



Annual Report 2015—16





Welcome to Knox City Council's Annual Report for 2015-16.



The Annual Report provides a thorough account of Council's achievements, challenges and performance from 1 July 2015 to 30 June 2016. 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





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

At a Glance

Theme	What our future could and should look like	How we're tracking	2015–16 Highlights	More info
<p>1.</p> <p>Healthy Connected Communities</p> 	<ul style="list-style-type: none"> • An active, vibrant, resilient and sustainable community. It has the support it needs to be strong and is motivated to shape its own future. • A community where each member enjoys good health, both physically and mentally, feels safe, is connected to others and has access to excellent health and leisure facilities and services. • A place that nurtures its children and young people, and values and supports its older adults. The community embraces learning for all ages, is engaged in meaningful work, whether paid or unpaid, and values the efforts of its volunteers. 	<p>Annual Plan 2015–16 actions 3 of 4 = 100% achieved 1 of 4 = 80% achieved</p> <p>4 Year Council Plan Strategies 4 of 11 = completed 4 of 11 = progressing well 3 of 11 = commenced</p>	<ul style="list-style-type: none"> • Completion of a report into Council's role in mental health. • Through the Victorian prevention and health promotion achievement program, Council recognised as a health promoting workplace for physical activity, healthy eating and no smoking. • Establishment of the Knox Seniors Bright Ideas group. 	<p>Council Plan Strategies Page 35</p> <p>Annual Plan Initiatives Page 40</p>
<p>2.</p> <p>Prosperous, Advancing Economy</p> 	<ul style="list-style-type: none"> • A city where innovation and creativity are valued, and the local economy thrives, recognising that work is vital for community wellbeing. Whether inside or outside the home, work makes a valuable contribution to our individual wellbeing and the economy. • Where local employment is highly desired and encouraged as it minimises the personal and environmental costs of travel. Because people work locally they are embedded in the local community and are more inclined to contribute to its social life. • Where businesses benefit from strong collaborative networks and increased skills and capabilities created locally, and Knox is well regarded as a business and investment destination. Knox businesses are also well recognised as being leaders in corporate social responsibility and, because of this, Knox is a place of choice for business and talent. 	<p>Annual Plan 2015–16 actions 5 of 5 = 100% achieved</p> <p>4 Year Council Plan Strategies 4 of 4 = completed</p>	<ul style="list-style-type: none"> • Participation in the newly formed State Government Automotive Transition Taskforce. • Knox Investment Facilitation Service directly assisted seven businesses to explore business growth within the municipality. • Establishment of the Bayswater Business Precinct Working Group to advance Council's place based planning to achieve business growth. 	<p>Council Plan Strategies Page 48</p> <p>Annual Plan Initiatives Page 50</p>
<p>3.</p> <p>Vibrant and Sustainable Built & Natural Environments</p> 	<ul style="list-style-type: none"> • A place where residents identify with and strongly value Knox being made up of a series of villages with access to a full range of urban facilities and services. Growth and change through development occurs at a rate and type that is responsive to Knox's character while meeting the needs of a changing community. • Where community and businesses are leaders in sustainable management and living, valuing and protecting significant environmental assets, celebrating a healthy local environment, a green and leafy municipality, and sustainable living opportunities for all. • Through continued advocacy and increased investment, public transport networks in Knox are reliable and accessible. Knox has a strong functioning network of bicycle and walking paths, thereby reducing the reliance on the car and minimising greenhouse gas emissions. 	<p>Annual Plan 2015–16 actions 5 of 6 = 100% achieved 1 of 6 = 75% achieved</p> <p>4 Year Council Plan Strategies 4 of 10 = completed 6 of 10 = progressing well</p>	<ul style="list-style-type: none"> • "Let's connect the dots" campaign, advocating for Federal Government funding of major public transport infrastructure projects. • Active participation in the Eastern Transport Coalition, which advocates for improved public transport. • Commencement of the Bayswater Grade Separation Project. 	<p>Council Plan Strategies Page 53</p> <p>Annual Plan Initiatives Page 56</p>

At a Glance

Theme	What our future could and should look like	How we're tracking	2015–16 Highlights	More info
<p>4.</p> <p>Culturally Rich and Active Communities</p> 	<ul style="list-style-type: none"> • A community that values diversity, creativity and artistic expression and enjoys a range of major and local events and festivals. • A place where public open space is accessible and plentiful, and public art is a valued aspect of community life. Diverse leisure and recreational activities are abundant, and people have access to shared open spaces and facilities. • A city whose unique local character is valued and preserved, through celebration of local heritage sites, villages and neighbourhoods. The contribution and role of the local Indigenous community is recognised and celebrated. • A place that encourages participation, physical activity and connection and supports an active community life through its transport infrastructure. 	<p>Annual Plan 2015–16 actions 2 of 3 = 100% achieved 1 of 3 = 80% achieved</p> <p>4 Year Council Plan Strategies 1 of 1 = completed</p>	<ul style="list-style-type: none"> • Establishment of a new partnership with Knox Learning Alliance to deliver weekly technology support sessions. • Expansion of the Eastern Regional Library Corporation's (ERLC) education program into the Knox region, connecting with 20 local schools. • A number of events and presentations held promoting and appealing to those from diverse ethnic and cultural backgrounds. 	<p>Council Plan Strategies Page 63</p> <p>Annual Plan Initiatives Page 64</p>
<p>5.</p> <p>Democratic and Engaged Communities</p> 	<ul style="list-style-type: none"> • A community that is engaged and values opportunities to be actively involved in community life. Community members regularly participate in community groups and organisations, and have a genuine opportunity to influence decision-making. • Where the community has confidence that Council and other key local agencies will work in partnership to make decisions for the greater good of the community. • A city with a Council that operates in an efficient and effective manner, applies contemporary practices, has processes that are transparent and accountable, and exercises sound financial management. 	<p>Annual Plan 2015–16 actions 5 of 7 = 100% achieved 2 of 7 = 25% achieved</p> <p>4 Year Council Plan Strategies 3 of 8 = completed 5 of 8 = progressing well</p>	<ul style="list-style-type: none"> • Participation in the Victorian Electoral Commission's (VEC) Local Government Representation Review, resulting in retention of the existing electoral structure of nine single-member wards. • Adoption of the Community Facilities Planning Policy and Guidelines. • Completion of nine Service Analyses as part of Council's four-year rolling service review program. 	<p>Council Plan Strategies Page 68</p> <p>Annual Plan Initiatives Page 73</p>

Contents

CEO's Message	9		Theme 1	34
Highlights of 2015-16	10		Healthy, Connected Communities	
Challenges of 2015-16	14		Council Plan	35
Facts about Knox City Council's Services	16		2015-16 Annual Plan	40
Our Purpose	17		Theme 2	47
Our Vision	17		Prosperous Advancing Economies	
Our Values	18		Council Plan	48
Financial Overview	19		2015-16 Annual Plan	50
Our Council	22		Theme 3	52
Our Councillors	23		Vibrant and Sustainable Built and Natural Environments	
Our Organisation	24		Council Plan	53
Our Performance	32		2015-16 Annual Plan	56
Governance and Statutory Information	76		Theme 4	62
Performance Statement	87		Culturally Rich and Active Communities	
Service Performance Indicators	89		Council Plan	63
Certification of the Performance Statement 2015-16	96		2015-16 Annual Plan	64
Financials	99		Theme 5	67
Financial Report	102		Democratic and Engaged Communities	
How to access our Annual Report	156		Council Plan	68
Contact Us	156		2015-16 Annual Plan	73

CEO's Message



It is my pleasure to report on a year filled with progress and growth in delivering Council's Vision and City Plan (incorporating the Council Plan) with our community. As the incoming Chief Executive looking back over the 2015-16 year, it is pleasing to report on a number of highlights that you will read more about in this report.

Partnership and Participation

One of the significant achievements has been the way Council has worked with the community to help deliver benefits that will be important for many years to come. The approach we have taken has been one of partnership and participation. In terms of partnership, the work to deliver improvements to Bayswater through the removal of two level crossings is an example of a project that shows how working with other levels of government—in this case, the State—has benefits for everyone.

In 2015-16 we started planning for a new City Plan, that will coincide with the four years of next Council term. We began by seeking to capture and understand what's important to the community, and this work will continue throughout the coming year. This information will be used to set the priorities in the new City Plan and Council Plan following the local government election in October 2016.

Financial responsibility

Council continues to be in a strong financial position, having completed the year again with a surplus of more than \$25 million. This is a particularly pleasing result for Council in the context of funding constraints and ongoing cost shifting. The reason for this surplus includes the higher than anticipated gain on the sale of an area of Stamford Park, Rowville (\$17.005 million) and the unbudgeted sale of 7 Church Street, Bayswater (\$1.962 million).

Putting a priority on the right people

As an organisation, Knox Council has continued to put a priority on developing the capacity and capability of our people. As a values-based organisation, this is an approach we have taken to continue to build a culture of excellence as we evolve. One critical way we have worked on this is through our workplace planning initiative, to best map the needs of a changing workforce ensuring we have the right people in the right place at the right time.

The health of our organisation is assessed via a biennial staff Culture Survey that assesses team engagement and internal business performance. I am pleased to advise that our survey results indicate Council enjoys exceptionally strong staff engagement and our people have a very positive view of our internal business performance.

Customer-focused

Being more customer-centric has seen Council begin to look at ways to streamline its processes and deliver services more effectively and efficiently. This has meant the start of a lean thinking approach across the organisation using our service planning and improving on the technology the organisation uses.

Appreciation

In presenting the 2015-16 Annual Report, I want to pay special tribute to the work of our previous Chief Executive Dr Graeme Emonson. His tireless dedication to his role has left a legacy of excellence and achievement that I look forward to continuing. I would also like to thank Directors Joanne Truman, Kerry Stubbings, who both held the acting CEO position for three months each before I arrived, Dr Ian Bell and Angelo Kourambas. I am especially grateful for the commitment and direction provided by the Knox Councillors. Their dedication has provided the leadership necessary to help achieve our vision for a healthier and more prosperous city.

In taking on the role of Chief Executive in recent months, it has been my pleasure to witness the dedication of our staff who work tirelessly across the community, supporting this organisation to be a leader in the local government sector.

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

Tony Doyle
Chief Executive Officer

Highlights of 2015-16



Australia Day 2016

Knox Council's annual Australia Day celebrations were amongst the best yet. As usual, the announcement of the 2016 Knox Australia Day award recipients was a highlight, honouring the City's tireless volunteers and community champions.

The 2016 winners were:

- Citizen of the Year: Helen and Daniel Sefton (joint recipients)
- Young Citizen of the Year: Isabella Fias
- Volunteer of the Year: Anne Boyd
- Local Hero John McLeod
- Elder Citizen of the Year: Beryl Owens.

Official proceedings featured an address by Australia Day ambassador, Dr Linny Kimly Phuong, the Founder and Chair of 'The Water Well Project', as well as an Advanced Paediatric Trainee in General Paediatrics and Infectious Diseases at the Royal Children's and Monash Children's Hospitals in Melbourne.

Festivities also included a special flag-raising ceremony and an Australian citizenship ceremony, where more than 100 Knox residents from 33 countries became official citizens of Australia. During 2015-16, Council conducted seven citizenship ceremonies at which 850 Knox residents became official citizens of Australia.

Bayswater Level Crossing Removal

Work has commenced on the Bayswater level crossing removals on Mountain Highway and Scoresby Road. The level crossing removals program has been one of the key public transport advocacy initiatives undertaken by Council and will continue into 2016-17. The project will be completed early in 2017.

Council has been actively working with the Level Crossing Removal Authority and contract consortium to maximise outcomes for the Bayswater community, to ensure a positive integration with the Bayswater activity centre and providing for enhanced urban amenities to Mountain Highway.

Colchester Park Upgrade

Work is progressing well at Colchester Park. Once completed, the park will be able to support the growth of rugby in Knox, with two new rugby pitches: a senior pitch and a junior pitch. This upgrade will also assist in the development of Colchester Park as a regional facility for rugby.

The pitches will be utilised by the Raptors Rugby Club, which supports junior and senior teams.

Early Years Hubs

Council has decided to consolidate its long day child care services to create two brand new and contemporary early years hubs, supported by other early years services at each site. This decision followed Council's review of its child care services, exploring how it might put money to better use through combined and more sustainably built facilities. Council's aim is to ensure it delivers quality services in smarter ways.

Building of the new facilities will start in early 2017. The new hub at the site where Knox Gardens Preschool is currently located in Wantirna South, and the new hub at the Blue Hills Children and Family Centre site in Bayswater, will house Maternal and Child Health, four-year-old Preschool, playgroups, and long day child care, all under one roof. Council will also offer occasional care at the hub in Wantirna South.

Co-located and integrated early years services can help achieve better outcomes for children and families, and Council wants to invest wisely in facilities that better support the community now, and into the future. It's business as usual at all other early years facilities in Knox. It will take some time to finalise the design and construction, and to ensure everything is ready before services begin operation at the Wantirna South Hub in 2018 and the Bayswater Hub in 2019.

Flood Mapping Strategy

Council's Flood Mapping Strategy provides detailed information about locations and properties that may be at risk of overland flow and localised flooding. This information will help inform the development of a planning scheme amendment to establish a special building overlay layer.

Healthy Together Knox

Since mid-2012, Healthy Together Knox (HTK), a partnership between the Victorian State Government, Knox City Council and Knox Social and Community Health - a service of EACH, has worked to improve people's health where they live, learn work and play. Working as part of the Healthy Together Victoria (HTV) program, our local HTK initiative has focused on tackling rising rates of overweight and obesity, and related chronic disease in the community. The HTK team has worked with early years services, schools, workplaces and community groups, to develop and sustain health promoting environments through policy and practice, information and practical opportunities to improve people's health.

Over the last three and a half years, HTK has reached over 30% of the Knox community or 46,704 people, and engaged 47 workplaces, 27 (59%) schools and 62 (82%) early years services to build health promoting environments. Unfortunately, the government grant funding for this significant initiative has ceased, so Council and EACH have been working in partnership to sustain some of the program elements within Knox into the future.

Council will continue to advocate to other levels of government about the importance of investing in community-based health promotion programs to reduce the short and long term risks of poor health and preventable chronic diseases.

Housing Strategy

Following extensive strategic work and community engagement to understand Knox's changing housing needs, Council's new Housing Strategy (in the form of Planning Scheme Amendment C131) was approved by the Minister for Planning in March 2016. Although not all of Council's proposed provisions were approved, this is a significant step forward that will positively influence the location, type and character of development across the city for the next decade and beyond.

Immerse Exhibition Program

Council's City Plan identifies the importance of the arts in creating culturally rich and active communities and vibrant places. Council's Immerse exhibition program showcased a diverse range of quality contemporary art works, displayed across 30 venues for 30 days. Council received over 100 submissions from artists; 56 individuals were chosen; two-thirds of these were local residents. The exhibition program was held in late 2015 and was a great success. Artists had the opportunity to exhibit work in public spaces across the Knox community. Venues varied and included local cafes, Council's Civic Centre, Knox Leisureworks, Westfield Knox, and the Ferntree Gully Community Arts Centre and Library.

Immerse aimed to build the strength of arts and cultural activity in Knox and its success was evidenced by the positive feedback from the general public and venues alike. Some venues have gone on to establish ongoing relationships with community art groups and continue to exhibit their work. Collaboration between artists has also continued beyond the exhibition period and local artists have reported how their practice has benefited from working with experienced curators used for Immerse.

The program was such a success that Council is planning to run Immerse again in 2016.

Highlights of 2015-16



Improved Governance

Following the introduction of the Local Government Amendment (Improved Governance) Act 2015, Council implemented a number of changes and improvements to its governance arrangements. These focused on the Audit Committee, functions of the CEO, electoral reforms, and culminated with the adoption of a new Councillor Code of Conduct at a Special Meeting of Council held on 28 June 2016.

Knox Community Groups

Council recognises the important role community groups play in building a strong, healthy and connected community. Council provides a range of initiatives to support groups through skill development programs and community grants.

In 2015-16, the community skills development program held 10 sessions that attracted a total of 109 attendees from 69 different community organisations. These sessions included such topics as: expanding your group's membership; providing healthy and safe food; successful grant seeking; and running successful community events.

Council has also recruited representatives from four local community groups to present at two of our sessions. This provides an opportunity for peer-to-peer learning, which was welcomed by attendees and has received high praise.

In addition, Council has coordinated four Sports Club Development sessions involving approximately 180 people from clubs across Knox. Topics included: legislative responsibilities; responsible serving of alcohol; sponsorship; financial management; and a range of sessions covering how to maintain or build the overall sustainability of the club.

Knox's Senior Citizens

Council has continued to prioritise support for older people in Knox, helping them remain active and socially connected in the community. A key area of action has been implementing our Seniors Support Service Plan, which has resulted in a number of key initiatives being implemented in 2015-16.

The Knox Seniors Bright Ideas Network commenced in May 2016. This brings together older Knox residents and representatives of community groups that support older people, to discuss matters of importance to seniors in the Knox community. The network provides an opportunity to share current and future challenges for Knox seniors and to work together to develop ideas and opportunities that actively support seniors to continue to contribute to, and participate in, the Knox community.

In addition, a number of projects are promoting strengthened connections between children, youth and older people. Council is supporting two intergenerational projects between Boronia West Primary School, Knox and District over 50s group and Boronia Bellbird Senior Citizens Club. The two groups will be developing a living history project called 'share our stories' through which both students and older people share stories about such things as who they are, where they come from, and what they like to do. A key component of the project will be to ensure both younger and older participants have mutual opportunities to learn from one another.

LED Streetlight Project

Work to replace 11,000 streetlights with new energy efficient LED lights has commenced. The project will reduce Knox's energy use and greenhouse emissions, as well as deliver a return on investment in less than seven years.

Rehabilitation Plans for Llewellyn Park and Cathies Lane

Council received Environmental Protection Authority (EPA) endorsement for the rehabilitation plans for Llewellyn Park and Cathies Lane. After many years of site monitoring and reporting, Council is now in a position to move forward in terms of the management and rehabilitation of these two sites.

Service Planning

Council continued to roll out the comprehensive program of service planning in 2015-16, with a further 10 services reviewed this year. The service planning program continues to provide a solid foundation for planning for the future of each of Council's services, as well as providing information and evidence that will help Council ensure the future sustainability of services in a rate-capped environment.

Stamford Park Project

The Stamford Park project has been significantly advanced with the sale of the residential zoned land to Stockland for a new '6 Star Green Star' residential neighbourhood. The sale proceeds are now being used to transform the land into new regional parklands and to restore the historic homestead in accordance with the Stamford Park Masterplan.

Street Tree Planting

Council is progressing with its goal of eliminating the backlog of missing street trees through the planting of 2,333 street trees across Knox in the 2015-16 period.

Tim Neville Arboretum Lake Renewal and Redevelopment

Works are progressing on the renewal and redevelopment of the lakes at the Tim Neville Arboretum, and water harvesting and irrigation at Dobson Reserve. The intent of the project is to deliver on a fully integrated water solution, providing for enhanced water quality, sustainability, irrigation and water re-use. The works include:

- New lake floor lining to prevent leakage/water losses.
- Stabilisation of lake walls to prevent bank collapse and water losses.
- Enlargement and conversion of top lake into a water quality treatment wetland.



- Safe refuge and breeding areas within the wetland for aquatic wildlife.
- Expansion of the lower lake to maximise water storage volumes.
- Replacement of potable (drinking) water with treated stormwater for irrigation needs.
- Improved paths and viewing points for safe community access and water play.
- Water storage and irrigation of the sports field at Dobson Reserve.

The lake upgrade works will also feature a number of aesthetic inclusions to encourage visitors, such as new seats, decks and footpaths, and additional landscape features. When completed, the lakes will be gradually filled to allow both plants and wildlife to acclimatise to new conditions and water levels.

Challenges and Opportunities

Aged Care Service Policy

Throughout 2015-16, and over the next 12 months, the following changes have had, and will continue to have, significant impacts on the way in which Council's Active Ageing & Disability Services are planned for and delivered:

- The ongoing implementation of the Living Longer Living Better aged care reform agenda, including the implementation of the National Gateway 'My Aged Care' system.
- The change in responsibility for the Home and Community Care (HACC) Program, with 100% of funding for over 65s to come from the Commonwealth Government from 1 July 2016, and the implementation of the Victorian HACC Transition Plan to Commonwealth Home Support Program (CHSP) until 30 June 2019.
- Management of the state funded under 65 years HACC program for those consumers not eligible for the National Disability Insurance Scheme (NDIS) during the transition period.
- The implementation and transition to the NDIS for eligible HACC clients under 65 years.

These changes will require careful planning over the coming year as Council implements existing services and programs, engages with our service users and strategically plans for the future in the interests of Knox's older residents.

Community Facilities

Council has responsibility for 264 community facilities located across the municipality. These provide important venues for a wide range of community activities, including active sports, arts, adult education, community meetings, community services and leisure activities. As community needs change and the facilities continue to age, there is a growing need to ensure these community assets are relevant, contemporary, well located, accessible and sustainable.

Council and the community need to work together to ensure we can make the most sensible decisions on our important community assets to meet needs now and into the future. This also means weighing up competing needs and making hard decisions about priorities and 'trade-offs'; not all aspirations can be met within available resources. Council needs to continue to undertake well-informed service and asset planning so that decisions can be made on investment priorities, including renewal, major upgrades, new facilities or removal of assets that may no longer be needed. This will continue to be a Council priority area in 2016-17 and beyond.



Cost Reduction and Streamlining Processes

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

Using its service planning process, improved technology and a lean thinking approach to business process review, Knox will continue work in 2016-17 to evaluate ways it can deliver services that provide value for money.

Housing Demand

Housing demand and property values have continued to rise across Knox, stimulating ongoing renewal of older residential properties in and around the larger activity centres into villa units, townhouses and apartments. The new Housing Strategy, together with the Activity Centre Structure Plans, provides a significant boost to Council's capacity to appropriately plan and manage new housing. However, the rate of change in some areas has continued to cause concern in some sections of the community.

Project Setbacks

The completion of significant projects at Tim Neville Arboretum and Quarry Reserve, Upper Ferntree Gully were impacted by unprecedented severe wet weather events throughout the winter months. These projects are expected to be completed by September 2016.

Review of the Local Government Act 1989

During 2015-16, the State Government commenced a comprehensive review of the Local Government Act 1989. Council has presented two submissions to the State Government on this important review, both to the initial discussion and subsequent directions paper. We look forward to seeing draft legislation that provides a strong principles-based approach to the business of local government in the future. In the context of requirements for increasing the administrative and reporting responsibilities of local government through legislative change, Council looks forward to a more streamlined and efficient legislative environment.

National Disability Insurance Scheme

The NDIS will be commencing in Knox in November 2017. This scheme represents a new way of providing individualised support for eligible people with permanent and significant disabilities, their families and carers across Australia. It will provide an all of life stages approach for people with disabilities, helping them make decisions about the support they need to enable them to participate in their community and achieve their goals. The NDIS also adopts a market-based approach, with service users purchasing the services they need from a range of NDIS approved providers. This means that service providers will need to be competitive in quality, price and versatility.

This new service system provides the opportunity for improved access and certainty for people with disabilities in Knox and can contribute to achieving Council's goals for an inclusive community. At the same time, this significant reform means changes for Council, service users and the community.

During 2015-16 Council undertook analysis, community consultation and planning to decide on the best role Council can play as the NDIS is introduced into Knox. After careful consideration, Council has resolved not to become an NDIS service provider but to focus its attention and community resources on its municipal wide coordination and leadership role in supporting access and equity for all people with disabilities in Knox. This means that during 2016-17, Council will be transitioning out of the Early Childhood Intervention Services (ECIS) and the HACC services for people under 65 years of age who are eligible for NDIS.

Eligible people with a disability will progressively transfer to the NDIS as it is rolled out in Knox. Council will be supporting this transition process for existing Council service users, as well as working with community partners and government agencies to ensure that, when the NDIS is operating within Knox, our community has the services it needs to support people with a disability, their families and carers.

Facts about Knox City Council's Services

Knox Council was responsible for the delivery and maintenance of a range of facilities, assets and services during 2015-16.

In 2015-16 we ...

Maintained

65 sportsgrounds and major reserves

- 1,224km of footpaths
- 722km of local roads
- 1,146km length of drainage pipes
- 37,084 drainage pits
- 236 Council owned community facilities
- 209 playgrounds
- 4 outdoor gyms

Planted

2,547

trees, 59% of which are indigenous to Knox

Responded to

93,191

service requests, 18,616 of which were received online

- 40,000 visits to a Council customer service centre
- 27,783 hard waste bookings

Received

577,105
web site visits

- 126,447 incoming customer calls, resolving 90% of enquiries at the first point of contact

Our Purpose

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

Our five themes are:



Healthy, Connected Communities



Prosperous Advancing Economy



Vibrant and Sustainable Built and Natural Environment



Culturally Rich and Active Communities



Democratic and Engaged Communities

Our Vision

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



Our Values

Knox City Council prides itself on being a values based organisation. It has a strong reputation, both across the industry and among its staff, for having a workplace culture that genuinely lives its values. Our values guide the way we conduct our work, interact with one another and engage with external stakeholders and our community. They provide a basis for consistent planning and decision-making across the organisation. Our values are:

Teamwork

Working and acting together in the interests of a common cause

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

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

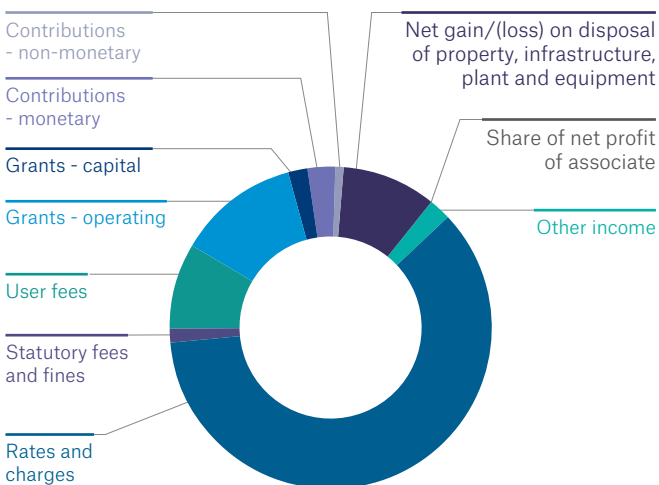
Financial Overview

Financial Performance

For the year ended 30 June 2016 Council recorded a surplus of \$25.039 million. This net surplus compares favourably with an operating budget surplus of \$9.139 million. The surplus is primarily due to the higher than anticipated gain on the sale of an area of Stamford Park, Rowville (\$17.005 million), the unbudgeted sale of 7 Church Street, Bayswater (\$1.962 million) and higher than budgeted developer monetary contributions (\$1.647 million) due to higher than anticipated number of developments. These are partly offset by the prepayment of the 2015-16 Victoria Grants Commission Grant (\$3.292 million) in 2014-15 and higher than anticipated employee costs primarily related to accounting treatment of staffing resources allocated to support Council's capital works program.

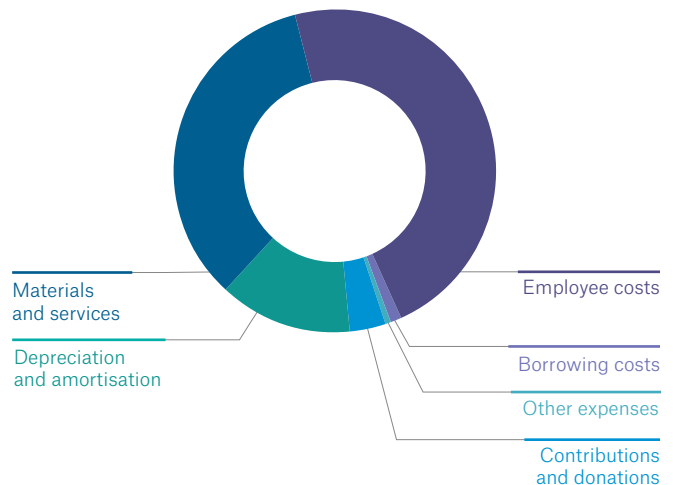
Income

Total income for the year was \$168.207 million. Overall income increased in 2015-16 by \$11.348 million, a 7.3% increase from the previous year. The majority of this income is derived from rates and charges of \$101.984 million. This represents 60.63% of the total income generated. Other major sources of income include grants of \$23.638 million, a net gain on the disposal of property, infrastructure, plant and equipment of \$15.691 million, user fees of \$14.674 million and monetary and non-monetary contributions of \$6.233 million. A breakdown of Council's income sources is shown below. This highlights Council's reliance on rate income to fund community services and the renewal of community assets.



Expenses

Total expenses for 2015-16 were \$143.168 million, an increase of \$3.299 million or 2.35% from the previous year. A breakdown of Council's expenditure categories is shown below. The graph highlights that the majority of total expenses consists of employee costs of \$67.952 million and materials and services of \$48.740 million.



Overall Financial Position

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

Council's ratio of 2.30:1 is an indicator of Council's strong financial position. This means that Council has \$2.30 of current assets for each \$1.00 of current liabilities. Council's total net assets increased to \$1.718 billion as at 30 June 2016 mainly due to the revaluation of Council's property, roads, footpaths, cycleways and off-street car park assets of \$147.503 million.

Financial Overview

Cash Flow

Council's cash position as at 30 June 2016 was \$66.930 million represented by cash and cash equivalents of \$8.830 million and other current financial assets of \$58.100 million. Of this amount \$2.653 is restricted cash to be applied to trust funds and \$10.015 million against other reserves. This represents an increase in cash holdings from the prior year of \$16.946 million.

Capital Works Program

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

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

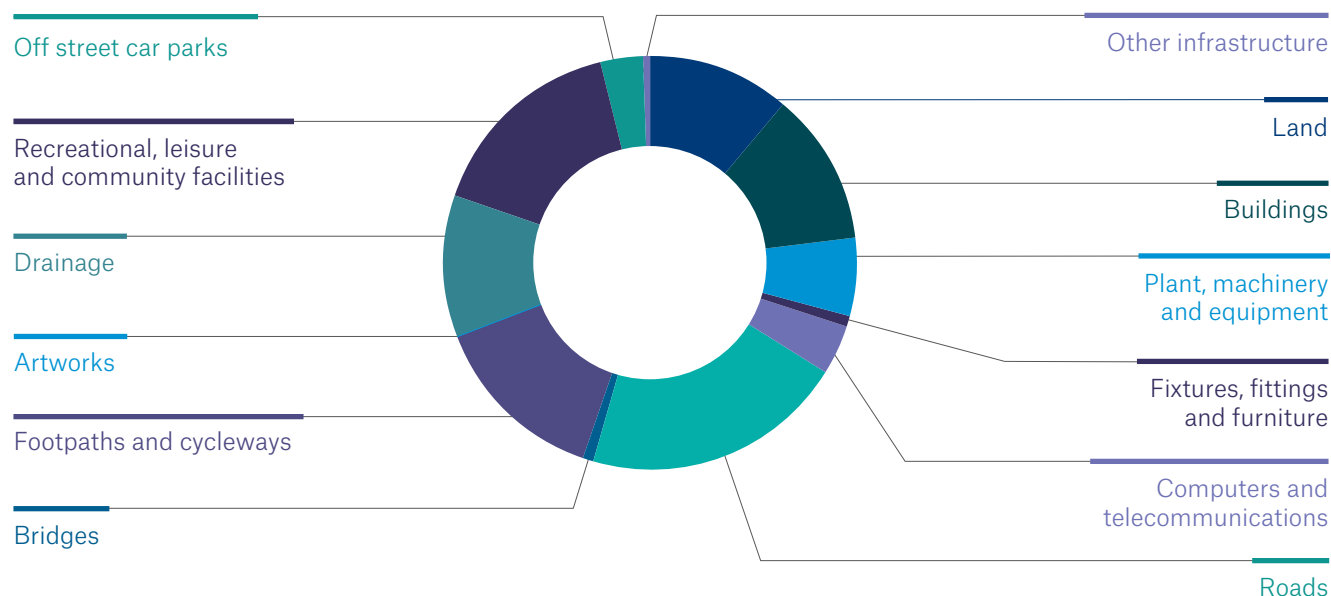
In 2015-16 Council delivered capital works to the value of \$39.24 million, in addition to a \$10.27 million major projects program. Out of 201 projects, 98% were completed, commenced or tendered during 2015-16.

A number of projects are in progress at year's end, some of which will be completed in the early part of the 2016-17 financial year. Six additional projects were included in the program during the course of the year, valued at \$1.71 million, resulting from either unscheduled, out of budget funding arising from grant opportunities, contributions or reserve fund transfers.

In overall financial terms, 78.2% of the capital works adjusted budget was committed in 2015-16, with 63.9% expended. The key areas of capital expenditure were as follows:

- Roads, kerb and channel: \$6.147 million
- Parks furnishings, other infrastructure: \$7.164 million
- Buildings: \$5.267 million
- Drainage: \$3.312 million
- Footpaths, bicycles and shared paths: \$4.008 million
- Plant and equipment: \$1.827 million
- Car parks: \$0.582 million

Capital Works Expenditure



Asset Management

Council continues to move towards provision of a sustainable level of asset renewal funding to support its objective of financial sustainability. In total, Council allocated \$26.4 million in 2015-16 towards renewal of existing assets incorporating roads, bridges, buildings, drainage, footpaths, shared paths, street trees, open space and recreation facilities.

The 2015-16 Asset Renewal program continued to implement key recommendations from Council's endorsed asset management plans. With the completion of a street tree asset management plan, a full complement of asset management plans now exist for Council, with reviews of previous asset management plans now commenced. These documents will ensure that key management directions have been defined across all infrastructure asset classes.

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

Council also continues its program of ongoing condition audits to better inform its awareness of asset performance and to assist in future asset renewal forecasting. Key assets assessed in 2015-16 included footpaths, road surface, road pavement, kerb and channel and bridge assets.

Major Asset Renewals in 2015-16

Road pavement, kerb and channel and footpath/shared path reconstruction program, including:

- Illawarra Avenue, Rowville;
- Station Street, Ferntree Gully;
- Golden Grove, The Basin;
- Over 100 road re-surfacing treatments across Knox; and
- Shared path rehabilitation program, incorporating works at Old Belgrave Road, Upper Ferntree Gully and Mountain Highway, Bayswater.

The Active Open Space program included the following works:

- Lakesfield Reserve, Lysterfield;
- Liberty Reserve, Rowville; and
- Colchester Reserve, Boronia rugby pitch (ongoing).

Passive open space enhancements included the following:

- Tim Neville Arboretum renewal works, including lake structure;
- Street tree renewal;
- Replacement of fleet vehicles; and
- Continued renewal of aged parks furniture in reserves.

Rehabilitation programs for buildings and facilities included the following:

- The Basin Progress Hall redevelopment;
- Coonara Stone Cottage renewal; and
- Pre-school office and storage improvements.

New Assets - Built or Upgraded in 2015-16

- Multipurpose facility at Walker Reserve
- Floodlighting at Lakesfield Reserve and Exner Reserve
- Stormwater harvesting at Dobson Park
- Public toilets at Fairpark Reserve and Studfield Shopping Centre
- New connection at Ferny Creek shared path trail
- Footpaths at Albert Street, Boronia; Taylors Lane, Rowville; Murray and Raymond Reserve
- Numerous footpath connections to bus stops
- Flood mitigation works across the municipality.



Our Council



Our City, Our People

The municipality of Knox is named after Sir George Hodges Knox (1885–1960) who was a local and state politician. Sir George Knox 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 Knox 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 by the City of Knox.

Approximately 25 kilometres from Melbourne's Central Business District, Knox is a major hub of cultural, commercial, business and innovative activity in the eastern suburbs of Melbourne. It is a diverse municipality with residents from 130 different countries who speak 54 languages. The City of Knox has an estimated resident population of 155,681 (as at 30 June 2015) and covers an area of 113.84 square kilometres. The area boasts a green, leafy environment extending to the foothills of the picturesque Dandenong Ranges. Knox comprises the following suburbs: The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Sassafra, Scoresby, Upper Ferntree Gully, Wantirna and Wantirna South.

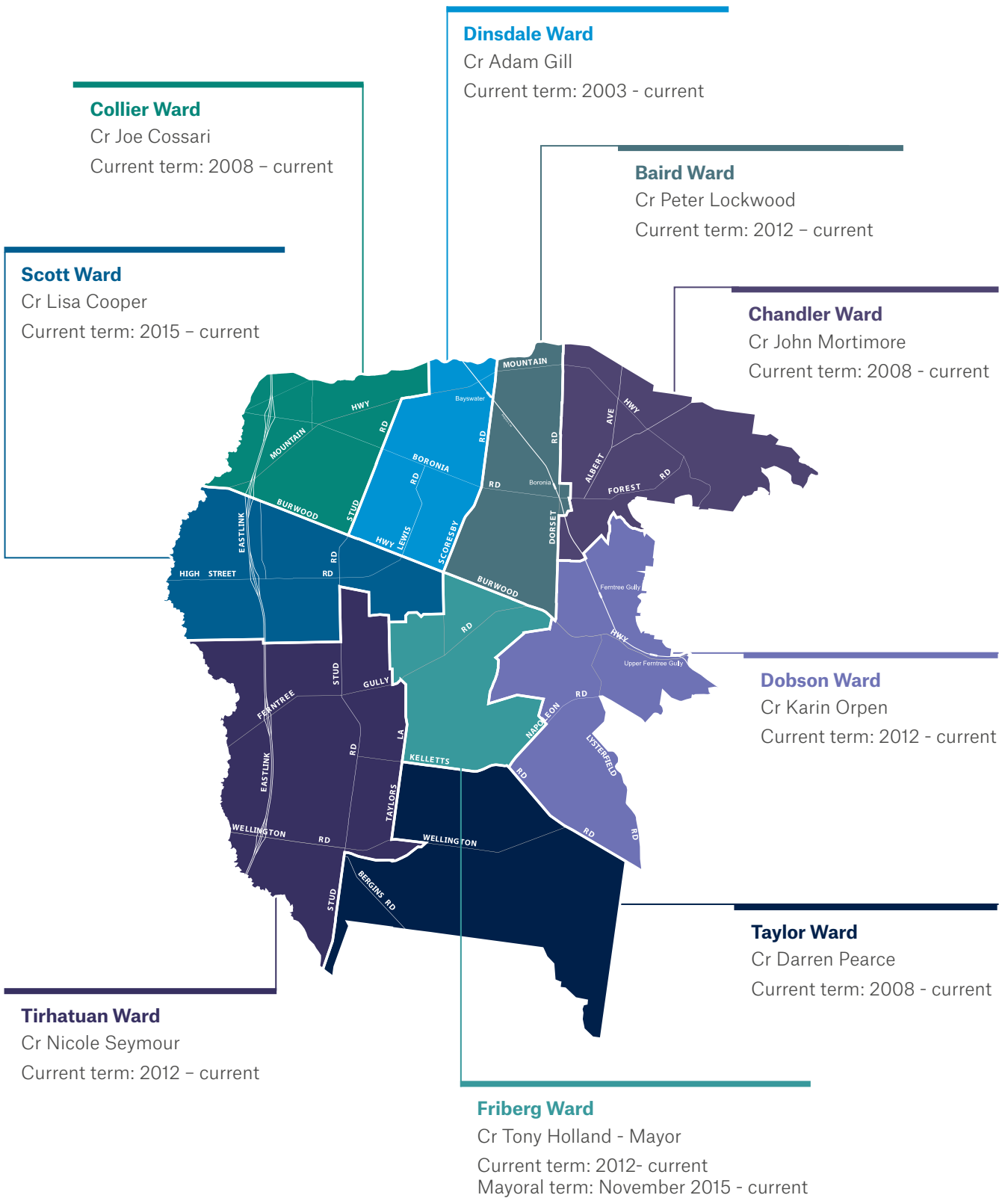
Facts about Knox

Knox covers an area of 114km² (2012)

- It has a total population of 155,681 which is expected to reach 184,821 by the year 2036, an increase of 19% (2013)
- 20,298 people are aged between 25 - 34 years (2013)
- 41,444 residents were born overseas (2011)
- 14% of our residents are aged between 35 - 44 years (2013)
- 14% are over 65 years of age (2013)
- 21% speak a language other than English at home (2011)
- 20% of our residents are from non-English speaking backgrounds (2011)
- 28% of residents live and work in Knox (2011)

Source: ABS 2009 - 2013

Our Councillors



Our Organisation

Our Executive Management Team

Our organisation is led by the Chief Executive Officer (CEO) and four directors. Collectively, the CEO and the directors form the Executive Management Team (EMT)



Tony Doyle **Chief Executive Officer**

Tony Doyle is Council's CEO, having joined Knox in July 2016. He succeeds Graeme Emonson, who was Knox's CEO for 14 years and left the organisation in January 2016.

Tony has most recently served as CEO at Hindmarsh Shire Council in western Victoria, a position he held for the past three years. He brings strong leadership and financial skills to the role, as well as a passion for working with communities and creating formative community partnerships.

Before joining local government, he 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 led large and diverse teams across a number of environments.



Joanne Truman, Director **Corporate Development**

Joanne Truman commenced as Director Corporate Development in January 2015.

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

Joanne is a Member of the Australian Institute of Company Directors and Local Government Professionals (LGPro), has completed a Bachelor of Business (Local Government) and has completed post-graduate study in a range of areas such as project management, industrial relations, continuous improvement and leadership. She has also completed the Cranlana ethical leadership program.

Joanne's Directorate consists of:

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



Kerry Stubbings, Director Community Services

Kerry Stubbings commenced as Director Community Service in September 2007.

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

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

Kerry's qualifications include a Bachelor of Arts, a Diploma of Education, a Graduate Diploma in Management and a Diploma in Project Management. She is a member of LGPro and the Australian Institute of Company Directors.

Kerry's Directorate consists of:

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



Angelo Kourambas, Director City Development

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

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

Angelo holds a Bachelor of Arts in Urban Studies and a Graduate Diploma in Urban Planning and is a member of the Planning Institute of Australia and LGPro. He has more than 27 years experience in local government, working in a broad range of service areas.

Angelo's Directorate consists of:

- City Futures
- City Planning and Building
- City Safety and Health



Dr Ian Bell, Director Engineering and Infrastructure

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

Ian holds a Diploma of Applied Science, a Masters Degree in Landscape Architecture, a Master of Business Administration and, in 2012, completed a Doctorate of Philosophy at Latrobe University, focusing on Sustainability and Business Strategy. He is also a member of Australian Institute of Landscape Architects (AILA), Institute of Public Works Engineering Australasia (IPWEA), Local Government Managers Australia (LGMA) and LGPro.

Ian's Directorate consists of:

- Community Infrastructure
- Operations
- Sustainable Infrastructure

Our Organisation

Knox City Council Organisation Structure

<p>Chief Executive Officer Tony Doyle</p>			
<p>Director, Community Services Kerry Stubbings</p>	<p>Director, Corporate Development Joanne Truman</p>	<p>Director, City Development Angelo Kourambas</p>	<p>Director, Engineering & Infrastructure Ian Bell</p>
<p>Manager Community Wellbeing Kathy Parton</p>	<p>Manager Communications & Customer Service Kath Oakley</p>	<p>Manager City Futures Kim Rawlings</p>	<p>Manager Sustainable Infrastructure Matthew Hanrahan</p>
<p>Manager Youth, Leisure & Cultural Services Peter Gore</p>	<p>Manager Finance & Property Services Dale Monk</p>	<p>Manager City Safety & Health Steven Dickson</p>	<p>Manager Community Infrastructure David Yeouart</p>
<p>Manager Family & Children Services Janine Brown</p>	<p>Manager Information Management Lesley Milburn</p>	<p>Manager City Planning Paul Dickie</p>	<p>Manager Operations John McCarthy</p>
<p>Manager Active Ageing & Disability Services Tanya Clark</p>	<p>Manager Governance & Innovation Fleur Cousins</p>		<p>Deputy Director, Knox Central Samantha Mazer</p>
	<p>Manager People Performance Mary-Anne Palasides (to August 2016)</p>		

Council's People and Organisation Performance

As at 30 June 2016, a total of 1,072 staff were employed by Council, comprising full-time, part-time, temporary and casual positions.

Overall, 63 permanent or temporary staff joined Council during the year, to fill vacant positions and meet increased legislative, project or operational requirements.

The permanent staff retention rate for 2015-16 was 88.5%. This is approximately 4.41% lower than last year but retention has remained relatively stable over the last five years.

Staff by Functional Area 2015-16 – as at 30 June 2016

Directorate	Gender				Headcount						Total	FTE*
	Female		Male		Full time		Part time		Casual			
	FTE*		FTE*		Female	Male	Female	Male	Female	Male		
Chief Executive's Office ¹	2	2.00	0	0.00	2	0	0	0	0	0	2	2.00
City Development	135	52.87	108	57.12	27	49	88	53	20	9	246	109.99
Engineering & Infrastructure	39	34.89	109	105.18	24	104	14	4	1	1	148	140.07
Community Services	486	269.98	57	27.90	101	16	312	27	73	11	540	297.88
Corporate Development	93	67.31	43	33.52	45	28	36	11	12	4	136	100.83
Total	755	427.05	317	223.72	199	197	450	95	106	25	1072	650.77

Notes:

¹ Includes Knox Central Project FTE = Full time equivalent *Excludes casual staff and vacant positions

Historical Comparison and Turnover

	2010-2011	2011-12	2012-13	2013-14	2014-15	2015-16
Female staff numbers *	838(450.87)	645 (404.91)	678 (429.46)	706 (453.48)	688 (445.68)	649 (427.05)
Male staff numbers *	314 (224.87)	277 (222.06)	281 (229.93)	282 (226.74)	286 (225.94)	292 (223.72)
Total	1152 (675.74)	922 (626.97)	959 (659.39)	988 (680.22)	974 (671.62)	941 (650.77)
Staff turnover rate (%)	8.85	7.29	8.58	6.71	5.54	11.70

Note:

* Numbers in brackets show the FTE. These figures also exclude casual staff and vacant positions.

Our Organisation

Council Staff

A summary of the number of FTE staff categorised by employment classification and gender is set out below.

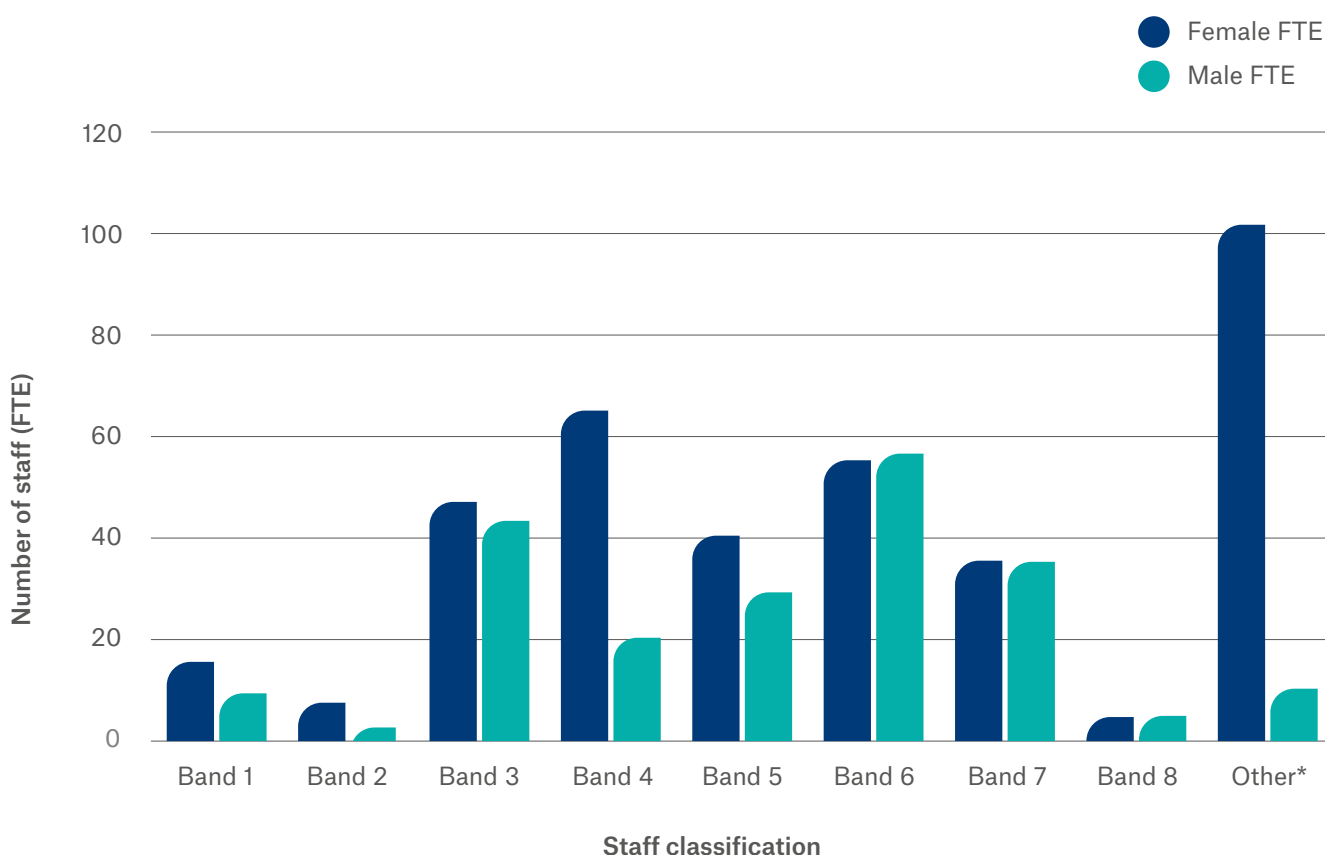
Employment Classification [^]	Female FTE	Male FTE	Total FTE
Band 1	15.71	9.47	25.18
Band 2	7.61	2.70	10.31
Band 3	47.43	43.67	91.10
Band 4	65.53	20.49	86.02
Band 5	40.73	29.49	70.22
Band 6	55.68	57.00	112.68
Band 7	35.77	35.55	71.32
Band 8	4.77	5.00	9.77
Other *	102.38	10.39	112.77
Total	375.61	213.76	589.37

Notes:

[^] Temporary EFT have been excluded (which was 61.40 EFT)

* "Other" includes non-banded workforce members including health professionals and nurses (25.28EFT), teachers, assistants (66.69 EFT), senior officers (20.80 EFT).

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





People Strategy

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

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

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

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

The enablers are the essential elements that will determine the success of our People Strategy outcomes. These are:

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

Our Organisation

Workforce Planning

A critical component of our People Strategy is effective workforce planning and building our capacity and capability to anticipate changing workforce needs and develop high quality, short and long range workforce plans to meet those needs.

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

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

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

Equal Opportunity

Knox City Council takes its equal opportunity responsibilities seriously and is committed to upholding the principles of the Equal Opportunity Act 2010, as 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; and
- Consistently apply the relevant policies and procedures throughout the organisation.

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

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

Health and Wellbeing at Work

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

The 2015-2016 program saw a continuation of the monthly calendar program, including the following initiatives:

- Fitness specials at Fitness First and Knox Leisureworks.
- Monthly educational posters covering topics such as: sun smart, food labels, stay hydrated, building resilience, winter eating and exercise, sleep easy, plan to party, fitting exercise into a busy routine, nutrition and heart health.
- Quit Smoking, including a tobacco-free clinic.
- Intranet health tips, including: How much sugar is in your food? Uncovering happiness – invest in your mental health, 3 ways to focus on the wandering mind, Learn to like yourself and Are you Ok day.
- Health promoting activities, such as: public seminars on pain management, free outdoor activities, 'Spring into health' 12-week challenge.
- Health testing station.
- Roll out of mental health first aid training to all leaders within the organisation.

The Council's Wellbeing Works Committee continues to focus on physical activity and healthy eating in line with the HIP. This has been supported by the Healthy Together Knox program, delivered in partnership with the Victorian State Government and completed on the 30 June 2016.



Safety Activities

Workplace safety is a major focus for the organisation. Council continues to adapt its health and safety system to be responsive to both compliance requirements and best practice. This year, Council undertook a comprehensive review of its Corporate Workplace Health and Safety procedures and risk tools, including the development of Compliance Guides.

Other safety-focused initiatives commenced this year include:

- A Safety Culture improvement program.
- Incident Cause Analysis Method (ICAM) for serious incident investigations.
- Simplified internal reporting processes leading to improved executive intelligence.

Council expanded its focus on incident reporting to include hazard reporting, in an effort to prevent incidents from occurring. As in previous years, Council staff and contractors were encouraged to report all incidents, even those that did not result in injury.

Overall incident reporting has remained fairly stable. However, plant and equipment reporting and hazard reporting have both increased by more than 30%. Near miss reporting has halved. Reports to WorkSafe, as required under the Occupational Health and Safety (OHS) Act 2004 have continued to decline (5 compared to 22 in the previous year).

Injury Management

Council continues to achieve and maintain positive return-to-work results. This is reflected in Council's performance rating (in relation to its workers' compensation premium), which is 18.47% better than its industry cohorts as assessed and credited by Council's WorkSafe insurance agent.

Council's injury management program was extended to help to manage personal injury/illness return-to-work and minimise associated risks.

Risk Management

Business Continuity Planning

Council's Business Continuity Framework was reviewed and updated in September 2015. Council commenced a review of its overarching Dependency Recovery Plan and supporting Business Impact Analysis.

In November 2015, Council completed a desktop crisis scenario exercise. During 2015-16, Council implemented the recommended actions resulting from this exercise. The objective is to continue to further improve Council's business continuity plans. These actions will increase Council's ability to effectively respond in the event of a crisis.

Risk Review

Council's Risk Register is reviewed quarterly by the EMT, with regular reports for both operational and strategic risks provided to Council's Audit Committee. This ensures that risks are effectively reported and monitored. Council's risk mitigation efforts have reduced its 'extreme' rated operational risks from two to zero and the overall number of 'high' operational risks from seven to five.

Vehicle Insurance Claims

Council's fleet of registered vehicles, including cars, trucks, tractors and trailers, has increased from 192 last year to 200 this year.

The number of 'over excess' vehicle insurance claims increased this year from five to 18. The number of 'under excess' claims were 46.

Insurance Claims against Council

The number of 'under excess' insurance claims dropped from 142 to 98 in this financial year. They were most commonly related to tree fall, tree root damage, trips and falls due to uneven surface and damage to motor vehicle. 'Over excess' claims, typically tree damage and personal injury appear to have stabilised over the last year with our insurers reporting an overall claims cost reduction of around 10%.

Managing Risk

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

Our Performance



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

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

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

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

This is the third time we will be reporting against these themes in our Annual Report.

Council Plan 2013-17

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

Many of the Council Plan strategies have been actioned and progressed during 2015-16, details of which can be seen in the following pages.

Integrated City Strategy

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

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

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

The strategy was implemented in 2015 and will continue to operate until 2017. It will then be used to inform the review and development of the next City Plan.

Annual Plan 2015-16

Each year, Knox develops an annual action plan based on the objectives and strategies outlined in the City Plan (incorporating the Council Plan) 2013-17. The Annual Plan 2015-16 was adopted by Council on 23 June 2015 as part of the annual budget. The Annual Plan is made up of a number of initiatives and major initiatives that will be achieved during the financial year.

There is not always a one-to-one relationship between an Annual Plan initiative and a Council Plan objective. One initiative is likely to contribute to several objectives across several themes. Consequently, to make the Annual Report easier to read, initiatives have been included under the theme where their outcomes have the strongest alignment. The initiatives in the Annual Plan highlight Council's priority actions for 2015-16; they do not constitute all actions delivered by Council.

State of Knox

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

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

Local Government Performance Reporting Framework

The Local Government Performance Reporting Framework (LGPRF) reporting requirement was established by the Victorian State Government in 2014. The LGPRF is a comparative reporting framework that aims to ensure measuring and reporting on performance is done in a consistent way across local governments in Victoria.

Four indicator sets have been developed across three thematic areas - service performance, financial performance and sustainability - in order to provide a comprehensive picture of Council 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 or actions.

Details of Our Performance

In this section, you will find the following information under each City Plan theme:

Four-year Council Plan Strategies

Under the relevant Council Plan strategic objective, you will find progress comments of those strategies that have had work completed during the 2015-16 year (year three). You will also find progress results and comments relating to some of the four-year Council Plan strategic indicators that measure the progress of the strategies.

Annual Plan Initiatives

Details of the Annual Plan achievements for 2015-16.

Services

The services that most closely align to the City Plan theme and, where relevant, the associated LGPRF measures and results.

Healthy, connected communities





Year Three Achievements

Strategic Objective

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

Strategies

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

This strategy was completed in 2014-15.

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

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

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

Planning for an aged population is built into Council's service review process

As part of Knox's four-year service planning program, each service is required to consider the impact of Knox's ageing population on the service. Each service analysis addresses any impacts as required in the development of their service plan. This requirement has been incorporated into the approved Service Planning Guidelines. The first and second years of the service analysis projects are now completed, and service plans have been endorsed. The services in year three of the service planning program have presented their service analyses to Councillors, including consideration of the impact of an ageing population. Year four of the program has now commenced and services within this year have presented their service scope to Councillors for initial feedback prior to them being endorsed at the August 2016 Strategic Planning Committee meeting. All services in year four intend to consider how their service will respond to an ageing population.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Percentage of Council's services that have considered and addressed issues connected with an ageing population in developing service plans	All 27 services that have completed a service analysis as part of the Service Planning Program have considered the impact of an ageing population.
Future direction established for Council's senior citizens centres	A service plan that incorporated an implementation plan was approved by Council in December 2014.

Strategic Objective

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

Strategy

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

A report on Council’s role in mental health and exploring opportunities to increase awareness of mental health issues through relevant Council programs has been completed.

The report included outlining Council’s various roles as a service provider, funder, advocate and planner in relation to mental health/illness issues. It identified opportunities to strengthen its promotion of services to support residents in the area of mental health through;

- Promotion and communication;
- Staff development;
- Municipal planning and partnerships, and
- Collaboration and advocacy.

These will inform future service provision planning and delivery in relevant service program areas.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of Council programs broadened to incorporate mental health messages	<p>A report on Council’s role in mental health identified a range of ways Council can strengthen its promotion of services and programs that support and assist residents in the area of mental health which include:</p> <ul style="list-style-type: none"> • Promotion and communication • Staff development • Municipal planning • Partnerships, collaboration and advocacy.
Percentage of participants or audience who report a raised awareness of mental health issues as a result of attending a Council program with a mental health awareness component	During 2015-16, 107 Council staff participated in the Mental Health First Aid Training program aimed to increase awareness of mental health issues.





Strategic Objective

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

Strategies

Implement the Healthy Together Knox initiative

In the three years of the implementation of Healthy Together Knox (HTK) initiative, it has been estimated that activities reached 34% of the Knox Population (50,000 people). To date, through partnership activities, 60 early childhood services, 26 schools and 45 workplaces have signed up to the Healthy Together Victoria Achievement Program, with five primary schools, five early years services and seven workplaces reaching health promoting school, service or workplace status.

The HTK initiative included workshops, facilitated network meetings, professional development and direct one-on-one support for schools, services and workplaces, helping them to become health promoting organisations.

The HTK program involved the implementation of a number of healthy living programs in partnership with Council teams, the community and EACH Social and Community Health. These have increased the community's knowledge and skill in promoting healthy behaviours. Programs have included: Health Champions, Be Active Program, Jamie's Ministry of Food Mobile Kitchen, Gardens for Harvest, Infant program, QUIT and social marketing. HTK has also provided funding to EACH to deliver the Bush Tucker program and the Communities that Care strategy.

A number of key programs and initiatives will be sustained by EACH, such as support for children's and workplace settings, and the continued implementation of the Communities that Care and Bush Tucker programs. Council will also sustain the Infant and Gardens for Harvest programs.

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

An action plan using existing resources has been approved. This includes a resource plan for upgrading Council facilities to enable the preparation of healthier foods.

Council becomes a health promoting organisation through development and implementation of an action plan for a healthy workplace and healthy community

Council has reached Healthy Promoting Workplace for Physical Activity, Healthy Eating and Smoking of the Healthy Together Victoria Achievement Program. Council has also embedded healthy lifestyles into a number of key strategies and plans across Council.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
10% of sporting and community groups that operate in Council owned or managed facilities apply for and receive the Eat Smart Healthy Food Choices award by 2016-17	It has been determined with the Executive Management Team that this target of 10% will not be able to be determined based on having no original baseline data for this indicator.
70% of Knox schools and early years services signed up and working (with Council) on the Victorian prevention and health promotion achievement program	To date, 60% of schools are registered and 50% are actively working and have progressed further in the achievement program. 81% of early years services are registered and 68% are actively working on the achievement program and reaching recognition points.
15% of Knox workplaces signed up and working (with Council) on the Victorian prevention and health promotion achievement program	To date, 12% of medium to large Knox workplaces are registered with the Achievement Program. Of those, 15% have reached Recognition Point 1 of the Achievement Program.
Council achieves the Victorian prevention and health promotion achievement program for a healthy workplace	Council reached Healthy Workplace status by successfully meeting all statewide benchmarks for physical activity and healthy eating. Certificates for this achievement were issued by the Department of Health in September 2015.

Strategic Objective

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

Strategies

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

As part of Knox four year service planning program (discussed earlier), each service of Council must consider opportunities for social connection in their planning.

Undertake a mapping exercise of Council-led programs and services that aim to build connections between people and prevent social isolation

A mapping exercise of all completed Service Plans will be undertaken as part of the evaluation of the Service Planning program in 2016-17 and all services that promote community connection will be identified.

Implement identified actions to increase participation in programs and services which aim to build community connections and reduce social isolation across all life stages

Reducing social isolation has been included in the Service Planning Guidelines for Community Services and the rest of the organisation.

The Service Analyses section of each Service Planning process considers this issue and includes proposed actions as part of Council's endorsed service plan for each service.

The following services have considered reducing social isolation as part of the analysis stage of the service planning process for 2015/16:

- Community Services: Community Access and Equity
- Community Services: Community Strengthening
- Community Services: Leisure Services
- Engineering and Infrastructure: Integrated Water Management
- City Development: Economic Development
- City Development: Health Services
- City Development: Place Management
- Corporate Development: Strategy and Innovation (previously Corporate Planning and Performance)
- Corporate Development: Governance
- Corporate Development: Customer Service

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Complete a mapping exercise of Council-led programs that promote community connection	A mapping exercise for all completed Service Plans will be undertaken as part of the evaluation of the Service Planning program in 2016-17.
Number of service reviews that actively consider community connections as part of their service plan	All 27 services that have completed a service analysis as part of the Service Planning Program have considered community connections.



Strategic Objective

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

Strategies

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

A Volunteering Procedural Manual has been reviewed and updated, and is ready to be communicated across the organisation, specifically for volunteer managers.

A policy has received preliminary endorsement from Knox’s EMT.

Deliver appropriate training and support for Council volunteers

A Compliance and Regulation Education (CARE) work booklet for training purposes has been developed and will be communicated to volunteer managers across the organisation.

It is expected that volunteers will complete this booklet before their volunteering assignment commences. The volunteering working group continues to meet.

Council Plan 2013-17 Strategic Indicators

Indicator

Progress result

Number of Council volunteer process and system improvement activities completed

A Managing Volunteers Procedure Manual and CARE workbook has been developed and further work will continue in 2016-17.

Percentage of Council volunteers who report an increase in satisfaction with Council’s procedure improvements

A survey tool is yet to be developed to determine satisfaction levels.



2015-16 Annual Plan

Major Initiative

Establish a Seniors Group Network to support the implementation of Council's Senior Citizens Support Service Plan

The Knox Seniors Bright Ideas group commenced on 5 May 2016. It consists of 50 older Knox residents and representatives of community groups that support older people. The group discusses matters of importance to seniors in the Knox community. It provides an opportunity to share current and future challenges for Knox Seniors and to work together to develop ideas and opportunities that actively support seniors to continue to contribute to, and participate in, the Knox Community.

Initiatives

Undertake an analysis of Council's services to identify and pursue opportunities to increase awareness of mental health issues through relevant Council delivered programs

As discussed earlier, a memo and report was approved by the EMT on 23 June 2016 and circulated to Councillors on 30 June 2016, highlighting the need to explore opportunities to increase awareness of mental health issues through relevant Council programs.

Following research and community engagement, implement strategies to increase healthy food choices in Knox sporting and community groups that operate in Council owned or managed facilities

Research, consultation and analysis was undertaken to identify the opportunities, barriers and proposed strategies to increase healthy eating choices through Knox sporting clubs. A project report including a proposed action and resource plan, was presented to the EMT for consideration in June 2016. Strategies to promote healthy food choices have been provided to support four clubs in the process. Some promotion opportunities will be continued through Council's links with sporting clubs while additional operational resources required would need to be considered in future Council budget processes. The report identified a need to upgrade kitchen facilities in a number of leisure facilities to enable production and supply of healthy food choices and to comply with health regulations. As this will require capital investment, kitchens upgrades will be prioritised and considered as part of Council's annual capital works renewal and upgrade programs.



Facilitate and support volunteering in Council services and programs by preparing a policy for the management of volunteers, and a plan for training volunteers

A draft Volunteer Management Policy, Volunteer Procedure Manual and Volunteer Care Workbook (incorporating a training plan) was considered by the EMT on 9 June 2016. The policy and associated manual, workbook and service model were approved in principle and support to develop a resource plan to support policy implementation.



Services

Youth Services

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

Active Ageing

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

Active Living

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

Community Transport

This service offers supported transport to assist vulnerable older people or people with disabilities in accessing services and community activities. Four Council buses provide supported transport for this purpose, helping vulnerable older people and people with disabilities to go shopping, participate in senior citizens groups or go to the library.

Health Services

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

- Overseeing monitoring, surveillance and enforcement activities aimed at food safety and controlling the spread of infectious disease;
- Delivering immunisation services that protect the community against vaccine preventable disease;
- Leading health promotion and education services, including tobacco control and emergency management, aimed at changing community behaviour and delivering improved health outcomes; and
- Providing expert advice on preventative health-related matters.

Community Strengthening

This service creates a stronger Knox community by:

- Building the capacity of Council and Knox community organisations; and
- Developing and nurturing partnerships to create connections between community groups, individuals and businesses

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

Community Access and Equity

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

Social Policy and Planning

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

Community Safety

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

Early Years Education and Care

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

**Family Day Care service concluded on 30 March 2016.*

Family Health, Development and Support

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

Family Services Planning, Innovation and Partnerships

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

Prevention Health Partnerships*

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

The Knox prevention health partnership aims to:

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

* State Government funding for this initiative concluded on 30 June 2016

Local Laws

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





Local Government Performance Reporting Framework Indicators

Theme 1

The following are the results of the prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist you in understanding the results.

LGPRF Indicators

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Home and Community Care (HACC)			
Timeliness			
Time taken to commence the HACC service [Number of days between the referral of a new client and commencement of the HACC service / Number of new clients who have received a HACC service]	-	16.73	This is the first year that the time taken to commence the HACC service has been reported.
Service standard			
Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	77.78%	77.78%	Compliance is audited every three years. The last audit was conducted in September 2013. An internal review of compliance suggests the compliance result for 2016 would be 88% if an audit was conducted.
Service cost			
Cost of domestic care service [Cost of the domestic care service / Hours of domestic care service delivered]	-	\$45.97	This is the first year that the cost of the domestic care service has been reported.
Cost of personal care service [Cost of the personal care service / Hours of personal care service delivered]	-	\$42.22	This is the first year that the cost of the personal care service has been reported.
Cost of respite care service [Cost of the respite care service / Hours of respite care service delivered]	-	\$46.20	This is the first year that the cost of the respite care service has been reported.
Participation			
Participation in a HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	20.78%	19.77%	Council assisted 2,524 HACC clients with Domestic Assistance, Personal Care and Respite Care. Council also provides other HACC services - home maintenance, occupational therapy, food services and planned activity groups. In total, 3,652 residents were provided with HACC services. These figures are consistent with those in 2014-15.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
<p>Participation in HACC service by culturally and linguistically diverse (CALD) people</p> <p>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</p>	17.72%	17.49%	Participation in HACC service by CALD people remained stable in 2015-16.
Food Safety			
Timeliness			
<p>Time taken to action food complaints</p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	-	1.35	This is the first year that the time taken to action food complaints has been reported.
Service standard			
<p>Food safety assessments</p> <p>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</p>	97.45%	100%	All gazetted premises were assessed during the 2015 calendar year.
Service cost			
<p>Cost of food safety service</p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$480.51	\$393.61	Improved staffing efficiencies have resulted in the reduction in the cost of the food safety service.
Health and safety			
<p>Critical and major non-compliance outcome notifications</p> <p>[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</p>	94.73%	91.95%	Due to timing issues 35 follow up visits were outstanding at the time of reporting.



Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Maternal and Child Health (MCH)			
Satisfaction			
Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	108.15%	-	LGV has provided an extension for MCH indicators until the end of October 2016 due to a statewide software issue.
Service standard			
Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100%	-	LGV has provided an extension for MCH indicators until the end of October 2016 due to a statewide software issue.
Service cost			
Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	-	\$73.19	This is the first year Cost of the MCH service has been reported.
Participation			
Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	82.75%	-	LGV has provided an extension for MCH indicators until the end of October 2016 due to a statewide software issue.
Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	92.31%	-	LGV has provided an extension for MCH indicators until the end of October 2016 due to a statewide software issue.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Animal Management			
Timeliness			
Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	-	1.95	This is the first year that the time taken to action animal requests has been reported.
Service standard			
Animals reclaimed [Number of animals reclaimed / Number of animals collected]	43.10%	45.47%	The percentage of registered reclaimed animals has remained relatively stable.
Service cost			
Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$35.45	\$37.82	Direct service costs for animal management have remained relatively stable during 2015-16.
Health and safety			
Animal management prosecutions [Number of successful animal management prosecutions]	15	5	Council's enforcement approach under the Domestic Animals Act continues to prosecute defendants that cannot be dealt with by way of direct fines, mostly serious dog attacks. Council's education and ongoing enforcement continues to see a reduction in prosecutions.

Prosperous Advancing Economies



Council Plan

Year Three Achievements

Strategic Objective

Increase Council's active partnerships within the business community

Strategies

Promote connections between educational institutions and businesses in Knox

Connections between education and businesses continue to be promoted through ongoing interactions, as follows.

Knox Innovation Opportunity and Sustainability Centre (KIOSC):

- STEM (Science, Technology, Engineering & Mathematics) Festival themed 'careers in action' across the medical, environmental, energy, transport and technology fields;
- Discovery Programs and Taster Days – (8,000 secondary school students); and
- KIOSC stand at Stringybark Festival, displaying virtual reality experiences, 3D printing, wearable technology and fun with robots.

Swinburne University of Technology (SUT) - The strategic alliance and collaboration with Swinburne University has strengthened during this period with the following:

- Melbourne Eastern Suburbs Hackers Inc. (MESH) securing premises at the SUT Wantirna campus;
- Department of Education and Training 2016 Mini Makers Fair taking place at SUT's Wantirna campus; and
- Provision of Swinburne Business Forums locally.

Outer Eastern Local Learning and Employment Network (OELLEN) - Specific programs undertaken in Knox during 2015/2016 include:

- Bayswater Secondary College – Green Smiles community project in collaboration with Arrabri Community House and EACH;
- Rowville Secondary College – three-day volunteer boot camp where students work with community groups supporting homeless people;
- Careers of the Future Expo as part of National Science week in collaboration with KIOSC; and
- Connect students and workplaces under the Industry Pathway (IP) program in collaboration with KIOSC.

Future strategic priority areas have been determined for:

- Research - opportunities including data intelligent systems for city infrastructure, strategic planning, housing and possible broader regional collaborations;
- KIOSC / Wantirna campus – includes investigation of community accessibility options for the Wantirna campus;
- Workforce planning; and
- Bayswater Business Precinct project.

Expand and strengthen business networks in Knox

Knox Council became an annual member of the South East Melbourne Manufacturing Alliance (SEMMA) effective as of 1 June 2016. SEMMA is a peak industry group representing more than 200 leading manufacturers. SEMMA participates in the ongoing regional and national debate regarding the critical need for an innovative and sustainable manufacturing community. It also provides an important networking focus for manufacturing companies of all sizes, helping to forge inter-business links locally, nationally and around the world.

Knox Council also participated in the Smart Manufacturing 16 Event held, on 22 and 23 March and 17 May 2016 in partnership with the Committee for Dandenong, SEMMA, and the Greater Dandenong, Kingston, Monash, Cardinia and Casey Councils. The program aimed to 'aggressively promote Dandenong and South and East Melbourne as the largest Manufacturing Centre of Australia'.



Deliver and build Knox’s annual business attraction program

Initiatives in 2015/16 to deliver and build Knox’s annual business attraction program included:

- Utilisation in various communication channels of data on the Knox economy (from REMPLAN, IBISWorld), including responding to investment enquiries and expansions of existing firms;
- Development of business success case studies;
- An integrated and planned approach to communicating the activities of the Economic Development Program; and
- Active participation in regional programs and activities including the Melbourne East Regional Investment Attraction Strategy, and Smart Manufacturing 16.

Seven enquiries have been supported through the Development Facilitation Service in relation to property developers, new business to Knox and the eastern regional office of the Department of Economic Development, Jobs, Transport and Resources.

Update and share economic data about Knox

Economic data is drawn from REMPLAN, IBIS World and the Australian Business Register. Various communication channels are utilised to share information on the Knox economy including:

- Regular updates to the business community through business visits, events, e-bulletin and Knox Business Life;
- Updates to the Economic Development Committee; and
- Provision of information to internal staff to information Council programs and initiatives.

Council Plan 2013-17 Strategic Indicators

Indicator

Number of new active partnerships as measured by memorandums of understanding (MOU) and/or statements of intent entered into by Council

Progress result

Swinburne Statement of Intent continued in 2015-16 with a focus on research, Bayswater Business Precinct, Wantirna campus (including KIOSC) and workforce planning. The KIOSC MOU has expired and the next MOU for 2016-17 is being prepared by Knox City Council, Swinburne and the Department of Education and Training. In addition, the Bayswater Business Precinct MOU with Melbourne East Regional Development Australia, Maroondah and Yarra Ranges Council expired at the end of December 2015.



2015-16 Annual Plan

Major Initiative

Progress preparation of a structure plan in collaboration with the Metropolitan Planning Authority to guide future investment and development for the Wantirna Health and Medical Precinct

Research for the Wantirna Health and Medical Precinct has been undertaken in conjunction with the Metropolitan Planning Authority. This research is required to guide the future investment and development of the Precinct, and has demonstrated that the Wantirna Health Precinct has the potential to further develop as a state significant health precinct, within a highly competitive regional landscape that includes Box Hill and Monash medical health clusters.

Specific activities over the last 12 months have included:

- Partnering with the Metropolitan Planning Authority to complete a Health Demand Analysis to investigate health needs and investment opportunities in the Precinct;

- Initiated establishment of a working group with key stakeholders and agencies;
- Engagement with major industry, education and health service providers to build potential investment interest;
- Continued advocacy to State Government for a strategic approach to use and dispose of vacant land holdings within the Precinct; and
- The commencement of stakeholder mapping to help guide the planning and delivery of the Precinct.

Initiatives

Proactively participate in regional forums and initiatives with the South East Melbourne Innovation Precinct, the Melbourne East Regional Development Australia Group and the Regional Metropolitan Planning Group to achieve regional collaboration, build networks across government and business, and increase joint advocacy

Active participation in regional forums and initiatives continued in 2015/2016, with the Melbourne East Regional Development Australia Group and Regional Metropolitan Planning Group. Initiatives included:

- Bayswater Industrial Precinct, a joint regional project with Maroondah City Council, Yarra Ranges Council and Eastern Regional Development Australia, which supports the use of the industrial/employment areas in Bayswater, Bayswater North and Kilsyth, as an important precinct for economic and employment outcomes;
- Progression of the Regional Work Plan and improved coordination of economic development initiatives across the region; and
- Implementation of the Regional Investment Attraction Strategy for Melbourne's east.

As indicated earlier, a regional partnership was also established with Greater Dandenong, Kingston, Casey and Cardinia Councils, the Committee of Dandenong and SEMMA resulting in the Smart Manufacturing 16 Exhibition aimed at advocating and 'aggressively promoting Dandenong and South East Melbourne as the largest Manufacturing Centre of Australia'.

Council also participated in a newly formed State Government Automotive Transition Taskforce.

Attract and assist new investment and assist existing businesses to grow through the Knox Investment Facilitation Service

Over the last 12 months, the Knox Investment Facilitation Service has directly assisted seven businesses to explore business growth within the municipality.

In addition, active participation in the development of the Regional Investment Attraction Strategy for Melbourne's east will inform Council's strategic approach to further attract new investment into Knox. Implementation of this strategy has commenced with a two-page editorial for Inside Small Business magazine and preparation of an Investment Attraction Plan using the Create, Attract, Retain and Expand (CARE) model.

Continue to advance Council's place based planning to achieve business growth, attract investment and boost employment in key strategic precincts, specifically Bayswater-Boronia Employment/Industrial Precinct and Scoresby Rowville Employment Precinct

The Bayswater Business Precinct Working Group has been established to advance Council's place based planning with regional partners, including Maroondah and Yarra Ranges Councils and Melbourne East Regional Development Australia.



Activities to advance business growth, attract investment and boost employment in the Bayswater Business Precinct have included:

- A review of the planning policies and controls affecting the precinct;
- Engaging with Bayswater businesses to raise the profile of the project and encourage participation in project initiatives scheduled for 2016/2017; and
- Research into business connectivity, such as supply chain management (flow of goods and services).

The Scoresby/Rowville Employment Precinct was supported through Council's Investment Facilitation Service. The service supports production economy activities within the precinct, with a focus on research and development, industry and technology, warehousing and distribution, bio-tech industries and complementary offices.

Continue delivery of the business visits and engagement program to improve Council's understanding of the business community and their needs in terms of skills, growth, labour force, technology and infrastructure requirements

Since 1 July 2015, 34 business visits, 43 business engagement opportunities and 21 direct contacts (telephone and email) have occurred to promote specifically targeted business initiatives.

Connecting directly with businesses through business visits and various business events provides an opportunity to promote Council's Business and Economic Development Service and to better understand the challenges and opportunities facing Knox businesses.

Services

Economic Development

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

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

Place Program

This service provides an integrated approach to building partnerships and ensures that better social, environmental and economic outcomes are delivered in community hubs. It aims to improve the amenity and neighbourhood character of Knox, increase prosperity and increase the capacity for members of the community to be resilient to change and work together to determine what is important in their community spaces.

Local Government Performance Reporting Framework Indicators

There are no prescribed LGPRF service performance indicators and measures relevant to Theme 2.

Council has chosen not to include the optional LGPRF service performance indicators for Economic Development. Instead, Council has developed its own measure through the development of the 2015-16 Annual Plan.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Economic Development			
Investment Attraction			
<i>Participation in the Knox Investment Facilitation Service</i> [Number of individuals and businesses who engage with the Knox Investment Facilitation Service]	-	5	Council engaged with 5 businesses with the Knox Investment Facilitation Service during the 2015-16 reporting period.
<i>Investment in the City of Knox</i> [Number of individuals and businesses that locate or expand within the City of Knox following engagement with the Knox Investment Facilitation Service]	-	5	Three of these engagement activities involved existing business growing their operation through relocation within Knox or expansion at existing location. The remaining two were new investment to Knox.

Vibrant and Sustainable Built and Natural Environments



Council Plan



Year Three Achievements

Strategic Objective

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

Strategies

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

Planning Scheme Amendment C131, which implements the Knox Housing Strategy into the Knox Planning Scheme, was approved, with changes, by the Minister for Planning on 17 March 2016. All those making submission relating to the amendment were notified in writing of the Minister's approval.

Council resolved on 24 May 2016 to reinforce its adopted strategy relating to planning for residential development in Knox and, as such, has requested that the Minister for Planning amends the Knox Planning Scheme to reflect

Council's adopted approach. Council is seeking an urgent meeting with the Minister for Planning.

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

This strategy was completed in 2014-15.

The Knox Housing Strategy identified four residential areas across Knox: bush suburban, Knox neighbourhood, local living and activity areas. The key characteristics and desired future character of these areas are articulated in the Housing Strategy, which was adopted in January 2015.

Council Plan 2013-17 Strategic Indicators

Indicator

Council's housing monitoring report shows an increase in the diversity of housing in preferred locations as defined by Council's housing policy

Progress result

Council's housing monitoring program (reported to Council in April 2016) revealed mixed results for the type, size and location of residential planning permits approved across Knox in 2015. Apartments, townhouses and other smaller dwellings were approved in activity centres, making a positive contribution to dwelling diversity and affordability in areas that have the best access to services and transport. Most approvals in 'Knox Neighbourhood' areas continued to be for three dwellings or less – with a shift towards greater numbers of townhouses.



Strategic Objective

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

Strategies

Prioritise upgrades and renewals for connectivity

A priority listing, outlining a 20-year program of new and upgraded works to enhance path connectivity, has been presented to Council as part of the annual budgeting process. This has seen an increase in the level of funding commitment to paths equivalent to approximately \$300,000 per year. In addition, Council spends almost \$2 million per year on footpath renewals and \$500,000 on shared path renewals. At year end, both the new and upgrade, and renewal programs for footpaths and shared paths were fully expended with the exclusion of one Mountain Highway project. This has been delayed due to adjacent construction works.

Identify gaps between existing bike and footpaths and key places

The Knox Bicycle Plan and the Knox Pedestrian Plan serve as the key defining documents to develop path priorities that inform the capital works program through application of ranking criteria to potential projects. This document is supplemented by the Mobility Study and Implementation Plan, which identified key missing links in and around activity centres. When combined, these documents provide the base list informing the future capital works program.

At the end of this financial year, Council fully expended its renewal budget for footpath renewal and its budget for shared path renewal. The new footpaths program was 97% expended. The new shared path program was 72% expended, with the majority of this program to be expended in the last quarter of the financial year.

Council Plan 2013-17 Strategic Indicators

Indicator

The number of metres of new footpath and shared path delivered annually to improve connectivity

The number of key places that have new footpath and bike path connections

Progress result

Council currently manages 1224km of footpaths and 92.4km of shared paths. An increase of 5km and 1.4km respectively from last financial year.

Council has identified and implemented over 1km of new path connections and pram crossing installations in priority areas across Knox, as identified in the Mobility Implementation Plan.





Strategic Objective

Improve the provision of integrated public transport options in Knox

Strategies

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

Following a period of community consultation and invitation for submissions, Council formally adopted the revised Integrated Transport Plan at their meeting on 24 February 2015. Aligned to the key strategies identified within the *Transport Integration Act 2010*, the Integrated Transport Plan incorporates a series of actions that are to be delivered on an ongoing basis across key themes. Officers are progressing with two key priority initiatives from the Integrated Transport Plan, the development of a Principle Pedestrian Plan and a Parking Policy for Knox.

Continue to advocate to the State Government for the delivery of the Bayswater Grade Separation project

The \$170 million Bayswater Grade Separation project has been announced by the Victorian State Government and works are progressing with the construction period expected to run until March 2017. Council officers are supporting key interface activities, such as car parking and works abutting Council roads and Marie Wallace Bayswater Park, contributing to the design development process through stakeholder groups, and participating in the Urban Design Advisory Panel and the Stakeholder Liaison Group.

Continue to advocate to the State Government for the extension of a rail line to Rowville

A letter was presented, under the Mayor’s signature, calling for appropriate planning measures to be put in

place to protect the future Rowville rail corridor from inappropriate development. This was identified as a key finding of the Stage 1 Rowville Rail feasibility study and has not progressed significantly since the release of the Stage 2 report.

At its meeting in October 2015, Council resolved to erect signage at four strategic locations around the municipality to advocate for Federal Government funding of major public transport infrastructure projects, including the extension of heavy rail to Rowville. The “Let’s connect the dots” campaign coincided with the Federal election.

Council prepared a submission to Infrastructure Victoria, in response to its “All things considered” 30-year strategy document, calling for a more holistic approach to transport planning for metropolitan Melbourne. This included a specific section to support the proposed Rowville rail and the need for appropriate planning measures to be put in place to protect the corridor against future development.

Continue to advocate to the State Government for the extension of tram service number 75 to Knox Central

Included in Council’s ‘Let’s connect the dots’ campaign (discussed above), was advocacy for the extension of the number 75 tram service to Knox Central. Council’s submitted response to Infrastructure Victoria’s ‘All things considered’ document also included a specific section to support the proposed tram extension to Knox in response to a changing adjacent land use environment.

Council Plan 2013-17 Strategic Indicators

Indicator

Deliver an annual transport advocacy program, incorporating the Rowville rail, Knox tram and Bayswater Grade Separation projects

Progress result

At its meeting in October 2015, Council resolved to erect signage at four strategic locations around the municipality, to advocate for Federal Government funding of major public transport infrastructure projects, including Rowville rail and the extension of the Number 75 tram service to Knox Central. The ‘Let’s connect the dots’ campaign coincided with the Federal election.

The \$170 million level crossing removal project at Bayswater (Mountain Hwy and Scoresby Road) was announced by the State Government in November and works are progressing with a construction period expected to run until March 2017.

Review Council’s Integrated Transport Plan

The reviewed Integrated Transport Plan was adopted at the Council meeting on 24 February 2015.

2015-16 Annual Plan

Major Initiative

Progress preparation of a detailed structure plan to guide and support future development with the Knox Central Activity Centre

Several background studies were completed in the 2015/2016 financial year in order to inform the preparation of the draft Knox Central Activity Centre Structure Plan. These technical studies covered the following areas:

- Land use
- Economic and property market analysis
- Heritage
- Transport
- Built form.



Initiatives

Actively participate in an advocacy program for improved public transport through membership of the Eastern Transport Coalition

Council actively participates in the Eastern Transport Coalition (ETC) programs and initiatives, and currently serves as the Chair. The ETC recently prepared a submission to Infrastructure Victoria in response to their "All Things Considered" document, which sought to identify infrastructure priorities in Victoria over the next 30 years.

A key focus in the year to date has been securing enhanced outcomes through the Grade Separation projects.

Following on from the release of Stage 2 of the Rowville Rail Feasibility Study, undertake advocacy to seek a commitment from the state government to improve existing bus services, to protect a land corridor for the future train line, and expedite delivery of the Rowville rail

In the submission in response to Infrastructure Victoria's 'All things considered' document, Council also identified the need for a staged approach for improved bus services along both Wellington Road (Rowville Rail) and Burwood Highway (Knox tram).

Continue to participate in the development of the Bayswater Grade Separation Project to provide an integrated solution that satisfies both the state government's business case and Council's objectives, as outlined in the Bayswater Structure Plan

As indicated earlier, a \$170 million project has been announced by State Government and works are progressing on the Bayswater Grade Separation project, with a construction period expected to run until March 2017. Council Officers are supporting key interface activities and contributing to the design development process through participation in the Urban Design Advisory Panel and the Stakeholder Liaison Group.

Continue to prioritise Council's Integrated Transport Plan to inform reviews of the Pedestrian Plan, the Bicycle Plan, Mobility Study Implementation Plan and Road Management Plan

As previously discussed, following a period of community consultation and invitation for submissions, Council formally adopted the revised Integrated Transport Plan in 2015, which is aligned to the key strategies of the Transport Integration Act 2010. Council Officers are progressing with two key priority initiatives from the Integrated Transport Plan, the development of a Principle Pedestrian Plan and a Parking Policy for Knox.

Identify and address missing links and key places for path connectivity through Council's capital works program

Council's priority listing, outlining a 20-year program of new and/or upgraded works to enhance path connectivity, has seen an increase in the level of funding commitment to paths to \$300,000 per year, in addition to the almost \$2 million Council spends on footpath renewals and \$500,000 on shared path renewals each year.



Services

Emergency Management

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

Asset Management

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

Facilities

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

Operations

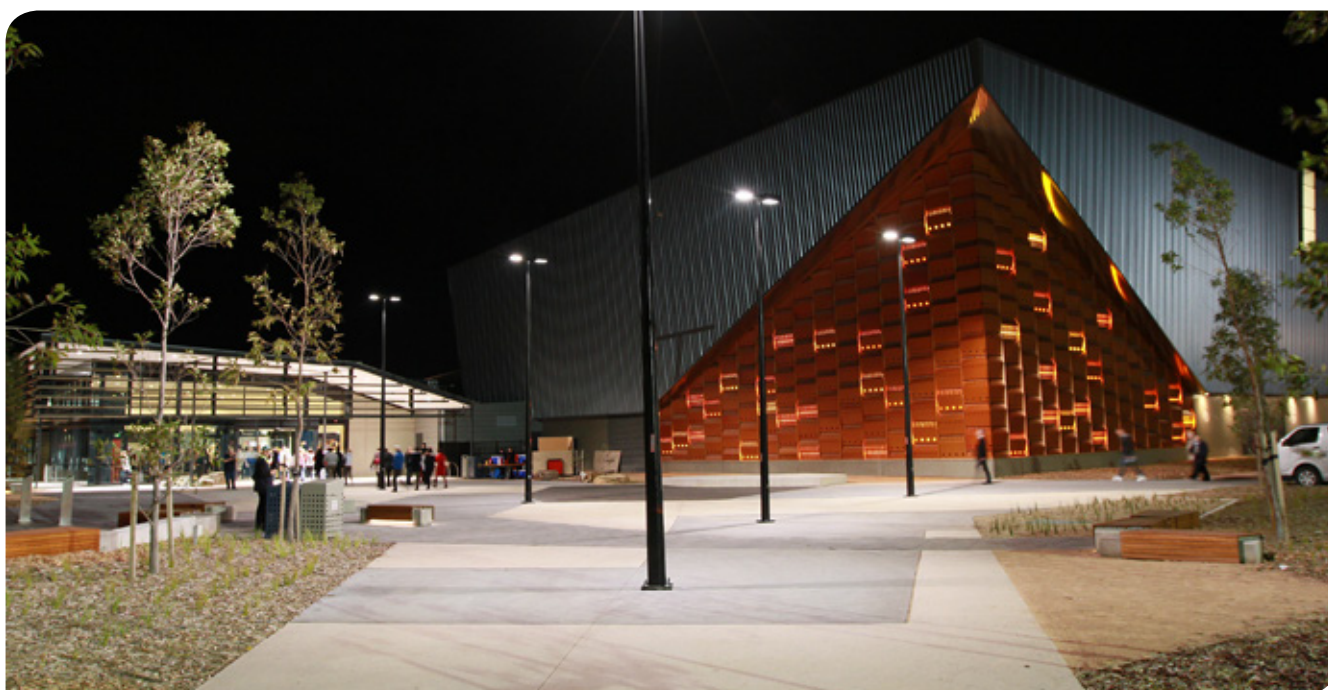
This service is responsible for the management and delivery of maintenance services and delivery of new, renewed and upgraded Council infrastructure assets. This includes Parks Services, Works Services, Construction and Fleet Management. The service provides well-maintained infrastructure assets that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

Waste Management

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

Biodiversity

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



Open Space Management

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

Integrated Water Management

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

Strategic Land Use Planning

Overseeing the research that informs planning policies and decisions is a key focus of this service. It also proactively updates the Knox Planning Scheme to reflect the Council Plan's strategic objectives. This includes 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.

Planning Approvals

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

Building

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

Traffic and Transport

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

Sustainable Futures

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





Local Government Performance Reporting Framework Indicators

Theme 3

The following are the results of the prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist you in understanding the results.

LGPRF Indicators

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Waste Collection			
Satisfaction			
Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	75.10	70.38	Bin requests relating to additional services, cancellations, damaged bin repair/replacements or replacing stolen bins reduced in 2015-16.
Service standard			
Kerbside collection bis missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	4.38	4.10	Council has seen the ratio of missed bin reports remain stable during 2015-16.
Service cost			
Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$101.06	\$106.78	Council annual direct costs for the kerbside garbage collection remained relatively stable during 2015-16.
Cost of kerbside recyclables bin collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$3.66	\$11.71	Council engaged a new recyclables contractor in April 2015. The new contract has impacted the income Council receives for the receipt of the recyclables, which offsets part of the collection costs, resulting in an increase to overall direct cost of the service during 2015-16.
Waste Diversion			
Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	53.30%	52.01%	Council's percentage of kerbside waste being diverted from landfill has remained relatively stable during 2015-16.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Statutory Planning			
Timeliness			
Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	65.00	67.00	The time taken to decide applications was maintained at a similar level to 2014-15, and was influenced by another year of high application numbers. Projects are currently underway to further improve this result.
Service standard			
Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	69.68%	75.53%	Improvement has been seen in the number of applications determined within 60 statutory days with projects underway to further improve the result.
Service cost			
Cost of statutory planning service [Direct cost of statutory planning service / Number of planning applications received]	\$1,970.88	\$1,561.78	Direct service costs were lower in 2015-16 due to reduced legal costs and a better understanding of staff included in this indicator.
Decision-making			
Council planning decisions upheld at the Victorian Civil and Administrative Tribunal (VCAT) [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	41.67%	44.83%	Council continues to have success at VCAT. It is anticipated that the State Government's approval of the Knox Housing Strategy (Amendment C131 to the Knox Planning Scheme) will further improve VCAT rates in the future.



Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Roads			
Satisfaction of use			
Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	31.67	32.10	Council includes all requests received from external customers (via customer service requests or after hour requests) that relate to the quality of sealed road surfaces and kerb and channel. Requests are counted regardless of whether a maintenance activity is required to be undertaken in accordance with Council's service level. The number of requests received in 2015-16 was the same as 2014-15.
Condition			
Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	95.25%	95.64%	Council has a relatively high and consistent service standard for the resealing of its roads, and is progressively addressing the backlog of roads requiring renewal. External audits undertaken every four years of the whole road network enabled Council to measure its progress.
Service cost			
Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$99.26	\$136.33	Total costs are based on the relatively small number of road reconstructions undertaken, and the increased complexity of projects this year compared to previous years has resulted in an increase in the rate of road reconstructions.
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$22.34	\$26.59	Road reseal costs vary depending on the complexity and size of resurfacing projects. This year's projects have been more complex and smaller in size, increasing the rate for reseals compared to last year.
Satisfaction			
Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	70.00	67.00	Performance against this indicator decreased by 3 points to a score of 67 in 2016 compared to 70 in the 2015 survey.

Culturally Rich and Active Communities



Council Plan



Year Three Achievements

Strategic Objective

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

Strategies

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

A draft project brief has been prepared to identify the most effective ways to successfully promote the acceptance, valuing and celebration of multicultural diversity. The project will seek to clarify what ‘multicultural’ programming means in practice.

The project will involve consultation with Council’s Multicultural Advisory Committee, as well as multicultural and other community organisations, in order to identify and implement the most effective programming options.

The project will focus on how best to incorporate multicultural programming within existing Council delivered events and festivals, where appropriate. This should not be limited to Council’s major festivals program.

Council Plan 2013-17 Strategic Indicators

Indicator

Number of Council-delivered festivals, events and arts programs that offer an opportunity for a multicultural component

Progress result

During 2015-16, there were three major events and three presentations at the Knox Community Arts Centre that promoted artists from differing backgrounds, as well as bespoke projects to highlight and appeal to those from diverse ethnic and cultural backgrounds. Immerse attracted work from a range of artists from multicultural and Indigenous backgrounds.

Percentage of participants or audience who report that festivals, events and arts programs that have a multicultural component, promote acceptance and valuing diversity

In 2015-16 it was found that onsite evaluation forms were not effective in obtaining public feedback on events. However, teams are devising different ways of engaging through onsite and online surveys, designed to obtain feedback regarding program content.



2015-16 Annual Plan

Major Initiative

Work with Westfield to finalise arrangements for an interim and permanent Knox library in the Knox Central precinct

Work with Westfield has occurred on both the permanent and temporary library facilities, however revisions to the plan for the shopping centre redevelopment have meant delays to finalisation. Relocation into the temporary premises is not expected to occur before July 2017, however work has progressed on the designs and lease arrangements with the aim of completing these by the end of 2016.

A Heads of Agreement between Westfield and Council for the long term library in the redeveloped shopping centre is being progressed with a view to completion by September 2016.

Initiatives

Investigate and implement opportunities to use new social media tools to promote arts and cultural opportunities across the community

Council's arts and cultural activities are promoted through existing communication avenues including the website, Knox News, local newspapers and Council social media channels as well as the Knox Community Arts Centre Facebook page.

A project is underway to identify opportunities to further strengthen this to address the unique nature of arts and culture programs and to be aligned with broader Council communications strategy and policies. The project involves auditing current mechanisms, benchmarking with best practice Councils, audience analysis and identifying requirements for effectively managing social media tools tailored to suit arts and culture programs. The research has been undertaken with final work on an implementation plan (including key actions, timeframes and measures) to be completed in August 2016.

Develop partnerships with community education providers to facilitate the delivery of digital navigation and literacy programs for the community in Knox libraries

In 2015-16:

- Knox developed a new partnership with the Knox Learning Alliance to deliver weekly technology support sessions in the Westfield Community Space;
- Knox partnered with the Australian Federal Police's Thinkuknow.com.au website to deliver an upcoming cyber security information session at Rowville Library;
- Boronia Library continued its relationship with the Basin Community House, which has delivered ongoing monthly iPad support sessions;
- The library's database education program has expanded into the Knox region, having connected with almost 20 schools;
- A joint session was held in January with Centrelink, called Centrelink for Seniors, focusing on MyGOV;
- ERLC put a proposal to the Mountain District Learning Centre (MDLC) with the aim of developing an outer eastern literacy network. Subsequently, MDLC successfully applied for an Adult Community and Further Education (ACFE) grant for this purpose. A project officer has been appointed and work has commenced to bring together parties that might have an interest in literacy; and
- Monthly visits were made to Kingloch Social Housing to assist with digital literacy.



Services

Leisure Services

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

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

Arts and Cultural Services

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

Libraries

This service provides resources and programs and a variety of media for education, information, leisure and personal development. There are currently five branch libraries in Knox and a library service bus. The service is managed by the ERLC, a formal partnership between Maroondah, Yarra Ranges and Knox Councils.

Local Government Performance Reporting Framework Indicators

Theme 4

The following are the results of the prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist you in understanding the results.

LGPRF Indicators

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Aquatic Facilities			
Satisfaction			
User satisfaction with aquatic facilities [User satisfaction with how council has performed on provision of aquatic facilities]	-	-	This measure was optional and was not reported.
Service standard			
Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	4.00	4.00	Knox again achieved the Industry standard of quarterly (4 per annum) health inspections.
Reportable safety incidents at aquatic facilities [Total number of WorkSafe reportable aquatic facility safety incidents]	1.00	1.00	One near-miss incident involving the handling of chemicals occurred during the year.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Service cost			
Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$-0.84	\$-0.97	There is a small variance between 2014-15 and 2015-16 figures because the return to Council increased for 2015-16 as per the management contract.
Utilisation			
Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	3.62	3.67	Council's aquatic facilities continue to experience growth in utilisation.
Libraries			
Utilisation			
Library collection usage [Number of library collection item loans / Number of library collection items]	8.08	8.51	Library collection usage remained relatively stable during 2015-16.
Resource standard			
Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	85.66%	78.36%	Council's library material replacement program was reduced in 2016 resulting in the ageing of the overall collection.
Service cost			
Cost of library service [Direct cost of the library service / Number of visits]	\$3.71	\$4.14	Despite an increase in collection usage and active library members, visitation numbers were lower comparatively as a result of an increased number of library branch closure days and outreach vehicles off the road. This has impacted on the cost of service, as costs remained constant while visits reduced.
Participation			
Active library members [Number of active library members / Municipal population] x100	18.14%	17.52%	The number of active library members remained relatively stable in 2015-16 despite a loss of 45 days to branch closures and the outreach vehicle being out of use during total fire ban days.

Democratic and Engaged Communities



Council Plan

Year Three Achievements

Strategic Objective

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

Strategies

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

Knox's capital works process has been refined to give consideration to separate scoping phases for significant projects prior to design development. The scoping phase provides the opportunity for Council to consider complementary service outcomes prior to the project progressing through to the design phase.

An Integrated Facility Planning Policy has been developed and presented to Council for endorsement. This provides a framework to ensure consideration is given to integration when planning new or upgraded facilities. A procedure to support this policy is also in development.

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

The year three actions on 'investigating opportunities for collaborative actions which may enhance the support for community groups and make more efficient use of Council resources' has concluded, with presentations feeding back to key stakeholders on the key findings and recommendations.

In 2015-16 activities included:

- Implementation and promotion of whole year planning and delivery of skills with the community of practice, cross-Council meetings being used to support implementation of more coordinated promotion and delivery of skills programs;
- Trialling skill sharing and mentoring sessions with representatives of community groups through the 2016 Community Skills Program and in community grants acquittal processes;
- Evaluation approach improvements; and
- Trialling the use of video link training.

Implement the new funding agreement and approach to delivering Council's Volunteer Resource Centre service model

The funding agreement for the Volunteer Resource Centre has been in place for two years. Regular meetings are held every eight weeks to monitor the establishment phase of the new Centre (Volunteer for Knox). The Centre has set up a distinctive web presence, is actively promoting various Council volunteering opportunities and is building relationships with other volunteers involving organisations within Knox.

Volunteer for Knox continues to build its client base and increase community recognition of its role as the Knox Volunteer Resource Centre. A physical presence has been established at Knox Westfield to support promotion of volunteering and other community activity.

A searchable database was introduced in June 2016 with links to broader volunteer sites to increase accessibility.

Engage with community groups to better understand the range of solutions that may support the effectiveness of their groups

A community engagement process was undertaken in April and May 2015 involving direct interviews and focus groups with 162 individuals representing over 80 Knox-based community organisations.

The recommendations generated have been presented in a number of different Council forums, including the Community Development Evaluation Panel and to Council. Suggestions for Council system improvements are being considered where possible. Streamlining of Community Development Fund guidelines and acquittal forms have already been implemented.

Knox is exploring how best to establish an annual 'check-in' with a sample of community groups to regularly identify opportunities for improving group operations.



Review and simplify Council’s administrative systems that directly impact on the operation of community groups, to ensure they are user-friendly and accessible, while managing risk and fulfilling legislative requirements

A report has been completed, documenting responses from the community engagement process and the internal staff consultation. This provides recommendations for changes to relevant policy, procedures, programs and practices which impact on the effectiveness of community groups and organisations in Knox.

Several processes impacting on community groups are being investigated and modifications implemented to improve community group experiences (e.g. events bookings, licence agreement documentation in early years, grant applications and guidelines simplification).

Examples of improvement activities to be considered are:

- Casual hiring guidelines for Council facilities being developed to enable consistent casual practice hiring of Council facilities;
- A review of the permission process for community not-for-profit sausage sizzles has been initiated; and
- Supporting the event management and risk management plans for community operated events on Council land.

Council Plan 2013-17 Strategic Indicators

Indicator

Number of programs, seminars or training delivered to community groups by Council for the purposes of improving their governance, understanding of regulation, access to resourcing, and knowledge of volunteering

Number of participants attending seminars or training delivered to community groups by Council for the purposes of improving their governance, understanding of regulation, access to resourcing, and knowledge of volunteering

Progress result

Council delivered 10 programs, seminars or training to community groups in 2015-16

155 participants attended seminars or training delivered to community groups by Council in 2015-16



Strategic Objective

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

Strategy

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

Council continues to aggregate its asset renewal requirement data in a centralised database. The database is updated periodically when revised forecasting is undertaken upon the receipt of new asset condition data. This information is in turn used to inform the capital works component of Council's Long Term Financial Forecast.

The adopted capital works renewal budget for 2016-17 amounts to \$25.11 million. As at 30 June 2016, the proposed asset renewal budget for 2015-16 and 2016-17 is expected to exceed 100% of the modelled renewal requirements. This will ensure that Council can address its current backlog of asset renewal requirements.

Council Plan 2013-17 Strategic Indicators

Indicator

Allocated budget for the renewal of Council infrastructure is increased to greater than 96% of required renewal funding by 2016-17

Progress result

Asset collection data informs the capital works component of Council's LTFF. The adopted capital works renewal budget for 2016-17 amounts to \$25.11m. As at 30 June 2016, the proposed asset renewal budget for 2015-16 and 2016-17 is expected to exceed 100% of modelled renewal requirements to ensure that Council seeks to address its current backlog of Asset Renewal requirements.



Strategic Objective

Strengthen the effectiveness and efficiency of Council's services

Strategy

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

Council services are being reviewed over a four-year period, in accordance with the endorsed Service Planning Policy, Guidelines and Toolkit. Work is now complete on years one and two of the four-year program, with service plans endorsed by Council in December 2014 and December 2015, respectively. Implementation is underway.

Work on year three of the service planning program is now very well advanced, with service analyses completed and presented to Council. The year four program has also commenced with all teams finalising their service scope for Council endorsement in August 2016.

Council Plan 2013-17 Strategic Indicators

Indicator	Progress result
Number of Council services reviewed	At the conclusion of the third year of the four-year rolling service planning program, 27 of 41 service reviews have been completed.
Number of Council services with service plans containing improvement recommendations for effectiveness and efficiency	Of the 17 services considered in years one and two of the four year rolling service planning program, 16 services have incorporated recommendations intended to improve efficiency and/or effectiveness of the service into their service plan.
Number of recommendations for effectiveness and efficiency implemented	The number of recommendations for effectiveness and efficiency implemented will be identified as part of an evaluation of the Service Planning program to be conducted in 2016-17. In support of implementing effectiveness and efficiency improvements, a Customer Focussed Business Improvement approach has commenced based on Lean principles.

Strategic Objective

Ensure adequate community engagement occurs in all key Council projects

Strategy

Review Council's Community Engagement Policy, project planning and approval methodology to ensure community engagement opportunities are incorporated into key community projects

The Community Engagement Policy review, including consultation with key internal stakeholders, has concluded and the revised policy approved by Council.

Further investigation is underway to consider the resources required to implement the policy including developing and delivering staff training.

The community engagement project planning and approval methodology will be explored through the streamlining of the Community Engagement Manual and planning tools. A working group of community engagement advocates is assisting with this work.

Council Plan 2013-17 Strategic Indicators

Indicator

Percentage of identified key projects that have documented community engagement plans

Progress result

Council key projects have not been identified. Future measures for this indicator will be developed in 2016-17.



2015-16 Annual Plan



Major Initiative

Complete a minimum of nine service reviews as part of the implementation of year three of Council's four-year rolling service review program.

The year three service planning program of work scheduled for 2015-16 is on track.

The following six services have completed their service analyses, each presented at Issues Briefings on 10 May, 31 May and 7 June Economic Development, Health Services, Community Access and Equity, Strategy and Innovation, Governance, Community Strengthening, Customer Service.

The remaining three services: Integrated Water Management, Leisure Services, and Place Management, are scheduled to be presented at an Issues Briefing on 12 July 2016.

Initiatives

Develop and adopt a community infrastructure planning policy to build consideration of potential multiple community uses into new and upgraded Council and community facilities

The Community Facilities Planning Policy and Guidelines were adopted by Council on 28 June 2016.

The policy outlines Council's commitment to an integrated planning process for the planning and delivery of community facilities. It specifically requires consideration of opportunities for multipurpose, co-located or integrated community uses or community hubs when planning for new and/or upgraded community facilities. It also identifies key location considerations to maximise multipurpose opportunities.

The guidelines will support and inform a process to plan, assess, prioritise, deliver and manage Council's community facilities.

Develop a comprehensive Advocacy Strategy to guide Council's advocacy efforts.

The Advocacy Framework has been scoped and an appropriate supplier will be sourced by the end of July 2016. The Framework will be delivered by November 2016.

Develop a Council Communications Strategy

The development of a Communications Strategy is underway, with an appropriate supplier to be engaged by the end of July 2016. The Strategy will be delivered by December 2016.

Actively participate in the Victorian Electoral Commission's Local Government Representation Review of the Knox municipality

The Electoral Representation Review for Knox is now complete. Council actively participated in the review process, preparing two submissions that recommended retaining the existing electoral structure of nine single-member wards. Following consideration of all submissions, the VEC recommended to the Minister for Local Government that Knox retain the current ward structure with minor modifications to boundaries to ensure they provide for equitable representation in accordance with the *Local Government Act 1989*. The Minister accepted the VEC's recommendation with changes to the electoral boundaries applying at the 2016 general elections.

Begin preparations for the 2016 Council general elections.

Preparations for the elections have commenced. The voting method has been determined by Council as attendance voting. The Election Period Policy (formerly the Caretaker Policy) has been reviewed and endorsed by Council in accordance with recent amendments to the *Local Government Act 1989*. An agreement with the VEC for the conduct of the elections has been established and a candidate information session was held on 22 June 2016.

Continue to allocate sufficient funding to ensure Council meets its asset renewal target in 2015-16

Council's 2015-16 budget ensured sufficient funding has been applied to meet asset renewal targets. Council's 2015-16 asset renewal budget represents 100% of the 2015-16 renewal requirements (not including carry forwards from 2014-15). This exceeds the minimum target of 98% funding of asset renewal requirements, as outlined in Council's Strategic Asset Management Plan.

Services

Customer Service

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

Communications

This service oversees organisational communications and promotion, leadership and advice in communications and marketing, producing and managing corporate publications, media liaison, staff communications and developing community information.

Strategy and Innovation

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

Finance and Property Services

The strategic thinking, leadership, service delivery and management of all matters relating to financial management is the purpose of this service. The department is responsible for managing the budget and forecasting process, regular financial reporting, preparing annual financial accounts, rating services and managing debtors and creditors. The Finance team works closely with the Governance team to develop and support the organisational financial compliance frameworks and works across the organisation educating and supporting stakeholders. The Finance team continuously reviews its operations to ensure compliance with statutory obligations and community expectations. The Property team oversee the management of Council's property and land portfolio and the oversight of leases and licences.

Governance

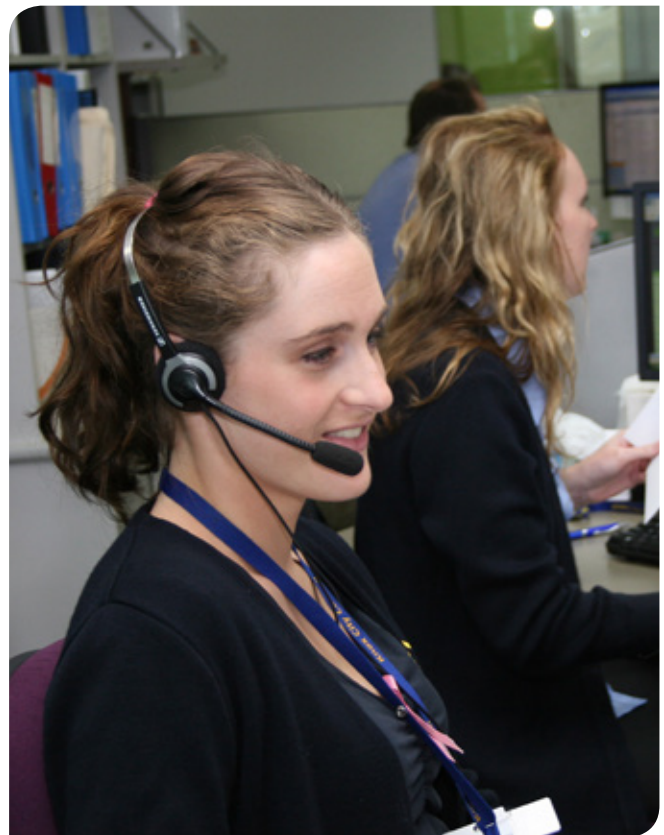
This service provides information, guidance and support to Councillors, staff and the community to ensure a well-governed organisation. The service is responsible for legislative compliance, Councillor support and development, Council meetings and the maintenance of the Civic Centre meeting rooms. The service oversees Council's strategic procurement function and is responsible for Council's integrity framework, including the audit committee, fraud and corruption prevention, privacy compliance and Freedom of Information (FOI).

Information Technology

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

People Performance (Human Resources)

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





Local Government Performance Reporting Framework Indicators

Theme 5

The following are the results of the prescribed service performance indicators and measures of the LGPRF. Comments are provided to assist you in understanding the results.

LGPRF Indicators

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Governance			
Transparency			
Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	3.39%	4.92%	4.92% of Council decisions were made in a meeting that was closed to the public. While the number of reports considered at closed meetings only increased from 12 reports in 2014-15 to 13 reports in 2015-16, there has been a significant decrease in the number presented to Council for resolution (down from 354 to 264).
Consultation and engagement			
Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	59.00	60.00	Council's score was significantly higher (six points) than the state-wide average, and two points higher than other Council's in the Melbourne Metropolitan Area.
Attendance			
Councillor attendance at Council meetings [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	93.21%	91.67%	Councillor attendance at council meetings remained relatively stable during 2015-16.
Service cost			
Cost of governance [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$51,034.00	\$55,042.56	Operating expenses related to elected Councillors remained relatively stable during 2015-16.
Satisfaction			
Satisfaction with Council decisions [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	59.00	62.00	Knox performance against this question increased to a score of 62 in 2016, 3 points higher than 2015. The result is 3 points higher than the Melbourne Metropolitan average result of 59, and higher than the state wide average of 55.

Governance and Statutory Information



Governance

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

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

Council delegates the majority of its decision-making to Council's 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.

Council Meetings

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

In addition to the regular meetings of Council, Councillors are appointed to committees. The following tables provide a summary of Councillor attendance at Council meetings, Strategic Planning Committee meetings, Special Committees and Advisory Committees for the 2015-16 financial year.

Meetings of Council 2015-16 Financial Year

	Cr Cossari	Cr Mortimore	Cr Orpen	Cr Gill	Cr Pearce	Cr Holland	Cr Lockwood	Cr Seymour	Cr Cooper
Meetings of Council									
Council	10(12)	12(12)	12(12)	11(12)	12(12)	12(12)	12(12)	11(12)	11(12)
Special meetings	3(3)	2(3)	3(3)	1(3)	2(3)	2(3)	2(3)	3(3)	3(3)
Strategic Planning Committee	11(11)	11(11)	10(11)	10(11)	10(11)	10(11)	10(11)	11(11)	9(11)
Leave of absence granted to Councillors	0	0	0	0	0	0	0	1	0

Councillor Attendance by Committee

Committee	Cr Cooper	Cr Cossari	Cr Gill	Cr Holland	Cr Lockwood	Cr Mortimore	Cr Orpen	Cr Pearce	Cr Seymour
Audit Committee				4(5)			4(5)	4(5)	
Australia Day Awards Committee				2(2)	2(2)		2(2)		
CEO's Performance Evaluation Committee		2(2)			2(2)			2(2)	
Community Development Fund Evaluation Panel							10(10)		10(10)
Community Health and Wellbeing Reference Group						5(6)			6(6)
Early Years Advisory Committee	3(4)								5(5)
ERLC Board			0(2)	1(2)	2(2)	2(2)			
Eastern Transport Coalition					9(10)				
Economic Development Committee		1(1)			2(3)			3(3)	
Environment Advisory Committee						6(6)			
Ferntree Gully Cemetery (Special Committee)				2(2)		2(3)	3(3)		
Knox Active Ageing Advisory Committee						6(6)			6(6)
Knox Affordable Housing Reference Group					2(3)	2(3)			
Knox Arts and Culture Advisory Committee		5(6)			5(6)		2(3)		
Knox Central Advisory Committee	3(6)	5(6)		4(6)	6(6)		4(6)	6(6)	
Knox Community Safety Advisory Committee						5(6)			
Knox Community Sports Centre Management Committee	2(3)								1(1)
Knox Disability Advisory Committee						4(6)			5(6)
Knox Housing Advisory Committee				2(3)	2(3)	2(3)			
Knox Multicultural Advisory Committee		4(5)			4(5)				
Knox Regional Sports Park Advisory Committee	5(5)						5(5)		4(5)
Knox Transfer Station & Recycling Facility Management Advisory Committee	4(4)					4(4)			
Leisure Minor Capital Works Grant Scheme				1(1)					
Recreation and Leisure Liaison Group			1(2)	2(2)					
Stamford Park Community Reference Group							1(1)		1(1)
Stamford Park Project Steering Committee							3(3)		3(3)
Transport and Mobility Advisory Committee						5(5)			
Youth Issues Advisory Committee	2(3)				2(3)	2(2)			2(2)

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 Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 23/02/2016	✓
2 Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 1/05/2010	✓
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non financial resources required for at least the next four financial years)	Adopted in accordance with section 126 of the Act Date of adoption: 28/06/2016	✓
4 Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption: 28/06/2016	✓
5 Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans: Knox has the following asset management plans endorsed: • footpath & shared path AMP – June 2016 • road AMP – March 2007 • building AMP – June 2009 • drainage AMP – November 2010 • open space AMP – December 2011 • bridge AMP – February 2013 • car park AMP – February 2013 • playground AMP – December 2013 • street tree AMP – May 2016 • strategic AMP - December 2014	✓
6 Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 24/06/2014	✓
7 Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 1/07/2012	✓

Governance and Management Items	Assessment
8 Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 31/03/2014 ✓
9 Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 27/01/2016 ✓
10 Procurement Policy (policy under section 186A of the Local Government Act 1989 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 Local Government Act 1989 Date of approval: 24/06/2015 ✓
11 Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: Knox's business continuity framework was approved on 1 April 2008. Knox has numerous business continuity plans, which are reviewed annually. The most recent review for major plans occurred in March 2016. ✓
12 Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 12/06/2007 ✓
13 Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 01/09/2015 ✓
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 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 23 September 2014. ✓
15 Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 12/05/2015 ✓
16 Performance Reporting Framework (a set of indicators measuring financial and non financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: Knox's performance reporting framework is established through the Council Plan and Annual Plan, including the Local Government Performance Reporting Framework requirements. The current Council Plan and Annual Plan were endorsed on 28/06/2016. ✓

Governance and Statutory Information

Governance and Management Items	Assessment	
17 Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of report: 28/06/2016	✓
18 Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Dates of reports: 25/8/2015, 24/11/2015, 23/02/2016, 24/05/2016	✓
19 Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: 06/08/2015, 21/01/2016	✓
20 Performance Reporting (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: 25/8/2015, 24/11/2015, 23/02/2016, 24/05/2016	✓
21 Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act Date of consideration: 27/10/2015	✓
22 Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 28/06/2016	✓
23 Delegations (a document setting out the powers, duties and functions of Council and the CEO that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 24/09/2015	✓
24 Meeting Procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 24/06/2008	✓

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



Tony Doyle
Chief Executive Officer
 DATED: 23 August 2016
 WANTIRNA SOUTH



Cr Tony Holland
Mayor
 DATED: 23 August 2016
 WANTIRNA SOUTH

Audit Operations

Consistent with good governance practice, Knox City Council has operated an Audit Committee during 2015-16. The Audit Committee is an advisory committee of the Council, and has a focus on monitoring Council's:

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

Council members of the Audit Committee during 2015-16 were:

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

Independent, external members were:

- Linda MacRae (Chair)
- Stan Naylor
- Peter Harford.

The Audit Committee met on five occasions during 2015-16 and oversaw the programmed internal audit work plan. This involved the following separate internal audits by contractor DFK Kidsons Pty Ltd:

- Data transaction analysis
- IT systems general controls
- Security of staff
- Payroll
- Purchasing cards
- Customer service (requests and complaints systems).

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

The committee received reports on a range of matters relevant to its terms of reference, as well as developments in the local government sector. The issues presented this year included business continuity testing, asset management, the State Government's 'Fair Go Rates' policy and a self-assessment against the Victorian Ombudsman's complaint handling best practice guide.

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

Statutory Information

As part of 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 Information Privacy Principles in respect of personal information it has collected, held, managed, used, disclosed or transferred.

Council's Privacy Policy is a public document available from Council's website at www.knox.vic.gov.au or on request. The policy was reviewed in June 2016.

One complaint was received and investigated by Council during 2015-16 for breaches of the *Privacy and Data Protection Act 2014*. No complaints were received or investigated for breaches of the *Health Records Act 2001*.

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

Chief Privacy Officer: Manager Governance and Innovation

Freedom of Information

The *Freedom of Information Act 1982* gives members of the public a legal right of access to documents held by the 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 2015-16 Council received 10 FOI requests, and one request was processed from the previous financial year. Determinations were made on 10 applications with no applications still being processed at year end. The median time for determination of FOI applications in 2015-16 was 25 working days.

There were no applications for review lodged with the FOI Commissioner or appeals to the VCAT regarding requests processed throughout the year.

Requests for access to information under the *Freedom of Information Act* should be lodged with the Freedom of Information Officer, Knox City Council, 511 Burwood Highway, Wantirna South, VIC 3152. Enquiries regarding the *Freedom of Information Act 1982* can also be made by calling 03 9298 8000.

Freedom of Information Officer: Governance Officer

Governance and Statutory Information

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 2015-16 financial year. Council continues to comply with these principles under the national policy and in fulfilment of its obligations.

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

Road Management Act

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

In 2015-16, Council did not receive any Ministerial directions in relation to the *Road Management Act*.



National Competition Policy

Knox City Council continues to comply with the requirements of the National Competition Policy and The Australian Consumer Law legislation in the operation of our business. Knox's significant businesses operate in accordance with the principles of competitive neutrality to ensure that Council does not unduly influence the private market in the provision of services.

One local law was reviewed during the year, and a full National Competition Policy assessment was completed and reported to Council and the community as part of this process.

Officer responsible for National Competition Policy:
Manager Governance and Innovation

Protected Disclosure Act

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

During 2015-16, one disclosure was notified to the Independent Broad-based Anti-corruption Commission under section 21(2) of the *Protected Disclosure Act*.

Protected Disclosure Coordinator: Director -
Corporate Development

Charter of Human Rights and Responsibilities

The Victorian *Charter of Human Rights and Responsibilities Act 2006* is an Act of Parliament that sets out the rights, freedoms and responsibilities of all Victorians. Government departments and public bodies must observe the rights set out in the Act when creating laws, developing policy and providing services. This means that 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 2015-16, no complaints relating to Knox City Council's implementation of the *Charter of Human Rights and Responsibilities Act* were received by Council or the Victorian Ombudsman.

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

Human Rights Officer: Manager Governance
and Innovation

Best Value

In accordance with the *Local Government Act 1989*, Council applies best value principles to its strategic and service planning processes. At Knox this happens through our regular process of future planning, and ensuring continuous review and improvement across all Council's service areas. This means:

- 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; and
- Council reports regularly to its community on its achievements against the principles.

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

This Annual Report illustrates 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 03 9298 8000:

- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months. This excludes interstate travel by land for less than three days;
- Agendas for and minutes of Ordinary and Special Meetings of Council held in the previous 12 months, excluding confidential information considered by Council;
- Minutes of meetings of special committees held in the previous 12 months, excluding confidential information considered by Council (special committees are established under section 86 of the *Local Government Act 1989*. Council may, by instrument of delegation, delegate functions, duties or powers to a special committee);
- A register of delegations made pursuant to the *Local Government Act 1989*;
- Details of all leases involving land entered into by the Council;
- A register of authorised officers appointed under section 224 of the *Local Government Act 1989* (section 224 allows Council to appoint any person other than a Councillor to be an authorised officer for the purposes of the administration and enforcement of any Act, regulation or local law which relates to Council's functions and powers); and
- A list of donations and grants made by Council during the previous 12 months.

Food Act 1984

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

Council delivers a suite of services and activities that aim to protect Knox residents and visitors from:

- Illness caused by the transmission of infectious and vaccine preventable disease;
- Illness caused by foods sourced from commercial food outlets in Knox;
- Lifestyle risks such as smoking and unhealthy eating; and
- Environmental factors, including emergencies, pollution to water ways, land or air.

Activities that have been undertaken during 2015-16 to protect/mitigate the adverse outcomes from such events included:

- The delivery of 1,757 assessments, inspections and follow-up visits to Knox registered business;
- The procurement of 247 food samples for analysis from commercial food outlets, hospitals, nursing homes and childcare centres, assessing each against constitutional and/or microbiological standards;
- The investigation of 792 *Public Health and Wellbeing Act* customer requests;
- The delivery of 9,761 vaccines to 4,601 clients at infant immunisation sessions;
- The delivery of 7,106 vaccines to 5,338 Knox secondary school students;
- The delivery of 104 tobacco test purchases and 123 education visits undertaken at both retail outlets that sell cigarettes and public settings where smoking is prohibited;
- The maintenance of all Health Services Emergency Management Sub Plans, which include the Health Services Emergency Management Sub Plan, Influenza Pandemic Sub Plan and Heatwave Plan. Emergency Management participation also included assisting with the response/recovery activities during the Hazelwood Coalmine Fire;

Governance and Statutory Information

Food Act 1984 (cont'd)

- The awarding of 271 Eat Smart, Safe Food Awards to targeted Knox food premises; and
- The delivery of activities at both the Knox and Stringybark Festivals aimed at changing community behaviours and encouraging healthy eating options through the use of Council's demonstration kitchen.

In 2015, proprietors of gazette premises took action to address non-compliant items more promptly than in 2014. In 2015, 17.8% of food premises identified for remedial works to meet compliance standards required second and subsequent follow-up inspections. This compares favourably against the 19.1% of premises identified for remedial works in 2014.

While the overall number of customer complaints lodged seems to remain static, the number of residential noise-related complaints continues to rise. In 2015, 307 residential noise complaints were lodged with Council; up from 291 in 2014.



Disability Act 2006 – Disability Action Plan implementation

Knox City Council is committed to creating a community that is accessible, welcoming and inclusive of everyone. Of the current 155,681 residents in Knox, it is estimated that approximately 15% or 23,000 people have some form of disability, representing a significant portion of our community.

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

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

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

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

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

- HACC – provides home help, personal care, respite care services as well as home maintenance for people with disabilities and parents/carers of people with disabilities;
- HACC Food Services (meals on wheels) – home delivered meals, delivered by community volunteers;
- Illoura children's services – provides a range of education and support services to children aged 0-6 years with a disability;
- Community transport – a bus service is available for Knox residents with priority given to people with disabilities, the frail and aged and people at risk of social isolation;
- Housing assistance – for older residents, including those with a disability who are homeless or at risk of becoming homeless;
- Parking permits – Council administers the disabled persons parking permit scheme;
- Retrofitting program – allocation of dedicated funds through the capital works program to enhance access to Council owned buildings and facilities;

- Bi-monthly meetings of the Knox Disability Advisory Committee - which is made up of people with a disability, carers and representatives from disability service providers to assist Council in the consultative process and provide feedback to support Council's decision-making;
 - Providing a range of communication materials on services and relevant information - this encourages and demonstrates actions to improve access and inclusion through such mediums as: a Guide to Disability and Aged Services in Knox, the People First Guide and the email newsletter Accessing Knox;
 - Establishment of the Eastern Disability Housing Network - this is designed to engage community members and explore opportunities to improve housing options for people with a disability;
 - Celebration of International Day of People with Disability - as part of Knox Carols by Candlelight;
 - Training and information sharing for community members and services - in preparation for the roll-out of the National Disability Insurance Scheme (NDIS); and
 - Eastern Regional Libraries – offer a range of services to people with disabilities including home delivery service, tactile, audio and large print books, captioned DVDs and assistive devices for computer users.
- A number of initiatives have been implemented to ensure that the *Carers Recognition Act* is recognised and delivered to the community. Some of the programs are delivered in partnership with other community support services;
 - Approximately 560 residents subscribe to Accessing Knox, the electronic publication distributed by email. Council received positive feedback about the information and available services provided in this communication;
 - An extensive update of the Guide to Services for Disability and Aged Services in Knox was completed in 2015-16. This includes sections outlining support options for carers. The new edition has been widely distributed to individuals and community organisations throughout Knox;
 - A Parent/Carer Legal Information Session, which involved 30 participants and focused on power of attorney, administration, guardianship, wills and trusts for carers. Due to demand, another session is scheduled in 2016-17;
 - Support for Parents/Carers of children with Autism Spectrum Disorder (ASD), including a three-day workshop attended by 50 parents/carers;
 - A Fitness Connection for Carers programs was delivered during 2015-16 in conjunction with Uniting Care Community Connections and Knox Leisureworks;
 - Council provides respite for carers through the HACC program, supported with funding from the State and Federal Governments;
 - Council's Active Ageing and Disability Services team provides service coordination, referral and support to carers. HACC and Council funded services are also provided to carers to support their caring role (i.e. domestic assistance, community transport, food services);
 - The Lab Program is in its second year. It is hosted by two Knox neighborhood houses that provide programs for young people with Asperger's syndrome and respite for their parents and carers;
 - Support for parents of children with ASD network – initiative in response to reports of extreme stress levels and very high rates of marriage/relationship breakdown (80-90%) within this demographic. Two workshops were delivered in partnership with LifeAssist to support carer wellbeing and relationship survival;
 - NDIS readiness sessions – three sessions were delivered, providing advice and guidance for carers/parents of people with a disability, with over 200 community members attending;
 - The Eastern Disability Housing Network is a new network 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;

Carers Recognition Act 2012

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

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

A Flexible Work Arrangements Policy and Procedure has been prepared that recognises the role of the carer in accordance with the *Carers Recognition Act 2012*. The policy and procedure provides flexible work options for staff who have carer responsibilities.

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

- Council's induction and training programs for staff working in HACC, disability services and all outward-facing community services, for staff and volunteers in frontline positions with the general community;

Governance and Statutory Information

Carers Recognition Act 2012 (cont'd)

- The Carer Expo featured 32 service providers and was attended by over 150 community members;
- Council delivers respite for parents and carers of young children with a disability through its centre-based childcare services;
- My Time is a support playgroup for parents and carers of a young child with a disability or a chronic medical condition. The playgroup is facilitated by a trained worker employed by Playgroup Victoria, supported by an MOU with Knox City Council. The program is Commonwealth funded;
- Specialist support services are able to provide parents and carers with information and referrals on an individual basis;
- Care for Caregivers is a tailored education program to support carers and parents of children with a disability and their families;
- Families Together is a parent support network program for parents and carers to meet other families and listen to guest speakers; and
- Knox City Council is a member of the Carer Card Program, which is a Victorian State Government initiative that offers carers a wide range of discounts and benefits from businesses, local government and community organisations.



Domestic Animal Management Plan 2013-17

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

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

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

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

The following planned actions were delivered in 2015-16:

- A program of animal registration compliance was undertaken, including:
 - Telephoning and door-knocking residents for unregistered animals, and owners issued with fines for non-compliance; and
 - Improving the accuracy of Council's animal registration database.
- Community education, including:
- Promotion of responsible pet ownership at Council events, such as the 2016 Knox Pets in the Park, Stringybark and Knox Festivals.
 - Promotion of animal registration and desexing through media releases, social media posts and Council's newspaper (distributed to all households in the municipality).
- Ongoing training of officers in Certificate IV in Animal Control and Regulation.

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

Performance Statement for the year ending 30 June 2016

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 (e.g. 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 2014-15 results. Council has, however, provided comments for all service performance indicators. Indicators with a material variation has been marked in bold.

After Certification of the Performance Statement an error was identified with the 2014-15 Workforce Turnover figure. The calculation for 2014-15 was based on the staff Full Time Equivalent (FTE) figure instead of the number of permanent staff. The corrected result for 2014-15 workforce turnover is 5.54% and not 7.94%. The 2015-16 figure is correct at 11.70%.

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

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

Description of municipality

Located approximately 25 kilometres from Melbourne's Central Business District, Knox is a major hub of cultural, commercial, business and innovative activity in the eastern suburbs of Melbourne. It is a diverse municipality with residents from 130 different countries who speak 54 languages. The City of Knox has an estimated resident population of 155,681 (as at 30 June 2015) and covers an area of 113.84 square kilometres. The area boasts a green, leafy image extending to the foothills of the picturesque Dandenong Ranges. Knox comprises the following suburbs: The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Sassafras, Scoresby, Upper Ferntree Gully, Wantirna and Wantirna South.

Sustainable Capacity Indicators

For the year ended 30 June 2016

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Population			
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$899.43	\$919.62	
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$5,545.93	\$5,663.62	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	215.68	215.92	
Own-source revenue			
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$741.84	\$888.59	The 2016 result reflects the net gain on the disposal of property, infrastructure, plant and equipment of \$15.691 million primarily reflecting the sale of a parcel of land at Stamford Park.
Recurrent grants			
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$184.31	\$130.59	In 2015 Council received \$3.292 million in prepaid 2016 Victoria Grants Commission Grant funding. In 2016 Council ceased family day care and early intervention programs reducing grant income. This is matched by reduced expenditure.
Disadvantage			
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	9.00	9.00	

Definitions

"adjusted underlying revenue" means total income other than:

- (a) non-recurrent grants used to fund capital expenditure;
- (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 website

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

Service Performance Indicators

For the year ended 30 June 2016

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Animal Management Health and Safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	15.00	5.00	Council's enforcement approach under the Domestic Animals Act continues to prosecute defendants that cannot be dealt with by way of direct fines, mostly serious dog attacks. Council's education and ongoing enforcement continues to see a reduction in prosecutions.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.62	3.67	Council's aquatic facilities continue to experience growth in utilisation.
Food safety Health and Safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed-up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100	94.73%	91.95%	Due to timing issues 35 follow up visits were outstanding at the time of reporting.
Governance Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	59.00	62.00	Knox performance against this question increased to a score of 62 in 2016, 3 points higher than 2015. The result is 3 points higher than the Melbourne Metropolitan average result of 59, and higher than the state wide average of 55.
Home and Community Care Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	20.78%	19.77%	Council assisted 2,524 HACC clients with Domestic Assistance, Personal Care and Respite Care. Council also provides other HACC services - home maintenance, occupational therapy, food services and planned activity groups. In total, 3,652 residents were provided with HACC services. These figures are consistent with those in 2014-15.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
<p><i>Participation in HACC service by CALD people</i></p> <p>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</p>	17.72%	17.49%	Participation in HACC service by CALD people remained stable in 2015-16.
<p>Libraries</p> <p>Participation</p> <p><i>Active library members</i></p> <p>[Number of active library members / Municipal population] x100</p>	18.14%	17.52%	The number of active library members remained relatively stable in 2015-16 despite a loss of 45 days to branch closures and the outreach vehicle being out of use during total fire ban days.
<p>Maternal and Child Health (MCH)</p> <p>Participation</p> <p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	82.75%	0.00%	LGV has provided an extension for the MCH indicators until the end of October 2016 due to a statewide software issue.
<p>Participation</p> <p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	92.31%	0.00%	LGV has provided an extension for the MCH indicators until the end of October 2016 due to a statewide software issue.

Service/Indicator/Measure	Result		Material Variations and Comments
	2015	2016	
Roads			
Satisfaction			
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	70.00	67.00	Performance against this indicator decreased by 3 points to a score of 67 in 2016 compared to 70 in the 2015 survey.
Statutory Planning			
Decision-making			
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	41.67%	44.83%	Council continues to have success at VCAT. It is anticipated that the State Government's approval of the Knox Housing Strategy (Amendment C131 to the Knox Planning Scheme) will further improve VCAT rates in the future.
Waste Collection			
Waste diversion			
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	53.30%	52.01%	Council's percentage of kerbside waster being diverted from landfill has remained relatively stable during 2015-16.

Definitions

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

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

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

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Local Government Act 1989

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

"class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the Food Act 1984

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

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

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2016

Dimension/Indicator/Measure

Dimension/Indicator/Measure	Results			Forecasts				Comments*
	2015	2016		2017	2018	2019	2020	
Efficiency								
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,266.69	\$1,290.92		\$1,276.19	\$1,439.37	\$1,475.53	\$1,504.48	
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,196.09	\$2,232.71		\$2,257.17	\$2,326.15	\$2,372.36	\$2,435.07	
Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	7.94%	11.70%		-	-	-	-	Reduction in total staff numbers during 2016 due to cessation of services, including family day care. Council does not forecast future workforce turnover.
Liquidity								
Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	181.09%	229.86%		177.71%	157.78%	146.28%	148.99%	At balance date a higher value of current assets was held compared to 2015 due to proceeds received from a sale of land increasing cash assets.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	45.74%	-11.27%		123.70%	97.58%	92.08%	89.60%	The composition of Council's cash holdings is invested in term deposits with original maturity greater than 90 days which is not reflected in this measure. At 30 June 2016, Council had \$34.8 million in term deposits due to mature within 90 days.
Obligations								
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expensed / Asset depreciation] x 100	109.72%	101.74%		132.05%	132.76%	123.23%	129.57%	Future years reflect a great anticipated expenditure in asset renewal.
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100	15.99%	12.99%		30.37%	42.57%	48.26%	23.28%	In 2016 there was a 5.4% rates increase and over this same period there has been a reduction of loans due to meeting scheduled principle payments.
Loans and borrowings repayments compared to rates <i>Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100</i>	3.14%	2.94%		3.80%	4.59%	4.29%	25.67%	Year 2020 reflects a significant repayment of interest bearing loans and borrowings.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	14.38%	12.36%		28.24%	39.26%	44.04%	20.13%	The percentage of non-current assets to own source revenue has reduced in 2016 due to a one off land sale.

Dimension/Indicator/Measure	Results		2017	Forecasts			Comments*
	2015	2016		2018	2019	2020	
Operating positions							
Adjusted underlying result	7.05%	13.59%	4.33%	3.83%	4.07%	12.47%	The increase in surplus for the 2015-16 year is mainly attributed to a sale of land event. The proceeds of this sale will be used for improvements to the parkland in the surrounding area.
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x 100							
Stability							
Rates concentration	63.86%	61.56%	68.57%	69.36%	69.76%	63.43%	
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100							
Rates effort	0.29%	0.30%	0.26%	0.30%	0.28%	0.29%	
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100							

Definitions

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

“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 2015-16

Statement by Principal Accounting Officer

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



Dale Monk, B.Bus. (Acc), CPA

Principal Accounting Officer

DATE: 23 August 2016

WANTIRNA SOUTH


Statement by Councillors and Chief Executive Officer

In our opinion, the accompanying Performance Statement of Knox City Council for the year ended 30 June 2016 presents fairly the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Cr Tony Holland

Mayor

DATE: 23 August 2016

WANTIRNA SOUTH



Cr Darren Pearce

Councillor

DATE: 23 August 2016

WANTIRNA SOUTH



Tony Doyle

Chief Executive Officer

DATE: 23 August 2016

WANTIRNA SOUTH

Victorian Auditor-General's Certification of Performance Statement

VAGO

Victorian Auditor-General's Office

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

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Knox City Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Knox City Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Auditing in the Public Interest

Certification of the performance statement 2015-16

Victorian Auditor-General's Certification of Performance Statement

Independent Auditor's Report (continued)

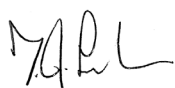
Independence

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

Auditor's Opinion

In my opinion, the performance statement of the Knox City Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
30 August 2016



R Dr Peter Frost
Acting Auditor-General

Financials

Understanding the financial statements

The Financial Report shows how Council performed financially during the 2015-16 year and the overall position at the end of the financial year, 30 June 2016.

What is contained in the Annual Financial Report?

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

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

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

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

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

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

Comprehensive Income Statement

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

The Statement shows:

- The sources of Council's revenue under various income headings.
- The expenses incurred in running the Council during the year. This includes depreciation or the writing-down of the value of buildings, roads, footpaths, drains and all other infrastructure assets, which are used to provide Council services. These assets are depreciated over the life of the asset as they are used. Capital costs or new assets purchased or created during the year are excluded from the statement but as indicated above, are depreciated as they are used.
- Other Comprehensive Income which demonstrates the movement in the value of Council's net assets as a result of asset revaluations as at 30 June 2016.

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 be received (such as interest on investments) or expenses not yet paid (invoices not yet received for goods and services already used).

The key figure to look at 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 shows the net worth of Council which 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 fall due within the next 12 months, with non-current ones falling due after 12 months.

The components of the Balance Sheet are:

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, etc, which has been built up by Council over many years.
- Intangible assets: Non-current assets held by Council that are not physical assets, for example computer software.

Current and Non-Current Liabilities

Council's liabilities are as follows:

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

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 being the difference between the previously recorded value of assets and their current valuation, and other reserves being funds that have restrictions placed on their use and are not readily available for use by Council.

Statement of Changes in Equity

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

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

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash receipts and payments for the financial year and the net 'cash in hand' position. 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, 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 shows 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 Statement of Capital Works 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 shows 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 (Note 1), it also provides details on many of the summary items contained in the Annual Financial Report. The note numbers are shown beside the relevant items in each of the statements. The notes also provide an opportunity for Council to disclose additional information that cannot be incorporated into the Annual Financial Report.

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

Statements by Principal Accounting Officer, Councillors and 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.

Victorian Auditor-General's 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



Contents

	Page
Financial Statements	
Comprehensive Income Statement	104
Balance Sheet	105
Statement of Changes in Equity	106
Statement of Cash Flows	107
Statement of Capital Works	108
Notes to the Financial Statements	
	109
NOTE 1 Significant accounting policies	109
NOTE 2 Budget comparison	115
NOTE 3 Rates and charges	118
NOTE 4 Statutory fees and fines	119
NOTE 5 User fees	119
NOTE 6 Grants	119
NOTE 7 Contributions	121
NOTE 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment	122
NOTE 9 Investment in associate	122
NOTE 10 Other income	123
NOTE 11 Employee costs	123
NOTE 12 Materials and services	124
NOTE 13 Depreciation and amortisation	124
NOTE 14 Contributions and donations	124
NOTE 15 Borrowing costs	125
NOTE 16 Bad and doubtful debts	125
NOTE 17 Other expenses	125
NOTE 18 Cash and cash equivalents	126
NOTE 19 Other financial assets	126
NOTE 20 Trade and other receivables	127
NOTE 21 Non-current assets classified as held for sale	128
NOTE 22 Other assets	128
NOTE 23 Property, infrastructure, plant and equipment	129
NOTE 24 Intangible assets	135
NOTE 25 Trade and other payables	135
NOTE 26 Trust funds and deposits	136
NOTE 27 Provisions	136
NOTE 28 Interest-bearing loans and borrowings	139
NOTE 29 Reserves	139
NOTE 30 Reconciliation of cash flows from operating activities to surplus/(deficit)	144
NOTE 31 Financing arrangements	144
NOTE 32 Commitments	145
NOTE 33 Operating leases	146
NOTE 34 Superannuation	147
NOTE 35 Contingent liabilities and contingent assets	148
NOTE 36 Financial Instruments	149
NOTE 37 Related party transactions	151
NOTE 38 Events occurring after balance date	152
Certification of the Financial Statements	153

Comprehensive Income Statement for the Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	101,984	96,094
Statutory fees and fines	4	2,110	1,737
User fees	5	14,674	14,147
Grants – operating	6	20,455	28,069
Grants – capital	6	3,183	2,605
Contributions – monetary	7	5,023	5,324
Contributions – non-monetary	7	1,210	5,499
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	15,691	(1,415)
Share of net profit of associate	9	219	266
Other income	10	3,658	4,533
Total income		168,207	156,859
Expenses			
Employee costs	11	(67,952)	(64,346)
Materials and services	12	(48,740)	(49,749)
Depreciation and amortisation	13	(19,145)	(18,647)
Contributions and donations	14	(5,151)	(4,986)
Borrowing costs	15	(874)	(989)
Bad and doubtful debts	16	10	146
Other expenses	17	(1,316)	(1,298)
Total expenses		(143,168)	(139,869)
Surplus for the year		25,039	16,990
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods:			
Net asset revaluation increment/(decrement)	29(a)	147,503	(359)
Total comprehensive result		172,542	16,631

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

Balance Sheet as at 30 June 2016

Assets	Note	2016	2015
Current assets		\$'000	\$'000
Cash and cash equivalents	18	8,830	27,884
Other financial assets	19	58,100	22,100
Trade and other receivables	20	9,841	9,254
Non-current assets classified as held for sale	21	25	805
Other assets	22	1,458	1,282
Inventories		4	7
Total current assets		78,258	61,332
Non-current assets			
Investment in Eastern Regional Libraries Corporation	9	3,741	3,522
Property, infrastructure, plant and equipment	23	1,686,028	1,530,530
Intangible assets	24	1,312	726
Total non-current assets		1,691,081	1,534,778
Total assets		1,769,339	1,596,110
Liabilities			
Current liabilities			
Trade and other payables	25	10,894	9,148
Trust funds and deposits	26	2,653	3,151
Provisions	27	16,688	16,330
Interest-bearing loans and borrowings	28	3,811	5,240
Total current liabilities		34,046	33,869
Non-current liabilities			
Provisions	27	7,660	6,459
Interest-bearing loans and borrowings	28	9,436	10,127
Total non-current liabilities		17,096	16,586
Total liabilities		51,142	50,455
Net assets		1,718,197	1,545,655
Equity			
Accumulated surplus		615,468	604,516
Reserves	29	1,102,729	941,139
Total equity		1,718,197	1,545,655

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

Statement of Changes in Equity for the Year Ended 30 June 2016

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		1,545,655	604,516	919,580	21,559
Surplus for the year		25,039	25,039	-	-
Net asset revaluation increment/(decrement)	29(a)	147,503	-	147,503	-
Transfers to other reserves	29(b)	-	(24,507)	-	24,507
Transfers from other reserves	29(b)	-	10,420	-	(10,420)
Balance at end of the financial year		1,718,197	615,468	1,067,083	35,646

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

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

Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		101,850	96,104
Statutory fees and fines		2,113	1,748
User fees		14,813	14,571
Grants – operating		20,522	28,142
Grants – capital		3,057	2,629
Contributions		5,026	5,462
Interest received		1,642	1,846
Net GST refund		7,726	6,744
Other receipts		1,971	2,958
Net movement in trust deposits		(497)	1,502
Employee costs		(67,805)	(64,418)
Materials and services		(53,399)	(55,261)
Contributions and donations		(5,651)	(5,467)
Other payments		(1,343)	(1,388)
Net cash provided by operating activities	30	30,025	35,170
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(29,731)	(27,452)
Proceeds from sales of property, infrastructure, plant and equipment		19,655	929
Payments for investments		(58,100)	(22,100)
Proceeds from sale of investments		22,100	30,800
Net cash used in investing activities		(46,076)	(17,823)
Cash flows from financing activities			
Repayment of borrowings		(2,120)	(2,040)
Finance costs		(883)	(974)
Net cash used in financing activities		(3,003)	(3,014)
Net increase/(decrease) in cash and cash equivalents		(19,054)	14,333
Cash and cash equivalents at the beginning of the financial year		27,884	13,551
Cash and cash equivalents at the end of the financial year	18	8,830	27,884
Financing arrangements	31		
Restrictions on cash assets	18		

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

Statement of Capital Works for the Year Ended 30 June 2016

Property	2016 \$'000	2015 \$'000
Land	3,372	826
Total land	3,372	826
Buildings	3,551	4,160
Total buildings	3,551	4,160
Total property	6,923	4,986
Plant and equipment		
Artworks	22	-
Plant, machinery and equipment	1,816	1,597
Fixtures, fittings and furniture	187	145
Computers and telecommunications	1,195	698
Total plant and equipment	3,220	2,440
Infrastructure		
Roads	6,115	7,239
Bridges	278	304
Footpaths and cycleways	4,065	3,501
Drainage	3,337	4,283
Recreational, leisure and community facilities	4,690	4,002
Off street car parks	975	593
Other infrastructure	163	97
Total infrastructure	19,623	20,019
Total capital works expenditure	29,766	27,445
Represented by:		
New asset expenditure	4,811	1,663
Asset renewal expenditure	19,252	20,460
Asset expansion expenditure	357	86
Asset upgrade expenditure	5,346	5,236
Total capital works expenditure	29,766	27,445

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

Notes to the Financial Statements for the Year Ended 30 June 2016

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.

Statement of Compliance

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

NOTE 1

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Changes in accounting policies

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

(c) Accounting for investment in associate

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

Eastern Regional Libraries Corporation (ERLC)

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

Council's investment at 30 June 2016 is based on the Corporation's financial report and has been disclosed in Note 9.

(d) Revenue recognition

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

Rates and charges

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

Statutory fees and fines

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

User fees

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

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 1

Significant accounting policies (cont'd)

(d) Revenue recognition (cont'd)

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

(e) Fair value measurement

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

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

(g) Trade and other receivables

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

(h) Other financial assets

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

(i) Inventories

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

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

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

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

Acquisition

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

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

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

Revaluation

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

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuations are performed either by experienced Council officers or independent experts. Land, buildings, roads, footpaths and cycleways and off-street car parks were formally revalued as at 30 June 2016.

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

Land under roads

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

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

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

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

Land, land improvements, land under roads, roads – earthworks and artworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 1

Significant accounting policies (cont'd)

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

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset recognition thresholds and depreciation periods

	Depreciation Period-Years	Threshold Limit \$'000
Property		
Land	n/a	10
Land improvements	n/a	10
Land under roads	n/a	10
Buildings		
Buildings	20-200	10
Plant and equipment		
Plant, machinery and equipment	3-10	2
Fixtures, fittings and furniture	3-10	1
Computers and telecommunications	3-10	1
Artworks	n/a	1
Infrastructure		
Roads – surfacing	2-50	5
Roads – kerb and channel	70	5
Roads – substructure	30-185	20
Roads – earthworks	n/a	20
Bridges	30-100	5
Footpaths and cycleways	2-50	5
Drainage	80	5
Recreational, leisure and community facilities	15-60	10
Off street car parks	2-185	10
Other infrastructure	7-30	2
Intangible assets		
Intangible assets	5	10

(m) Repairs and maintenance

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

(n) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the Comprehensive Income Statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(o) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 26).

(p) Borrowings

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

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

Borrowing costs

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

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

(q) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at:

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

Classification of employee costs

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

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

Gratuity retirement allowance

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

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

(r) Landfill rehabilitation provision

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

(s) Leases

Operating leases

Lease payments for operating leases, where the lessor effectively retains substantially all risks and benefits incidental to ownership of the leased item, are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred. Commitments under these lease agreements are included in Note 33 Operating leases.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 1

Significant accounting policies (cont'd)

(t) Goods and Services Tax (GST)

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

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

(u) Financial guarantees

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

(v) Contingent liabilities and contingent assets and commitments

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

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

(w) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(x) Rounding

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

NOTE 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 23 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this Budget in order to meet Council's planning and financial performance targets for both the short and long-term. The Budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Income				
Rates and charges	101,442	101,984	542	
Statutory fees and fines	2,419	2,110	(309)	
User fees	13,885	14,674	789	
Grants – operating	23,399	20,455	(2,944)	1
Grants – capital	2,571	3,183	612	
Contributions – monetary	3,297	5,023	1,726	2
Contributions – non monetary	2,000	1,210	(790)	
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(352)	15,691	16,043	3
Share of net profit of associate	-	219	219	
Other income	3,083	3,658	575	
Total income	151,744	168,207	16,463	
Expenses				
Employee costs	65,453	67,952	(2,499)	
Materials and services	51,377	48,740	2,637	
Depreciation and amortisation	19,262	19,145	117	
Contributions and donations	5,154	5,151	3	
Borrowing costs	987	874	113	
Bad and doubtful debts	(92)	(10)	(82)	
Other expenses	464	1,316	(852)	
Total expenses	142,605	143,168	(563)	
Surplus/(deficit) for the year	9,139	25,039	15,900	

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 2

Budget comparison (cont'd)

(a) Income and expenditure (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Grants - operating is lower than budget due to the early receipt of the 2015-16 Victoria Grants Commission funds in 2014-15 (\$3.292 million).
2	Contributions - monetary	\$1.647 million higher than budget in developers monetary contributions due to a higher than anticipated number of developments during the year.
3	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Higher than anticipated gain on the sale of an area of Stamford Park (\$17.005 million) and the unbudgeted sale of 7 Church Street, Bayswater (\$1.962 million).

(b) Capital works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land	3,600	3,372	228	
Land improvements	770	-	770	
Total land	4,370	3,372	998	
Buildings	5,891	3,551	2,340	1
Total buildings	5,891	3,551	2,340	
Total property	10,261	6,923	3,338	
Plant and equipment				
Artworks	45	22	23	
Plant, machinery and equipment	2,268	1,816	452	
Fixtures, fittings and furniture	85	187	(102)	
Computers and telecommunications	1,764	1,195	569	
Total plant and equipment	4,162	3,220	942	
Infrastructure				
Roads	7,970	6,115	1,855	2
Bridges	280	278	2	
Footpaths and cycleways	3,577	4,065	(488)	
Drainage	3,651	3,337	314	
Recreational, leisure and community facilities	5,873	4,690	1,183	3
Off street car parks	642	975	(333)	
Other infrastructure	6,204	163	6,041	4
Total infrastructure	28,197	19,623	8,574	
Total capital works expenditure	42,620	29,766	12,854	
Represented by:				
New asset expenditure	5,503	4,811	692	
Asset renewal expenditure	24,693	19,252	5,441	
Asset expansion expenditure	60	357	(297)	
Asset upgrade expenditure	12,364	5,346	7,018	
Total capital works expenditure	42,620	29,766	12,854	

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 2

Budget comparison (cont'd)

(b) Capital works (cont'd)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Capital expenditure is lower than budget due to \$1.640 million of works unable to be capitalised – mainly from general building maintenance costs (\$0.725 million), expenditure relating to Stamford Park (\$0.526 million) and projects being capitalised under different asset classes (\$0.149 million), as well as works on the Early Years Hub (\$0.792 million) that is to be carried forward to 2016–17.
2	Roads	Capital expenditure is lower than budget due to works to be carried forward to 2016–17 (\$2.282 million) which is offset against works carried forward from 2014–15 (\$0.251 million).
3	Recreational, leisure and community facilities	Capital expenditure is lower than budget due to landscaping and planting works unable to be capitalised (\$1.532 million) and projects being capitalised under different asset classes (\$0.779 million) which are offset against works carried forward from 2014–15 (\$1.644 million).
4	Other infrastructure	Capital expenditure is lower than budget due to street lighting works carried forward to 2016–17 (\$3.971 million), current works that cannot be capitalised (\$0.779 million) and general maintenance and planting works (\$0.843 million) that cannot be capitalised.

NOTE 3

Rates and charges

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

The valuation base used to calculate general rates for 2015–16 was \$33,591 million (2014–15 \$33,345 million). The 2015–16 rate in the CIV dollar was \$0.0026614 (2014–15 \$0.002528) for the residential rate.

	2016 \$'000	2015 \$'000
General rates	97,517	91,845
Service rates and charges	3,735	3,600
Supplementary rates and rate adjustments	688	606
Cultural and recreational	44	43
Total rates and charges	101,984	96,094

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

NOTE 4
Statutory fees and fines

	2016 \$'000	2015 \$'000
Permits	939	813
Infringements and costs	733	626
Town planning fees	323	188
Land information certificates	107	97
Court recoveries	8	12
Other	-	1
Total statutory fees and fines	2,110	1,737

NOTE 5
User fees

	2016 \$'000	2015 \$'000
Waste management services	4,612	4,366
Child care/children's programs	3,776	3,767
Leisure centre and recreation	1,991	1,954
Registration and other permits	1,548	1,528
Aged and health services	1,039	1,127
Building services	473	443
Other fees and charges	1,235	962
Total user fees	14,674	14,147

NOTE 6
Grants

Grants were received in respect of the following:

Summary of grants	2016 \$'000	2015 \$'000
Commonwealth funded grants	8,367	15,229
State funded grants	15,271	15,445
Total grants received	23,638	30,674

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 6

Grants (cont'd)

	2016 \$'000	2015 \$'000
Operating grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission	3,004	9,881
Family and children - child care	2,522	2,364
Family and children - other	1	3
Family and children - family day care	-	455
Family and children - early intervention	-	377
Recurrent - State Government		
Family and children - preschool	5,405	5,682
General home care	5,312	5,059
Family and children - maternal and child health	1,023	1,003
Family and children - early intervention	-	799
School crossing supervisors	389	370
Family and children - youth services	229	201
Other	143	122
Community health	142	141
Aged care	137	135
Family and children - child care	64	-
Total recurrent operating grants	18,371	26,592
Non-recurrent - Commonwealth Government		
Family and children - early intervention	414	-
Family and children - family day care	226	-
Family and children - maternal and child health	2	3
Family and children - child care	-	1
Non-recurrent - State Government		
Family and children - early intervention	815	-
General home care	204	83
Community health	202	1,159
Environmental planning	46	65
Other	42	59
Community safety	40	-
Recreation	39	40
Family and children - maternal and child health	30	-
Family and children - youth services	21	22
Family and children - child care	3	-
Family and children - preschool	-	45
Total non-recurrent operating grants	2,084	1,477
Total operating grants	20,455	28,069

	2016 \$'000	2015 \$'000
Capital grants		
Recurrent – Commonwealth Government		
Roads to recovery	1,453	509
Victoria Grants Commission – local roads	506	1,560
Total recurrent capital grants	1,959	2,069
Non-recurrent – Commonwealth Government		
Recreational, leisure and community facilities	152	50
Off street car parks	70	10
Buildings	17	16
Non-recurrent – State Government		
Recreational, leisure and community facilities	686	257
Buildings	238	107
Footpaths	54	18
Off street car parks	7	–
Roads	–	78
Total non-recurrent capital grants	1,224	536
Total capital grants	3,183	2,605

Unspent grants received on condition that they be spent in a specific manner

	2016 \$'000	2015 \$'000
Balance at start of year	101	84
Received during the financial year and remained unspent at balance date	143	101
Received in prior years and spent during the financial year	(101)	(84)
Balance at year end	143	101

NOTE 7 Contributions

	2016 \$'000	2015 \$'000
Monetary	5,023	5,324
Non-monetary	1,210	5,499
Total contributions	6,233	10,823
Contributions of non-monetary assets were received in relation to the following asset classes.		
Land	815	1,035
Drainage	220	1,828
Roads	146	2,050
Footpaths and cycleways	29	586
Total non-monetary contributions	1,210	5,499

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 8

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

	2016 \$'000	2015 \$'000
Proceeds of sale	19,629	908
Written down value of assets disposed	(3,938)	(2,323)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	15,691	(1,415)

Total net gain/(loss) on disposal of property, infrastructure, plant and equipment includes the sale of an area of Stamford Park and the sale of 7 Church Street, Bayswater.

NOTE 9

Investment in associates

	2016 \$'000	2015 \$'000
Investment in associate accounted for by the equity method is: – Eastern Regional Libraries Corporation (ERLC)	3,741	3,522

Eastern Regional Libraries Corporation (ERLC)

Background

The principal activity of ERLC is the operation of libraries. Council's ownership interest of ERLC as at 30 June 2016 was 36.39% (2015 – 36.39%) based on Council's share of net assets. Council's proportion of voting power as at 30 June 2016 was 33.33% (2015 – 33.33%).

Fair value of Council's investment in Eastern Regional Libraries Corporation	3,741	3,522
-------------------------------------------------------------------------------------	--------------	--------------

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year	3,522	3,256
Reported surplus for year	219	266

Council's share of accumulated surplus at end of year	3,741	3,522
--------------------------------------------------------------	--------------	--------------

Movement in carrying value of specific investment

Carrying value of investment at start of year	3,522	3,256
Share of surplus for year	219	266

Carrying value of investment at end of year	3,741	3,522
----------------------------------------------------	--------------	--------------

Council's share of expenditure commitments

Operating commitments	131	300
Capital commitments	2	4

Council's share of expenditure commitments	133	304
---------------------------------------------------	------------	------------

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

Mobile Library	34	33
Knox City, Rowville, Ferntree Gully, Boronia and Bayswater Library Branches	646	636

NOTE 10
Other income

	2016 \$'000	2015 \$'000
Interest	1,894	1,816
Recyclable material sales	702	1,153
Reimbursements	623	1,125
Rent	393	385
Other	46	54
Total other income	3,658	4,533

NOTE 11(a)
Employee costs

	2016 \$'000	2015 \$'000
Wages and salaries	50,250	48,659
Annual leave and long service leave	6,989	6,299
Superannuation	4,980	4,941
Agency staff	4,471	3,260
WorkCover	850	751
Fringe benefits tax	412	436
Total employee costs	67,952	64,346

NOTE 11(b)
Superannuation

	2016 \$'000	2015 \$'000
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	499	553
Employer contributions - other funds	-	-
	499	553
Employer contributions payable at reporting date	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,294	3,292
Employer contributions - other funds	1,376	1,238
	4,670	4,530
Employer contributions payable at reporting date	383	363

Refer to Note 34 for further information relating to Council's superannuation obligations.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 12 Materials and services

	2016 \$'000	2015 \$'000
Contract payments	28,606	30,016
Administration costs	5,355	5,532
Utilities	3,216	3,268
Consumable materials and equipment	2,826	2,733
Consultants	2,417	1,947
Information technology	1,801	1,377
Building maintenance	1,572	1,464
Insurance	1,459	1,404
Finance and legal costs	751	1,297
General maintenance	737	711
Total materials and services	48,740	49,749

NOTE 13 Depreciation and amortisation

	2016 \$'000	2015 \$'000
Property	3,587	3,447
Plant and equipment	1,429	1,358
Infrastructure	13,906	13,649
Total depreciation	18,922	18,454
Intangible assets	223	193
Total depreciation and amortisation	19,145	18,647

Refer to Notes 23 and 24 for a more detailed breakdown of depreciation and amortisation charges.

NOTE 14 Contributions and donations

	2016 \$'000	2015 \$'000
Contribution to the Eastern Regional Libraries Corporation	3,808	3,690
Community support payments	1,306	1,161
Governance – Ward funds	37	135
Total contributions and donations	5,151	4,986

NOTE 15
Borrowing costs

	2016 \$'000	2015 \$'000
Interest – borrowings	874	989
Total borrowing costs	874	989

NOTE 16
Bad and doubtful debts

	2016 \$'000	2015 \$'000
Parking and animal infringement debtors	82	57
Other debtors	(92)	(203)
Total bad and doubtful debts	(10)	(146)

NOTE 17
Other expenses

	2016 \$'000	2015 \$'000
Operating lease rentals	797	808
Councillor's allowances	351	335
Auditor's remuneration – internal	116	101
Auditor's remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	52	54
Total other expenses	1,316	1,298

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 18 Cash and cash equivalents

	2016 \$'000	2015 \$'000
Cash on hand	6	7
Cash at bank	8,824	11,377
Term deposits	-	16,500
Total cash and cash equivalents	8,830	27,884
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 26)	2,653	3,151
- Restricted reserves (Note 29)	9,872	9,141
- Family and children (unexpended grants) (Note 6)	143	101
Total restricted funds	12,668	12,393
Total unrestricted cash and cash equivalents	(3,838)	15,491

As at balance date Council had \$34.800 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:

- Other reserves (Note 29)	25,774	12,418
Total funds subject to intended allocations	25,774	12,418

Refer also to Note 19 for details of other financial assets held by Council.

NOTE 19 Other financial assets

	2016 \$'000	2015 \$'000
Term deposits	58,100	22,100
Total other financial assets	58,100	22,100

NOTE 20
Trade and other receivables

	2016	2015
	\$'000	\$'000
Current		
Rates debtors	6,583	6,476
Special rate assessment	52	52
Parking and animal infringement debtors	1,201	1,016
Provision for doubtful debts – parking and animal infringement debtors	(739)	(658)
Other debtors	2,756	2,508
Provision for doubtful debts – other debtors	(12)	(140)
Total current trade and other receivables	9,841	9,254

(a) Ageing of receivables

At balance date, other debtors representing financial assets were past due but not impaired (except for the debtors included in the impairment table below). These amounts relate to a number of independent customers

for whom there is no recent history of default. The ageing of the Council's trade and other receivables (excluding statutory receivables) was:

	2016	2015
	\$'000	\$'000
Current (not yet due)	2,424	1,987
Past due by up to 30 days	83	139
Past due between 31 and 180 days	128	132
Past due between 181 and 365 days	24	41
Past due by more than 1 year	97	209
Total trade and other receivables	2,756	2,508

(b) Movement in provisions for doubtful debts

	2016	2015
	\$'000	\$'000
Balance at the beginning of the year	140	355
New provisions recognised during the year	2	17
Amounts already provided for and written off as uncollectible	(36)	(13)
Amounts provided for but recovered during the year	(94)	(219)
Balance at the end of the year	12	140

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 20

Trade and other receivables (cont'd)

(c) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,847 (2015:\$124,376) were impaired. The amount of the provision raised against these debtors was \$1,847 (2015:\$124,376). The individually impaired debtors relate to family day care and preschool

debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with the Council's debt collectors or are on payment arrangements.

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

	2016 \$'000	2015 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	1	-
Past due between 181 and 365 days	-	-
Past due by more than one year	1	124
Total trade and other receivables	2	124

NOTE 21

Non-current assets classified as held for sale

	2016 \$'000	2015 \$'000
Plant and equipment	14	24
Land at fair value	11	781
Total non-current assets classified as held for sale	25	805

NOTE 22

Other assets

	2016 \$'000	2015 \$'000
Prepayments	839	877
Accrued income	619	405
Total other assets	1,458	1,282

NOTE 23
Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2016 \$'000	At cost 30 June 2016 \$'000	Accumulated depreciation \$'000	Written down value 30 June 2016 \$'000
Land	798,630	5,680	–	804,310
Buildings	231,928	–	(102,389)	129,539
Plant and equipment	–	17,313	(9,045)	8,268
Infrastructure	1,070,910	61,395	(394,646)	737,659
Work in progress	–	6,252	–	6,252
	2,101,468	90,640	(506,080)	1,686,028

	At fair value 30 June 2015 \$'000	At cost 30 June 2015 \$'000	Accumulated depreciation \$'000	Written down value 30 June 2015 \$'000
Land	661,593	6,501	–	668,094
Buildings	219,468	4,028	(98,998)	124,498
Plant and equipment	–	17,125	(8,994)	8,130
Infrastructure	1,035,515	73,733	(385,554)	723,694
Work in progress	–	6,113	–	6,113
	1,916,576	107,500	(493,546)	1,530,530

Summary of Work in Progress

	Opening Work in Progress \$'000	Additions \$'000	Transfers \$'000	Write offs \$'000	Closing Work in Progress \$'000
Buildings	430	1,289	(190)	(11)	1,518
Infrastructure	5,683	3,886	(4,753)	(82)	4,734
	6,113	5,175	(4,943)	(93)	6,252

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 23

Property, infrastructure, plant and equipment (cont'd)

Land and buildings

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total land \$'000	Buildings - specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2015	511,595	149,998	-	661,593	219,468	219,468	-	881,061
At cost 1 July 2015	2,481	866	3,154	6,501	4,028	4,028	430	10,959
Accumulated depreciation at 1 July 2015	-	-	-	-	(98,998)	(98,998)	-	(98,998)
	514,076	150,863	3,154	668,094	124,498	124,498	430	793,022
Movements								
Acquisition of assets at cost	44	4,143	-	4,187	2,451	2,451	1,289	7,927
Revaluation increments/(decrements)	139,534	(7,131)	-	132,403	6,785	6,785	-	139,188
Fair value of assets disposed	(363)	-	-	(363)	(804)	(804)	-	(1,167)
Cost of assets disposed	-	(11)	-	(11)	-	-	-	(11)
Transfers at cost	-	-	-	-	-	-	(201)	(201)
	139,215	(2,999)	-	136,216	8,432	8,432	1,088	145,736
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(3,587)	(3,587)	-	(3,587)
Accumulated depreciation of disposals	-	-	-	-	480	480	-	480
Revaluation increments/(decrements)	-	-	-	-	(284)	(284)	-	(284)
	-	-	-	-	(3,391)	(3,391)	-	(3,391)
At fair value 30 June 2016	650,766	147,864	-	798,630	231,928	231,928	-	1,030,558
At cost 30 June 2016	2,525	-	3,154	5,680	-	-	1,518	7,198
Accumulated depreciation at 30 June 2016	-	-	-	-	(102,389)	(102,389)	-	(102,389)
	653,291	147,864	3,154	804,310	129,539	129,539	1,518	935,367

Plant and equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Artworks \$'000	Total plant and equipment \$'000
At cost 1 July 2015	11,282	2,032	3,487	324	17,125
Accumulated depreciation at 1 July 2015	(4,435)	(1,548)	(3,011)	-	(8,994)
	6,848	483	476	324	8,130
Movements					
Acquisition of assets at cost	1,816	346	195	22	2,379
Cost of assets disposed	(1,549)	(587)	(54)	-	(2,190)
	267	(241)	141	22	189
Movements in accumulated depreciation					
Depreciation and amortisation	(1,118)	(133)	(179)	-	(1,430)
Accumulated depreciation of disposals	737	587	54	-	1,378
	(381)	454	(125)	-	(52)
At cost 30 June 2016	11,549	1,790	3,628	346	17,313
Accumulated depreciation at 30 June 2016	(4,815)	(1,094)	(3,135)	-	(9,045)
	6,734	695	493	346	8,268

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 23

Property, infrastructure, plant and equipment (cont'd)

Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community facilities \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
At fair value 1 July 2015	604,609	9,681	125,908	265,198	-	24,795	5,324	-	1,035,515
At cost 1 July 2015	13,410	304	6,827	5,859	46,040	1,287	6	5,683	79,416
Accumulated depreciation at 1 July 2015	(172,101)	(2,706)	(73,937)	(116,809)	(13,104)	(5,500)	(1,397)	-	(385,554)
	445,920	7,279	58,798	154,248	32,936	20,582	3,933	5,683	729,378
Movements									
Acquisition of assets at cost	6,252	278	4,451	3,715	5,076	982	163	3,886	24,803
Revaluation increments/ (decrements)	3,209	-	7,566	-	-	(2,300)	-	-	8,475
Fair value of assets disposed	(1,961)	-	(2,842)	-	-	(294)	-	-	(5,097)
Cost of assets disposed	-	-	-	-	(1,239)	-	-	-	(1,239)
Transfers at cost	-	-	-	-	-	-	-	(4,835)	(4,835)
	7,500	278	9,175	3,715	3,837	(1,612)	163	(949)	22,107
Movements in accumulated depreciation									
Depreciation and amortisation	(6,096)	(104)	(2,750)	(3,400)	(1,117)	(261)	(178)	-	(13,906)
Accumulated depreciation of disposals	1,606	-	2,211	-	603	269	-	-	4,689
Revaluation increments/ (decrements)	(521)	-	49	-	-	597	-	-	125
	(5,011)	(104)	(490)	(3,400)	(514)	605	(178)	-	(9,092)
At fair value 30 June 2016	625,520	9,681	140,716	265,198	-	24,471	5,324	-	1,070,910
At cost 30 June 2016	-	582	1,194	9,574	49,876	-	169	4,734	66,129
Accumulated depreciation at 30 June 2016	(177,112)	(2,810)	(74,427)	(120,208)	(13,618)	(4,895)	(1,575)	-	(394,646)
	448,409	7,453	67,483	154,564	36,258	19,576	3,918	4,734	742,393

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 23

Property, infrastructure, plant and equipment (cont'd)

Valuation of land and buildings

The 30 June 2016 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 last valuation of land and buildings were undertaken in 2014.

Details of the Council's land and buildings and information about their fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	-	147,864	-
Specialised land	-	-	650,766
Specialised buildings	-	-	129,539
Total	-	147,864	780,305

Valuation of infrastructure

The 30 June 2016 valuation of roads, footpaths and cycleways and off street car parks was undertaken by Mr Jarrod Lawson, BE (Civil), Asset Engineer, Knox City Council, in conjunction with Mr Leigh Hale, Dip. C.E., MIEAust CPEng of Leigh Hale Consulting Services.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	448,409
Bridges	-	-	6,874
Footpaths and cycleways	-	-	66,308
Drainage	-	-	145,104
Off street car parks	-	-	19,576
Other infrastructure	-	-	3,755
Total	-	-	690,026

Description of significant unobservable inputs into level 3 valuations

Specialised land is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 20% and 50%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$10 and \$924 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 149 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary up to 185 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2016 \$'000	2015 \$'000
Reconciliation of specialised land at fair value		
Parks and reserves	595,119	464,001
Community facilities	24,954	19,873
Civic precinct	21,737	19,740
Transfer station	8,956	7,982
Total specialised land at fair value	650,766	511,595

NOTE 24 Intangible assets

	2016 \$'000	2015 \$'000
Software	1,312	726
Total intangible assets	1,312	726
Gross carrying amount		
Balance at beginning of year	2,721	2,581
Additions	809	140
Balance at end of year	3,530	2,721
Accumulated amortisation and impairment		
Balance at beginning of year	1,995	1,802
Amortisation expense	223	193
Balance at end of year	2,218	1,995
Net book value at the end of the year	1,312	726

NOTE 25 Trade and other payables

	2016 \$'000	2015 \$'000
Trade payables	7,097	6,652
Accrued expenses	3,291	1,973
Prepaid income	506	523
Total trade and other payables	10,894	9,148

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 26

Trust funds and deposits

	2016 \$'000	2015 \$'000
Refundable deposits	1,278	1,674
Fire services levy	845	835
Retention amounts	71	170
Other	459	472
Total trust funds and deposits	2,653	3,151

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.

NOTE 27

Provisions

	Employee \$'000s	Landfill rehabilitation \$'000s	Total \$'000s
2016			
Balance at beginning of the financial year	16,778	6,011	22,789
Additional provisions	6,399	1,739	8,138
Amounts used	(6,638)	(715)	(7,353)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	408	366	774
Balance at the end of the financial year	16,947	7,401	24,348
2015			
Balance at beginning of the financial year	16,788	2,130	18,918
Additional provisions	5,992	4,530	10,522
Amounts used	(6,002)	-	(6,002)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(649)	(649)
Balance at the end of the financial year	16,778	6,011	22,789

(a) Employee provisions

	2016 \$'000	2015 \$'000
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,271	2,320
Long service leave	975	1,060
Gratuities	101	105
	3,347	3,485
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,865	3,026
Long service leave	8,961	8,378
Gratuities	924	933
	12,750	12,337
Total current employee provisions	16,097	15,822
Non-current		
Long service leave	850	956
Total non-current employee provisions	850	956
Aggregate carrying amount of employee provisions:		
Current	16,097	15,822
Non-current	850	956
Total aggregate carrying amount of employee provisions	16,947	16,778

(b) Landfill rehabilitation

	2016 \$'000	2015 \$'000
Current		
Cathies Lane landfill site	399	224
Llewellyn Reserve landfill site	192	284
	591	508
Non-current		
Cathies Lane landfill site	4,128	4,016
Llewellyn Reserve landfill site	2,682	1,487
Total non-current provisions	6,810	5,503
Total aggregate carrying amount of landfill rehabilitation provisions	7,401	6,011
Summary of provisions		
Current	16,688	16,330
Non-current	7,660	6,459
Total provisions	24,348	22,789

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 27

Provisions (cont'd)

(b) Landfill rehabilitation (cont'd)

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). Under the licence Council is required to rehabilitate the site and provide for future monitoring and aftercare of the site as well as a number of other obligations. The site is now closed as a landfill but a portion of the site is still being used as a transfer station to receive and transport waste to other sites for disposal. In 2015–16 the EPA issued a Post Closure Pollution Abatement notice and Council has surrendered the landfill licence.

In 2012 the EPA changed closed landfill guidelines and in 2013 issued several Supporting Pollution Abatement notices to Council requiring the completion of a number of management plans. These plans were completed in 2015–16, and provide further clarity regarding the future management options for leachate and landfill gas at the site and the cost implications for implementing recommended management measures.

During 2015–16 Council continued to test the groundwater, leachate, surface water and landfill gas in accordance with the environmental auditor verified Site Environmental Management Plan. Investigation of the existing landfill gas extraction system has been undertaken to determine if the extraction system efficiency can be improved. This investigation work has not been finalised. Improvements to the existing surface drainage and landfill capping have also been undertaken to comply with the landfill rehabilitation plan.

In the financial report for June 2016, Council has an amount of \$4.527 million as a provision for the restoration of the Cathies Lane landfill site and includes an ongoing commitment of approximately \$0.259 million per annum for site aftercare to meet EPA obligations for the site 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. Council will be required to incur additional costs should it be directed to adopt an alternative approach.

Included in the aftercare is the cost to provide a bank guarantee to meet the Financial Assurance requirements imposed by the EPA on Council. The bank guarantee for \$1.094 million is required to be in place for thirty years post closure.

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

Llewellyn Reserve landfill site

Council's landfill site at Llewellyn Reserve was closed in 1985.

In 2012 the EPA changed closed landfill guidelines and in 2013 issued several Supporting Pollution Abatement notices to Council requiring the completion of a number of management plans. These plans were completed in 2015–16, and provide further clarity regarding the future management options for leachate and landfill gas at the site and the cost implications for implementing recommended management measures. The plans have concluded that a landfill gas extraction system is required for the site. In 2015–16 the EPA issued a Post Closure Pollution Abatement notice.

Council continued to test the groundwater, leachate and landfill gas via a monitoring network installed across the site in accordance with the environmental auditor verified Site Environmental Management Plan during 2015–16. Improvements to the existing surface drainage and landfill capping have also been undertaken to comply with the Landfill Rehabilitation Plan.

In the financial report for June 2016, Council has an amount of \$2.874 million as a provision for the restoration of the Llewellyn Reserve landfill site and includes an ongoing commitment of approximately \$0.097 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. Council will be required to incur additional costs should it be directed to adopt an alternative approach.

Council is budgeting \$0.350 million per annum until 2018 to build up the cash reserves to assist in meeting the provision requirements of both landfill sites.

Llewellyn Reserve is also recognised as a contingent liability (Note 35(d)).

NOTE 28 Interest-bearing loans and borrowings

	2016 \$'000	2015 \$'000
Current		
Borrowings - secured (1)	3,811	5,240
Non-current		
Borrowings - secured (1)	9,436	10,127
	9,436	10,127
Total interest-bearing loans and borrowings	13,247	15,367

(1) Borrowings are secured by the general Council rates (Westpac, ANZ and Commonwealth Bank) or income of the Council (Commonwealth Bank).

(a) The maturity profile for Council's borrowings is:

Not later than one year	3,811	5,240
Later than one year and not later than five years	3,336	3,098
Later than five years	6,100	7,029
	13,247	15,367

NOTE 29 Reserves

(a) Asset revaluation reserve

2016

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Property			
Land	500,556	132,403	632,959
Buildings	45,516	6,500	52,016
	546,072	138,903	684,975
Plant and equipment			
Artworks	31	-	31
	31	-	31
Infrastructure			
Roads	253,618	2,688	256,306
Bridges	3,445	-	3,445
Footpaths and cycleways	10,348	7,614	17,962
Drainage	94,221	-	94,221
Off street car parks	9,050	(1,702)	7,348
Other infrastructure	2,795	-	2,795
	373,477	8,600	382,077
Total asset revaluation reserve	919,580	147,503	1,067,083

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 29

Reserves (cont'd)

(a) Asset revaluation reserve (cont'd)

2015

Property	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
Land	500,556	-	500,556
Buildings	46,166	(650)	45,516
	546,722	(650)	546,072
Plant and equipment			
Artworks	31	-	31
	31	-	31
Infrastructure			
Roads	253,618	-	253,618
Bridges	3,445	-	3,445
Footpaths and cycleways	10,348	-	10,348
Drainage	94,221	-	94,221
Off street car parks	9,050	-	9,050
Other infrastructure	2,504	291	2,795
	373,186	291	373,477
Total asset revaluation reserve	919,939	(359)	919,580

Nature and purpose of asset revaluation reserve

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

(b) Other reserves

2016

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Restricted reserves				
Open space reserve	8,161	4,147	(3,637)	8,671
Basketball stadium infrastructure reserve	76	24	-	100
HACC capital reserve	528	80	(100)	508
State basketball centre asset renewal fund	225	100	(36)	289
Football pitch replacement fund	151	153	-	304
Total restricted reserves	9,141	4,504	(3,773)	9,872

Reserves are restricted in nature as either a statutory reserve or a discretionary reserve (eg: Council resolution) - refer to Note 18.

Unrestricted reserves

Mountain Gate reserve	439	140	(579)	-
City futures fund	2,198	971	(8)	3,161
Landfill rehabilitation reserve	979	-	(979)	-
Revegetation net gain	50	71	-	121
Revolving energy fund	58	40	(28)	70
Community infrastructure	20	-	(20)	-
Capital projects reserve	280	-	(280)	-
Aged care reserve	4,590	250	(18)	4,822
Unexpended grant reserve (Victoria Grants Commission)	3,804	-	(3,804)	-
Stamford Park	-	14,716	(558)	14,158
Blue Hills	-	3,794	(373)	3,421
Scoresby Recreation Reserve	-	21	-	21
Total unrestricted reserves	12,418	20,003	(6,647)	25,774
Total other reserves	21,559	24,507	(10,420)	35,646

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 29

Reserves (cont'd)

(b) Other reserves (cont'd)

2015

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Restricted reserves				
Open space reserve	6,639	4,065	(2,543)	8,161
Basketball stadium infrastructure reserve	53	23	-	76
HACC capital reserve	541	52	(65)	528
State basketball centre asset renewal fund	75	150	-	225
Football pitch replacement fund	-	151	-	151
Total restricted reserves	7,308	4,441	(2,608)	9,141
<i>Reserves are restricted in nature as either a statutory reserve or a discretionary reserve (eg: Council resolution) – refer to Note 18.</i>				
Unrestricted reserves				
Mountain Gate reserve	614	140	(315)	439
City futures fund	1,494	1,147	(443)	2,198
Landfill rehabilitation reserve	1,014	350	(385)	979
Revegetation net gain	549	50	(549)	50
Revolving energy fund	59	47	(48)	58
Community infrastructure	20	-	-	20
Capital projects reserve	460	-	(180)	280
Aged care reserve	4,337	254	(1)	4,590
Unexpended grant reserve (Victoria Grants Commission)	-	3,804	-	3,804
Total unrestricted reserves	8,547	5,792	(1,921)	12,418
Total other reserves	15,855	10,233	(4,529)	21,559

Nature and purpose of reserves

Open Space Reserve

The Open Space Reserve is used to provide funding for future purchases and improvements of open space. Funding is provided from developer's contributions for open space which is initially recognised in the Comprehensive Income Statement and then transferred to the reserve from accumulated surplus to facilitate separate tracking of the total funds received but not yet spent.

Basketball stadium infrastructure reserve

The purpose of this reserve is to improve basketball stadium facilities within the Knox municipality.

Mountain Gate Reserve

The purpose of this reserve is to enhance community facilities within Mountain Gate.

City futures fund

The purpose of this reserve is to construct major facilities within the Knox municipality.

Landfill Rehabilitation Reserve

The purpose of this reserve is to rehabilitate the landfill site at Cathies Lane and Llewellyn Reserve.

Revegetation net gain

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

HACC Capital Reserve

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

Revolving energy fund

The purpose of this reserve is to re-invest savings in energy costs to be invested in further works to minimise energy consumption.

Community infrastructure

The purpose of this reserve is to provide community infrastructure within the Mirvac development in Wantirna South.

Capital projects reserve

The purpose of this reserve is to provide for the refurbishment and upgrade of community facilities within the Knox municipality.

Aged care reserve

The purpose of this reserve is to set aside the proceeds from the divestment of the Amaroo Gardens Aged Care Facility by Council on 2 November 2011 for aged services and infrastructure within the Knox municipality.

State Basketball Centre asset renewal fund

The purpose of this reserve is to provide for asset renewal works at the State Basketball Centre (Knox Regional Sports Park).

Football pitch replacement fund

The purpose of this reserve is to provide for future football pitch replacement at Knox Regional Sports Park.

Unexpended grant reserve (Victoria Grants Commission)

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

Stamford Park

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

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.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 30

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

	2016 \$'000	2015 \$'000
Surplus for the year	25,039	16,990
Depreciation/amortisation	19,145	18,647
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	(15,691)	1,415
Contributions – non-monetary assets	(1,210)	(5,499)
Provision for bad and doubtful debts	(10)	(146)
Increment in investment in associate	(219)	(266)
Finance costs	874	989
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(577)	(357)
(Increase)/decrease in prepayments	131	(757)
(Increase)/decrease in accrued income	(241)	(66)
Increase/(decrease) in trade and other payables	1,756	(1,151)
Increase/(decrease) in provisions	1,558	3,871
Increase/(decrease) in other liabilities	(532)	1,502
(Increase)/decrease in inventories	2	(2)
Net cash provided by operating activities	30,025	35,170

NOTE 31

Financing arrangements

	2016 \$'000	2015 \$'000
Bank overdraft	1,500	1,500
Credit card facilities	200	200
Total facilities	1,700	1,700
Used facilities	6	15
Unused facilities	1,694	1,685

NOTE 32 Commitments

The Council has entered into the following commitments:

2016

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection and recycling	14,306	14,488	25,649	16,402	70,845
Open space management	591	18	8	-	617
Consultancies	1,978	235	184	-	2,397
Cleaning contracts for council buildings	751	518	-	-	1,269
Infrastructure management	2,438	146	63	-	2,647
Total	20,064	15,405	25,904	16,402	77,775
Capital					
Buildings	446	180	103	-	729
Roads	1,510	202	202	-	1,914
Other infrastructure	1,423	-	-	-	1,423
Total	3,379	382	305	-	4,066

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 32

Commitments (cont'd)

2015

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection and recycling	15,156	14,676	28,262	9,379	67,473
Open space management	342	339	-	-	681
Consultancies	1,253	785	83	-	2,121
Home care services	196	-	-	-	196
Cleaning contracts for council buildings	248	201	179	-	628
Meals for delivery	114	114	-	-	229
Infrastructure management	833	499	109	-	1,441
Total	18,141	16,616	28,633	9,379	72,768
Capital					
Buildings	143	152	189	-	484
Roads	3,381	472	-	-	3,853
Drainage	-	-	-	-	-
Other infrastructure	1,641	-	-	-	1,641
Total	5,166	624	189	-	5,979

NOTE 33

Operating leases

(a) Operating lease commitments

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

	2016 \$'000	2015 \$'000
Not later than one year	715	669
Later than one year and not later than five years	1,175	1,065
Later than five years	345	509
	2,235	2,243

(b) Operating lease receivables

Council has a number of leases with external entities where they pay for the use of Council land and buildings. A number of these leases include a CPI based revision of the rental charge annually.

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

	2016 \$'000	2015 \$'000
Not later than one year	323	325
Later than one year and not later than five years	1,149	1,047
Later than five years	8,884	9,012
	10,356	10,384

NOTE 34 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/ Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation (9.5% in 2014-15)).

Defined Benefit

Knox City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Knox City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 Employee Benefits.

Funding arrangements

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

As at 30 June 2015, 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 Knox City Council is a contributing employer was 105.8%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns	7.0% pa
Salary information	4.25% pa
Price inflation (CPI)	2.5% pa

Vision Super has advised that the VBI at the quarter ended 30 June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Knox City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014-15). This rate will increase in line with any increase to the contribution rate. In addition, Knox City Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 34

Superannuation (cont'd)

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Knox City Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Knox City Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 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 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Knox City Council was notified of the 30 June 2015 VBI in August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$0.500 million.

NOTE 35

Contingent liabilities and contingent assets

Contingent liabilities

(a) Contingent liabilities arising from professional indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permits and approvals, the Council is at times met with claims and demands for damages allegedly arising from the actions of the Council or its officers. There are no outstanding claims against Council in this regard. The Council carries \$300.000 million (\$300.000 million - 2014-15) of professional indemnity insurance and has an excess of \$0.020 million (\$0.020 million - 2014-15) 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 LMI (MAV Insurance). There are no claims that Council is aware of which would fall outside the terms of the Council's policy.

(b) Contingent liabilities arising from public liability

As a large local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council is regularly met with claims and demands allegedly arising from an incident that occurs on land belonging to the Council. There are ten outstanding claims against the Council in this regard. The Council carries \$400.000 million (\$400.000 million - 2014-15) of public liability insurance and has an excess of \$0.020 million (\$0.020 million - 2014-15) 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 LMI (MAV Insurance). There are no claims that Council is aware of which would fall outside the terms of the Council's policy.

(c) Rehabilitation costs Cathies Lane landfill site

Council operated the Cathies Lane landfill site, Wantirna South from 1986-2004, under a licence issued by the Environment Protection Authority (EPA). Under the licence Council is required to rehabilitate the site and provide for future monitoring and aftercare of the site as well as a number of other obligations. The site is now closed as a landfill but a portion of the site is still being used as a transfer station to receive and transport waste to other sites for disposal. In 2015-16 the EPA issued a Post Closure Pollution Abatement notice and Council has surrendered the landfill licence.

In the financial report for June 2016, Council has an amount of \$4.527 million as a provision for the restoration and for an ongoing commitment in relation to site aftercare to meet EPA obligations of the Cathies Lane landfill site (Note 27(b)). This is based on an assessment undertaken in 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. Council will be required to incur additional costs should it be directed to adopt an alternative approach.

Revised measures to be implemented for the long term management of leachate and landfill gas were completed in 2015–16. A bank guarantee for \$1.094 million is in place for thirty years post closure as required by the EPA.

(d) Rehabilitation costs Llewellyn Reserve 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.

Future management options for leachate and landfill gas have been completed in 2015–16. This has required that Council install a landfill gas extraction system at the site.

In the financial report for June 2016, Council has an amount of \$2.874 million as a provision for the restoration and for ongoing monitoring and reporting of the Llewellyn Reserve landfill site (Note 27(b)). 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. Council will be required to incur additional costs should it be directed to adopt an alternative approach.

The Post Closure Pollution Abatement notice requires Council to have in place a financial assurance for the Llewellyn Park site, which was previously not required. The EPA have indicated that for sites operated by Local Government, internal provisioning of adequate costs for rehabilitation and aftercare in the future may be a sufficient form of a financial assurance (instead of a bank guarantee) however further guidance on this is still pending.

(e) Contingent liabilities arising from potential shortfall in Defined Benefit Superannuation Plan (fund closed to new members in 1993)

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 34. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

(f) High Court decision in *Isbester v Knox City Council* (2015)

As a result of the High Court's decision in *Isbester v Knox City Council* (2015) Case M19/2015, Knox City Council will be liable to pay the applicant's (*Isbester*) costs. The final quantum and timing of payment is subject to ongoing negotiations.

Contingent assets

(g) Contingent assets

As a result of development activity within the Knox municipality, Council has identified as a contingent asset the developer contributions of infrastructure assets and open space contributions to be received in respect of subdivisions that are currently under development totalling \$19.837 million (\$5.447 million - 2014-15).

**NOTE 36
Financial instruments**

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 36

Financial instruments (cont'd)

(b) Market risk (cont'd)

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk Council:

- has adopted a Debt Collection and Management Policy and Procedure which provides guidelines for the management and collection of outstanding debts
- may require collateral where appropriate
- invests surplus funds with financial institutions which have a recognised credit rating specified in our Investment Policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as the provision of a guarantee for another party. Details of our contingent liabilities are disclosed in Note 35.

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

(d) Liquidity risk

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

To help reduce these risks Council:

- has an Investment Policy which specifies the need to meet Council's cash flow requirements
- has readily accessible standby facilities and other funding arrangements in place
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitors budget to actual performance on a regular basis
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

(e) Fair value

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next twelve months:

- a parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.621% which is Council's average 90 day term deposit interest rate
- a parallel shift of +1% and -1% in market interest rates (AUD) from a year-end rate of 2.695% which is Council's interest rate for variable loan borrowings for the financial year.

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

NOTE 37 Related party transactions

(i) Responsible persons

Names of persons holding the position of a Responsible Person at Knox City Council during the year were:

Councillors	Councillor Tony Holland (Mayor)	Mayor from 11 November 2015 to current.
	Councillor Peter Lockwood (Mayor)	Mayor from 1 July 2015 to 11 November 2015.
	Councillor Darren Pearce	
	Councillor Karin Orpen	
	Councillor Adam Gill	
	Councillor Joe Cossari	
	Councillor John Mortimore	
	Councillor Nicole Seymour	
	Councillor Lisa Cooper	
Chief Executive Officer	Kerry Stubbings (Acting)	15 April 2016 to 24 June 2016
	Joanne Truman (Acting)	29 January 2016 to 15 April 2016, 24 June 2016 to 30 June 2016
	Dr Graeme Emonson	1 July 2015 to 29 January 2016

(ii) Remuneration of responsible persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2016 No.	2015 No.
\$1 – \$9,999	–	1
\$10,000 – \$19,999	–	1
\$30,000 – \$39,999	7	6
\$40,000 – \$49,999	–	1
\$50,000 – \$59,999	1	–
\$70,000 – \$79,999	–	1
\$80,000 – \$89,999	1	–
\$370,000 – \$379,999	–	1
\$580,000 – \$589,999 *	1	–
	10	11
	\$'000	\$'000
Total remuneration for the reporting year for Responsible Persons included above amounted to:	977	706

* Includes payment of leave entitlements on resignation.

Notes to the Financial Statements for the Year Ended 30 June 2016

NOTE 37

Related party transactions (cont'd)

(iii) Senior officers remuneration

A Senior Officer other than a Responsible Person is an officer of Council who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$139,000 (\$136,000 in 2014-15).

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

Income range	2016 No.	2015 No.
< \$139,000	-	3
\$139,000 - \$139,999	2	-
\$140,000 - \$149,999	7	3
\$150,000 - \$159,999	1	3
\$160,000 - \$169,999	4	8
\$170,000 - \$179,999	7	3
\$180,000 - \$189,999	1	1
\$210,000 - \$219,999	1	-
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	2	3
\$250,000 - \$259,999	2	-
\$260,000 - \$269,999	-	1
\$280,000 - \$289,999	1	-
	29	26
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above amounted to:	5,205	4,562

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was Nil (2014-15: Nil).

(v) Loans to responsible persons

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a responsible person of the Council, or a related party of a responsible person is Nil (2014-15: Nil).

(vi) Transactions with responsible persons

During the period Council entered into no transactions with responsible persons or related parties of responsible persons (2014-15: Nil).

NOTE 38

Events occurring after balance date

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

Certification of the Financial Statements

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



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

Date: 23 August 2016
Wantirna South

In our opinion the accompanying financial statements present fairly the financial transactions of Knox City Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Cr Tony Holland
Mayor

Date: 23 August 2016
Wantirna South



Cr Darren Pearce
Councillor

Date: 23 August 2016
Wantirna South



Tony Doyle
Chief Executive Officer

Date: 23 August 2016
Wantirna South



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000

Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Knox City Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Knox City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Knox City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

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

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Knox City Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
30 August 2016


Dr Peter Frost
Acting Auditor-General

How to access our Annual Report

The Annual Report is compliant with Council's Access and Inclusion Policy and meets the level double-A conformance to web content accessibility guidelines.

The Annual Report is available in various formats, as follows:

- PDF available from our website
- Large print
- Hardcopy

You are welcome to contact Council for a copy of the Annual Report by telephoning 9298 8000 or sending an email to knoxcc@knox.vic.gov.au

Acknowledgement of Victorian State Government Funding

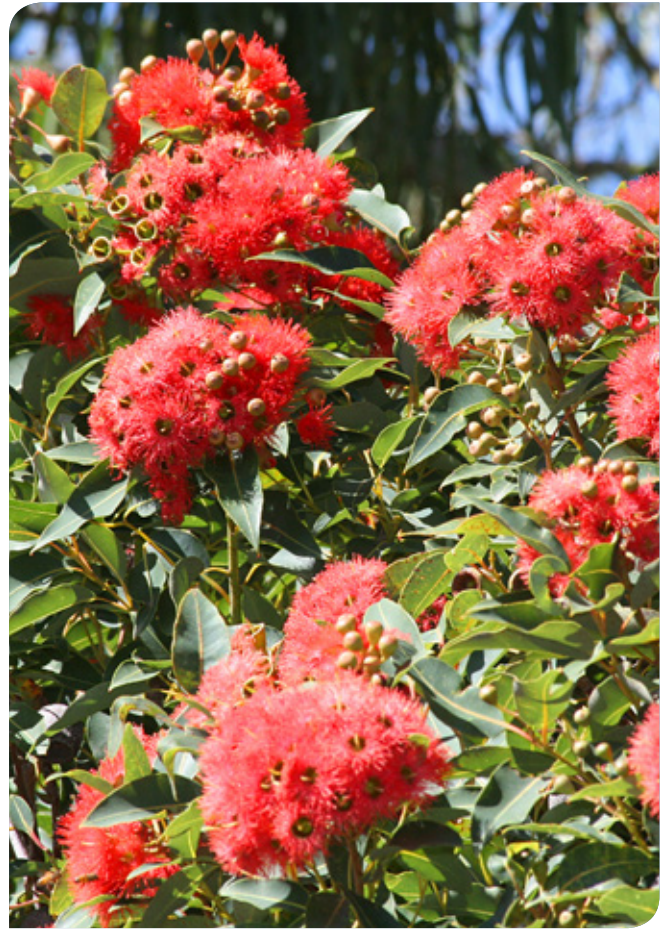
Knox City Council acknowledges the support of the Victorian State Government, which enables the delivery of some of Council's projects and programs, including:

- Engage program for young people
- Metro Access program
- Healthy Together Knox program
- HACC program
- Immunisation program.



Community Input

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



Contact Us

You are welcome to contact us

Knox Civic Centre	511 Burwood Highway, Wantirna South, Victoria 3152
Email	knoxcc@knox.vic.gov.au
Internet - our public website	www.knox.vic.gov.au
Phone	+613 9298 8000
TTY Users (Text Telephone) (NRS)	133 677 (ask for 03 9298 8000)
Speak and Listen Users	1300 555 727 (ask for 03 9298 8000)
Facebook	Facebook.com/knoxccouncil
Twitter	twitter.com/knoxcc
Fax	+613 9800 3096
Translating and Interpreting Service	131 450
ABN	24 477 480 661