Obligations</b>				
<b>Indebtedness</b>				
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities/Own source revenue] x100	4.62%	3.63%	4.37%	<b>3.19%</b>
<b>Asset renewal and upgrade</b>				
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense/Asset depreciation] x100	New in 2020	New in 2020	New in 2020	<b>139.94%</b>
<b>Operating position</b>				
<b>Adjusted underlying result</b>				
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/Adjusted underlying revenue] x100	10.31%	10.95%	9.37%	<b>2.87%</b>
<b>Stability</b>				
<b>Rates concentration</b>				
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue/Adjusted underlying revenue] x100	66.59%	66.74%	66.92%	<b>68.58%</b>
<b>Rates effort</b>				
<i>Rates compared to property values</i> [Rate revenue/Capital improved value of rateable properties in the municipality] x100	0.26%	0.26%	0.22%	<b>0.24%</b>

### Definitions

- “adjusted underlying revenue” means total income other than:
  - (a) non-recurrent grants used to fund capital expenditure; and
  - (b) non-monetary asset contributions; and
  - (c) contributions to fund capital expenditure from sources other than those referred to 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

“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

Financial Statement Information				
Forecasts				Comments*
2021	2022	2023	2024	
50.49%	65.09%	63.11%	57.75%	Own source revenue has increased by 1.62%, while non-current liabilities have decreased, mainly due to the decrease in the landfill provision. 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.
274.37%	253.44%	256.64%	211.20%	
-22.99%	-6.30%	6.09%	8.49%	The reduction in the adjusted underlying surplus is largely due to the increase in employee costs. The increase in employee costs includes an increase of \$2.9 million in employee provision liabilities from the previous year, and \$2.4 million in employee costs for capital works that have been deemed operational in nature. Depreciation has increased by \$2.2 million, while capital grants received have decreased by \$4.8 million. The underlying surplus is impacted over the next two years due to a forecast transfer of assets.
69.22%	69.29%	68.59%	68.54%	
0.23%	0.23%	0.23%	0.22%	Annual revaluations are now to be undertaken effective every 1 January. The valuation for 1 January 2020 showed an increase in CIV of 7%, after a decrease in CIV of 9% the previous year.

"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 2019-20

## Statement by Principal Accounting Officer

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



**Dennis Bastas CPA**  
Principal Accounting Officer

28 September 2020  
Wantirna South

## Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Knox City Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that 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.



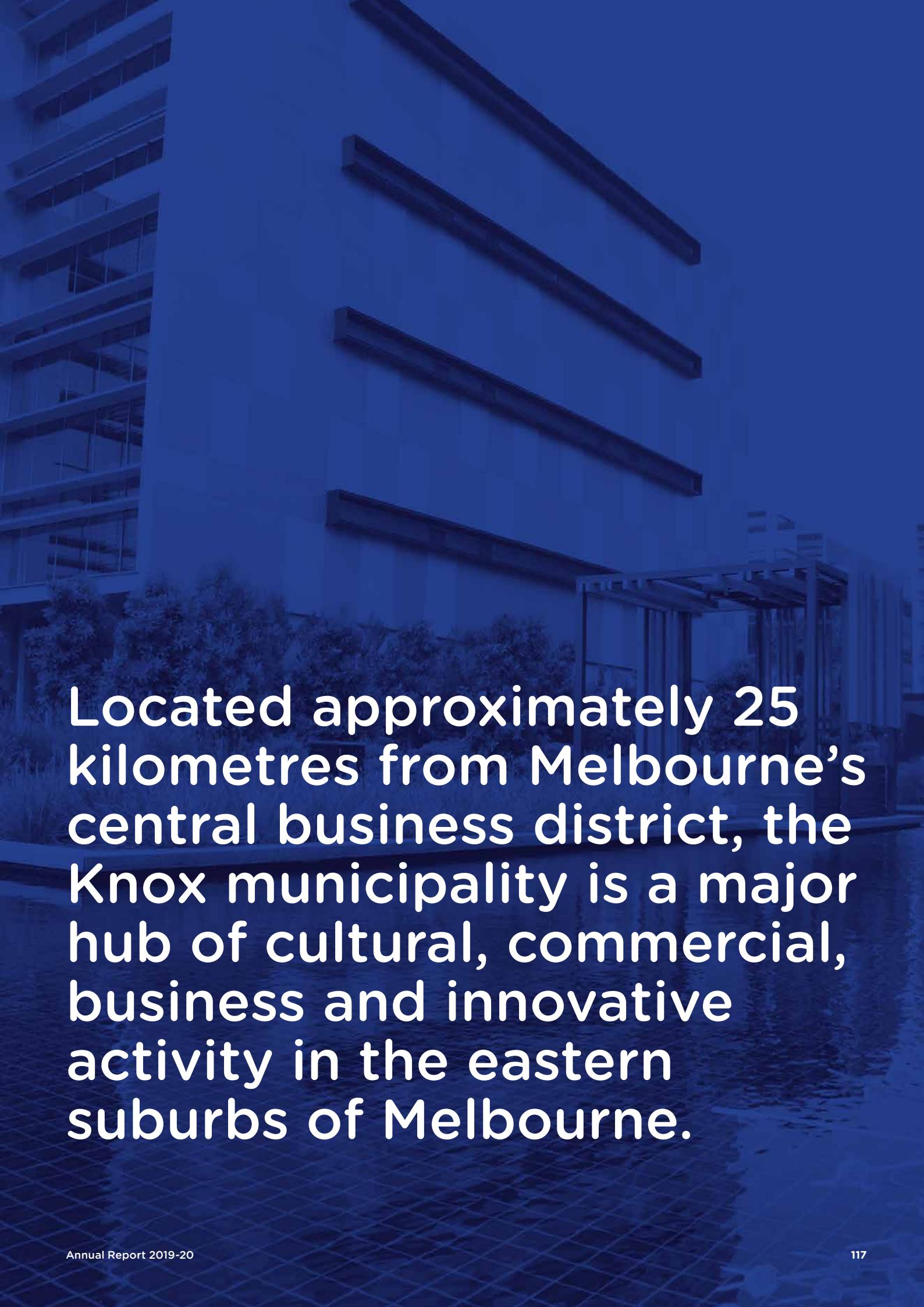
**Cr Nicole Seymour**  
Mayor  
28 September 2020  
Wantirna South



**Cr Marcia Timmers-Leitch**  
Deputy Mayor  
28 September 2020  
Wantirna South



**Tony Doyle**  
Chief Executive Officer  
28 September 2020  
Wantirna South



**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.**

# Auditor-General's Certification of Performance Statement

## Certification of Performance Statement 2019-20



Victorian Auditor-General's Office

### Independent Auditor's Report

#### To the Councillors of Knox City Council

<b>Opinion</b>	I have audited the accompanying performance statement of Knox City Council (the council) which comprises the: <ul style="list-style-type: none"><li>• description of municipality for the year ended 30 June 2020</li><li>• sustainable capacity indicators for the year ended 30 June 2020</li><li>• service performance indicators for the year ended 30 June 2020</li><li>• financial performance indicators for the year ended 30 June 2020</li><li>• understanding the performance statement and</li><li>• the certification of the performance statement.</li></ul> In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i> .
<b>Basis for Opinion</b>	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.  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.  I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
<b>Councillors' responsibilities for the performance statement</b>	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.
<b>Auditor's responsibilities for the audit of the performance statement</b>	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.

---

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

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

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

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

---

MELBOURNE  
13 October 2020



Sanchu Chummar  
*as delegate for the Auditor-General of Victoria*

# Understanding the Financial Statements

The Financial Report shows how Council performed financially during the 2019-20 year and the overall position at the end of the financial year on 30 June 2020.

## 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 (AAS) 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.

## 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 2019-20 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 2020.

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.
- Right-of-use assets - Council's right to use an underlying asset in a lease arrangement.
- 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.
- Unearned income - revenue from grants where the associated performance obligation has yet to be satisfied.
- 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.
- Lease liabilities - Council's financial obligation to make payments arising from a lease.

### 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.

# Understanding the Financial Statements

## 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.

### 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.

## 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.

## 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 provide 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.

## 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.

## 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

## Table of Contents

<b>Certification of the Financial Statements</b>	124	<b>Note 5 Our financial position</b>	149
<b>Victorian Auditor-General's Office Audit Report</b>	125	5.1 Financial assets	149
<b>Financial Statements</b>	127	5.2 Non-financial assets	151
Comprehensive Income Statement	127	5.3 Payables	152
Balance Sheet	128	5.4 Provisions	153
Statement of Changes in Equity	129	5.5 Financing arrangements	156
Statement of Cash Flows	130	5.6 Commitments	157
Statement of Capital Works	131	5.7 Leases	158
<b>Overview</b>	132	<b>Note 6 Assets we manage</b>	163
<b>Notes to Financial Statements</b>	133	6.1 Non current assets classified as held for sale	163
<b>Note 1 Performance against budget</b>	133	6.2 Property, infrastructure plant and equipment	164
1.1 Income and expenditure	134	6.3 Investments in associates, joint arrangements and subsidiaries	171
1.2 Capital works	136	<b>Note 7 People and relationships</b>	173
<b>Note 2 Analysis of Council results by program</b>	138	7.1 Council and key management remuneration	173
<b>Note 3 Funding for the delivery of our services</b>	141	7.2 Related party disclosure	175
3.1 Rates and charges	141	<b>Note 8 Managing uncertainties</b>	176
3.2 Statutory fees and fines	141	8.1 Contingent assets and liabilities	176
3.3 User fees	141	8.2 Change in accounting standards	177
3.4 Funding from other levels of government	142	8.3 Financial instruments	178
3.5 Contributions	144	8.4 Fair value measurement	180
3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	144	8.5 Impact of COVID-19 crisis on Knox City Council operations and the 2019-20 financial report	181
3.7 Other income	144	8.6 Events occurring after balance date	182
<b>Note 4 The cost of delivering services</b>	145	<b>Note 9 Other matters</b>	183
4.1 Employee costs	145	9.1 Reserves	183
4.2 Materials and services	146	9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	186
4.3 Depreciation	146	9.3 Superannuation	187
4.4 Amortisation - intangible assets	147	<b>Note 10 Change in accounting policy</b>	190
4.5 Amortisation - right of use assets	147		
4.6 Bad and doubtful debts	147		
4.7 Finance costs - leases	147		
4.8 Contributions and donations	148		
4.9 Other expenses	148		



## Certification of the Financial Statements

### Statement by Principal Accounting Officer

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



**Dennis Bastas CPA**  
Principal Accounting Officer

28 September 2020  
Wantirna South

### Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Knox City Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that 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 Nicole Seymour**  
Mayor

28 September 2020  
Wantirna South



**Cr Marcia Timmers-Leitch**  
Deputy Mayor

28 September 2020  
Wantirna South



**Tony Doyle**  
Chief Executive Officer

28 September 2020  
Wantirna South

# Victorian Auditor-General's Certification of the Financial Report



Victorian Auditor-General's Office

## Independent Auditor's Report

### *To the Councillors of Knox City Council*

**Opinion** I have audited the financial report of Knox City Council (the council) which comprises the:

- balance sheet as at 30 June 2020
- comprehensive income statement for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- statement of capital works for the year then ended
- notes to the financial statements, including significant accounting policies
- certification of the financial statements.

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (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.

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

**Councillors' responsibilities for the financial report** 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 *Local Government Act 1989*, 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.

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.

## Victorian Auditor-General's Certification of the Financial Report (continued)

---

<b>Auditor's responsibilities for the audit of the financial report</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.</p> <p>As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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</li> <li>• evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.</p>
---	---

---

MELBOURNE  
13 October 2020



Sanchu Chummar  
*as delegate for the Auditor-General of Victoria*

# Comprehensive Income Statement

For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Income</b>			
Rates and charges	3.1	117,249	114,214
Statutory fees and fines	3.2	3,102	3,348
User fees	3.3	14,608	14,741
Grants – operating	3.4	24,699	24,336
Grants – capital	3.4	4,120	8,892
Contributions - monetary	3.5	7,694	9,835
Contributions - non-monetary	3.5	1,801	1,936
Share of net profits (or loss) of associates and joint ventures	6.3	316	182
Other income	3.7	2,240	2,744
<b>Total income</b>		<b>175,829</b>	<b>180,228</b>
<b>Expenses</b>			
Employee costs	4.1	(76,789)	(69,355)
Materials and services	4.2	(57,216)	(56,477)
Depreciation	4.3	(22,374)	(20,181)
Amortisation – intangible assets	4.4	(429)	(507)
Amortisation – right-of-use assets	4.5	(299)	-
Bad and doubtful debts	4.6	(344)	(234)
Finance costs – leases	4.7	(18)	-
Contributions and donations	4.8	(5,865)	(6,304)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(1,624)	(424)
Other expenses	4.9	(1,085)	(1,187)
<b>Total expenses</b>		<b>(166,043)</b>	<b>(154,669)</b>
<b>Surplus for the year</b>		<b>9,786</b>	<b>25,559</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment (or decrement)	9.1	(104,930)	24,584
<b>Total comprehensive result</b>		<b>(95,144)</b>	<b>50,143</b>

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

# Balance Sheet

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5.1	30,584	33,145
Other financial assets	5.1	9,900	23,100
Trade and other receivables	5.1	15,492	17,311
Inventories		6	9
Non-current assets classified as held for sale	6.1	1,194	1,194
Other assets	5.2	539	1,111
<b>Total current assets</b>		<b>57,715</b>	<b>75,870</b>
<b>Non-current assets</b>			
Property, infrastructure, plant and equipment	6.2	1,966,272	2,043,472
Right-of-use assets	5.7	813	-
Intangible assets	5.2	614	934
Investment in Eastern Regional Libraries Corporation	6.3	4,920	4,604
<b>Total non-current assets</b>		<b>1,972,619</b>	<b>2,049,010</b>
<b>Total assets</b>		<b>2,030,334</b>	<b>2,124,880</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3	12,528	13,999
Trust funds and deposits	5.3	1,584	2,035
Unearned income	5.3	1,334	132
Provisions	5.4	18,392	15,912
Lease liabilities	5.7	362	-
<b>Total current liabilities</b>		<b>34,200</b>	<b>32,078</b>
<b>Non-current liabilities</b>			
Provisions	5.4	3,930	5,913
Lease liabilities	5.7	459	-
<b>Total non-current liabilities</b>		<b>4,389</b>	<b>5,913</b>
<b>Total liabilities</b>		<b>38,589</b>	<b>37,991</b>
<b>Net assets</b>		<b>1,991,745</b>	<b>2,086,889</b>
<b>Equity</b>			
Accumulated surplus		697,657	683,276
Reserves	9.1	1,294,088	1,403,613
<b>Total equity</b>		<b>1,991,745</b>	<b>2,086,889</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 2020

2020	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,086,889	683,276	1,360,569	43,044
Surplus for the year		9,786	9,786	-	-
Net asset revaluation increment/(decrement)	6.2	(104,930)	-	(104,930)	-
Transfers to other reserves	9.1	-	(9,322)	-	9,322
Transfers from other reserves	9.1	-	13,917	-	(13,917)
<b>Balance at end of the financial year</b>		<b>1,991,745</b>	<b>697,657</b>	<b>1,255,639</b>	<b>38,449</b>

2019	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,036,746	658,229	1,335,985	42,532
Surplus for the year		25,559	25,559	-	-
Net asset revaluation increment/(decrement)	6.2	24,584	-	24,584	-
Transfers to other reserves	9.1	-	(12,858)	-	12,858
Transfers from other reserves	9.1	-	12,346	-	(12,346)
<b>Balance at end of the financial year</b>		<b>2,086,889</b>	<b>683,276</b>	<b>1,360,569</b>	<b>43,044</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 2020

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		114,914	114,661
Statutory fees and fines		2,691	3,401
User fees		15,561	10,815
Grants - operating		25,146	23,885
Grants - capital		8,024	8,892
Contributions - monetary		7,928	9,987
Interest received		623	1,285
Net GST refund		11,786	10,282
Other receipts		1,880	2,169
Net movement in trust deposits		(451)	(1,648)
Employee costs		(74,895)	(69,575)
Materials and services		(69,539)	(69,055)
Contributions and donations		(6,420)	(6,895)
Short-term, low value and variable lease payments		(466)	-
Other payments		(714)	(1,254)
<b>Net cash provided by operating activities</b>		<b>36,068</b>	<b>36,950</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.2	(52,143)	(47,238)
Proceeds from sales of property, infrastructure, plant and equipment		624	2,283
Payments for investments		(9,900)	(23,100)
Proceeds from sale of investments		23,100	46,600
<b>Net cash used in investing activities</b>		<b>(38,319)</b>	<b>(21,456)</b>
<b>Cash flows from financing activities</b>			
Interest paid - lease liability		(18)	-
Repayment of lease liabilities		(292)	-
<b>Net cash used in financing activities</b>		<b>(310)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(2,561)	15,494
Cash and cash equivalents at the beginning of the financial year		33,145	17,651
<b>Cash and cash equivalents at the end of the financial year</b>		<b>30,584</b>	<b>33,145</b>
Financing arrangements	5.5		
Restrictions on cash assets	5.1		

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

# Statement of Capital Works

For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
<b>Property</b>		
Land	-	-
<b>Total land</b>	-	-
Buildings	18,797	20,587
<b>Total buildings</b>	<b>18,797</b>	<b>20,587</b>
<b>Total property</b>	<b>18,797</b>	<b>20,587</b>
<b>Plant and equipment</b>		
Artworks	42	24
Plant, machinery and equipment	1,853	2,702
Fixtures, fittings and furniture	17	-
Computers and telecommunications	1,057	366
<b>Total plant and equipment</b>	<b>2,969</b>	<b>3,092</b>
<b>Infrastructure</b>		
Roads	8,524	8,282
Bridges	2,962	2,730
Footpaths and cycleways	4,527	3,868
Drainage	3,641	2,474
Recreational, leisure and community facilities	8,442	7,729
Off street car parks	807	1,137
Other infrastructure	70	219
<b>Total infrastructure</b>	<b>28,973</b>	<b>26,439</b>
<b>Total capital works expenditure</b>	<b>50,739</b>	<b>50,118</b>
<b>Represented by:</b>		
New asset expenditure	18,792	11,555
Asset renewal expenditure	22,729	22,694
Asset expansion expenditure	636	8,018
Asset upgrade expenditure	8,582	7,851
<b>Total capital works expenditure</b>	<b>50,739</b>	<b>50,118</b>

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

# Notes to the Financial Report

For the Year Ended 30 June 2020

## Overview

### 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 the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

### Significant accounting policies

#### (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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.7)
- 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 (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

## Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. *The Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of greater than ten percent and \$1,000,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 24 June 2019. 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*.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 1 Performance against budget

### 1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
<b>Income</b>					
Rates and charges	117,231	117,249	18	0%	
Statutory fees and fines	3,177	3,102	(75)	-2%	
User fees	16,920	14,608	(2,312)	-14%	1
Grants – operating	22,465	24,699	2,234	10%	2
Grants – capital	1,960	4,120	2,160	110%	3
Contributions – monetary	8,420	7,694	(726)	-9%	
Contributions – non-monetary	2,000	1,801	(199)	-10%	
Share of net profits (or loss) of associates and joint ventures	–	316	316	0%	
Other income	2,120	2,240	120	6%	
<b>Total income</b>	<b>174,293</b>	<b>175,829</b>	<b>1,536</b>	<b>1%</b>	
<b>Expenses</b>					
Employee costs	70,861	76,789	(5,928)	-8%	4
Materials and services	63,942	57,216	6,726	11%	5
Depreciation	23,236	22,374	862	4%	
Amortisation – intangible assets	1,059	429	630	59%	
Amortisation – right of use assets	–	299	(299)	0%	
Bad and doubtful debts	66	344	(278)	-421%	
Borrowing costs	2,284	–	2,284	100%	6
Finance costs – leases	–	18	(18)	0%	
Contributions and donations	5,620	5,865	(245)	-4%	
Net loss (gain) on disposal of property, infrastructure, plant and equipment	1,858	1,624	234	13%	
Other expenses	1,729	1,085	644	37%	
<b>Total expenses</b>	<b>170,655</b>	<b>166,043</b>	<b>4,612</b>	<b>3%</b>	
<b>Surplus/(deficit) for the year</b>	<b>3,638</b>	<b>9,786</b>	<b>6,148</b>	<b>169%</b>	

## (i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Lower utilisation due to the COVID-19 pandemic has led to a \$1.522 million reduction in childcare user fees against budget. Preschool user fees for term two were refunded to families with the introduction of the State Government kindergarten fee subsidy program, leading to a \$0.347 million reduction in preschool user fees against budget. Leisure Services user fees were down \$0.657 million against budget with community facilities being closed due to the COVID-19 pandemic.
2	Grants - operating	Unbudgeted Government grants totalling \$1.573 million were received in response to the COVID-19 pandemic, including Business Continuity Payments for childcare, Special Education Grants for preschool, grants for the Working for Victoria Fund, and COVID-19 Emergency Support for Aged Care Meals on Wheels. Unbudgeted grants totalling \$0.719 million were received for the Local Government Recycling Support Program.
3	Grants - capital	Unbudgeted capital grants totalling \$1.807 million were received. A further \$0.432 million in capital grants carried forward from 2018-19 were received.
4	Employee costs	The employee costs variance is below the percentage materiality threshold of ten percent, however the \$5.924 million variance is considered material. The variance includes \$2.440 million in employee costs for capital works that have been deemed operational in nature. Employee provision liabilities have increased \$2.913 million from 30 June 2019.
5	Materials and services	There is a continued focus on the containment of operating costs throughout Council, whilst maintaining services for the community. Contributing to the \$6.726 million reduction in materials and services was a \$2.420 million reduction in the landfill rehabilitation provision and a \$2.714 million reduction in operating projects expenditure unable to be completed due to the carry forward of capital works to 2020-21.
6	Borrowing costs	Budgeted borrowings have not occurred yet due to the carry forward of capital works in to 2020-21.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 1 Performance against budget

### 1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
<b>Property</b>					
Land	8,000	-	8,000	100%	
<b>Total land</b>	<b>8,000</b>	-	<b>8,000</b>	<b>100%</b>	1
Buildings	37,945	18,797	19,148	50%	2
<b>Total buildings</b>	<b>37,945</b>	<b>18,797</b>	<b>19,148</b>	<b>50%</b>	
<b>Total property</b>	<b>45,945</b>	<b>18,797</b>	<b>27,148</b>	<b>59%</b>	
<b>Plant and equipment</b>					
Artworks	53	42	11	21%	
Plant, machinery and equipment	2,463	1,853	610	25%	
Fixtures, fittings and furniture	-	17	(17)	0%	
Computers and telecommunications	5,463	1,057	4,406	81%	3
<b>Total plant and equipment</b>	<b>7,979</b>	<b>2,969</b>	<b>5,010</b>	<b>63%</b>	
<b>Infrastructure</b>					
Roads	9,305	8,524	781	8%	
Bridges	6,140	2,962	3,178	52%	4
Footpaths and cycleways	5,247	4,527	720	14%	
Drainage	3,456	3,641	(185)	-5%	
Recreational, leisure and community facilities	15,337	8,442	6,895	45%	5
Off street car parks	678	807	(129)	-19%	
Other infrastructure	612	70	542	89%	
<b>Total infrastructure</b>	<b>40,775</b>	<b>28,973</b>	<b>11,802</b>	<b>29%</b>	
<b>Total capital works expenditure</b>	<b>94,699</b>	<b>50,739</b>	<b>43,960</b>	<b>46%</b>	
<b>Represented by:</b>					
New asset expenditure	32,785	18,792	13,993	43%	
Asset renewal expenditure	32,713	22,729	9,984	31%	
Asset expansion expenditure	1,063	636	427	40%	
Asset upgrade expenditure	28,138	8,582	19,556	70%	
<b>Total capital works expenditure</b>	<b>94,699</b>	<b>50,739</b>	<b>43,960</b>	<b>46%</b>	

**(i) Explanation of material variations**

Variance Ref	Item	Explanation
1	Land	Capital expenditure is lower than budget due to carry forward to 2020-21 of land purchases relating to the Knox Central Project.
2	Buildings	Capital expenditure is lower than budget due to \$2.134 million of works being unable to be capitalised (mainly from building maintenance costs \$1.010 million), together with projects being capitalised under different classes (\$0.306 million) and works carried forward to 2020-21. Works carried forward to 2020-21 includes the Stamford Park development (\$8.559 million), the operation centre relocation project (\$4.445 million), the building renewal program (\$1.662 million), and the Modular Building Program (\$0.905 million).
3	Computers and telecommunications	Capital expenditure is lower than budget due to the delay in commencing the ICT Strategy. From this year, \$2.285 million of works delivered were not able to be capitalised and a total of \$2.543 million for both the ICT strategy and renewal capital expenditure is being carried forward.
4	Bridges	Capital expenditure is lower than budget mainly due to a delay in the drainage works related to the Henderson Road Bridge construction, together with \$1.176M of this year's budget being completed prior to this financial year; \$1.659 million has been carried forward to 2020-21.
5	Recreational, leisure and community facilities	Capital expenditure is lower than budget due to landscaping and planting works being unable to be capitalised (\$3.748 million), projects being capitalised under different classes (\$0.850 million), and works carried forward to 2020-21. \$5.696 million in works carried forward to 2020-21 includes \$2.325 million for unstructured recreation capital works, \$1.678 million for renewal of active open space and \$0.954 million for the Playground Renewal Program. These are offset by \$5.525 million of works carried forward from 2018-19 to 2019-20.

## Notes to the Financial Report

For the Year Ended 30 June 2020

# Note 2 Analysis of Council results by program

Knox City Council delivers its functions and activities through the following programs.

### 2(a)

#### Corporate Services

The Corporate Services Directorate incorporates Business and Financial Services, Governance and Strategy, Information Technology, Transformation and Communications. The purpose of the Directorate is to lead, develop and maximise the potential of the organisation and its people. It works in partnership with the organisation to uphold the organisation's reputation and provide the leadership, systems, processes and support to enable Knox teams to optimise performance and consistently deliver high quality outcomes in the pursuit of excellence.

Business and Financial Services exists to enable Council to comply with statutory requirements, provide strategic financial direction, undertake essential business processes and to support the organisation with business and financial assistance and advice.

Governance ensure that Council is complying with the statutory requirements associated with municipal elections, Council decisions (Chamber and delegated), information privacy, freedom of information and meeting procedure.

Information Technology provide a centralised approach to the management and maintenance of Council's Information Technology systems and services.

Transformation is responsible for the rollout of the organisational continuous improvement program based on Lean thinking and practice. It also includes the customer service team that supports and enables the delivery of Council services, programs and information to the community.

Communications supports the organisation through coordinating, facilitating and managing a range of written and verbal media.

From late January 2020 through to the end of June 2020 the Director Corporate Services position was vacant. During this period Business and Financial Services and Governance reported to the Director City Development, Communications and Customer Service reported to the Director Knox Central, and Information Technology and Lean reported to the Executive Manager Strategy, People and Culture. The financial reporting structure remained unchanged.

#### City Development

The City Development Directorate incorporates City Safety and Health, City Futures, and City Planning and Building. The Directorate's purpose relates directly to Council's purpose to enhance the quality of life of the Knox community.

City Safety and Health promotes and protects the safety, health and amenity of the community through the key functions of Emergency Management, Health Services and Local Laws.

City Futures purpose is to strategically work across the organisation and the community to understand and manage the changing city.

City Planning and Building covers planning and building approvals, subdivisions and enforcement.

#### Community Services

The Community Services Directorate incorporates Community Wellbeing, Family and Children's Services, Active Ageing and Disability Services and Youth, Leisure and Cultural Services. The Directorate is responsible for the management and delivery of a diverse range of community services and programs.

Community Wellbeing works strategically with the community and organisation to enable and contribute to the achievement of health and wellbeing outcomes for Knox.

Family and Children's Services delivers Council's early years services across the municipality.

Active Ageing and Disability Services aims to make effective use of opportunities to enhance the physical, social and emotional wellbeing of older people that enables them active participation in society.

Youth, Leisure and Cultural Services purpose is to make Knox an active, resilient, creative and inclusive community.

## **Engineering and Infrastructure**

The Engineering and Infrastructure Directorate incorporates Sustainable Infrastructure, Community Infrastructure and Operations. The Directorate is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. These assets include capital works engineering services, environment and waste, city works, parks and gardens, emergency management and municipal resources.

Sustainable Infrastructure is responsible for waste management, local traffic management, and the management of the capital works program.

Community Infrastructure is responsible for the maintenance, renewal, upgrade and associated works of Council's buildings. It is also responsible for stormwater management, landscape and environmental design, and providing strategic direction in biodiversity enhancement.

Operations is responsible for asset rehabilitation and for reactive and proactive maintenance. It is also responsible for fleet management, and the maintenance of Council open spaces and reserves.

## **CEO and Council**

The CEO and Council Directorate incorporates the CEO, Council and Councillors, and People and Performance. CEO responsibilities include establishing and maintaining an appropriate organisational structure for the Council, managing interactions between Council staff and Councillors, ensuring that Council decisions are implemented promptly, providing timely advice to Council, providing timely and reliable advice to the Council about its legal obligations, and overseeing the daily management of Council operations following the Council Plan.

Council and Councillors includes the support services for Council's nine Councillors who have been elected by the residents and ratepayers of the municipality. This also includes Council functions such as citizenship ceremonies.

Strategy, People and Culture provides strategic and operational leadership, services and programs around all aspects of human resource management.

## **Knox Central**

The Knox Central Directorate supports Council's strategic direction for the Knox Central Activity Centre which serves a broad cross-section of the community within Knox and across the eastern suburbs of Melbourne.

Anchored by the shopping centre it includes retail, residential, industrial, commercial, educational uses, along with significant areas of open space.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 2 Analysis of Council results by program

### 2(b) Summary of revenues, expenses, assets and capital expenses by program

<b>2020</b>	<b>Income \$'000</b>	<b>Expenses \$'000</b>	<b>Surplus/ (Deficit) \$'000</b>	<b>Grants included in income \$'000</b>	<b>Total assets \$'000</b>
Corporate Services	111,823	20,696	91,127	6,344	30,938
City Development	12,141	16,378	(4,237)	902	37,810
Community Services	24,403	52,852	(28,449)	17,504	543,779
Engineering and Infrastructure	26,827	68,040	(41,213)	3,726	1,353,285
CEO and Council	635	7,473	(6,838)	343	427
Knox Central	-	604	(604)	-	33
	<b>175,829</b>	<b>166,043</b>	<b>9,786</b>	<b>28,819</b>	<b>1,966,272</b>

<b>2019</b>	<b>Income \$'000</b>	<b>Expenses \$'000</b>	<b>Surplus/ (Deficit) \$'000</b>	<b>Grants included in income \$'000</b>	<b>Total assets \$'000</b>
Corporate Services	110,562	17,812	92,750	6,375	29,330
City Development	15,646	15,246	400	1,186	40,654
Community Services	23,961	50,746	(26,785)	16,932	580,618
Engineering and Infrastructure	29,895	64,497	(34,602)	8,644	1,392,536
CEO and Council	164	5,850	(5,686)	91	281
Knox Central	-	518	(518)	-	53
	<b>180,228</b>	<b>154,669</b>	<b>25,559</b>	<b>33,228</b>	<b>2,043,472</b>

## Note 3 Funding for the delivery of our services

### 3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. 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 2019-20 was \$48,130 million (2018-19 \$52,440 million). The 2019-20 rate in the CIV dollar was \$0.0017571 (2018-19 \$0.0015215) for the residential rate.

	2020 \$'000	2019 \$'000
General rates	103,438	100,685
Residential garbage charge	11,298	10,770
Service rates and charges	1,948	1,870
Supplementary rates and rate adjustments	182	254
Cultural and recreational	59	60
Interest on rates and charges	324	575
<b>Total rates and charges</b>	<b>117,249</b>	<b>114,214</b>

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

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.

### 3.2 Statutory fees and fines

	2020 \$'000	2019 \$'000
Permits	2,006	1,760
Infringements and costs	715	822
Town planning fees	155	267
Court recoveries	123	409
Land information certificates	102	90
Other statutory fees and fines	1	-
<b>Total statutory fees and fines</b>	<b>3,102</b>	<b>3,348</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.

### 3.3 User fees

	2020 \$'000	2019 \$'000
Waste management services	5,966	5,651
Child care/children's programs	2,721	2,957
Registration and other permits	1,951	1,967
Leisure centre and recreation	1,733	1,620
Aged and health services	858	923
Building services	384	556
Other fees and charges	995	1,067
<b>Total user fees</b>	<b>14,608</b>	<b>14,741</b>

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

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 3 Funding for the delivery of our services

### 3.4 Funding from other levels of government

Grants were received in respect of the following:

	2020 \$'000	2019 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	16,625	19,661
State funded grants	12,194	13,567
<b>Total grants received</b>	<b>28,819</b>	<b>33,228</b>

#### (a) Operating grants

##### Recurrent – Commonwealth Government

Financial Assistance Grants	6,344	6,375
General home care	4,283	4,616
Family and children - child care	3,011	2,141
<b>Recurrent – State Government</b>		
Family and children - preschool	5,489	5,758
Family and children - maternal and child health	1,099	1,292
General home care	919	1,555
School crossing supervisors	704	683
Family and children - child care	390	268
Family and children - youth services	182	240
Community health	109	129
Other	6	259
<b>Total recurrent operating grants</b>	<b>22,536</b>	<b>23,316</b>

##### Non-recurrent – Commonwealth Government

General home care	109	-
-------------------	-----	---

##### Non-recurrent – State Government

Environmental planning	727	245
Family and children - preschool	422	249
Other	402	277
Family and children - maternal and child health	354	-
Community health	107	88
Recreational, leisure and community facilities	42	110
Family and children - youth services	-	38
Community safety	-	13
<b>Total non-recurrent operating grants</b>	<b>2,163</b>	<b>1,020</b>
<b>Total operating grants</b>	<b>24,699</b>	<b>24,336</b>

**(b) Capital grants**

	2020 \$'000	2019 \$'000
<b>Recurrent - Commonwealth Government</b>		
Financial Assistance Grants - local roads	1,162	1143
Roads to recovery	733	504
Recreational, leisure and community facilities	634	-
Community safety	-	254
<b>Recurrent - State Government</b>		
Recreational, leisure and community facilities	168	325
Buildings	89	-
<b>Total recurrent capital grants</b>	<b>2,786</b>	<b>2,226</b>
<b>Non-recurrent - Commonwealth Government</b>		
Recreational, leisure and community facilities	349	629
Buildings	-	4,000
<b>Non-recurrent - State Government</b>		
Roads	480	56
Recreational, leisure and community facilities	351	461
Buildings	88	1,520
Family and children - preschool	66	-
<b>Total non-recurrent capital grants</b>	<b>1,334</b>	<b>6,666</b>
<b>Total capital grants</b>	<b>4,120</b>	<b>8,892</b>

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

	2020 \$'000	2019 \$'000
<b>Operating</b>		
Balance at start of year	829	580
Received during the financial year and remained unspent at balance date	534	794
Received in prior years and spent during the financial year	(686)	(545)
<b>Balance at year end</b>	<b>677</b>	<b>829</b>
<b>Capital</b>		
Balance at start of year	3,028	1,166
Received during the financial year and remained unspent at balance date	800	2,716
Received in prior years and spent during the financial year	(2,968)	(854)
<b>Balance at year end</b>	<b>860</b>	<b>3,028</b>

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

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 3 Funding for the delivery of our services

### 3.5 Contributions

	2020 \$'000	2019 \$'000
Monetary	7,694	9,835
Non-monetary	1,801	1,936
<b>Total contributions</b>	<b>9,495</b>	<b>11,771</b>

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

	2020 \$'000	2019 \$'000
Land	1,157	1,936
Drainage	278	-
Roads	315	-
Footpaths and cycleways	42	-
Car parks	9	-
<b>Total non-monetary contributions</b>	<b>1,801</b>	<b>1,936</b>

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

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

	2020 \$'000	2019 \$'000
Proceeds of sale	544	2,363
Written down value of assets disposed	(2,168)	(2,787)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(1,624)</b>	<b>(424)</b>

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

### 3.7 Other income

	2020 \$'000	2019 \$'000
Reimbursements	1,093	532
Interest	443	1,174
Rent	469	490
Other	235	548
<b>Total other income</b>	<b>2,240</b>	<b>2,744</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.

## Note 4 The cost of delivering services

### 4.1 Employee costs

#### (a) Employee costs

	2020 \$'000	2019 \$'000
Wages and salaries	53,520	50,527
Annual leave and long service leave	8,787	6,390
Agency staff	7,245	5,958
Superannuation	5,769	5,172
WorkCover	1,174	974
Fringe benefits tax	294	334
<b>Total employee costs</b>	<b>76,789</b>	<b>69,355</b>

#### (b) Superannuation

Council made contributions to the following funds:

	2020 \$'000	2019 \$'000
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	295	311
Employer contributions – other funds	-	-
	<b>295</b>	<b>311</b>
Employer contributions payable at reporting date	-	-
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,154	3,026
Employer contributions – other funds	2,209	1,834
	<b>5,363</b>	<b>4,860</b>
Employer contributions payable at reporting date	413	388

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

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 4 The cost of delivering services

### 4.2 Materials and services

	2020 \$'000	2019 \$'000
<b>Contract payments</b>		
Waste Management	15,260	16,807
Operations - Maintenance	6,745	5,348
Operating Projects Expenditure	5,623	7,281
Corporate Services	1,158	749
Active Ageing & Disability	1,129	985
Family & Children's Services	716	832
Arts & Cultural Services	542	485
Community Law	415	411
People & Culture	411	428
Other	614	418
<b>Total contract payments</b>	<b>32,613</b>	<b>33,744</b>
Administration costs	6,692	5,974
Utilities	3,451	3,110
Consumable materials and equipment	3,429	3,320
Information technology	2,735	2,222
Building maintenance	2,123	1,565
Consultants	2,083	3,197
Finance and legal costs	1,776	1,284
Insurance	1,599	1,348
General maintenance	715	713
<b>Total materials and services</b>	<b>57,216</b>	<b>56,477</b>

### 4.3 Depreciation

	2020 \$'000	2019 \$'000
Infrastructure	15,937	14,583
Property	4,853	4,027
Plant and equipment	1,584	1,571
<b>Total Depreciation</b>	<b>22,374</b>	<b>20,181</b>

Refer to note 5.2(b), 5.7 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

#### 4.4 Amortisation – intangible assets

	2020 \$'000	2019 \$'000
Software	429	507
<b>Total amortisation – intangible assets</b>	<b>429</b>	<b>507</b>

#### 4.5 Amortisation – right of use assets

	2020 \$'000	2019 \$'000
Property	174	-
Computers and telecommunications	125	-
<b>Total amortisation – right of use assets</b>	<b>299</b>	<b>-</b>

#### 4.6 Bad and doubtful debts

	2020 \$'000	2019 \$'000
Parking and animal infringement debtors	251	200
Other debtors	93	34
<b>Total bad and doubtful debts</b>	<b>344</b>	<b>234</b>

##### Movement in provisions for doubtful debts

Balance at the beginning of the year	26	19
New provisions recognised during the year	97	16
Amounts already provided for and written off as uncollectible	(31)	(9)
Amounts provided for but recovered during the year	-	-
<b>Balance at the end of the year</b>	<b>92</b>	<b>26</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.

#### 4.7 Finance costs - leases

	2020 \$'000	2019 \$'000
Interest – lease liabilities	18	-
<b>Total finance costs - leases</b>	<b>18</b>	<b>-</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 4 The cost of delivering services

### 4.8 Contributions and donations

	2020 \$'000	2019 \$'000
Contribution to the Eastern Regional Libraries Corporation	4,196	4,094
Community support payments	1,669	2,210
<b>Total contributions and donations</b>	<b>5,865</b>	<b>6,304</b>

### 4.9 Other expenses

	2020 \$'000	2019 \$'000
Operating lease rentals	424	687
Councillors allowances	383	364
Auditor's remuneration — internal	219	75
Auditor's remuneration — VAGO — audit of the financial statements, performance statement and grant acquittals	59	61
<b>Total other expenses</b>	<b>1,085</b>	<b>1,187</b>

## Note 5 Our financial position

### 5.1 Financial assets

#### (a) Cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash on hand	5	5
Cash at bank	30,579	10,640
Term deposits	-	22,500
<b>Total cash and cash equivalents</b>	<b>30,584</b>	<b>33,145</b>

#### (b) Other financial assets

	2020 \$'000	2019 \$'000
Term deposits — current	9,900	23,100
<b>Total other financial assets</b>	<b>9,900</b>	<b>23,100</b>
<b>Total financial assets</b>	<b>40,484</b>	<b>56,245</b>

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

	2020 \$'000	2019 \$'000
• Trust funds and deposits (Note 5.3)	1,584	2,035
• Restricted reserves (Note 9.1 (b))	14,379	18,024
<b>Total restricted funds</b>	<b>15,963</b>	<b>20,059</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>14,621</b>	<b>13,086</b>

As at balance date Council had \$4.300 million in term deposits maturing within 90 days.

#### Intended allocations

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

	2020 \$'000	2019 \$'000
• Other reserves (Note 9.1 (b))	24,069	25,019
<b>Total funds subject to intended allocations</b>	<b>24,069</b>	<b>25,019</b>

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

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

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 5 Our financial position

### 5.1 Financial assets

#### (c) Trade and other receivables

	2020 \$'000	2019 \$'000
<b>Current</b>		
<b>Statutory receivables</b>		
Rates debtors	10,997	8,639
Special rate assessment	52	52
Parking and animal infringement debtors	1,985	1,611
Provision for doubtful debts - parking and animal infringement debtors	(1,310)	(1,060)
<b>Non statutory receivables</b>		
Other debtors	3,860	8,099
Provision for doubtful debts - other debtors	(92)	(30)
<b>Total current trade and other receivables</b>	<b>15,492</b>	<b>17,311</b>

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

#### (d) Ageing of receivables

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

	2020 \$'000	2019 \$'000
Current (not yet due)	2,922	7,359
Past due by up to 30 days	144	252
Past due between 31 and 180 days	290	290
Past due between 181 and 365 days	221	129
Past due by more than 1 year	283	69
<b>Total trade and other receivables</b>	<b>3,860</b>	<b>8,099</b>

### (e) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$nil (2019: \$nil) were impaired. The amount of the provision raised against these debtors was \$nil (2019: \$nil). 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:

	2020 \$'000	2019 \$'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	-	-
Past due by more than 1 year	-	-
<b>Total trade and other receivables</b>	<b>-</b>	<b>-</b>

## 5.2 Non-financial assets

### (a) Other assets

	2020 \$'000	2019 \$'000
Prepayments	420	769
Accrued income	119	342
<b>Total other assets</b>	<b>539</b>	<b>1,111</b>

### (b) Intangible assets

Software	614	934
<b>Total intangible assets</b>	<b>614</b>	<b>934</b>

#### Gross carrying amount

Balance at beginning of year	4,616	4,616
Additions	109	-
<b>Balance at end of year</b>	<b>4,725</b>	<b>4,616</b>

#### Accumulated amortisation and impairment

Balance at beginning of year	3,681	3,174
Amortisation expense	430	507
<b>Balance at end of year</b>	<b>4,111</b>	<b>3,681</b>
<b>Net book value at the end of the year</b>	<b>614</b>	<b>934</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.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 5 Our financial position

### 5.3 Payables

#### (a) Trade and other payables

	2020 \$'000	2019 \$'000
Trade payables	8,163	8,559
Accrued expenses	3,158	4,225
Prepaid income	1,207	1,215
<b>Total trade and other payables</b>	<b>12,528</b>	<b>13,999</b>

#### (b) Trust funds and deposits

Refundable deposits	1,358	1,822
Retention amounts	129	105
Fire services levy	19	-
Other	78	108
<b>Total trust funds and deposits</b>	<b>1,584</b>	<b>2,035</b>

#### (c) Unearned income

Grants received in advance — operating	534	-
Grants received in advance — capital	800	-
Other	-	132
<b>Total unearned income</b>	<b>1,334</b>	<b>132</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 forfeiture.

#### 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.

## 5.4 Provisions

**2020**

	<b>Employee \$'000</b>	<b>Landfill rehabilitation \$'000</b>	<b>Total \$'000</b>
Balance at beginning of the financial year	16,169	5,656	21,825
Additional provisions	7,779	(2,272)	5,507
Amounts used	(5,405)	(270)	(5,675)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	543	122	665
<b>Balance at the end of the financial year</b>	<b>19,086</b>	<b>3,236</b>	<b>22,322</b>

**2019**

Balance at beginning of the financial year	16,022	4,495	20,517
Additional provisions	8,933	844	9,777
Amounts used	(8,443)	(280)	(8,723)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(343)	597	254
<b>Balance at the end of the financial year</b>	<b>16,169</b>	<b>5,656</b>	<b>21,825</b>

### (a) Employee provisions

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	2,644	2,334
Long service leave	1,021	1,231
Gratuities	74	68
	<b>3,739</b>	<b>3,633</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	3,190	2,666
Long service leave	10,389	8,359
Gratuities	689	710
	<b>14,268</b>	<b>11,735</b>
<b>Total current employee provisions</b>	<b>18,007</b>	<b>15,368</b>
<b>Non-current</b>		
Long service leave	1,079	801
<b>Total non-current employee provisions</b>	<b>1,079</b>	<b>801</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	18,007	15,368
Non-current	1,079	801
<b>Total aggregate carrying amount of employee provisions</b>	<b>19,086</b>	<b>16,169</b>

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

## Notes to the Financial Report

For the Year Ended 30 June 2020

# Note 5 Our financial position

## 5.4 Provisions

### 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.

### 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.

	2020	2019
<b>Key assumptions — AL:</b>		
• Weighted average discount rate	0.14%	0.54%
• Weighted average index rate	2.42%	2.50%
• Average settlement period (years)	2	2
<b>Key assumptions — LSL:</b>		
• Weighted average discount rate — current	0.72%	1.17%
• Weighted average discount rate — non-current	0.31%	1.05%
• Weighted average index rate — current	2.20%	2.48%
• Weighted average index rate — non-current	2.60%	2.29%
• Average settlement period (years)	18	18

### 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.

	2020	2019
<b>Key assumptions — Gratuity:</b>		
• Weighted average discount rate	0.23%	0.87%
• Weighted average index rate	2.20%	2.40%
• Average settlement period (years)	23	22

**(b) Landfill rehabilitation**

	<b>2020 \$000</b>	<b>2019 \$000</b>
<b>Current</b>		
Cathies Lane landfill site	277	386
Llewellyn Reserve landfill site	108	158
	<b>385</b>	<b>544</b>
<b>Non-current</b>		
Cathies Lane landfill site	2,021	3,813
Llewellyn Reserve landfill site	830	1,299
<b>Total non-current provisions</b>	<b>2,851</b>	<b>5,112</b>
<b>Total aggregate carrying amount of landfill rehabilitation provisions</b>	<b>3,236</b>	<b>5,656</b>

Council owns two former landfill sites - Cathies Lane and Llewellyn Reserve. Under the terms of Post Closure Pollution Abatement Notices issued by the Environment Protection Authority (EPA), 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>2020</b>	<b>2019</b>
<b>Key assumptions - Cathies Lane landfill site:</b>		
• Weighted average discount rate	1.83%	2.37%
• Inflation rate	2.00%	2.00%
• Settlement period (years)	14	16
• Estimated cost to rehabilitate	<b>\$2.317m</b>	<b>\$4.405m</b>
<b>Key assumptions - Llewellyn Reserve landfill site:</b>		
• Weighted average discount rate	1.83%	2.37%
• Inflation rate	2.00%	2.00%
• Settlement period (years)	14	16
• Estimated cost to rehabilitate	<b>\$0.945m</b>	<b>\$1.528m</b>

## Notes to the Financial Report

For the Year Ended 30 June 2020

# Note 5 Our financial position

## 5.4 Provisions (continued)

### 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 resource recovery centre (transfer station) to receive, process and transport waste to other sites for refuse and/or 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 2020, Council has an amount of \$2.298 million as a provision for the restoration of the Cathies Lane landfill site and includes an ongoing commitment of approximately \$0.157 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 2020, Council has an amount of \$0.938 million as a provision for the restoration of the Llewellyn Reserve landfill site and includes an ongoing commitment of approximately \$0.065 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.

### Summary of provisions

	2020 \$'000	2019 \$'000
Current	18,392	15,912
Non-current	3,930	5,913
<b>Total provisions</b>	<b>22,322</b>	<b>21,825</b>

## 5.5 Financing arrangements

	2020 \$'000	2019 \$'000
The Council has the following funding arrangements in place as at 30 June 2020		
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	11	28
<b>Unused facilities</b>	<b>1,689</b>	<b>1,672</b>

## 5.6 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet.

**2020**

	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	12,239	6,345	13,169	-	31,753
Library services	4,376	4,472	9,066	-	17,914
Consultancies	3,850	1,353	466	-	5,669
Open space management	1,564	-	-	-	1,564
Infrastructure management	1,068	739	242	-	2,049
Cleaning contracts for council buildings	1,036	832	204	-	2,072
Home care services	-	-	-	-	-
<b>Total</b>	<b>24,133</b>	<b>13,741</b>	<b>23,147</b>	<b>-</b>	<b>61,021</b>
<b>Capital</b>					
Buildings	622	58	-	-	680
Other infrastructure	2,980	-	-	-	2,980
<b>Total</b>	<b>3,602</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>3,660</b>

**2019**

	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	17,304	18,386	5,673	1,868	43,231
Consultancies	1,300	449	199	603	2,551
Open space management	473	-	-	-	473
Infrastructure management	177	144	-	-	320
Cleaning contracts for council buildings	503	517	-	-	1,020
Home care services	394	-	-	-	394
<b>Total</b>	<b>20,150</b>	<b>19,495</b>	<b>5,871</b>	<b>2,471</b>	<b>47,988</b>
<b>Capital</b>					
Buildings	9,829	-	-	-	9,829
Other infrastructure	2,750	-	-	-	2,750
<b>Total</b>	<b>12,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,579</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 5 Our financial position

### 5.7 Leases

#### Policy applicable before 1 July 2019

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

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

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

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

#### Policy applicable before 1 July 2019

Council has applied AASB 16 Leases using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The Council applied the approach consistently to all leases in which it is a lessee.

On transition to AASB 16 Leases, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The Council has applied this practical expedient to all of its contracts and therefore applied AASB 16 Leases only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

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

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

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

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 5 Our financial position

### 5.7 Leases

Right-of-use assets	Property \$'000	Computers and Telecommunications \$'000	Total \$'000
Balance at 1 July 2019	560	44	604
Additions	71	437	508
Amortisation charge	(174)	(125)	(299)
<b>Balance at 30 June 2020</b>	<b>457</b>	<b>356</b>	<b>813</b>
<b>Lease liabilities</b>			<b>2020 \$'000</b>
Maturity analysis — contractual undiscounted cash flows			
Less than one year			368
One to five years			625
More than five years			-
<b>Total undiscounted lease liabilities as at 30 June</b>			<b>993</b>
Lease liabilities included in Balance Sheet at 30 June:			
Current			362
Non-current			459
<b>Total lease liabilities</b>			<b>821</b>

## Short-term and low value leases

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

### Expenses relating to:

	Total \$'000
Short-term leases	415
Leases of low value assets	9
<b>Total</b>	<b>424</b>
Variable lease payments (not included in measurement of lease liabilities)	-
Non-cancellable lease commitments — short-term and low-value leases	
Payable:	
Within one year	10
Later than one year but not later than five years	11
<b>Total lease commitments</b>	<b>21</b>

### i. Leases classified as operating leases under AASB 117 Leases

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

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

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

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 5 Our financial position

### 5.7 Leases

#### ii. Leases previously classified as finance leases

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

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

#### Impact on financial statements

On transition to AASB 16 *Leases*, Council recognised an additional \$0.604 million of right-of-use assets and \$0.604 million of lease liabilities.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 2.20%.

	2019 \$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	688
Adjustment to 30 June 2019 operating lease commitment due to annual increment calculation	76
Discounted using the incremental borrowing rate at 1 July 2019	(47)
<b>Finance lease liability recognised as at 30 June 2019</b>	<b>717</b>
Recognition exemption for:	
short-term leases	112
leases of low-value assets	1
Extension and termination options reasonably certain to be exercised	-
Residual value guarantees	-
<b>Lease liabilities recognised as at 1 July 2019</b>	<b>604</b>

## Note 6 Assets we manage

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

	2020 \$'000	2019 \$'000
Buildings	808	808
Land at fair value	386	386
<b>Total non-current assets classified as held for sale</b>	<b>1,194</b>	<b>1,194</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 Report**  
For the Year Ended 30 June 2020

## Note 6 Assets we manage

### 6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At Fair Value 30 June 2019 \$'000	At cost 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000
Land	1,053,168	8,968	-	1,157	(106,970)
Buildings	138,166	28,792	21,830	-	(3,741)
Plant and equipment	-	9,383	2,010	-	-
Infrastructure	732,649	56,294	28,684	644	6,282
Work in progress	-	16,052	12,416	-	-
	<b>1,923,983</b>	<b>119,489</b>	<b>64,940</b>	<b>1,801</b>	<b>(104,429)</b>

Summary of work in progress	Opening work in progress \$'000	Additions \$'000	Transfers \$'000	Write offs \$'000	Closing work in progress \$'000
Property	6,836	2,754	(5,738)	(16)	<b>3,836</b>
Infrastructure	9,216	9,662	(8,572)	(142)	<b>10,164</b>
	<b>16,052</b>	<b>12,416</b>	<b>(14,310)</b>	<b>(158)</b>	<b>14,000</b>

#### (a) Property

	Land - specialised	Land - non specialised
At fair value 1 July 2019	869,749	183,419
At cost 1 July 2019	3,877	1,936
Accumulated depreciation at 1 July 2019	-	-
	<b>873,626</b>	<b>185,355</b>

#### Movements

Additions at cost	-	-
Contributions	107	1,050
Revaluation	(95,462)	(11,508)
Disposal at fair value	-	-
Disposal at cost	-	-
Impairment losses recognised in operating result	-	-
Transfers and write offs	-	-
	<b>(95,355)</b>	<b>(10,458)</b>

#### Movements in accumulated depreciation

Depreciation and amortisation	-	-
Accumulated depreciation of disposals	-	-
Revaluation	-	-
	<b>(95,355)</b>	<b>-</b>
At fair value 30 June 2020	774,287	174,897
At cost 30 June 2020	3,984	-
Accumulated depreciation at 30 June 2020	-	-
	<b>778,271</b>	<b>174,897</b>

Depreciation \$'000	Disposal \$'000	Impairment \$'000	Transfers and write offs \$'000	At fair value 30 June 2020 \$'000	At cost 30 June 2020 \$'000	Total WDV 30 June 2020 \$'000
-	-	-	-	949,183	7,139	956,322
(4,853)	(3)	(500)	-	179,691	-	179,691
(1,584)	(418)	-	-	-	9,391	9,391
(15,938)	(1,748)	-	-	742,614	64,254	806,868
-	(158)	-	(14,310)	-	14,000	14,000
<b>(22,375)</b>	<b>(2,327)</b>	<b>(500)</b>	<b>(14,310)</b>	<b>1,871,488</b>	<b>94,784</b>	<b>1,966,272</b>

Land improvements	Total land	Buildings - specialised	Total buildings	Work in progress	Total property
-	<b>1,053,168</b>	261,341	<b>261,341</b>	-	<b>1,314,509</b>
3,154	<b>8,967</b>	29,037	<b>29,037</b>	6,836	<b>44,840</b>
-	-	(123,420)	<b>(123,420)</b>	-	<b>(123,420)</b>
3,154	<b>1,062,135</b>	166,958	<b>166,958</b>	6,836	<b>1,235,929</b>
-	-	21,830	<b>21,830</b>	2,754	<b>24,584</b>
-	<b>1,157</b>	-	-	-	<b>1,157</b>
-	<b>(106,970)</b>	(10,133)	<b>(10,133)</b>	-	<b>(117,103)</b>
-	-	(402)	<b>(402)</b>	-	<b>(402)</b>
-	-	-	-	(16)	<b>(16)</b>
-	-	(500)	<b>(500)</b>	-	<b>(500)</b>
-	-	-	-	(5,738)	<b>(5,738)</b>
-	<b>(105,813)</b>	10,795	<b>10,795</b>	(3,000)	<b>(98,018)</b>
-	-	(4,853)	<b>(4,853)</b>	-	<b>(4,853)</b>
-	-	399	<b>399</b>	-	<b>399</b>
-	-	6,392	<b>6,392</b>	-	<b>6,392</b>
-	-	1,938	<b>1,938</b>	-	<b>1,938</b>
-	<b>949,184</b>	301,173	<b>301,173</b>	-	<b>1,250,357</b>
3,154	<b>7,138</b>	-	-	3,836	<b>10,974</b>
-	-	(121,482)	<b>(121,482)</b>	-	<b>(121,482)</b>
<b>3,154</b>	<b>956,322</b>	<b>179,691</b>	<b>179,691</b>	<b>3,836</b>	<b>1,139,849</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 6 Assets we manage

### 6.2 Property, infrastructure, plant and equipment

(b) Plant and equipment	Plant, machinery and equipment	Fixtures, fittings and furniture
	\$'000	\$'000
At cost 1 July 2019	12,325	2,283
Accumulated depreciation at 1 July 2019	(4,850)	(1,883)
	7,475	400
<b>Movements</b>		
Additions at cost	1,853	25
Disposal at cost	(1,128)	(18)
	725	7
<b>Movements in accumulated depreciation</b>		
Depreciation and amortisation	(1,167)	(120)
Accumulated depreciation of disposals	710	18
	(457)	(102)
At cost 30 June 2020	13,049	2,291
Accumulated depreciation at 30 June 2020	(5,306)	(1,986)
	<b>7,743</b>	<b>305</b>

### (c) Infrastructure

	Roads	Bridges	Footpaths and cycleways
At fair value 1 July 2019	687,044	13,000	148,025
At cost 1 July 2019	-	591	1,459
Accumulated depreciation at 1 July 2019	(198,114)	(3,660)	(84,521)
	488,930	9,931	64,963
<b>Movements</b>			
Additions at cost	8,552	5,315	3,302
Contributions	315	-	41
Revaluation	1,092	(2,851)	(571)
Disposal at fair value	(3,006)	-	(2,712)
Disposal at cost	-	-	-
Transfers and write offs at cost	-	-	-
	6,953	2,464	60
<b>Movements in accumulated depreciation</b>			
Depreciation and amortisation	(6,684)	(174)	(2,943)
Accumulated depreciation of disposals	2,130	-	2,027
Revaluation	-	(339)	574
	(4,554)	(513)	(342)
At fair value 30 June 2020	685,131	16,054	146,741
At cost 30 June 2020	8,867	-	2,804
Accumulated depreciation at 30 June 2020	(202,669)	(4,172)	(84,864)
	<b>491,329</b>	<b>11,882</b>	<b>64,681</b>

<b>Computers and telecomms</b>	<b>Artworks</b>	<b>Total plant and equipment</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
4,155	437	<b>19,200</b>
(3,084)	-	<b>(9,817)</b>
1,071	437	<b>9,383</b>
132	-	<b>2,010</b>
-	-	<b>(1,146)</b>
132	-	<b>864</b>
(297)	-	<b>(1,584)</b>
-	-	<b>728</b>
(297)	-	<b>(856)</b>
4,286	437	<b>20,063</b>
(3,380)	-	<b>(10,672)</b>
<b>906</b>	<b>437</b>	<b>9,391</b>

<b>Drainage</b>	<b>Recreational, leisure and community facilities</b>	<b>Off street car parks</b>	<b>Other infrastructure</b>	<b>Work in progress</b>	<b>Total infrastructure</b>
289,359	-	25,002	5,646	-	<b>1,168,076</b>
7,839	62,387	-	225	9,216	<b>81,717</b>
(140,067)	(16,095)	(6,414)	(2,763)	-	<b>(451,634)</b>
157,131	46,292	18,588	3,108	9,216	<b>798,159</b>
3,547	6,860	1,038	70	9,662	<b>38,346</b>
278	-	9	-	-	<b>643</b>
25,646	-	55	-	-	<b>23,371</b>
-	-	-	-	-	<b>(5,718)</b>
-	(757)	-	-	(142)	<b>(899)</b>
-	-	-	-	(8,572)	<b>(8,572)</b>
29,471	6,103	1,102	70	948	<b>47,171</b>
(3,721)	(1,621)	(600)	(195)	-	<b>(15,938)</b>
-	570	-	-	-	<b>4,727</b>
(17,324)	-	-	-	-	<b>(17,089)</b>
(21,045)	(1,051)	(600)	(195)	-	<b>(28,300)</b>
326,669	-	25,056	5,646	-	<b>1,205,297</b>
-	68,490	1,049	295	10,164	<b>91,669</b>
(161,111)	(17,146)	(7,014)	(2,958)	-	<b>(479,934)</b>
<b>165,558</b>	<b>51,344</b>	<b>19,091</b>	<b>2,983</b>	<b>10,164</b>	<b>817,032</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 6 Assets we manage

### 6.2 Property, infrastructure, plant and equipment

#### Acquisition

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

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

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

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	10
Fixtures, fittings and furniture	3-10	10
Computers and telecommunications	3-10	10
Artworks	n/a	10
<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

## **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.

## **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 the fair value hierarchy as at 30 June 2020 are as follows:

	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Date of valuation</b>
Land	-	174,897	-	June 2020
Specialised land	-	-	774,286	June 2020
Specialised buildings	-	-	179,691	June 2020
<b>Total</b>	<b>-</b>	<b>174,897</b>	<b>953,977</b>	

## Notes to the Financial Report

For the Year Ended 30 June 2020

### Note 6 Assets we manage

#### 6.2 Property, infrastructure, plant and equipment

##### Valuation of infrastructure

The valuation of bridges, cycleways and drainage has been determined in accordance with a valuation undertaken by Mr Alexander Bourke, BE (Hons)(Civil), Asset Engineer, Knox City Council. The date of the current valuation is detailed in the following table. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

A full revaluation of fire hydrants (other infrastructure) will be conducted in 2020-21 and a full revaluation of roads, footpaths and off street car parks will be conducted in 2021-22.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	482,539	June 2019
Bridges	-	-	11,882	June 2020
Footpaths and cycleways	-	-	61,885	June 2019/ June 2020
Drainage	-	-	165,558	June 2020
Off street car parks	-	-	18,048	June 2019
Other Infrastructure	-	-	2,702	June 2018
<b>Total</b>	<b>-</b>	<b>-</b>	<b>742,614</b>	

##### Description of significant unobservable inputs into level 3 valuations

**Specialised land** is valued using a market based direct comparison technique. Significant unobservable input 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 either shorten or extend the useful lives of infrastructure assets.

## Reconciliation of specialised land at fair value

	2020 \$'000	2019 \$'000
Parks and reserves	707,126	806,952
Community facilities	30,967	28,099
Civic precinct	24,856	22,911
Transfer station	11,337	11,787
<b>Total specialised land at fair value</b>	<b>774,286</b>	<b>869,749</b>

## 6.3 Investments in associates, joint arrangements and subsidiaries

### (a) Investment in associates

	2020 \$'000	2019 \$'000
Investment in associate accounted for by the equity method is:		
Eastern Regional Libraries Corporation (ERLC)	4,920	4,604
<b>Eastern Regional Libraries Corporation (ERLC)</b>		

### Background

The principal activity of ERLC is the operation of libraries. Council's ownership interest of ERLC as at 30 June 2020 was 36.39% (2019 - 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 2020 was 33.33% (2019 - 33.33%).

	2020 \$'000	2019 \$'000
<b>Fair value of Council's investment in Eastern Regional Libraries Corporation</b>	<b>4,920</b>	<b>4,604</b>

### Council's share of accumulated surplus

Council's share of accumulated surplus at start of year	4,604	4,422
Reported surplus for year	316	182
<b>Council's share of accumulated surplus at end of year</b>	<b>4,920</b>	<b>4,604</b>

### Movement in carrying value of specific investment

Carrying value of investment at start of year	4,604	4,422
Share of surplus for year	316	182
<b>Carrying value of investment at end of year</b>	<b>4,920</b>	<b>4,604</b>

### Council's share of expenditure commitments

Operating commitments	115	219
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	<b>115</b>	<b>219</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 6 Assets we manage

### 6.3 Investments in associates, joint arrangements and subsidiaries (continued)

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:

	2020 \$'000	2019 \$'000
Mobile library	36	36
Knox City, Rowville, Ferntree Gully, Boronia and Bayswater Library Branches	745	706

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.

# Note 7 People and relationships

## 7.1 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 6.3.

### (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 Jake Keogh (Mayor)	Mayor from 1 July 2019 to 30 October 2019
Councillor Nicole Seymour (Mayor)	Councillor from 30 October 2019 to current
Councillor Peter Lockwood (Deputy Mayor)	Mayor from 30 October 2019 to current
Councillor Marcia Timmers-Leitch (Deputy Mayor)	Councillor from 1 July 2019 to 30 October 2019
Councillor Lisa Cooper	Deputy Mayor from 1 July 2019 to 30 October 2019
Councillor Adam Gill	Councillor from 30 October 2019 to current
Councillor Tony Holland	Councillor from 1 July 2019 to current
Councillor John Mortimore	Councillor from 1 July 2019 to current
Councillor Darren Pearce	Councillor from 1 July 2019 to current

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

Tony Doyle - Chief Executive Officer	
Dr Ian Bell - Director Engineering and Infrastructure	1 July 2019 to 28 February 2020
Dr Ian Bell - Director of Special Projects	2 March 2020 to 30 June 2020
Tanya Scicluna - Director Community Services	
Michael Fromberg - Director Corporate Services	1 July 2019 to 17 January 2020
Matt Hanrahan - Acting Director Engineering and Infrastructure	2 March 2020 to 30 June 2020
Matt Kelleher - Director City Development	
Samantha Mazer - Director Knox Central	
Samantha Stanton - Executive Manager Strategy, People and Culture	

	2020 No.	2019 No.
Total number of Councillors	9	10
Chief Executive Officer and other key management personnel	8	7
<b>Total key management personnel</b>	<b>17</b>	<b>17</b>

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 7 People and relationships

### 7.1 Council and key management remuneration

#### (c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2020 \$'000	2019 \$'000
Short-term benefits	2,473	2,002
Long-term benefits	52	64
Termination benefits	95	41
<b>Total</b>	<b>2,620</b>	<b>2,107</b>

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

	2020 No.	2019 No.
\$10,000 - \$19,999	-	2
\$30,000 - \$39,999	7	6
\$50,000 - \$59,999	1	1
\$80,000 - \$89,999	-	1
\$90,000 - \$99,999	1	-
\$150,000 - \$159,999	-	1
\$180,000 - \$189,999	-	1
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	2	-
\$270,000 - \$279,999	1	2
\$280,000 - \$289,999	1	1
\$310,000 - \$319,999	1	-
\$350,000 - \$359,999	-	1
\$370,000 - \$379,999	1	-
	<b>17</b>	<b>17</b>

#### **(d) Senior officer remuneration**

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

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$151,000 (\$148,000 in 2018-19).

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

Income range	2020 No.	2019 No.
<\$151,000	10	9
\$151,000 - \$159,999	2	2
\$160,000 - \$169,999	2	4
\$170,000 - \$179,999	2	1
\$180,000 - \$189,999	4	4
\$190,000 - \$199,999	3	3
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	1	-
\$220,000 - \$229,999	1	-
\$260,000 - \$269,999	1	-
	<b>26</b>	<b>24</b>
<hr/>		
	2020 \$'000	2019 \$'000
<b>Total remuneration for the reporting year for senior officers included above amounted to:</b>	<b>3,884</b>	<b>3,611</b>

## 7.2 Related party disclosure

#### **(a) Transactions with related parties**

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

	2020 \$'000	2019 \$'000
Contributions to Eastern Regional Libraries Corporation	4,282	4,178
<b>Total transactions with related parties</b>	<b>4,282</b>	<b>4,178</b>

#### **(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.

## Notes to the Financial Report

For the Year Ended 30 June 2020

# Note 8 Managing uncertainties

## 8.1 Contingent assets and liabilities

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

### (a) Contingent assets

#### 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 \$15.346 million (2018-19, \$15.479 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:

	2020 \$'000	2019 \$'000
Not later than one year	505	435
Later than one year and not later than five years	1,717	1,374
Later than five years	8,809	8,629
	<b>11,031</b>	<b>10,438</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 the 2019/20 (2018/19 \$Nil). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$0.285 million.

#### Landfill

Council has identified a previously unknown former landfill at Wantirna Reserve. Council is engaging an environmental consultant to undertake a risk assessment via additional data collection over an estimated two year period. Depending on the risk assessment outcome, Council may have to carry out site rehabilitation works in the future. The additional costs to be incurred would be determined following assessment of the data collected. At balance date Council is unable to accurately assess the financial implications of such works.

#### Insurance claims

As a large local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council is regularly met with claims and demands allegedly arising from an incident that occurs on land belonging to the Council. There are thirteen outstanding insurance claims against the Council in this regard. The Council carries \$600.000 million of public liability and professional indemnity insurance and has an excess of \$0.020 million per claim on this policy. Therefore, the maximum liability of the Council in any single claim is the extent of its excess. The primary insurer is Liability Mutual Insurance (MAV Insurance). There are no claims that Council is aware of which would fall outside the terms of the Council's policy.

## 8.2 Change in accounting standards

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

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

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

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*.

Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;

- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

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

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

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

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

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

## Notes to the Financial Report

For the Year Ended 30 June 2020

# Note 8 Managing uncertainties

## 8.3 Financial instruments

### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements.

Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### (b) Market risk

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

### Interest rate risk

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

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

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

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

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

### **(c) Credit risk**

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

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

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.

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

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

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

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

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

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

### **(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; and
- 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.

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

### **(e) Sensitivity disclosure analysis**

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, 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 0.654%.

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.

## Notes to the Financial Report

### For the Year Ended 30 June 2020

## Note 8 Managing uncertainties

### 8.4 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; and

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

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

#### 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. Bridges, cycleways and drainage were formally revalued as at 30 June 2020.

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.

## **8.5 Impact of COVID-19 crisis on Knox City Council operations and the 2019-20 financial report**

On 11 March 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. The State of Victoria subsequently declared a State of Emergency on 16 March 2020. Since then, various measures have been taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted Knox City Council operations in the following areas for the financial year ended 30 June 2020:

- Expenditure totalling \$1.366 million has been incurred directly related to dealing with the impact of COVID-19 within Council and the community.
- In response to significant decrease in demand/government directive amidst the COVID-19 outbreak, the following centres were closed: Knox Leisureworks, Rowville Community Centre, Ferntree Gully Community Centre, the State Basketball Centre, Boronia Basketball Stadium, Knox Regional Netball Centre and the Knox Community Arts Centre. These closures resulted in a decrease in Council's user fee revenue of \$0.575 million.
- Although Council's Integrated Early Years Hubs at Wantirna South and Bayswater continued to operate, a reduction in utilisation resulted in a decrease in Council's user fee revenue of \$1.049 million following the COVID- 19 pandemic, partially offset by an increase in operating grant revenue of \$0.162 million.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 8 Managing uncertainties

- Council made the decision to waive winter tenancy payments for use of sporting facilities for community groups. This resulted in a decrease in Council's user fee revenue of \$0.225 million.
- Council resolved not to charge interest from 31 March 2020 for the remainder of the financial year for late rate payments. This resulted in a decrease in interest on rates of \$0.086 million against budget. This also resulted in an increase of \$2.358 million for the rates debtors balance as at 30 June 2020 compared to last year.

The emergency response and ongoing delivery of essential services to support community health and wellbeing is being prioritised, and Council will continue to assess its response as the situation evolves. Council's 2020-21 budget proposes a further \$3 million in focused initiatives to lessen the impacts of the pandemic and drive recovery. This includes extending fee waivers for community organisations and businesses, providing services for people in need, initiatives to stimulate local industry and new grants streams to facilitate business and community led recovery activities.

### 8.6 Events occurring after balance date

The COVID-19 situation continued to escalate after balance date, with Stage 3 "Stay at Home" restrictions being reinstated across metropolitan Melbourne and Mitchell Shire from 11:59pm on Wednesday 8 July 2020. Further restrictions were implemented from 11:59am on Wednesday 22 July 2020. Victoria entered a State of Disaster on 2 August 2020.

Due to the significant uncertainty surrounding the COVID-19 outbreak and the government's response to this, it is not possible to estimate the full impact on Council's operations, financial position and cashflows at this point in time. This being the case, Council does not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on Council at this time.

At this stage, the following centres remain closed: Knox Leisureworks, Rowville Community Centre, Ferntree Gully Community Centre, the State Basketball Centre, Boronia Basketball Stadium, Knox Regional Netball Centre and the Knox Community Arts Centre. User fee revenue will be negatively impacted at these centres, and across further services offered by Council.

Council is announcing its Community and Business Support Package for COVID-19 in stages, and has allowed \$3 million in the 2020-21 budget for these measures to be implemented.

## Note 9 Other matters

### 9.1 Reserves

#### (a) Asset revaluation reserve

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2020</b>			
<b>Property</b>			
Land	884,034	(106,971)	777,063
Buildings	64,842	(4,241)	60,601
	<b>948,876</b>	<b>(111,212)</b>	<b>837,664</b>
<b>Plant and equipment</b>			
Artworks	31	-	31
	<b>31</b>	<b>-</b>	<b>31</b>
<b>Infrastructure</b>			
Roads	287,071	1,092	288,163
Bridges	5,462	(3,190)	2,272
Footpaths and cycleways	15,538	3	15,541
Drainage	97,153	8,322	105,475
Off street car parks	4,217	55	4,272
Other infrastructure	2,221	-	2,221
	<b>411,662</b>	<b>6,282</b>	<b>417,944</b>
<b>Total asset revaluation reserve</b>	<b>1,360,569</b>	<b>(104,930)</b>	<b>1,255,639</b>
<b>2019</b>			
<b>Property</b>			
Land	884,034	-	884,034
Buildings	65,063	(221)	64,842
	<b>949,097</b>	<b>(221)</b>	<b>948,876</b>
<b>Plant and equipment</b>			
Artworks	31	-	31
	<b>31</b>	<b>-</b>	<b>31</b>
<b>Infrastructure</b>			
Roads	256,306	30,765	287,071
Bridges	5,462	-	5,462
Footpaths and cycleways	18,368	(2,829)	15,538
Drainage	97,153	-	97,153
Off street car parks	7,348	(3,131)	4,217
Other infrastructure	2,221	-	2,221
	<b>386,858</b>	<b>24,805</b>	<b>411,662</b>
<b>Total asset revaluation reserve</b>	<b>1,335,986</b>	<b>24,584</b>	<b>1,360,569</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 Report**  
For the Year Ended 30 June 2020

## Note 9 Other matters

### 9.1 Reserves

#### (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>2020</b>				
<b>Restricted reserves</b>				
Open space reserve	16,707	5,225	(8,977)	12,955
Basketball stadium infrastructure reserve	100	-	-	100
State Basketball Centre asset renewal fund	491	106	-	597
Football pitch replacement fund	726	1	-	727
<b>Total restricted reserves</b>	<b>18,024</b>	<b>5,332</b>	<b>(8,977)</b>	<b>14,379</b>
<b>Unrestricted reserves</b>				
Mountain Gate reserve	140	-	-	140
City futures fund	2,915	-	-	2,915
Revegetation net gain	351	55	-	406
Revolving energy fund	136	-	-	136
Aged care reserve	4,970	-	(21)	4,949
Unexpended grant reserve (Financial Assistance Grants)	3,849	3,885	(3,849)	3,885
Stamford Park	11,739	-	(856)	10,883
Blue Hills	3	-	-	3
Scoresby Recreation Reserve	67	50	-	117
HACC capital reserve	849	-	(214)	635
<b>Total unrestricted reserves</b>	<b>25,019</b>	<b>3,990</b>	<b>(4,940)</b>	<b>24,069</b>
<b>Total other reserves</b>	<b>43,043</b>	<b>9,322</b>	<b>(13,917)</b>	<b>38,448</b>
<b>2019</b>				
<b>Restricted reserves</b>				
Open space reserve	14,786	8,043	(6,122)	16,707
Basketball stadium infrastructure reserve	100	-	-	100
State Basketball Centre asset renewal fund	389	102	-	491
Football pitch replacement fund	609	117	-	726
<b>Total restricted reserves</b>	<b>15,884</b>	<b>8,262</b>	<b>(6,122)</b>	<b>18,024</b>
<b>Unrestricted reserves</b>				
Mountain Gate reserve	140	-	-	140
City futures fund	2,915	-	-	2,915
Revegetation net gain	282	69	-	351
Revolving energy fund	136	-	-	136
Aged care reserve	4,970	-	-	4,970
Unexpended grant reserve (Financial Assistance Grants)	3,824	3,849	(3,824)	3,849
Stamford Park	14,139	-	(2,400)	11,739
Blue Hills	3	-	-	3
Scoresby Recreation Reserve	67	-	-	67
HACC capital reserve	171	678	-	849
<b>Total unrestricted reserves</b>	<b>26,647</b>	<b>4,596</b>	<b>(6,224)</b>	<b>25,019</b>
<b>Total other reserves</b>	<b>42,531</b>	<b>12,858</b>	<b>(12,346)</b>	<b>43,043</b>

## 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 enhance community facilities within 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 (Victoria Grants Commission)

The purpose of this reserve is to quarantine early payment of Victoria Grants Commission General Purpose and Local Roads Federal Grant funding for use in the following year.

### Stamford Park

The purpose of this reserve is to develop the Stamford Park site for the benefit of the Knox community.

### 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 Report**  
For the Year Ended 30 June 2020

## Note 9 Other matters

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

	2020 \$'000	2019 \$'000
Surplus for the year	9,786	25,559
Depreciation/amortisation	22,374	20,181
Amortisation - intangible assets	429	507
Amortisation - right of use assets	299	-
Bad and doubtful debts	344	234
Finance costs - leases	18	-
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	1,624	424
Contributions - non-monetary assets	(1,801)	(1,936)
Increment in investment in associate	(316)	(182)
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in trade and other receivables	1,788	(4,415)
(Increase)/decrease in prepayments	349	412
(Increase)/decrease in accrued income	143	142
Increase/(decrease) in trade and other payables	(220)	(3,098)
Increase/(decrease) in unearned income	1,202	(537)
Increase/(decrease) in provisions	497	1,308
Increase/(decrease) in other liabilities	(451)	(1,648)
(Increase)/decrease in inventories	3	(2)
<b>Net cash provided by operating activities</b>	<b>36,068</b>	<b>36,950</b>

## 9.3 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 receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

### 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.

### 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. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019).

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

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa

Vision Super has advised that the VBI at quarter ended 30 June 2020 was 104.6%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

## Notes to the Financial Report

### For the Year Ended 30 June 2020

## Note 9 Other matters

### 9.3 Superannuation (continued)

#### Employer contributions

##### Regular contributions

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

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

##### Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including 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.

##### The 2019 interim actuarial investigation surplus amounts

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

The Fund's actuarial investigation as at 30 June 2019 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$151.3 million (2018: \$131.9 million; 2017: \$69.8 million)
- A total service liability surplus of \$233.4 million (2018: \$218.3 million; 2017: \$193.5 million)
- A discounted accrued benefits surplus of \$256.7 million (2018: \$249.1 million; 2017: \$228.8 million)

The VBI surplus means that the market value of the Fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

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

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

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

### The 2020 triennial actuarial investigation

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

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

### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

<b>Scheme</b>	<b>Type of scheme</b>	<b>Rate</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Vision Super	Defined Benefit	9.50%	295	311
Other funds	Defined Benefit	9.50%	-	-
Vision Super	Accumulation Fund	9.50%	3,154	3,026
Other funds	Accumulation Fund	9.50%	2,209	1,834

There were \$Nil contributions outstanding and \$Nil loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$0.285 million.

**Notes to the Financial Report**  
For the Year Ended 30 June 2020

## Note 10 Change in accounting policy

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

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

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

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

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

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

### (b) AASB 16 Leases

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

### (c) AASB 1058 Income of Not-for-Profit Entities

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

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

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

### (d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019:

	2019 \$'000
Retained earnings at 30 June 2019	683,276
Revenue adjustment – <i>impact of AASB 15 Revenue from Contracts with Customers</i>	-
Income Adjustment – <i>impact of AASB 1058 Income of Not-for-Profit Entities</i>	-
<b>Retained earnings at 1 July 2019</b>	<b>683,276</b>

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

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

	<b>As reported 30 June 2019 \$'000</b>	<b>Adjustments \$'000</b>	<b>Post adoption \$'000</b>
<b>Assets</b>			
Right of use assets	-	-	-
Grants receivable	-	-	-
	-	-	-
<b>Liabilities</b>			
Unearned income — operating grants	-	-	-
Unearned income — capital grants	-	-	-
Lease liability — current	-	-	-
Lease liability — non-current	-	-	-

# 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 as a PDF on Council's website.

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](mailto:knoxcc@knox.vic.gov.au)

## Acknowledgement of Victorian State Government Funding

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

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

## 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](http://knox.vic.gov.au)), in person, or calling our Customer Service team on 9298 8000.

# Contact Us

## You are welcome to contact us.

### Knox Civic Centre

#### Email

#### Internet - our public website

#### Phone

#### TTY Users (Text Telephone) (NRS)

#### Speak and Listen Users

#### Facebook

#### Twitter

#### Fax

#### Translating and Interpreting Service

#### ABN

511 Burwood Highway, Wantirna South, Victoria 3152

[knoxcc@knox.vic.gov.au](mailto:knoxcc@knox.vic.gov.au)

[knox.vic.gov.au](http://knox.vic.gov.au)

9298 8000

133 677 (ask for 9298 8000)

1300 555 727 (ask for 9298 8000)

[facebook.com/knoxCouncil](http://facebook.com/knoxCouncil)

[twitter.com/knoxcc](http://twitter.com/knoxcc)

9800 3096

131 450

24 477 480 661





Knox City Council  
511 Burwood Highway  
Wantirna South VIC 3152  
[knox.vic.gov.au](http://knox.vic.gov.au)

- T +61 3 9298 8000
- F +61 3 9800 3096
- E [knoxcc@knox.vic.gov.au](mailto:knoxcc@knox.vic.gov.au)
- knoxcouncil
- knoxcc
- knoxcouncil
- 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

