



City of  
**STONNINGTON**

# 2018-19 Annual Report

[STONNINGTON.VIC.GOV.AU](http://STONNINGTON.VIC.GOV.AU)

stonningtoncouncil

StonningtonNews



# Stonnington community profile

Residents:

116,207

(Grown by 2069 from 2017)

Density:

45.33

persons per hectare

Median age:

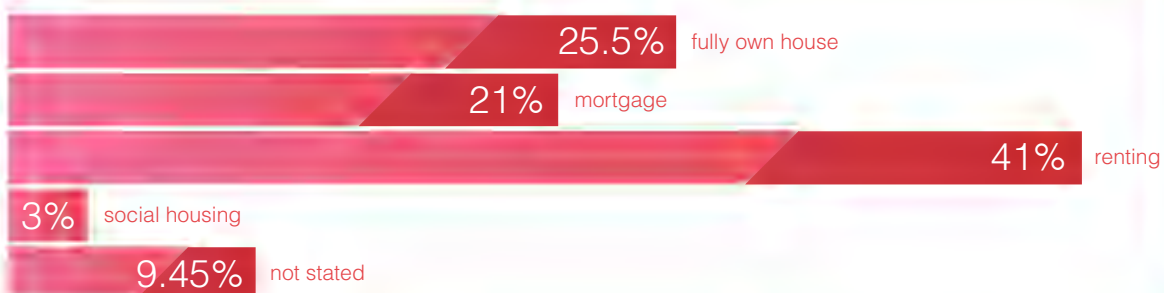
35

Household income:

\$1,942

median per week

Home ownership:



Households:

Average household size = 2.1

19.5%

couples  
with children

25%

couples without  
children

5%

one-parent  
families

7%

older couples  
without children

31.7%

single-person  
households

73.5%

medium and  
high-density  
housing



23%

speak a language other  
than English at home



21%

of people volunteer



83%

of homes have  
internet connection



16%

do not own a car



3.3%

need assistance  
due to a disability



# Contents

Council's vision	4
Council plan	4
Council	5
Strategic planning framework	7
Our city	8
Your Councillors	9
Stonnington ward map	10
Mayor and Chief Executive Officer message	11
Financial summary	13
Description of operations	16
Community	18
Liveability	26
Environment	32
Economy	37
Strategic resource plan	40
Our people	45
Governance	50
Management	58
Governance and management checklist	62
Performance statement	69
Sustainable capacity indicators	70
Service performance indicators	72
Financial performance indicators	75
Other information	79
Certificate of the performance statement	80
Annual financial report	83

# Council's vision

Stonnington will be an inclusive, healthy, creative, sustainable and smart community.

# Council plan

The **Council plan 2017–21** includes four key strategic objectives, methods for achieving these, indicators for monitoring their achievement and a strategic resource plan.

The key strategic objectives are:

- » **Community** – an inclusive City that enhances the health and wellbeing of all residents, where people can feel safe, socially connected and engaged.
- » **Liveability** – the most desirable place to live, work and visit.
- » **Environment** – a cleaner, safer and better environment for future generations to enjoy.
- » **Economy** – a City that will grow its premier status as a vibrant, innovative and creative business community.

## Performance

We are committed to transparent reporting and accountability to the community. The **Report of operations 2018–19** is the primary means of advising the Stonnington community about our operations and performance during the financial year.

Council's performance for the 2018–19 financial year has been reported against each strategic objective, and measured as follows:

- » results achieved in relation to the strategic indicators in the Council plan
- » progress in relation to the major initiatives identified in the Budget
- » services funded in the Budget and the people or sections of the community who are provided those services, and
- » results against the prescribed service performance indicators and measures.

# Council

The role of a council is defined in the **Local Government Act 1989**, which formalises a council's legal status, purpose and objectives, including to:

- » promote social, economic and environmental viability and sustainability
- » ensure resources are used efficiently and effectively and that Best Value Principles are met
- » improve the overall quality of life of people
- » promote appropriate business and employment opportunities
- » ensure equitable access to services and facilities
- » ensure equitable imposition of rates and charges, and
- » ensure transparent and accountable decision making.

Council is committed to working in partnership with key stakeholders, residents and businesses to continually review our local laws, policies and meeting procedures to promote community consultation, advocate for community needs and provide strong democratic leadership.

We will strive for excellence, ensuring the capacity to deliver timely and efficient services to meet community needs and continually improve standards of service delivery. For more information on how we deliver our services to the community see the 'Description of operations' section on page 16 and the 'Governance' section on page 50.

## Acknowledgement

We acknowledge that we are situated on the traditional land of the Boon Wurrung and Wurundjeri people and offer our respects to their Elders, past and present. We recognise and respect the cultural heritage of this land.

## Statement of human rights

The City of Stonnington recognises and respects that everyone has the same human rights entitlement to allow them to participate in, and contribute to, society and our community. We recognise that all people have equal rights in the provision of, and access to, Council services and facilities. We recognise that, at times, such rights may be limited, insofar as to strike a balance between individual rights and the protection of public interest.

## Statement of social justice

The City of Stonnington is committed to the following principles of social justice adopted on 20 April 2015:

### Access

- » Residents have fair/equal access to the resources and services provided by Council.
- » Barriers to the resources and services provided by Council are reduced for those in need.
- » Independent access is supported.

### Equity

- » Barriers to equity are reduced as far as practicable.

### Human rights

- » Human rights are recognised, respected and promoted.

### Participation in decision making

- » Residents have the opportunity for genuine and meaningful participation in decisions affecting their lives.

### Social inclusion

- » Council activities and programs recognise community diversity and encourage participation.

## Council offices

### Stonnington City Centre

311 Glenferrie Road  
Malvern Victoria 3144

### Prahran Town Hall

180 Greville Street  
Prahran Victoria 3181

PO Box 58  
Malvern Victoria 3144

T: 8290 1333

[council@stonnington.vic.gov.au](mailto:council@stonnington.vic.gov.au)

### Stonnington Depot

Administration Building  
293 Tooronga Road  
Malvern Victoria 3144

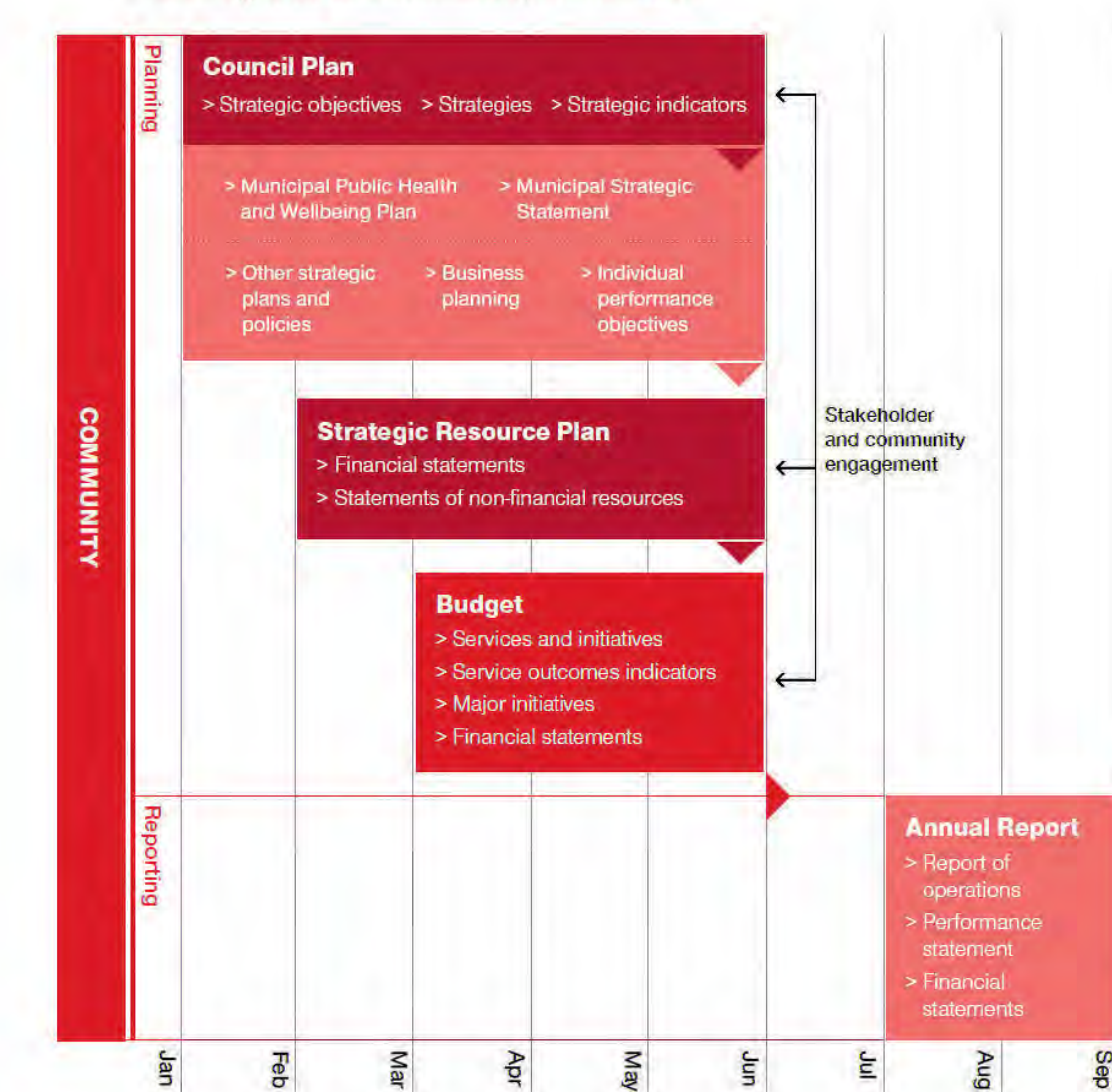
### Stonnington Waste Transfer Station

Weir Street, off Carrol Crescent  
Malvern Victoria 3146

## Planning and accountability framework

- » a Council plan within the six months after each general election or by 30 June, whichever is later
- » a strategic resource plan for a period of at least four years and include this in the Council plan
- » a budget for each financial year, and
- » an annual report in respect of each financial year.

### Planning and accountability framework



# Our City

The City of Stonnington is located in Melbourne's inner south-east, alongside the Yarra River, covering an area of 25.62 square kilometres. Stonnington takes in the suburbs of Armadale, Kooyong, Malvern, Malvern East, Prahran, Toorak and parts of Glen Iris, South Yarra and Windsor.

Stonnington is primarily a residential area, with some commercial, industrial, office and institutional land uses. We are well known for shopping and lifestyle precincts, parks and gardens, leafy streets and historical architecture.

The estimated resident population in 2018–19 was 116,207. It is anticipated that the municipality will experience a population growth rate of approximately 20.84 per cent over the next 17 years.

## Our community

Stonnington has a relatively young population, with 35 per cent aged 18–34 years and a median age of 35 years.

Of the families in Stonnington, 20 per cent are couples with children, 25 per cent are couples without children and 5.5 per cent are one-parent families.

Of all households, 32 per cent are single-person households and 8.9 per cent are group households.

Stonnington has a culturally and economically diverse population. The housing stock ranges from some of Melbourne's finest mansions to large blocks of public housing, an indication of the community's contrasting lifestyles, needs and expectations. The top five non-English languages are Mandarin, Greek, Cantonese, Italian and Spanish. Almost one-third of the community was born overseas, and the top five nations of origin are China, the United Kingdom, India, New Zealand and Greece.

According to the 2016 Census, 3,463 Stonnington residents have a disability requiring assistance with core activities, and almost one in 10 residents act in the role of unpaid carer for a person with a disability.

Just over a quarter (25.5 per cent) of residents fully own their home, with a further 21 per cent paying off a mortgage and 44.2 per cent renting.

Stonnington is home to 18,188 businesses creating 68,958 jobs, adding to our \$8.55 billion gross regional product. This contributes significantly to Stonnington's vibrancy and prosperity.

## Our history

Stonnington was formed in June 1994 through the amalgamation of the cities of Malvern and Prahran. Stonnington takes its name from a historically significant mansion in the area, which was named after Stonington in Connecticut, USA.

Stonnington is situated on the traditional land of the Boon Wurrung and Wurundjeri people. The Boon Wurrung and Woiwurrung, a clan of the Wurundjeri people, continued to live along the Yarra River as European settlement expanded beyond the centre of the Port Phillip district (Melbourne) in the 1800s.



As part of the expanding development of the area, the first Prahran Market was established in 1864. Originally known as Fitzroy Road, Chapel Street was named in 1852 when the first chapel was built.

The first commercial activity along Chapel Street was established in the late 1830s, making it one of the oldest shopping strips in Melbourne today.

Local government has operated in the area for more than 160 years. The first municipal election was held in Prahran in 1856, and the Prahran Town Hall opened in 1861. Planning for the Malvern Town Hall commenced as early as 1867, with the Malvern Council holding its first meeting there in 1886.

# Your Councillors

## South Ward

		
<b>Cr Steven Stefanopoulos</b> Mayor	<b>Cr Judy Hindle</b>	<b>Cr Melina Sehr</b>
First elected 2004, re-elected 2016. Mayor 2017–19.	First elected 2002, re-elected 2004, 2008 and 2016.	First elected 2002, re-elected 2004, 2008, 2012 and 2016. Mayor 2003–04, 2010–11 and 2014–15.

## East Ward

		
<b>Cr Glen Atwell</b>	<b>Cr Sally Davis</b>	<b>Cr Jami Klisaris</b>
First elected 2016.	First elected 1999, re-elected 2002 and 2016. Mayor 2002–03.	First elected 2012, re-elected 2016. Mayor 2016–17.

## North Ward

		
<b>Cr John Chandler OAM</b>	<b>Cr Marcia Griffin</b>	<b>Cr Matthew Koce</b>
First elected 1996, re-elected 1999, 2002, 2004, 2008, 2012 and 2016. Mayor 1996–97, 2006–07 and 2011–12. Served as an elected Councillor 1982–94 and Mayor of the former City of Prahran 1988–89.	First elected 2016.	First elected 2012, re-elected 2016. Mayor 2012–13.

# Stonnington ward map



# Mayor and Chief Executive Officer message

We are committed to ensuring the City of Stonnington remains one of Australia's premier municipalities. We are proud of our achievements over the last 12 months - creating opportunities to bring our community together; implementing numerous strategic policies and investing in long-term infrastructure.

We'd like to extend our sincere thanks to all of the Councillors and staff whose hard work and commitment have made all of this possible.



In May, Jacqui Weatherill was appointed as our new Chief Executive Officer. Jacqui has a strong leadership record in the government sector and in Australian and world sporting governance. Jacqui was CEO of the Victorian Government entity, The Greater Metropolitan Cemeteries Trust for the past seven years. Under her leadership, she established The Trust as a major Victorian community service organisation. Jacqui has also worked at a senior executive level at the City of Boroondara and the Benalla Rural City Council, project managing significant transformations whilst in those roles.

## Projects and infrastructure

This year we see out our largest ever capital program, of \$86M.

Cato Square is almost complete, with the underground carpark opening soon. The new 10,000sqm urban parkland on top, is expected to open before Christmas 2019.

We have refined our plans for the Prahran Town Hall redevelopment, with a permit application lodged with Heritage Victoria. Major investment in this heritage building will see the City Hall returned for use as a community function space, alongside the existing Council Chamber, Dining and Committee Rooms and the Town Hall. The new Claude Ullin Library will take up the majority of the Greville Street wing, and will be almost double the floor space of our current Prahran Library.

We have continued a significant rehabilitation and revegetation program along the banks of the Yarra River and started extending this along the remainder of our Gardiners Creek northern boundary. Our community was invited to the opening of Malvern Valley Golf Course Facility and the new Dunlop Pavilion redevelopments. The Caroline Gardens redevelopment was also completed and the next stage of works at Windsor Siding is underway.

## Community and advocacy

Council is passionate about ensuring lifelong learning for all, and we opened the new home of U3A Stonnington just off Glenferrie Road, Malvern. In addition, we have expanded our Sustainable Schools Program so that more schools and students are learning about environmental sustainability.

Our commitment to investing in sporting infrastructure is being delivered by refurbishing the tennis courts at Union Street Park; investing \$7M in the Harold Holt Swim Centre with stage one of improvement works completed; and we've committed over \$40M on new community sporting facilities at Percy Teyvaud Memorial Park.

With state and federal elections this financial year, we were at the forefront with our advocacy priorities, which were presented to all candidates standing for election in our municipality. Our public transport advocacy policy was a key focus, together with seeking commitment to help manage homelessness in inner city Melbourne. We also strongly advocated for improvements to South Yarra railway station, resulting in the state government committing significant investment into improved access in and around this important transport interchange.

Councillors are in unanimous agreement to invest in our environment. We almost doubled the amount of money being spent on planting trees, continued the roll-out of LED street lighting, used recycled material for road reconstruction, and successfully trialled kerbside food waste recycling.

## Events and economic development

We continued to run a calendar of very successful events and partnered with other popular events in our municipality. Our Classics (Opera, Broadway and Symphony), Jazz Festival and Sunset Sounds concerts were a roaring success, with huge crowds attending. Spring into Gardening and our ever expanding GLOW Winter Arts Festival were attended by many Melburnians.

We again partnered with the Virgin Australia Melbourne Fashion Festival, Melbourne Cabaret Festival and Melbourne Fringe Festival and proudly hosted the Bank of Melbourne World's Longest Lunch in the historic Victoria Gardens on International Women's Day. We also sponsored, for the first time, the 29th Melbourne Queer Film Festival, noting their highest ticket sales ever.

## Farewells

In early 2019, our Chief Executive Officer, Warren Roberts, announced his retirement.

Warren was first appointed to senior management in the City of Stonnington in 1995, and in 2009, was appointed the CEO. Warren was an outstanding leader and is greatly missed.

## Future focus

Stonnington is changing and we are changing with it. We have a growing and increasingly younger population. A key priority will be meeting the changing needs and expectations of the Stonnington community and providing residents and ratepayers value for money.

We've approved the Glenferrie Road and High Street Structure Plan; 'Towards Zero' Road Safety Strategy; Reconciliation Action Plan; Heritage Strategy and Action Plan; and have begun work on our Housing Strategy.

We are striving to deliver effective and innovative local government that delivers quality outcomes. Our communication platforms and customer experience have been reviewed and we are looking at technological and digital improvements to help us communicate and provide services more effectively.



**Councillor Steven Stefanopoulos**  
**Mayor of the City of Stonnington**  
**Councillor for South Ward**



**Jacqui Weatherill**  
**Chief Executive Officer**

**Post script from Cr Stefanopoulos:** It has been an absolute honour to serve a second consecutive year as the Mayor of the City of Stonnington. I am excited about this new chapter in our history. I look forward to introducing our new CEO to you at our community events in the months and years to come.

# Financial summary

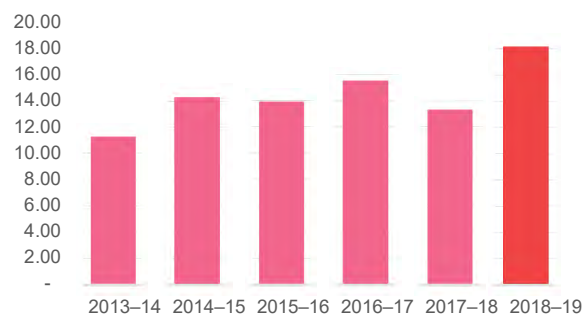
Council's financial position continues to remain strong, with a summary of performance outlined below. The detailed information relating to our financial performance is included within the 'Performance statement' and 'Annual financial report' sections of this report.

The financial statements are a general purpose financial report that comply with Australian Accounting Standards, the Local Government Act and the **Local Government (Planning and Reporting) Regulations 2014**. Consistent with the regulations, these statements are prepared in accordance with the **Local government model financial report**.

## Operating position

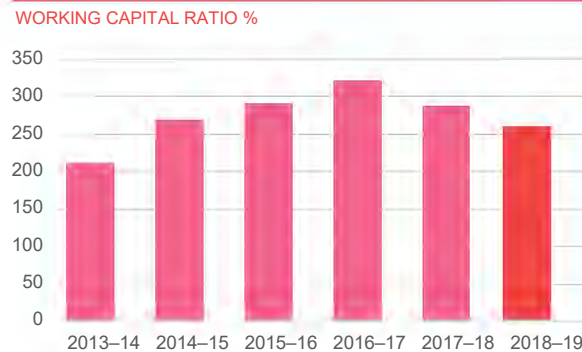
Council achieved a surplus of \$38.63 million in 2018–19. Rates and charges revenue was \$113.6 million. The average rate increase was capped at 2.25 per cent for 2018–19, and there was some growth in the number of rateable properties as a result of development activity. Of our total revenue, \$16.28 million is attributable to open space contributions, which will be used to fund future investments to create open space in response to our growing population. Employee costs were \$66.53 million, with Council providing employment opportunities for more than 600 people. Expenditure on materials and services was \$60.25 million, enabling Council to deliver an array of high-quality services to the community. Our adjusted underlying surplus, after removing non-recurrent capital grants, cash capital contributions and non-monetary contributions, is \$36.05 million or 18.14 per cent when compared with adjusted underlying revenue. This compares favourably with the expected target of >0 per cent. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to assist in funding the renewal of the \$2.88 billion of community assets under Council's control.

ADJUSTED UNDERLYING RESULT RATIO %



## Liquidity

Council's current assets include cash and cash equivalents, investments in term deposits (other financial assets) and other assets. Current assets were \$125.21 million in 2018–19 compared with \$123.58 million in 2017–18. The working capital (liquidity) ratio, which assesses Council's ability to meet current commitments, is calculated by measuring Council's current assets as a percentage of current liabilities. Council's result of 260 per cent is an indicator of an excellent financial position and exceeds the expected target band of 120–200 per cent.



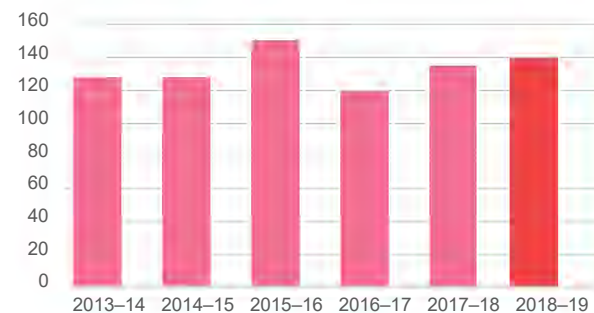
## Obligations

Council aims to maintain infrastructure assets at the expected levels while continuing to deliver the services needed by the community. Council invested \$25.64 million in renewal works during 2018–19. This was funded from cash from operations (Council's surplus). During 2018–19 Council undertook loan borrowings of \$20 million to help fund major community infrastructure development works. At the end of 2018–19 Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue, was 23.25 per cent. This is within the lower range of the expected target band of 20–60 per cent. The asset renewal ratio, which is measured by comparing asset renewal expenditure to depreciation, was a healthy 139.51 per cent, which was higher than the expected target band of 90–110 per cent. This illustrates Council's focus on ensuring a sustainable level of funding is provided for renewing community infrastructure. Significant renewal projects during 2018–19 included the Dunlop Pavilion (\$2.62 million), Toorak/South Yarra Library air conditioning (\$1.6 million), the Yarra River and Gardiners Creek biodiversity project (\$1.46 million), the Malvern Valley Golf Course works (\$0.69 million), Prahran Town Hall redevelopment masterplan (\$0.84 million), Windsor Siding masterplan works (\$0.45 million), Caroline Gardens works (\$0.44 million), street light LED upgrade and solar upgrades (\$0.75 million), roads and footpaths works (\$6.27 million) and drainage works (\$1.9 million).

LOANS AND BORROWINGS RATIO %



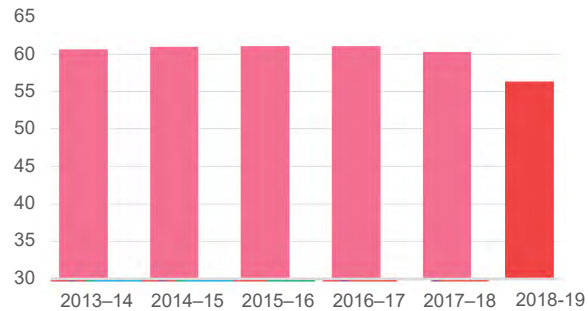
ASSET RENEWAL RATIO %



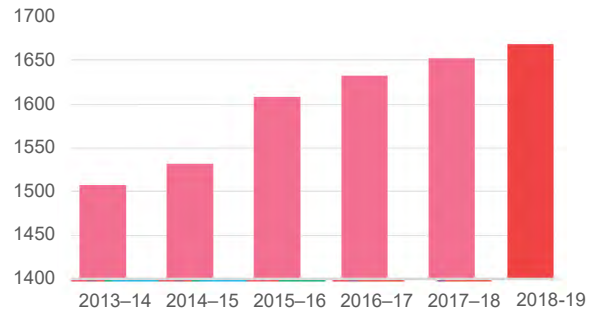
## Stability and efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. The rates concentration, which compares rate revenue to adjusted underlying revenue, was 56 per cent for the 2018–19 year, which is within the expected target band of 50–80 per cent. Council has focused on broadening the revenue base and for the 2018–19 year we maintained our high-quality service delivery while delivering a capped general rate in the dollar increase of 2.25 per cent. This resulted in an average residential rate per residential assessment of \$1,668 for 2018–19 (revenue level ratio). This is in line with similar councils in the inner metropolitan area.

RATES CONCENTRATION RATIO %



REVENUE LEVEL RATIO \$



# Description of operations

The City of Stonnington is responsible for a broad range of services including family and children's services, transport and parking regulation, open space, youth facilities, waste management, community buildings, economic and cultural development, planning for appropriate development and ensuring accountability for financial resources.

The broad range of community services and infrastructure for residents supports the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in the Council plan 2017–21 and the **Budget 2018–19**.

Delivering services, facilities, support and advocacy to achieve the key strategic objectives is measured by a set of service performance indicators and measures. Council also has a wide range of reporting responsibilities under Victorian and Australian legislation.

## Major capital works

During 2018–19 the overall cost of capital works was \$81.71 million and included:

- » Cato Square (now Prahran Square) redevelopment, with a public space realm expansion (\$35.59 million)
- » open space acquisition and development (\$9.2 million)
- » roads and footpaths (\$6.34 million)
- » Harold Holt Swim Centre masterplan implementation – stage 1 (\$3.2 million)
- » Dunlop Pavilion redevelopment (\$2.62 million)
- » Gardiner Park redevelopment (\$2.94 million)
- » Percy Treyvaud Memorial Park masterplan implementation (\$2.0 million)
- » Drain improvements (\$1.9 million) – including road drainage replacement works
- » Toorak/South Yarra Library air conditioning upgrade (\$1.6 million)
- » Yarra River/Gardiners Creek biodiversity project (\$1.42 million)
- » Princes Gardens masterplan (\$1.13 million)
- » Toorak Park masterplan implementation (\$1.0 million)
- » Prahran Town Hall masterplan implementation and redevelopment (\$0.84 million)
- » library materials (\$0.83 million)
- » street light LED upgrade and solar upgrades (\$0.75 million)
- » floodlighting development program (\$0.53 million)
- » bicycle strategy and path improvement (\$0.51 million)
- » tennis facility review and redevelopment strategy (\$0.49 million)
- » Windsor Siding masterplan implementation (\$0.45 million), and
- » public art and sculpture acquisition program (\$0.25 million).

## Major achievements

- » Percy Treyvaud Memorial Park masterplan adopted
- » Harold Holt Swim Centre diving facility community consultation completed
- » Gardiner Park redevelopment works completed including new sports pavilion, synthetic turf sportsground, picnic area, playground, pathways and landscaping
- » Cato Square (now Prahran Square) construction near completion with the car park opening in August 2019, and the urban parkland due for completion by late 2019
- » Corporate energy use and associated greenhouse gas admissions reduced in Council's building and facilities
- » Road safety strategy 2019–24 adopted
- » Toorak Park masterplan adopted
- » Windsor Siding stage 3 works completed and stage 4 commenced
- » Scotchmans Creek shared path upgrade completed
- » Gardiners Creek and Scotchmans Creek shared paths connection (through the golf course) design completed in preparation for Gardiners Creek masterplan works, and
- » Williams Road shared path upgrade (Bruce Street to Como North Oval) completed.

## Major changes

Following amendments to the **Valuation of Land Act 1960** contained in the **State Taxation (Further Amendments) Act 2017**, Council's statutory property valuations service moved to a centralised system conducted by the Valuer-General Victoria. This change came into effect on 1 July 2018.

## Economic factors

In 2018–19 the average rate increase was capped at 2.25 per cent in line with the Victorian Government's rate cap. Government grants as a proportion of Council's total revenue increased from 5.0 per cent in 2017–18 to an estimated 5.8 per cent in 2018–19.

The Reserve Bank of Australia's official cash rate decreased to 1.25 per cent at the end of June 2019. The weighted average investment rate earned for the year increased slightly from 2.55 per cent in June 2018 to 2.59 per cent in June 2019.

# Community



# Community

An inclusive City that enhances the health and wellbeing of all residents, where people can feel safe, socially connected and engaged.

## Achievements

- » 616,348 visitors to aquatic centres
- » 1,047 maternal and child health first home visits completed
- » 9,679 vaccinations provided through immunisation sessions
- » 11,199 pets registered
- » 599,472 visitors to libraries, with 685,464 physical and 120,672 digital items loaned
- » 55,768 people visited service centres
- » 92,603 customer calls and 2,928 after-hours calls
- » 78,683 incoming correspondence received and 3,033 e-requests
- » Toorak/South Yarra Library reopened after major improvement works
- » Dunlop Pavilion redeveloped
- » Gardiner Park redeveloped
- » The University of the Third Age (U3A) relocated to Valetta Street, Malvern, and
- » Percy Treyvaud Memorial Park masterplan adopted.

## Strategic indicators

The following table reviews the organisational performance against the Council plan including results achieved in relation to the strategic indicators in the Council plan.

Strategic indicator	Result (%)	Comment
Enhance community health and wellbeing outcomes through quality service delivery and strategic partnerships.	100	Council administered more than 9,600 vaccines at more than 90 sessions. We completed 1,047 first home visits to new born babies. All early years services were assessed as 'meeting' or 'exceeding' in relation to National Quality Standards. Implemented the year 2 action plan of the <b>Stonnington health and wellbeing plan</b> .
Strengthen Council's commitment to support our diverse and inclusive communities.	98	We delivered annual events including the Flavours Festival, Harmony Day celebrations, youth FreeZa events and National Reconciliation Week and National Aborigines and Islander Day Observance Committee Week. The draft <b>Access and inclusion plan 2019–2022</b> was developed in consultation with community, agencies and the Access Stonnington Committee.
Implement community safety initiatives and fair compliance processes to address community safety issues.	100	We convened five community safety meetings and continue to maintain a strong partnership with Victoria Police. Two new CCTV cameras were installed at Princes Gardens and Chapel Street, and a review of the future system upgrade was completed. We adopted the <b>Road safety strategy (2019–24)</b> . We completed a comprehensive environmental health inspection program in accordance with the <b>Food Act 1984</b> .
Enhance community engagement to ensure Council makes long-term decisions in the best interests of the community.	100	More than 1.85 million page views on the City of Stonnington website and more than a million people reached through social media posts. Our Connect Stonnington engagement platform continues to

Strategic indicator	Result (%)	Comment
		engage the community with more than 23,000 site visits. We provide a wide range of communications through the website, social media, letters, advertising through the <b>Stonnington Leader</b> , newspapers, brochures and the <b>InStonnington</b> magazine. We implemented a new e-services portal for online animal registrations. We achieved a score of 56 for community engagement (annual community satisfaction survey). Community satisfaction in our customer service (annual community satisfaction survey) significantly increased (score 75) and is higher than the state average (71).
Increase participation in physical activity through long-term recreation planning and service delivery.	85	The masterplan for Percy Treyvaud Memorial Park was adopted. The Harold Holt Swim Centre diving facility community consultation has been completed. The Gardiner Park redevelopment was completed including a new sports pavilion, synthetic turf sportsground, picnic area, playground, pathways and landscaping. Progress on the Prahran Aquatic Centre masterplan has been delayed due to incorporating stakeholder feedback. The <b>Sportsground allocation and pricing policy</b> has also been delayed, and the project will be included into the review of facility use and future directions.
Enhance modern learning environments, community hubs and libraries to support connected communities.	100	Our libraries continue to be important community hubs, with more than 599,400 people visiting the four library services, 685,464 physical loans, 120,672 digital loans, 17,966 active members and 29,437 people attending programs. Accessible facilities upgraded at Harold Holt Swim Centre, Chapel Off Chapel, Dunlop Pavilion, Gardiner Park Pavilion, the U3A Centre and Toorak/South Yarra Library.
Support local community organisations with equitable access to facilities, training and resources.	100	Council awarded more than \$3.6 million in community grants to local community organisations and commissioned three new street art murals at Phoenix Park Community Centre, Porter Street pocket park and the Hub (youth centre at Horace Petty Estate).

## Major initiatives

The following table reviews our progress in relation to major initiatives identified in the Budget 2018–19.

Major initiative	Progress
Adopt and implement the masterplan for the Multi-Sport and Recreation Precinct at Percy Treyvaud Memorial Park (\$2.0 million net cost).	Completed. We adopted the masterplan for Percy Treyvaud Memorial Park in May 2019.
Implement the Toorak Park Sport Precinct masterplan (\$1.0 million net cost).	In progress. We adopted the masterplan in December 2018. Victory Square and cricket nets upgrades will commence in August 2019.
Complete Gardiner Park redevelopment works (\$2.6 million net cost).	Completed.

## Description of services

The following table provides information about the services funded in the Budget 2018–19 and the people or sections of the community who receive the service.

Service	Description	Net cost (\$'000)
		Actual Budget Variance Favourable/(unfavourable)
Aged, Diversity and Disability Services	This service provides a range of services for the aged and culturally diverse community including home-delivered meals, centre-based meals, personal care, transport, home maintenance, housing support, regional assessment services, domestic assistance, respite care and senior citizen clubs.	3,712 <u>3,032</u> (680)
Animal Management Services	This service oversees animal registrations, animal complaints and prosecutions, pound operations and animal welfare education.	207 <u>91</u> (116)
Animal Management Services Aquatic Services	This service oversees animal registrations, animal complaints and prosecutions, pound operations and animal welfare education. This service supports a healthy community by providing a range of recreational facilities including indoor and outdoor swimming pools, a fully equipped gymnasium, aqua aerobics and a range of fitness classes.	207 1,581 <u>91</u> 1,118 (116) (463)
Aquatic Services	This service supports a healthy community by providing a range of recreational facilities including indoor and outdoor swimming pools, a fully equipped gymnasium, aqua aerobics and a range of fitness classes.	1,581
Children and Family Services	This service provides family-oriented support services including childcare, preschools, toy library, maternal and child health, pre-school dental, counselling and support, youth services, and support services at the Civic Centre. The customer support service is delivered from three customer service centres.	1,118 3,580 <u>(463)</u> 2,963 (617)
Children and Family Services	This service provides family-oriented support services including childcare, preschools, toy library, maternal and child health, pre-school dental, counselling and support, youth services, and support services at the Civic Centre. The customer support service is delivered from three customer service centres.	3,580 2,963 (617)
Chapel Off Chapel	This service provides theatre services including technical staging advice and performance operations, facilities for events, exhibitions of works by local artists, and function and catering services.	727 <u>(617)</u> 110
Chapel Off Chapel	This service provides theatre services including technical staging advice and performance operations, facilities for events, exhibitions of works by local artists, and function and catering services.	727 <u>(110)</u> 617
Customer and Civic Services	This service provides a range of governance, statutory and corporate support services and acts as the main customer interface with the community. Services include coordinating Council and committee meetings, corporate planning, community engagement with the community. The customer support service is delivered from three customer service centres.	(110) 1,931
Customer and Civic Services	This service provides a range of governance, statutory and corporate support services and acts as the main customer interface with the community. Services include coordinating Council and committee meetings, corporate planning, community engagement with the community. The customer support service is delivered from three customer service centres.	<del>1,931</del> 3,316 <u>1,385</u> 1,385
Communications	This service ensures the City of Stonnington communicates with our community in a consistent, proactive and integrated way that aligns with our corporate identity and brand. This service is responsible for managing and providing advice on external communication.	2,673 2,673 <u>1,625</u> 1,625 (1,048) (1,048)
Communications	This service ensures the City of Stonnington communicates with our community in a consistent, proactive and integrated way that aligns with our corporate identity and brand. This service is responsible for managing and providing advice on external communication.	2,673 <u>1,625</u> 1,625 (1,048) (1,048)
Environmental Health	This service protects the community by coordinating food safety support programs, Tobacco Act activities and smoke-free dining and gaming venue issues. The service also responds to public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	40 <u>24</u> (16)

Service	Description	Net cost (\$'000)
		Actual
		Budget
		Variance Favourable/(unfavourable)
Library and Local History Services	This service provides public library services at four locations and local history services, and provides a focal point for the community to enjoy the facilities and services offered.	3,673 <u>3,480</u> (193)
Malvern Valley Golf Course	This service provides public open space, significant environmental areas and an 18-hole public golf course.	(473) <u>(345)</u> 128
Recreation Services	This service is responsible for the management and use of sporting grounds, pavilions and community centres. The service provides advice to Council on recreation needs, assists community groups with funding applications, event management and promotion, and administers licence agreements.	308 <u>426</u> 118

## Performance indicators

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Aquatic facilities</b>					
<b>Satisfaction</b>					
<i>User satisfaction with aquatic facilities (optional)</i> [User satisfaction with how council has performed on provision of aquatic facilities]	NA	NA	NA	NA	This is an optional measure; no data is available.
<b>Service standard</b>					
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	2.00	1.00	1.00	All Council aquatic facilities have been inspected (Harold Holt Swim Centre and Prahman Aquatic Centre).
<b>Health and safety</b>					
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	5.00	3.00	4.00	Council is committed to reporting all incidents to ensure maximum safety for residents, visitors and employees. The result is consistent with 2017–18.
<b>Service cost</b>					
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$1.67	\$1.52	\$1.25	\$2.58	The cost of aquatic facilities increased due to additional pool staff, increased utility costs and enhanced security at Prahman Aquatic Centre. Also attributing to the cost was a decrease in visitation at Harold Holt Swim Centre due to the three-month closure of the hydro-pool for capital improvement works. The cost of aquatic facilities includes both indoor and outdoor facilities.

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Service cost</b>					
<i>Cost of outdoor aquatic facilities</i>					
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	NA	NA	NA	NA	Council is not able to separate the costs related to outdoor and indoor operations at the Harold Holt aquatic facility. Council has disclosed all aquatic costs in measure AF4 (cost of indoor aquatic facilities).
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i>					
[Number of visits to aquatic facilities / Municipal population]	4.85	4.96	5.42	5.30	Visitation to the Harold Holt Swim Centre decreased due to the three-month closure of the hydro-pool for capital improvement works.
<b>Animal management</b>					
<b>Timeliness</b>					
<i>Time taken to action animal management requests</i>					
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.30	2.61	1.83	1.12	Council was able to respond to all requests within 48 hours. All critical requests such as dog attacks or injured animals were actioned within 24 hours.
<b>Service standard</b>					
<i>Animals reclaimed</i>					
[Number of animals reclaimed / Number of animals collected] × 100	61.24%	78.28%	61.34%	50.68%	The percentage of animals reclaimed continues to decline. The reclaim rate for dogs remains high, with 84 per cent of all impounded dogs reclaimed by their owners. The cat/kitten reclaim rate was significantly low and impacted the result (24 per cent).
<b>Service cost</b>					
<i>Cost of animal management service</i>					
[Direct cost of the animal management service / Number of registered animals]	\$65.09	\$68.50	\$50.59*	\$79.03	In 2017–18 the number of registered animals (15,186) was incorrectly reported. The correct number of animal registrations was 11,011. The revised cost of animal management for 2017–18 is \$69.77. The cost of animal management also increased due to additional legal costs and an increase in the state government registration levy.
<b>Health and safety</b>					
<i>Animal management prosecutions</i>					
[Number of successful animal management prosecutions]	3.00	6.00	9.00	5.00	Council pursues charges through the Magistrates' Court as appropriate. The number of animal prosecutions within a 12-month period can be highly variable.

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
Food safety					
Service standard					
Timeliness					
Time taken to action food complaints	1.00	1.00	1.00	2.88	Complaints that may pose an imminent risk to public health are investigated within three hours of receipt. The result was impacted by a change in administrative processes and audit methodology.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard					
Food safety assessments					
[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] × 100	94.66%	88.64%	97.46%	91.58%	Council acknowledges that the food safety assessment result has been variable over the past three years. This will be addressed in future years.
Service cost					
Cost of food safety service					
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$694.05	\$696.15	\$695.05	\$643.29	The cost is influenced by an increase in the number of food premises.
Health and safety					
Critical and major noncompliance outcome notifications					
[Number of critical noncompliance outcome notifications and major noncompliance notifications about a food premises followed up / Number of critical noncompliance outcome notifications and major noncompliance notifications about a food premises] × 100	84.42%	89.57%	87.93%	90.75%	Council has improved the response to critical and major noncompliance notifications.
Libraries					
Utilisation					
Library collection usage					
[Number of library collection item loans / Number of library collection items]	5.96	4.42	4.91	5.00	The result is consistent with 2017–18. Library borrowing trends continue to evolve; borrowing of physical items continues to decline while digital loans increase.
Resource standard					
Standard of library collection					
[Number of library collection items purchased in the past 5 years / Number of library collection items] × 100	65.10%	83.21%	91.37%	99.94%	Maintaining a high standard of our library collection responds to the community's expectation for contemporary library services.
Service cost					
Cost of library service					
[Direct cost of the library service / Number of visits]	\$7.54	\$7.21	\$7.14	\$7.88	The cost of the library service is influenced by the total number of library visits. Visitation decreased due to the three-month closure of the Toorak/South Yarra library.

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Participation</b>					
<i>Active library members</i>					
[Number of active library members / Municipal population] × 100	18.20%	17.32%	17.06%	<b>15.46%</b>	The number of active library members decreased due to the three month closure of the Toorak/South Yarra library.
<b>Maternal and Child Health</b>					
<b>Satisfaction</b>					
<i>Participation in first MCH home visit</i>					
[Number of first MCH home visits / Number of birth notifications received] × 100	102.02%**	99.91%	95.02%	<b>99.71%</b>	The result is consistent with 2017–18. High participation rates demonstrate the importance of first home visits for newborns and families.
<b>Service standard</b>					
<i>Infant enrolments in the MCH service</i>					
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] × 100	100.87%**	101.05%	100.46%	<b>101.43%</b>	The result is consistent with 2017–18. High participation rates demonstrate the importance of maternal and child health services for infants and families.
<b>Service cost</b>					
<i>Cost of the MCH service</i>					
[Cost of the MCH service / Hours worked by MCH nurses]	80.36**	\$79.65	\$87.70	<b>\$97.33</b>	The cost of the maternal child health service has increased due to additional internal and Department of Education and Training requirements to deliver enhanced service and clinical practice to vulnerable families.
<b>Participation</b>					
<i>Participation in the MCH service</i>					
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] × 100	70.72%**	75.02%	78.56%	<b>78.84%</b>	The result is consistent with 2017–18. Family participation in maternal and child health services can vary between years.
<b>Participation</b>					
<i>Participation in the MCH service by Aboriginal children</i>					
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] × 100	69.81%**	68.42%	62.16%	<b>73.33%</b>	The City of Stonnington has a small Aboriginal community, and family participation in maternal and child health services will vary significantly between years.

\* In 2017–18 the number of registered animals (15,186) was incorrectly reported. The correct number of animal registrations was 11,011.

\*\* Figures updated due to transitioning to new reporting software after publishing the 2015–16 annual report.

# Liveability



# Liveability

Stonnington will be the most desirable place to live, work and visit.

## Achievements

- » Cato Square (now Prahran Square) construction nearing completion
- » detailed design of the Prahran Town Hall redevelopment continuing
- » 973 planning applications assessed
- » 33,000 sqm of graffiti removed or approximately one and a half playing fields of the MCG in area
- » 27 liquor licence applications assessed
- » 20,972 drainage pits cleaned
- » draft framework of Neighbourhood Activity Centres in progress
- » Local Government Community Satisfaction Survey continues to rate our public areas highly, and
- » Federation Houses Study identified 36 new places and two new precincts of significance.

## Strategic indicators

The following table reviews the organisational performance against the Council plan including results achieved in relation to the strategic indicators in the Council plan.

Strategic indicator	Result (%)	Comment
Strategically invest in open spaces, sporting fields and community facilities, and optimise use according to community needs.	99	Cato Square (now Prahran Square): construction of the car park is nearing completion and will open in August 2019. The urban parkland is due to be completed by late 2019. The Local Government Community Satisfaction Survey continues to rate our public areas highly (score 76 – higher than the state and metro average of 72 and 74, respectively). Works at Dunlop Pavilion, Gardiner Park Pavilion and the U3A building completed. Windsor Siding masterplan – stage 3 completed; stage 4 commenced. We continue our advocacy on the Metro Tunnel Project to minimise the impact of construction on residents and achieve long-term public realm improvements.
Preserve Stonnington's heritage architecture and balance its existing character with complementary and sustainable development.	100	Amendment C278 (extending the Hawksburn station precinct to the north and south) has been completed and is awaiting approval from the Minister for Planning. Exhibition of Amendment C285 (applying the Neighbourhood Character Overlay to six new precincts) is in progress.
Balance the competing demands of maintaining residential amenity and population growth through appropriate planning.	100	We have embarked on a major strategic planning initiative to plan for population growth in Stonnington. We convened a housing symposium and established a deliberative engagement community panel to inform the draft housing strategy and the application of residential zones. An affordable housing discussion paper in response to the growing demands for diverse housing is also in progress.
Enhance the design outcomes of public spaces, places and buildings.	100	We continue to assess planning applications against the <b>Environmental sustainable design framework</b> . We continue to advocate for increased and high-quality public housing within Stonnington, improved access to the upgraded South Yarra station, and to improve residential amenity as part of the Toorak Road level crossing removal.

Strategic indicator	Result (%)	Comment
Advocate for improved and accessible public transport to enhance liveability and economic growth.	100	We adopted our public transport advocacy statement and priorities to improve bus, train and tram infrastructure and services. We met with the Minister for Transport and continue to advocate on behalf of the community on the following significant state government projects: Toorak Road level crossing removal and South Yarra station masterplan. Ongoing engagement continues with the Department of Transport, Yarra Trams and inner south metro councils to improve regional transport services and routes.
Maintain Council's infrastructure and assets essential for the sustainable operation of the City.	100	<p>We have completed the following refurbishment works:</p> <ul style="list-style-type: none"> <li>• Malvern Town Hall, including the Main Hall and Banquet Hall</li> <li>• Harold Holt Swim Centre hydrotherapy pool and indoor and outdoor change rooms, and</li> <li>• Chapel Off Chapel loft theatre.</li> </ul> <p>Street furniture, footpaths and signage has been replaced along Chapel Street, High Street and Glenferrie Road and in Toorak Village. We cleaned 33,000 sqm of graffiti from community assets. Drainage pit upgrades were completed at: Ralston Street, South Yarra; Prior Road, Malvern East; Glenvale Road, Glen Iris; Power Avenue, Toorak; and Kooyong Road, Armadale.</p>

## Major initiatives

The following table reviews our progress about major initiatives identified in the Budget 2018–19.

Major initiative	Progress
Progress the Prahran Town Hall redevelopment project (\$4.61 million net cost)	In progress. The detailed design phase of the Prahran Town Hall redevelopment project is in progress. Planning and Heritage approval applications have been submitted.
Progress the Cato Square project (\$39.44 million net cost)	In progress. The construction of the car park is nearing completion and will open in August 2019. The urban parkland is due to be completed by late 2019.
Undertake Planning Scheme amendments in accordance with the recommendations of the Stonnington Planning Scheme Review (\$0.13 million net cost)	In progress. The state government announced a major reform program for the planning policy framework that means the City of Stonnington's Planning Scheme needs to be rewritten. Stonnington is one of the final five councils to go through the process and will work with the state government to complete the review in a timely manner. In parallel to this process Amendment C221 affecting flood-prone land has been approved and is now part of the Planning Scheme.

## Description of services

The following table provides information about the services funded in the Budget 2018–19 and the people or sections of the community who receive the service.

Service	Description	Net cost (\$'000)
		Actual Budget Variance Favourable/(unfavourable)
Building Control and Amenity Services	This service provides statutory building services, including processing of building permits, emergency management responsibilities, fire safety inspections, audits of swimming pool barriers and investigations of complaints and illegal works. It also provides education, regulation and enforcement of the General Local Law and state legislation.	(949) <u>494</u> 1,443
Properties Maintenance	This service prepares long-term maintenance management programs for our property assets in an integrated and prioritised manner to optimise their strategic value and service potential. These include municipal buildings, pavilions and other community buildings.	3,045 <u>2,744</u> (301)
Infrastructure Planning, Design and Management	This service conducts capital works planning for our main civil infrastructure assets in an integrated and prioritised manner to optimise their strategic value and service potential. This service undertakes design, tendering, contract management and supervision of works such as roads, laneways, car parks, foot/bike paths, drains and bridges.	7,142 <u>1,999</u> (5,143)
Major Projects and Property Improvements	This service conducts planning and delivers capital works projects for our properties to renew and improve the condition, compliance, sustainability, performance and value of our existing buildings to meet service delivery needs.	592 <u>511</u> (81)
Streets, Roads and Drains Cleaning and Maintenance	This service provides street cleaning, leaf collection, weed removal and drainage pit cleaning and maintains street litter bins.	4,511 <u>3,619</u> (892)
Urban Development	This service processes all planning applications, provides advice and makes decisions about development proposals that require a planning permit, as well as representing us at the Victorian Civil and Administrative Tribunal (VCAT). The service monitors and amends our Planning Scheme as well as preparing major planning policy documents to shape the future of Stonnington.	(11,717) <u>(6,077)</u> 5,640
Venue Facilities	This service provides venues for commercial hire and community use, ie: Malvern Town Hall, Functions On Chapel, etc. The service supports our civic functions and activities.	1,923 <u>1,673</u> (250)

## Performance indicators

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Roads</b>					
<b>Satisfaction of use</b>					
<b>Sealed local road requests</b>  [Number of sealed local road requests / Kilometres of sealed local roads] × 100	25.60	63.25	49.40	<b>51.52</b>	The number of sealed local roads requests reflects the high standard of Council's local road network.
<b>Condition</b>					
<b>Sealed local roads maintained to condition standards</b>  [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] × 100	99.10%	99.40%	98.80%	<b>98.79%</b>	The result is consistent with 2017–18. Council maintains a strong focus on asset renewal, including local sealed roads.
<b>Service cost</b>					
<b>Cost of sealed local road reconstruction</b>  [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$141.22	\$133.07	\$248.29	<b>\$133.99</b>	The cost of sealed local road reconstruction is representative of Council's typical capital works program (as reported prior to 2017–18). In 2017–18 Council reported that the Greville and Daly streets reconstruction projects included 'hand laid' bluestone and granite pavement and kerb.
<b>Service cost</b>  <b>Cost of sealed local road resealing</b>  [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$21.70	\$24.15	\$19.68	<b>\$21.52</b>	The result is consistent with 2017–18. The cost of the road resealing program will continue to vary depending on the type of rejuvenation treatment and asphalt overlay.
<b>Satisfaction</b>					
<b>Satisfaction with sealed local roads</b>  [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	68.00	66.00	65.00	<b>70.00</b>	Satisfaction with sealed local roads is 14 points higher than the state average.

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Statutory planning</b>					
<b>Timeliness</b>					
<b>Time taken to decide planning applications</b>  [The median number of days between receipt of a planning application and a decision on the application]	83.00	88.00	96.00	<b>86.00</b>	The time taken to decide planning applications is influenced by the complexity of planning applications and the requirement to provide community consultation and referrals to authorities. Council also invested in additional planning staff to meet the growing demand for planning services.
<b>Service standard</b>					
<b>Planning applications decided within required time frames</b>  [Number of planning application decisions made within time / Number of planning application decisions made] × 100	67.00%	57.07%	54.76	<b>66.00%</b>	The time taken is influenced by the complexity of planning applications and the requirement to provide community consultation and referrals to authorities.
<b>Service cost</b>					
<b>Cost of statutory planning service</b>  [Direct cost of the statutory planning service / Number of planning applications received]	\$2,391.12	\$3,497.25	\$4,093.77	<b>\$4,053.98</b>	Council invested in additional planning staff to meet the growing demand for planning services. The 2018–19 result excludes planning enforcement service costs (previously included in 2017–18).
<b>Decision making</b>					
<b>Council planning decisions upheld at VCAT</b>  [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] × 100	57.63%	66.67%	50.75%	<b>48.00%</b>	This result will be variable as Council continues to make decisions in the best interest of the community. 107 planning applications were referred to VCAT in 2018/19. The figure excludes withdrawn, mediated outcomes or consent orders negotiated by Council which were 53 per cent of VCAT cases (57) and hence does not reflect Council's overall performance.

# Environment



# Environment

Stonnington will have a cleaner, safer and better environment for future generations to enjoy.

## Achievements

- » Solar PV electricity generation systems installed at Grattan Gardens Community Centre, Malvern Community Arts Centre, Phoenix Park Library and Stonnington Depot
- » Innovative road resurfacing projects completed (using an asphalt product containing recycled plastic bags and toner from printer cartridges) at Ralston Street and May Road car park
- » 44,000kg of TVs and computer recyclables received, and 7,660kg of mobile phone, CDs, DVDs and batteries recycled
- » 20,650 tonnes of kerbside rubbish collected
- » 7,720 tonnes of recycling collected
- » 3,300 tonnes of kerbside green waste collected
- » Approximately 72,000 trees/plants planted in our streets, boulevards, parks and reserves as part of our Urban Forest accelerated tree planting program
- » Stage 6 Yarra River biodiversity project completed
- » 17 environmental events delivered with more than 835 attendees including The Great Summer Clothes Swap, Local Bird Discovery Tour, Armadale Open House and a number of events delivered in partnerships, and
- » 165 sustainable school program sessions delivered to 57 local schools and early learning centres.

## Strategic indicators

The following table reviews the organisational performance against the Council plan including results achieved in relation to the strategic indicators in the Council plan.

Strategic indicator	Result (%)	Comment
Reduce energy use and associated greenhouse gas emissions.	100	<p>We have reduced corporate greenhouse gas emissions by 27 per cent since 2005. This year we have:</p> <ul style="list-style-type: none"> <li>• upgraded 2,293 street lights to energy-efficient LEDs</li> <li>• installed more than 340 kW of solar photo-voltaic electricity-generation systems at Grattan Gardens Community Centre, Malvern Community Arts Centre, Phoenix Park Library, Stonnington Depot and Toorak/South Yarra Library, and</li> <li>• added six hybrid cars and four pedal-assist bicycles to the corporate fleet.</li> </ul>
Maximise efficiency of water use and improve water quality entering waterways.	100	<p>We reduced the consumption of potable water by 14 per cent. This year we have:</p> <ul style="list-style-type: none"> <li>• completed 21 rainwater collection systems audits throughout our building and facilities</li> <li>• installed three water loggers to monitor water use and assist in leak detection at our sites (Phoenix Park Community Centre, Prahran Aquatic Centre and Prahran Town Hall), and</li> <li>• commenced works at Glen Iris wetlands to improve the treatment of stormwater runoff.</li> </ul> <p>We also held guided tours for early learning centres, schools and community groups through the Glen Iris wetlands as a learning experience on urban ecosystems.</p>

Strategic indicator	Result (%)	Comment
Enhance biodiversity values throughout Stonnington to protect and increase flora and fauna.	100	Stage 6 of the Yarra River biodiversity project completed, including removing invasive weed species and adding native revegetation planting, a new shared path, seating, drinking fountains and the replacing handrails.
Protect, maintain and grow Stonnington's street tree population to enhance the character, identity and liveability of the City of Stonnington.	100	<p>We achieved an ambitious tree planting program as part of our <b>Urban Forest strategy</b>:</p> <ul style="list-style-type: none"> <li>64,000 indigenous plants planted through biodiversity and revegetation projects, annual planting programs and tree planting events, and</li> <li>1,800 new trees planted through schools celebrating National Tree Day, with 278 students from nine schools participating.</li> </ul> <p>Approximately 7,000 plants were placed in the Urban Forest, Darling Park and the Glen Iris Wetlands.</p>
Deliver best practice waste management services to minimise waste generation and maximise resource recovery and recycling.	98	<p>700 households began our kerbside food waste recycling trial across homes in Armadale, Malvern and Malvern East.</p> <p>Two household hard waste collections completed, collecting 1,423 tonnes. Our recycling service provider (SKM) closed for a 10-week period, which affected our ability to manage household recyclables. As a result, approximately 4 per cent of recyclable materials was disposed to landfill.</p>
Enhance sustainable purchasing of goods, materials and services with reduced environmental impacts.	90	We trialled an innovative new resurfacing program using an asphalt product containing recycled plastic bags and toner from printer cartridges in Ralston Street, South Yarra and May Road, Toorak carpark. We also invested in a number of new fuel-efficient vehicles (waste trucks, block trucks, hook trucks and hybrid cars).
Lead community sustainability through public programs.	100	We delivered 17 environmental sustainability events with more than 835 attendees. We also updated waste and recycling signage including posters, bin stickers and corflute signs, targeting residents living in apartments. The 2019 Student Leadership Conference was delivered to 138 students from 11 local primary schools.
Promote and facilitate the use of sustainable transport options across the city.	100	We continue to support ongoing arrangements with FlexiCar for alternative transport options for residents. Bike path upgrades completed at Gardiners Creek, Hornbrook Childcare Centre and along the Yarra River.

## Major initiatives

The following table reviews our progress in relation to major initiatives identified in the Budget 2018–19.

Major initiative	Progress
Enhance biodiversity values through the implementation of Yarra River biodiversity project – stage 6 (\$2.24 million net cost)	Completed. Stage 6 of the Yarra River biodiversity project completed, including enhancing natural wildlife habitat and widening of the shared paths.
Develop safe, accessible, functional and appropriate cycling initiatives through implementation of the <b>Stonnington cycling strategy</b> (\$0.95 million net cost)	In progress.

## Description of services

The following table provides information about the services funded in the Budget 2018–19 and the people or sections of the community who receive the service.

Service	Description	Net cost (\$'000)
		Actual Budget Variance Favourable/(unfavourable)
Environment and Sustainability	This service develops environmental policy, coordinates and implements environmental projects and works with other services to improve our environmental performance, including the greenhouse gas emissions reduction program.	843 <u>661</u> (182)
Public Spaces Design and Development	This service prepares policies and strategies related to open space and urban design and prepares and implements an annual capital works program. The service also provides landscape and urban design advice.	436 <u>259</u> (177)
Parks and Environment	This service provides arboriculture and horticulture services such as tree pruning, planting, removal, planning and street tree strategies, parks and sports ground mowing and maintenance.	8,544 <u>8,556</u> 12
Waste Collection and Management	This service provides kerbside rubbish collections of garbage, hard waste, recycling and green waste from all households and commercial properties in Stonnington.	15,078 <u>14,793</u> (285)

## Performance indicators

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
Waste collection					
Satisfaction					
Kerbside bin collection requests					The result is consistent with 2017–18.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] × 1,000	128.41	140.35	135.07	138.73	
Service standard					
Kerbside collection bins missed					The result is consistent with 2017–18 and reflects Council's high-quality bin collection service.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] × 10,000	4.90	3.58	3.83	3.80	
Service cost					
Cost of kerbside garbage bin collection service					The result is consistent with 2017–18.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$118.78	\$122.23	\$126.33	\$119.87	
Service cost					
Cost of kerbside recyclables collection service					Council's kerbside recycling service cost was significantly impacted by the Victorian recycling crisis. During 2018–19 the cost incurred by Council to process recyclables significantly increased from \$0/tonne to \$104/tonne.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$17.70	\$18.41	\$25.69	\$37.83	
Waste diversion					
Kerbside collection waste diverted from landfill					Council's ability to divert kerbside waste from landfill was significantly impacted by the Victorian recycling crisis. Council's contracted recycling facility (SKM) was closed for 10 weeks, resulting in 1,800 tonnes of household recyclables disposed to landfill. Without the closure, Council would have improved its diversion rate (37.7 per cent).
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] × 100	35.66%	36.89%	36.57%	34.81%	

# GREVILLE RECORDS

## Economy



# Economy

A City that will grow its premier status as a vibrant, innovative and creative business community.

## Achievements

- » 39,689 people attended Chapel Off Chapel, with the venue hosting more than 340 ticketed events
- » More than 1,500 people attended the Bank of Melbourne World's Longest Lunch to help celebrate International Women's Day at Victoria Gardens
- » Approximately 55,000 people attended our diverse calendar of events including Pets in the Park, Stonnington Jazz, The Classics, Roola Boola, Spring into Gardening and Sunset Sounds
- » Business workshops, the business bus, business networking meetings, mentoring services, boot camps and business breakfasts provided to local businesses. We also offered additional mentoring to local business affected by the Cato Square (Prahran Square) redevelopment
- » Kooyong Village shopping centre upgrade begun (multi-year project)
- » Partnership with Cultural Tourism Victoria continued and showcased 14 local attractions and events in the **Experience Culture Victoria guide 2018–19**
- » Helen O'Connor, founder and creative director of women's fashion brand Thurley, became our 47th inductee to our Fashion Hall of Fame, and
- » Fashion Hall of Fame honour board unveiled.

## Strategic indicators

The following table reviews the organisational performance against the Council plan including results achieved in relation to the strategic indicators in the Council plan.

Strategic indicator	Result (%)	Comment
Develop long-term plans to ensure sustainability of Stonnington's activity centres.	94	<p>Council implemented the <b>Economic development strategy – year 2</b> by:</p> <ul style="list-style-type: none"> <li>• sponsoring and supporting the East Malvern Food and Wine Festival and the Melbourne Queer Film Festival</li> <li>• installing Christmas decoration programs across 27 retail precincts as well as at Harold Holt Swim Centre and Toorak/South Yarra Library, and</li> <li>• hosting the World's Longest Lunch.</li> </ul> <p>We continue to progress the draft activity centres strategy and have commenced the <b>From vacant to vibrant</b> (vacant shop strategy). The special rate levy for the five special-rated precincts has been completed, including a quarterly review of business activities and financials, and quarterly payments made to the associations.</p>
Provide effective engagement and support to local business through business skills development and marketing.	100	We offered extensive business support activities including Australian Taxation Office workshops, the small business bus, business networking meetings, mentoring services, boot camps and business breakfasts. We also convened the Stonnington Liquor Accord.
Leverage Stonnington's strategic location to attract new business and industry investment in key high-value industries that are matched to the strengths of Stonnington.	100	We continue to promote Stonnington as a tourist destination, including showcasing eight local businesses to a combined audience of 600 attendees at the Virgin Australia Melbourne Fashion Festival High Tea Runway. We partnered with Cultural Tourism Victoria and highlighted 14 local attractions and events in the Experience Culture Victoria guide 2018–19.

Strategic indicator	Result (%)	Comment
Promote Stonnington's premier precincts, employment clusters and cultural assets as hubs for shopping, hospitality, entertainment and culture.	99	<p>Malvern Town Hall hosted a wide range of events including:</p> <ul style="list-style-type: none"> <li>51 days of community activities and services (for example, immunisation sessions and citizenship ceremonies)</li> <li>one community festival</li> <li>three days of filming and photography</li> <li>29 days of markets, sales and trade shows</li> <li>116 functions and events</li> <li>36 days of performances and rehearsals</li> <li>27 sport and fitness-related activities and events, and</li> <li>19 workshops and training activities.</li> </ul> <p>Approximately 55,000 residents attended Stonnington's program of events such as Pets in the Park, Sunset Sounds, Spring into Gardening and the Stonnington Jazz Festival.</p>

## Major initiatives

The following table reviews our progress in relation to major initiatives identified in the Budget 2018–19.

Major initiative	Progress
Progress structure planning for Chadstone, adopt the <b>Activity centres strategy</b> and progress planning provisions for Hawksburn Village (\$0.58 million net cost)	In progress. A planning scheme amendment request for Hawksburn Village is in progress. We are currently reviewing the draft activity centres strategy. We will consult on the revised activity centres strategy in 2019–20.
Improve the appearance of the public realm in Chapel Street through delivery of the adopted capital works program (\$0.19 million net cost)	Completed. The Greville Street project was delivered early in 2018–19.

## Description of services

The following table provides information about the services funded in the Budget 2018–19 and the people or sections of the community who receive the service.

Service	Description	Net cost (\$'000)
		Actual
		Budget
		Variance
		Favourable/(unfavourable)
Arts and Cultural Planning	This service provides a program of arts and cultural events and activities, plans and develops arts and cultural facilities and infrastructure, and develops policies and strategies to facilitate art practice.	2,684 <u>2,620</u> (64)
Economic Development	This service provides a range of events and activities to support and develop local businesses, including marketing and promotion, business support and partnerships.	3,253 <u>3,213</u> (40)
Traffic and Parking Services	This service provides strategic planning, policy development and day-to-day management of traffic and transport-related issues, including managing our activity centre car parks.	(5,828) <u>(7,567)</u> (1,739)

## Performance indicators

There are currently no prescribed performance measures for arts and cultural planning, economic development or traffic and parking services in the Local Government (Planning and Reporting) Regulations.

# Strategic resource plan



# Strategic resource plan

Stonnington is committed to good governance through transparent processes, accessible services, accountability, strong leadership, effective management of resources, advocacy and responsiveness to current and future community needs.

## Achievements

- » Six citizenship ceremonies hosted with 553 residents receiving citizenship
- » Citizen of the Year: Nikki Alexandrou – Community Service; Maddisen Rado – Young Citizen; Nicole Battagol – Art/Culture/Education; Ian Crawford – Sport; Stonnington Toy Library – Community Group; and a special Mayor's Award to JoCare
- » Citizens of the Year honour board unveiled
- » **Complaints handling policy** established
- » Human rights training provided to staff throughout the year
- » **Information and communication technology strategy – year 2** implemented, including the upgrade of Stonnington's library Wi-Fi
- » Gardiner Park, Dunlop Pavilion, Malvern Valley Golf Course Hub, Valetta Street U3A Centre, Armadale Early Learning Centre, Hornbrook Child Care Centre, Wattletree Early Childhood Centre, Winter Street Child Care Centre, Toorak/South Yarra Library, Malvern Tennis Centre, Como Park, Righetti Oval and Waverley Oval facilities upgraded, and
- » High safety culture within the organisation maintained by our **AS/NZS4801** certification.

## Strategic indicators

The following table reviews the organisational performance against the Council plan including results achieved in relation to the strategic indicators in the Council plan.

Strategic indicator	Result (%)	Comment
Governance	99	Governance practices, policies and procedures are continuously updated in accordance with legislative requirements. We worked closely with peak bodies such as the Municipal Association of Victoria, Victorian Building Authority and Local Government Victoria on issues affecting the community such as combustible cladding and proposed swimming pool and spa legislation. We made a submission to the Victorian Electoral Commission. We put in place a new complaints handling policy.  The CEO and Mayor attended all IMAP forums and we have continued to work in partnership on regional IMAP initiatives.
People	97	We continue to offer staff an award-winning wellbeing program. Human rights training was provided to staff throughout the year. Investment in new intranet continues to keep staff connected.
Asset Management	100	Our facilities were upgraded at Gardiner Park, Dunlop Pavilion, Malvern Valley Golf Course Hub, the U3A Centre, Armadale Early Learning Centre, Hornbrook Child Care Centre, Wattletree Early Childhood Centre, Winter Street Child Care Centre, Toorak/South Yarra Library, Malvern Tennis Centre, Como Park, Righetti Oval and Waverley Oval.
Business Systems and Technology	100	<b>Information and communication technology strategy – year 2</b> completed, including an upgrade of Stonnington's library Wi-Fi, rollout of Windows 10, implementation of the

Strategic indicator	Result (%)	Comment
		TechnologyOne Ci Anywhere system for managing external feedback/complaints, review of our asset management system and implementation of our regulatory process improvement project. A geographic information system mapping mobile application is currently being developed.
Risk	100	A strong safety culture within the organisation is maintaining our AS/NZS certification. We maintain a schedule of internal reviews of our operations to comply with OHS legislative requirements. Mandatory staff training and the introduction of new management OHS actions reaffirms our priority for a safe workplace.

## Major initiatives

There were no major initiatives for the **Strategic resource plan** identified in the Budget 2018–19.

## Description of services

The following table provides information about the services funded in the Budget 2018–19 and the people or sections of the community who receive the service.

Service	Description	Net cost (\$'000)
		Actual
		Budget
		Variance Favourable/(unfavourable)
Councillors, Chief Executive, Executive Team and Governance	This area includes the Mayor, Councillors, chief executive officer, executive management team and associated support that cannot be easily attributed to the direct service provision areas.	5,588 <u>6,105</u> 518
Financial Services	This service provides strategic financial services to internal and external customers including the management of our finances, payroll, raising and collection of rates and charges, and valuation of properties.	(2,120) <u>(1,690)</u> 430
Fleet Services	This service purchases and maintains our vehicles, plant and equipment to meet functionality and safety needs, and to minimise the operational cost of the fleet.	829 <u>776</u> (53)
Geographical Information System	This service provides a geographic information system and associated services that support strategic and operational decision making across Council.	324 <u>317</u> (7)
Information Services and Business Systems	This service provides, supports and maintains reliable and cost-effective communications and computing systems, facilities and infrastructure to our staff, enabling them to deliver services in a smart, productive and efficient way.	2,393 <u>2,234</u> (159)
Risk Management	This service ensures that our risk is managed to minimise and prevent injury and loss. The service supports our internal operations to ensure a safe and healthy environment for all staff, contractors and the public and to ensure all contracts are prepared, evaluated, awarded and managed in accordance with the Local Government Act and our procurement policy.	1,790 <u>1,803</u> 13

Service	Description	Net cost (\$'000)
		Actual
		Budget
		Variance Favourable/(unfavourable)
Organisation Development	This service provides human resources, organisational development and industrial relations strategies, policies, procedures and support.	1,691 <u>1,831</u> 140

## Performance indicators

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Governance</b>					
<b>Transparency</b>					
<p><i>Council decisions made at meetings closed to the public</i></p> <p>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] × 100</p>	17.28%	9.47%	8.00%	<b>14.47%</b>	<p>All confidential business matters are listed in the open Notice Paper. Council made 311 decisions in 2018–19, of which 45 were considered confidential. Twenty-three (23) items were 'contractual matters' decisions that related to CEO performance, CEO resignation and recruitment, tenancy agreements and external financial reports. Eleven (11) items related to matters that 'may prejudice the Council or any person' (for example property purchases and open space contributions/opportunities). The remaining items were classified as personnel matters (4), proposed development (3), legal advice (2) and industrial matters (2).</p> <p>Satisfaction with community consultation and engagement is consistent with the state average.</p>
<b>Consultation and engagement</b>					
<p><i>Satisfaction with community consultation and engagement</i></p> <p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>	60.00	58.00	60.00	<b>56.00</b>	
<b>Attendance</b>					
<p><i>Councillor attendance at Council meetings</i></p> <p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] × 100</p>	86.77%	91.88%	90.74%	<b>89.37%</b>	<p>The result is consistent with 2017–18. The commitment of Councillors to the community is demonstrated by their regular attendance at meetings.</p>

Service performance indicators	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Service cost</b>					
<i>Cost of governance</i>					The result is consistent with 2017–18.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$55,714.22	\$60,078.78	\$57,650.56	<b>\$57,214.56</b>	
<b>Satisfaction</b>					
<i>Satisfaction with council decisions</i>					Community satisfaction with Council decisions is consistent with 2017–18 and is three points higher than the state average.
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	60.00	60.00	58.00	<b>58.00</b>	

# Our people



# People

## Council staff

A summary of the number of our full-time equivalent (FTE) staff by organisational structure, employment type and gender is set out below.

### Staff profile by division

Employment type – gender	Assets and Services FTE	CEO FTE	Community and Culture FTE	Corporate Services FTE	Planning and Amenity FTE	Total FTE
Permanent full time – F	27.97	7.04	81.80	28.69	56.99	202.49
Permanent part time – F	1.48	3.67	80.42	7.59	7.54	100.70
Temporary full time – F	0.66	0.36	13.73	1.20	2.71	18.66
Temporary part time – F	4.44	0.35	9.80	0.77	2.37	17.73
Casual – F	0.70	4.67	19.03	0.06	0.46	24.92
Permanent full time – M	133.80	4.52	43.58	33.87	31.47	247.24
Permanent part time – M	4.85	–	42.85	0.95	–	48.65
Temporary full time – M	1.94	–	1.33	1.00	1.02	5.30
Temporary part time – M	1.54	–	1.22	0.77	0.50	4.03
Casual – M	2.52	0.44	6.98	–	0.68	10.62
<b>Total</b>	<b>179.90</b>	<b>21.05</b>	<b>300.74</b>	<b>74.90</b>	<b>103.75</b>	<b>680.34</b>

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

### Staff profile by classification

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	0.51	–	0.51
Band 2	17.99	23.97	41.96
Band 3	48.42	15.85	64.27
Band 4	74.36	23.95	98.31
Band 5	73.03	38.93	111.96
Band 6	78.05	36.66	114.71
Band 7	25.64	29.38	55.02
Band 8	11.11	21.00	32.11
Other	35.39	126.10	161.49
<b>Total</b>	<b>364.5</b>	<b>315.84</b>	<b>680.34</b>

## Equal Opportunity Employment Program

Discrimination, bullying, harassment, sexual harassment and victimisation are not only unacceptable they are unlawful under Victorian and Commonwealth legislation.

The City of Stonnington is committed to providing a workplace free of all forms of discrimination, bullying, harassment, sexual harassment and victimisation. We aim for equality of opportunity for all employees and to eliminate discrimination relating to the protected attributes outlined in the **Equal Opportunity Act 2010**.

We have well-established policies and procedures in place to support this aim. We ensure employees receive information and training about equal opportunity expectations at induction and regular intervals throughout their employment.

As part of our commitment, we also have a network of trained contact officers to provide confidential support and advice to any employee who believes they may be experiencing discrimination or harassment in the workplace.

- » Indicator: percentage of new employees receiving equal opportunity training within six months of commencement. Target: 100 per cent. Result: 93 per cent.
- » Indicator: percentage of existing employees receiving refresher equal opportunity training at least every two years. Target: 100 per cent. Result: 82 per cent.
- » Indicator: number of contact officers per number of Council employees. Target: 1:50. Result: 1:53.

## Ensuring equal opportunity

	2014–15	2015–16	2016–17	2017–18	2018–19
Training sessions conducted	30	12	3*	12*	15*
Employees completing training sessions	389	213	127	195	214
Number of equal opportunity reports	5	3	3	6	4
Number of equal opportunity investigations reported to external bodies	2	2	1	1	2
Number of equal opportunity complaints resolved internally	2	1	4	5	1

\* Since 2016 we have also allocated learning via our online learning program in addition to our face-to-face sessions.

## Professional development

We have a strong commitment to helping staff develop and further enhance their skills as evidenced by our value of 'We recognise potential and support learning'.

We support and encourage this development through a variety of methods. As part of this commitment we also have a corporate training program that provides consistent and meaningful staff development across the organisation.

The courses we provide are designed to target all divisions of the organisation and build on skills important to our success.

One of the highlights of the 2018–19 program was the successful rollout and completion of the Stonnington Certificate IV in Leadership & Management. Delivered in partnership with Swinburne University, this program was tailored specifically for Stonnington to build the essential skills for being an effective leader. The program was delivered over 10 months via a mix of workshops, assessment tasks and projects, all using practical examples and learnings that have already been applied directly back to the workplace.

## Wellbeing program

The health, safety and wellbeing of our employees is vital to our success. Healthy staff are more productive, engaged and likely to exercise greater discretionary effort. When we take care of employees they take care of our community and our business.

The 2018–19 wellbeing program was very successful, with all initiatives focusing on one of three key areas identified as critical to overall employee health – healthy mind, healthy body and healthy life. Consideration has been taken to ensure there is something for everyone under each of the health areas regardless of age, health status or work location.

## Enterprise bargaining

Our Enterprise Agreement No. 10 was approved by the Fair Work Commission on 1 April 2019. The agreement covers the terms and conditions of all our employees except for the chief executive officer and will be in operation until 30 June 2022.

## Organisational structure

The chief executive officer is appointed by Council to lead the organisation in accordance with the requirements of the Local Government Act. The Chief Executive Officer and four general managers form the Executive Management Team. The Executive Management Team supports the chief executive officer in managing the day-to-day operations of the municipality.

## Chief Executive Officer

The Chief Executive Officer is a member of staff, however, is the only one who reports directly to Council. Mr Warren Roberts was employed as Chief Executive Officer during this financial year and retired in March 2019. Mr Simon Thomas was appointed as Interim Chief Executive Officer from 22 March 2019 until the commencement of the Chief Executive Officer, Ms Jacqui Weatherill, on 22 July 2019.

The Chief Executive Officer is responsible for:

- » ensuring our decisions are implemented without undue delay
- » the day-to-day management of our operations in accordance with the Council plan, and
- » the structure of the organisation and all staff matters, and providing timely advice to Council.

We undertake an annual performance review of the Chief Executive Officer that assesses the performance against a set of key performance indicators.

## Senior officers

The Local Government Act outlines the employment requirements of our senior officers, conduct principles, contractual obligations, performance evaluation and delegated authorities.

The four general managers are:

- » Assets and Services, Rick Kwasek (Acting)
- » Community and Culture, Cath Harrod
- » Corporate Services, Geoff Cockram, and
- » Planning and Amenity, Stuart Draffin.

These obligations of employment under the Act also apply to the managers and certain other staff. Further details on each division are on page 50.

## Remuneration – officers and staff

Our staff are remunerated in accordance with the requirements of the Local Government Act, the **Victorian Local Authorities Award 2001**, the **Nurses (ANF – Victorian Local Government) Award 2002** and our enterprise agreement 2017–21.

A summary of the remuneration of responsible people is included in the financial report under Note 7.1 – Related party transactions.

# Organisational structure



# Governance

The City of Stonnington is constituted under the Local Government Act to provide leadership for the good governance of the municipal district and the local community. We have a number of roles under this legislation including:

- » taking into account the diverse needs of the local community in decision making
- » providing leadership by establishing strategic objectives and monitoring achievements
- » ensuring that resources are managed in a responsible and accountable manner
- » advocating for the interests of the local community to other communities and governments, and
- » fostering community cohesion and encouraging active participation in civic life.

We are committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that we meet the community's priorities. The community has many opportunities to provide input into our decision-making processes including community consultation, public forums such as ward meetings and the ability to make formal submissions.

Our formal decision-making processes are conducted through Council meetings and special committees of Council. The majority of decision making is delegated to Council staff. These delegations are exercised in accordance with adopted policies.

To achieve the purpose and objectives of the Act and sound corporate governance, the Council plan reflects our commitment to the Stonnington community and focuses on four key objectives: community, liveability, environment and economy.

The following details the benefits of good governance and how the City of Stonnington works to promote community confidence. This gives elected members and Council officers confidence in the council, which leads to better and ethical decisions. It helps the City of Stonnington meet our legislative obligations.

## The council

A council must consist of not fewer than five and not more than 12 Councillors. The City of Stonnington has had nine Councillors since the amalgamation of councils in the 1990s and subsequent internal boundaries reviews conducted at various legislative periods since then.

Council elections are held every four years at the end of October. The last general Council election was held by postal ballot on 22 October 2016. All nine positions were contested with the following Councillors elected:

East Ward	Cr Glen Atwell
	Cr Sally Davis
	Cr Jami Klisaris
South Ward	Cr Judy Hindle
	Cr Melina Sehr
	Cr Steven Stefanopoulos
North Ward	Cr John Chandler
	Cr Marcia Griffin
	Cr Matthew Koce

## Mayor

The Mayor, Cr Steven Stefanopoulos, was elected by the Councillors at a special meeting on 8 November 2018 for an additional one-year term. The Mayor takes precedence at all municipal proceedings within the municipality and takes the chair at all meetings of the Council at which he is present.

## Meetings of Council

Ordinary meetings of Council are generally held on the first and third Mondays of the month, excluding January, but can change due to the timing of public holidays or number of weeks in a month. The meeting schedule is adopted by Council in the last quarter of each year and is advertised in the local paper and on our website.

Council meetings are often well attended by interested members of the public and commence at 7pm in the Council Chamber at the Malvern Town Hall. The meetings are live webcast with full availability on our website within two working days after the meeting.

Copies of the Notice Paper are available prior to the meeting on our website and for viewing at Council libraries, with limited copies also available at the meetings. Minutes or Notice Papers of past meetings are also available on our website.

The meeting procedure is outlined in our General Local Law 2018 (No.1). Voting is by a show of hands and, while Councillors can choose to abstain from voting on an issue, this rarely occurs except if a Councillor has declared a conflict of interest and has vacated the Chamber.

Councillor Briefings are held on alternative Mondays. These are not decision-making meetings but closed, informal advisory meetings where Councillors have the opportunity to have lengthy in-depth discussions on strategic policy development, new and ongoing projects and other matters.

Planning consultative meetings are part of the City of Stonnington's planning process. These meetings provide a forum for the ward Councillors, applicant and objectors to discuss their points of view in respect to a proposed development and endeavour to reach some mutual agreement on the proposal before our consideration. Such meetings are held when there are seven or more objectors.

## Councillor meeting attendance 2018–19

Councillor	Council meetings		Councillor briefings	Planning consultative meetings*			Ward meetings
	Ordinary	Special		East Ward	South Ward	North Ward	
<b>Total meetings held</b>	<b>22</b>	<b>1</b>	<b>22</b>	<b>27</b>	<b>21</b>	<b>26</b>	<b>2 per ward</b>
G Atwell	19	1	18	16	N/A	N/A	2
J Chandler	20	1	18	N/A	N/A	12	2
S Davis	19	1	19	22	N/A	N/A	2
M Griffin	19	1	19	N/A	N/A	19	2
J Hindle	21	1	20	N/A	16	N/A	2
J Klisaris	20	1	14	14	N/A	N/A	0
M Koce	19	1	20	N/A	N/A	21	2
M Sehr	17	1	14	N/A	7	N/A	2
S Stefanopoulos	22	1	22	N/A	19	N/A	2

(Mayor from 8/11/18)

\* More than one Councillor may have attended a consultative meeting.

## Advisory committees

Council has advisory committees as follows:

- » Community Services Advisory Committee
- » Economic Development and Culture Advisory Committee
- » Strategic Communications and Engagement Advisory Committee
- » Strategic Planning Advisory Committee, and
- » Sustainability Advisory Committee.

All Councillors are advised of the advisory committee meetings and are able to attend.

	Community Services	Economic Development and Culture	Strategic Communications and Engagement	Strategic Planning	Sustainability
<b>Total meetings held</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>6</b>	<b>1</b>
G Atwell	–	–	1	–	–
J Chandler	–	1	–	6	–
S Davis	–	2	3	–	–
M Griffin	–	7	3	3	–
J Hindle	–	1	1	–	–
J Klisaris	2	1	–	–	–
M Koce	–	–	–	–	1
M Sehr	–	–	–	–	–
S Stefanopoulos	2	5	–	5	–

(Mayor from 8/11/18)

Council also has a number of local advisory committees that Councillors attend:

- » Stonnington Cycling Reference Group
- » Access Stonnington Committee
- » Prahran Town Hall Upgrade Steering Committee
- » Chapel Street Revitalisation Working Group
- » Ethnic Services Committee
- » History Committee
- » Prahran Square Project, and
- » Community Grants Working Group.

## Special committees

The Local Government Act allows councils to establish one or more special committees consisting of:

- » Councillors
- » Council staff
- » other persons, and
- » any combination of the above

Council has one Special Committee, the Inner Melbourne Action Plan Implementation Committee (IMAP), of which the Mayor and CEO are members.

## Inner Melbourne Action Plan

The Inner Melbourne Action Plan (IMAP) is a partnership between the five inner Melbourne councils (the Cities of Stonnington, Melbourne, Yarra, Maribyrnong and Port Phillip) to implement five goals and 27 strategies across a diverse range of issues affecting the inner Melbourne region. IMAP has completed its 13th year of this successful partnership.

During 2018–19 the IMAP councils:

Completed the following joint projects:

- » implementation of the Census for Land Use and Employment (CLUE), and
- » IMAP Tourism.

Continued the following joint projects:

- » wayfinding and signage
- » regional active sport and recreation facilities planning study
- » sustainable design fact sheets project, and
- » affordable housing: The Community Land Trust (CLT) Research Project.

Commenced the following joint projects:

- » affordable housing: Investigate scalability of a Private Market Affordable Housing Delivery Model for negotiating delivery of Affordable Rental Housing by developers
- » cycling Network Modelling Project, and
- » IMAP Urban Forest plan.

More information about IMAP and the projects it works on is available at [imap.vic.gov.au](http://imap.vic.gov.au)

## Other meetings

Councillors also attend other meetings on behalf of Council, being represented on the following bodies:

- » Municipal Association of Victoria
- » Metropolitan Transport Forum
- » Metropolitan Waste Forum
- » Eastern Alliance for Greenhouse Action Executive Committee
- » Victorian Local Governance Association
- » Stonnington Business Round-table
- » Uniting Vic.Tas Board
- » Glenloch Homes
- » Inner South Metropolitan Mayors Forum, and
- » Prahran Mechanics Institute.

## Civic functions

We conduct a number of civic functions each year such as citizenship ceremonies and the Citizens of the Year Awards and host a range of other events including:

- » Mayoral Gala
- » Uniting Vic.Tas Board Christmas Lunch
- » Inner South Metropolitan Councils Dinner
- » Local Young Leaders Multiculturalism Forum, and
- » Stonnington Seniors Festival.

## Citizenship

The Mayor is required by law to receive the Oaths or Affirmations of Allegiance for new Citizens, and the City of Stonnington is proud to be able to conduct these citizenship ceremonies. Citizenship ceremonies were conducted in July, September, November, January (Australia Day), April and May.

These ceremonies are well attended by family and friends of the new citizens as well as local, Victorian and Commonwealth members of parliament.

## Citizenship ceremony details

	2014–15	2015–16	2016–17	2017–18	2018–19
Number of ceremonies	6	6	6	5	6
Number of people naturalised	691	700	654	404	553

## Code of conduct

The Local Government Act requires councils to develop and approve a code of conduct for Councillors. The City of Stonnington first adopted our **Code of conduct for Councillors** on 1 October 2001.

The Code of conduct for Councillors sets out to strengthen the working relationships between Councillors. It recognises that establishing good working relationships between Councillors, and also with officers, is the basis for creating a solid and effective team to represent the community and provide leadership and guidance for the future of the municipality.

The code complements the Council plan 2017–21 and the **Employee code of conduct** with other supporting policies.

The provisions of this code also apply to:

- » members of special committees – whether or not they are Councillors (currently only the IMAP Implementation Committee)
- » members of the Audit Committee (which is an advisory committee), and
- » members of Council's special committees.

The code was formally reviewed, adopted and signed by each Councillor, acknowledging their obligation to support and abide by the code, at a special meeting of Council held on 13 February 2017 following the general election.

## Conflict of interest

Councillors are elected to the position by the residents and ratepayers to act in the best interest of the community. In carrying out their role and duties as Councillors, a Councillor will:

- » act with integrity
- » impartially exercise his/her responsibilities in the interests of the local community, and
- » not improperly seek to confer an advantage or disadvantage on any person.

A conflict of interest will arise where a personal or private interest might compromise the ability to act in the public interest. Code of conduct for Councillors' outlines the procedures in place for Councillors to declare any conflict of interest or even a perceived conflict of interest. The Council Notice Paper and other agendas have a standard section for declaring any conflicts prior to any consideration of such item. If a conflict of interest is declared the Councillor will vacate the meeting and such details will be recorded in the minutes. Any declarations for Council meetings can be viewed when accessing the Council minutes on our website.

Further, Councillors are required to submit a 'Register of interests return' to our governance unit that lists certain points relating to both themselves and immediate family in which they are required to declare any interests. These returns are submitted twice yearly.

## Remuneration

The Mayor and Councillors receive an allowance for undertaking the duties of Councillor. The City of Stonnington is classified as a category 3 council under the Local Government Act. The level of allowance that will be payable for a period of four years is determined by Council after the general election. Council, at its meeting held on 6 March 2017, resolved on the allowances, as adjusted by the Minister for Local Government, effective from the date the Councillors were sworn into office, and this is the maximum allowance payable under the Local Government Act.

The Local Government Act provides for annual adjustments for Mayoral and Councillors' allowances by the Minister for Local Government in line with movements in the remuneration of Victorian statutory and executive officers, and are as follows:

	1 Jul 2018 – 30 Nov 2018	1 Dec 2018 – 30 Jun 2019
Mayor	\$96,534	\$98,465
Councillors	\$30,223	\$30,827

The Mayor is not entitled to receive the Councillor allowance in addition to the Mayoral allowance. The Mayor and Councillors also receive an amount equivalent to the superannuation guarantee levy (currently 9.5 per cent). Allowances are paid monthly and a pro-rata adjustment made with the change of Mayor and with the change of Councillors following a general election.

The following table contains a summary of the allowances paid to Councillors during 2018–19.

Councillor	Allowance	Superannuation guarantee levy equivalent
G Atwell	\$30,575.34	\$2,904.70
J Chandler	\$30,575.34	\$2,904.70
S Davis	\$30,575.34	\$2,904.70
M Griffin	\$30,575.34	\$2,904.70
J Hindle	\$30,575.34	\$2,904.70
J Klisaris	\$30,575.34	\$2,904.70

Councillor	Allowance	Superannuation guarantee levy equivalent
M Koce	\$30,575.34	\$2,904.70
M Sehr	\$30,575.34	\$2,904.70
S Stefanopoulos	\$97,660.44	\$9,277.79

(Mayor from 8/11/18)

## Councillor expenses

In accordance with section 75 of the Local Government Act, Council is required to reimburse a Councillor for expenses incurred while performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy for reimbursing expenses for Councillors. The policy provides guidance for reimbursing expenses and for providing resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes (in this report) the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council committee paid by Council.

The details of the expenses including reimbursement of expenses for each Councillor and member of a Council committee paid by Council for the 2018–19 year are set out in the following table.

	TR (IS)	TR (LC)	CM	CC	IC	CT	OE	Total
	\$	\$	\$	\$	\$	\$	\$	\$
G Atwell	–	–	–	–	5,005	–	–	5,005
J Chandler	–	–	–	–	5,479	–	182	5,661
S Davis	–	105	–	–	4,319	2,095	132	6,651
M Griffin	–	487	–	–	2,952	17	189	3,645
J Hindle	–	25	–	–	2,297	450	144	2,916
J Klisaris	–	111	–	–	3,026	–	615	3,752
M Koce	–	–	–	–	7,298	–	541	7,839
M Sehr	–	–	–	640	4,590	–	615	5,845
S Stefanopoulos	294	570	–	–	4,098	4,863	23	9,848

(Mayor from 8/11/18)

TR (IS) Travel interstate  
 TR (LC) Travel local  
 CM Car mileage  
 CC Child care  
 IC Information and communication expenses  
 CT Conferences and training expenses  
 OE Other expenses

# Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks lead to better decision making by Council. The Local Government Act requires Council to undertake an assessment against the prescribed **Governance and management checklist** and include this in its report of operations. The following items have been highlighted as important components of the management framework.

## Audit Committee

The Audit Committee is a Council advisory committee that plays a key role in overseeing Council's audit governance, accounting control and risk management practices. The committee comprises two independent members and two Councillors. During 2018–19 the committee chair was Mr Bruce Potgieter and the deputy chair was Mr David Ashmore. Council representatives for 2018–19 were Cr Marcia Griffin and Cr Sally Davis.

The Audit Committee is responsible for:

- » assisting in establishing and maintaining appropriate corporate conduct and good governance
- » determining through regular reviews of audit activity, the adequacy and effectiveness of Stonnington's administrative, operating and accounting controls
- » enabling an exchange of views and information
- » maintaining open lines of communication among Councillors, internal auditors, external auditors and officers
- » monitoring and appraising the quality of the audits conducted by Stonnington's internal auditor
- » monitoring Council's exposure to risk and management of risk
- » providing advice in determining Council's risk control audit programs and risk minimisation measures, and
- » reviewing the annual financial statements.

## Internal audit

In 2018–19 the following internal audits were undertaken by Council's internal auditors (Pitcher Partners) and results actioned by the Executive Management Team and monitored by the Audit Committee:

- » planning permit issuance and enforcement
- » IT security and access controls
- » follow up of closed audit recommendations
- » rates revenue
- » Councillor expenses, and
- » strategic budgeting.

## External audit

Council is externally audited by the Victorian Auditor-General. For the 2018–19 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted directly by the Victorian Auditor-General's Office. The external auditors attend relevant Audit Committee meetings to present the annual audit plan and an independent audit report. The external audit management letter and responses are also provided to the Audit Committee.

## Safety and WorkCover

Council is committed to providing and maintaining a healthy and safe work environment. All workers compensation claims are actively managed to ensure, as far as practicable, an early and safe return to work.

### WorkCover claims lodged and closed

	2014–15	2015–16	2016–17	2017–18	2018–19
Total claims lodged	34	35	27	*27	34
Total claims closed	30	36	16	*25	74

\* As part of a retrospective adjustment in July 2019, claims lodged changed from 18 to 27 and claims closed changed from 18 to 25. The 2018–19 claims closed are higher due to Council switching to the Municipal Association of Victoria's self-insurance scheme. This caused all non-active claims to be reclassified as open.

### Safety and prevention

During 2018–19 all safety incidents that met the WorkSafe Victoria criteria for notifiable incidents were reported.

### AS/NZS4801 occupational health and safety management system certification

The surveillance audit of Council's occupational health and safety (OHS) management system under the AS/NZS4801 Standard was successfully undertaken in August 2018. The auditors sampled a number locations across Council. No major nonconformities were detected, and opportunities for improvements were provided and actioned as evidence of Council's commitment to continuous improvement.

Evidence of Council's commitment to continuous improvement of the OHS management system in 2018–19 included:

- » completed safety risk assessments in high-risk areas to address a compliance gap
- » introduced an OHS planning calendar to assist managers and coordinators with safety compliance
- » reviewed and enhanced procedures including promoting the OHS document suite and quick reference guide for managers and coordinators
- » begun an internal AS/NZS4801 internal auditing program
- » developed and facilitated targeted OHS training inclusive of safety leadership for executive staff, managers and coordinators, risk assessment and return to work training, and
- » implemented an electronic chemical management platform to enhance compliance and facilitate chemical management awareness.

In addition, the OHS management system is constantly reviewed to ensure appropriate alignment with legislation and changing needs of Council, inclusive of employees, contractors, visitors, volunteers and the wider community.

### Risk management

The City of Stonnington recognises that the **Risk management framework** is an integral part of the governance, planning and management of the day-to-day business. This enables Council to not only manage uncertainty but to optimise opportunities identified through this process in a safe manner through a strong and ethical performance culture. The framework provides a structured and consistent approach to manage risk in order for Council to achieve its strategic objectives and to ensure compliance with the risk standard **AS/NZO ISO 31000:2018**.

We reviewed our procurement, risk management and fraud and corruption control policies during this period to ensure they incorporate best practice, legislative change and relevance to industry trends and community expectations.

Appropriate insurance cover for all our operations and assets was maintained throughout the reporting period. We continued the rollout of our digital CCTV systems to enhance the security of public facilities to help deliver a safer community environment.

Quarterly and half-yearly risk performance reports were delivered to the Executive Management Team, the Audit Committee and to Council, respectively.

## Emergency management

During 2018–19, Council:

- » conducted four Municipal Emergency Management Planning Committee (MEMPC) meetings to facilitate planning with emergency response and relief and recovery agencies, our staff and the local community
- » updated the **Municipal emergency management plan** and subplans to reflect changes to legislation and amendments made to the **Emergency management manual Victoria**
- » conducted internal volunteer recruitment, which resulted in recruiting 18 staff volunteers and included an information session
- » reviewed the Emergency Relief Centre (ERC) manual, which included a full rework of all documentation and building reviews
- » conducted an ERC desktop exercise involving the new volunteers and providing a valuable opportunity to review the new ERC manual
- » participated in the Department of Environment, Land, Water and Planning's emergency management capability and capacity evaluation, and
- » provided 'response and recovery' services for various residential fires, flash flooding events and fatalities.

## Information privacy

The City of Stonnington believes that the responsible handling of personal information is a key aspect of democratic governance and is strongly committed to protecting an individual's right to privacy. We are committed to full compliance with our obligations under the **Privacy and Data Protection Act 2014** and **Health Records Act 2001**.

Any person who feels aggrieved by our handling of their personal information may make a complaint to our privacy officer on 8290 1333. The complaint will be investigated and a written response provided. Alternatively, complaints may be made to the Privacy Commissioner (although the Commissioner may decline to hear the complaint if you have not first made a complaint to the City of Stonnington).

## Summary of information privacy complaints received

	2014–15	2015–16	2016–17	2017–18	2018–19
Internal reviews	2	2	3	1	3
Review by Privacy Commissioner	–	–	1	–	–

## Charter of Human Rights and Responsibilities Act

The **Charter of Human Rights and Responsibilities Act 2006** sets out 20 rights that reflect four basic principles: freedom, respect, equality and dignity.

The Charter requires Council, as a public authority, to take human rights into account when making decisions, providing advice and delivering services. Section 38(1) of the Charter states that: 'it is unlawful for a public authority to act in a way that is incompatible with a human right or, in making a decision, to fail to give proper consideration to a relevant human right'.

The Charter page of our intranet provides a checklist to enable staff to assess the impact of Council report recommendations on human rights.

Human rights training was conducted during this financial year for employees.

## Victorian Ombudsman

The Victorian Ombudsman is a constitutional independent officer of the Victorian Parliament established under the **Ombudsman Act 1973**.

The role and duties of the Ombudsman are to:

- » promote excellence in public administration in Victoria
- » seek to ensure the highest possible standards of public sector service delivery to all Victorians, and
- » enquire into or investigate administrative actions taken by a government department or public statutory body or by any member of staff of a municipal council.

The Ombudsman's office also checks compliance by state entities with certain specified Victorian legislation such as the **Protected Disclosure Act 2012** and the Charter of Human Rights and Responsibilities Act.

	2014–15	2015–16	2016–17	2017–18	2018–19
Complaints referred to Council by the Ombudsman for investigation	6	3	21	12	12

# Governance and management checklist

Governance and management item		Adopted/prepared
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation: 30 November 2015
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation: 30 November 2015
3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act: 3 June 2019
4	Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act: 3 June 2019
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plan in operation: 7 August 2018
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation: 3 June 2019
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation: Adopted 18 March 2013 Reviewed 20 June 2017
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation: 6 July 2016
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: 3 October 2017
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: 1 July 2019
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation: 5 December 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)	Current plan in operation: 5 December 2016
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation: Adopted 18 March 2013 Reviewed 17 November 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)	Committee established in accordance with section 139 of the Local Government Act 1989 effective from 30 January 1995. Meetings held: 21 August 2018, 6 December 2018, 21 February 2019, 6 June 2019
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)	Pitcher Partners engaged: 1 July 2018 until 30 June 2019

Governance and management item		Adopted/prepared
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)	Current framework in operation: 1 July 2014
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)	Date of report: 25 February 2019
18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act: 19 November 2018, 18 February 2019 20 May 2019, 2 September 2019
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented: 1 October 2018 18 March 2019
20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented: 3 September 2018 26 April 2019
21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act: 15 October 2018 14 October 2019
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)	Code of conduct reviewed in accordance with section 76C of the Act: 13 February 2017
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act: 20 May 2019
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act: 4 June 2018

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



Jacqui Weatherill  
Chief Executive Officer  
2 September 2019



Cr Steven Stefanopoulos  
Mayor  
2 September 2019

# Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council.

## Carers recognition

The **Carers Recognition Act 2012** requires us to report on our recognition and support of carers.

We provided a range of services and activities, including access to respite care, social support programs and holidays that carers could attend with those they care for, in a supported environment as well as hosting a free carers forum for carers to get expert advice and support.

## Contracts

In 2018–19 we maintained our existing programs to ensure compliance with Sections 186 and 186A of the Local Government Act. We continued our membership of the Municipal Association of Victoria's the LEAP program, which analyses expenditure by category and by supplier. The information gained enables us to strategically plan future procurements for achieving greater cost savings.

## Disability action plan

During 2018–19 we implemented the following actions:

- » promoted the Stonnington rollout of the National Disability Insurance Scheme
- » updated the facilities at the Harold Holt Aquatic Centre
- » improved access and physical facilities for our summer events program
- » improved facility access to the Chapel Off Chapel theatre
- » introduced accessibility information pages for major Council events such as the Jazz Festival and Flavours Festival
- » maintained Communications Access Standard following the mid-cycle review
- » installed new accessible parking bays as part of the upgrade of Central Park, Malvern East
- » made audio reader technology available on our website, and
- » delivered access and inclusion awareness training to staff as part of the employee induction program as well as delivering training for our community and culture teams.

## Documents available for public inspection

In accordance with Clause 12 of the Local Government (General) Regulations 2015 the following documents are available for public inspection. Alternatively, copies of the documents can be made in accordance with section 222 of the Local Government Act at Stonnington City Centre (311 Glenferrie Road Malvern) if they are not published on the website of Council:

- » a document containing details of overseas or interstate travel (with exceptions) undertaken in an official capacity by any Councillor or any member of staff in the previous 12 months, including the names of the Councillors, or member of staff and the dates on which the travel began and ended, destination, purpose and total cost of the overseas or interstate travel, including accommodation costs
- » agendas for, and minutes of, ordinary and special meetings held in the previous 12 months kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting that was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Local Government Act (note: minutes and agendas are on Council's website)
- » minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to parts of meetings that were closed to

members of the public under section 89 of the Local Government Act; and are confidential information within the meaning of section 77(2) of the Local Government Act (note: minutes and agendas on our website for the IMAP Committee)

- » a register of delegations kept under sections 87(1), and 98(4) of the Local Government Act, including the dates on which the last review under sections 86(6) and 98(6) of the Act took place
- » a document containing details of all leases involving land that we entered into as lessor, including the lessee and the terms and the value of the lease
- » a register maintained under section 224(1A) of the Local Government Act of authorised officers appointed under this section, and
- » a list of donations and grants we made during the previous 12 months, including the names of people who, or bodies that, have received a donation or grant and the amount of each donation or grant.

In accordance with section 222 of the Local Government Act, inspection of any of these documents can be arranged by contacting the civic support officer on 8290 1331. Fees may apply.

## Domestic animal management plan

During 2018–19 Council:

- » found 265 animals, with 69 returned directly to owners
- » impounded 90 dogs, with 78 reclaimed
- » impounded 106 cats, with 33 reclaimed
- » maintained registration for 11,383 animals
- » investigated 120 dog attack incidents, and
- » implemented the **Stonnington domestic animal management plan 2016–2021**.

## Food Act Ministerial Directions

In accordance with section 7E of the Food Act, we must publish a summary of any Ministerial Direction received during the financial year in our annual report.

No such Ministerial Directions were received by council during the financial year.

## Freedom of information

The **Freedom of Information Act 1982** establishes a legally enforceable right for the community to access information from certain records held by Council.

Requests for access to documents under the Freedom of Information Act can be addressed, in writing, to the Freedom of Information Officer, City of Stonnington, PO Box 58, Malvern 3144.

A fee of \$28.90 applies for each application, and other fees apply as the application is processed. The application fee increased to \$29.62 on 1 July 2019. General enquiries on lodging an application can be made through the Service Centre on 8290 1333, and details are also on our website.

The Freedom of Information Act requires that the request must give as much detail of the documents requested as possible and not be just for a broad range of documents.

We processed 66 valid applications during the year. To be a valid request the application must be accompanied by the required fee.

## Summary of freedom of information applications

	2014–15	2015–16	2016–17	2017–18	2018–19
Valid applications received and processed	40	25	36	49	<b>66</b>
External reviews	2	1	2	3	<b>6</b>
Appeals to VCAT	–	1	–	1	<b>5</b>

## General Local Law 2018 (No.1)

Our General Local Law 2018 (No.1) was adopted on 4 June 2018 following a full review of the 2008 Local Law with community and other stakeholder consultation.

The 2018 General Local Law covers:

- » the Common Seal
- » election of Mayor
- » Council meeting procedure
- » special committees
- » management of Council drains
- » vehicle crossings
- » protection of Council land
- » use of municipal places
- » Council reserves
- » roads, public places and Council land
- » street selling, collections and distributions
- » protection of the amenity of the municipal district
- » building activity
- » tree protection
- » animals and birds
- » sanitation
- » permits
- » fees, charges and costs
- » infringement notices, and
- » enforcement, offences and prosecutions.

The Local Law includes the following incorporated documents:

- » **Footpath trading code**
- » **Procedures protocol manual**, and
- » **Keeping of animals policy**.

The General Local Law is available for inspection at the services centres and Council libraries and our website at [stonnington.vic.gov.au](http://stonnington.vic.gov.au).

## Protected disclosure procedures

The Protected Disclosure Act aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. The purpose of the Protected Disclosure Act is to encourage and facilitate the making of disclosures of improper conduct and detrimental action by public officers and public bodies. It does so by providing certain protections for people who make a disclosure, or those who may suffer detrimental action in reprisal for making a disclosure. An essential part of this protection is to ensure that information connected to a protected disclosure, including the identity of a discloser and the contents of that disclosure, are kept strictly confidential.

Disclosures of corrupt or improper conduct or detrimental action by the council or our employees may be made to the following officers:

- » the Chief Executive Officer of the City of Stonnington – 8290 1101
- » the protected disclosure coordinator – David Taylor, Manager Risk, Safety and Assurance – 8290 1063, or
- » the protected disclosure officer – Geoff Cockram, General Manager Corporate Services – 8290 1300.

All correspondence, telephone calls and emails from internal or external disclosers will be referred to the protected disclosure coordinator. Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

An alternative contact may also be made directly to:

- » Independent Broad-based Anti-Corruption Commission (IBAC) – telephone 1300 735 135; or GPO Box 24234 Melbourne 3001, or at Level 1, 459 Collins Street (North Tower) Melbourne
- » Ombudsman Victoria, Level 2, 570 Bourke Street Melbourne 3000 – telephone 9613 6222, or tollfree 1800 806 314; or website: [ombudsman.vic.gov.au](http://ombudsman.vic.gov.au), or
- » the Local Government Investigations and Compliance Inspectorate – telephone 1800 469 359, or GPO Box 2392 Melbourne 3000, or email [inspectorate@lgici.vic.gov.au](mailto:inspectorate@lgici.vic.gov.au).

We will take all reasonable steps to protect the identity of the discloser and, if it is not possible to do so, the discloser will be informed and steps undertaken to ensure no reprisals are taken as a result. This includes the security of records, whether paper or electronic. Our People and Culture Officer has been appointed as the welfare manager responsible for looking after the general welfare of the discloser. An investigator will be responsible for carrying out an internal investigation into a disclosure. This may be an internal or external person.

Summary of protected disclosures made	2014–15	2015–16	2016–17	2017–18	2018–19
Disclosures made	–	–	–	1	1
Disclosures referred to IBAC	–	–	–	1	1
Disclosures accepted by IBAC	–	–	–	–	–
Disclosures declined by IBAC	–	–	–	1	1
Disclosures referred to the Ombudsman for determination	–	–	–	–	–

## Road Management Act Ministerial Direction

In accordance with section 22 of the **Road Management Act 2004**, councils must publish a copy or summary of any Ministerial Direction in their annual report.

No such Ministerial Directions were received during the financial year.

## Infrastructure and development contributions

In accordance with section 46GM and 46QD of the **Planning and Environment Act 1987**, councils that are a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind.

No such infrastructure and development contributions were collected during the financial year.

# Performance statement



# Sustainable capacity indicators

For the year ended 30 June 2019

Indicator/measure	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Population</b>					
<i>Expenses per head of municipal population</i>					
[Total expenses / Municipal population]	\$1,275.48	\$1,287.44	\$1,352.22	<b>\$1,399.62</b>	Council continues to manage a relatively low level of expenditure per head of population. This is through the efficient and effective delivery of high-quality services to the community within a responsible budget. The increase in this indicator compared with 2017–18 is primarily driven by an increase in annual operating expenditure on service delivery from \$154.34 million in 2017–18 to \$162.65 million in 2018–19.
<i>Infrastructure per head of municipal population</i>					
[Value of infrastructure / Municipal population]	\$5,066.86	\$5,224.19	\$5,334.83	<b>\$5,631.84</b>	Council continues to maintain and invest in high-quality community infrastructure.
<i>Population density per length of road</i>					
[Municipal population / Kilometres of local roads]	325.12	333.04	343.79	<b>352.14</b>	As an inner urban municipality, Stonnington's population continues to grow significantly while the length of the local roads remains relatively unchanged.
<b>Own-source revenue</b>					
<i>Own-source revenue per head of municipal population</i>					
[Own-source revenue / Municipal population]	\$1,405.46	\$1,422.79	\$1,476.19	<b>\$1,489.91</b>	The result has increased year on year and reflects Council's continual ability to generate revenue from different sources to ensure ongoing financial sustainability.
<b>Recurrent grants</b>					
<i>Recurrent grants per head of municipal population</i>					
[Recurrent grants / Municipal population]	\$74.45	\$99.91	\$80.08	<b>\$77.38</b>	The variance year on year predominately relates to the nature and timing of government grant funding to Council.
<b>Disadvantage</b>					
<i>Relative socio-economic disadvantage</i>					
[Index of Relative socio-economic disadvantage by decile]	10	10	10	<b>10</b>	Stonnington's SEIFA rating indicates a low level of disadvantage. However there are pockets of significant disadvantage in Prahran, South Yarra and Windsor, and some localised minor disadvantage in Malvern East.

## Definitions

“adjusted underlying revenue” means total income other than –

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

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

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

“population” means the resident population estimated by council

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

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

“SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

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

# Service performance indicators

For the year ended 30 June 2019

Indicator/measure	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Aquatic Facilities</b>					
<b>Utilisation</b>					
<i>Utilisation of aquatic facilities</i>					
[Number of visits to aquatic facilities / Municipal population]	4.85	4.96	5.42	<b>5.30</b>	Visitation to the Harold Holt Swim Centre decreased due to the three-month closure of the hydro-pool for capital improvement works.
<b>Animal Management</b>					
<b>Health and safety</b>					
<b>Animal management prosecutions</b>					
[Number of successful animal management prosecutions]	3.00	6.00	9.00	<b>5.00</b>	Council pursues charges through the Magistrates' Court as appropriate. The number of animal prosecutions within a 12-month period can be highly variable.
<b>Food Safety</b>					
<b>Health and safety</b>					
<b>Critical and major non-compliance outcome notifications</b>					
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	84.42%	89.57%	87.93%	<b>90.75%</b>	Council has improved our response to critical and major non-compliance notifications.
<b>Governance</b>					
<b>Satisfaction</b>					
<i>Satisfaction with council decisions</i>					
[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	60.00	60.00	58.00	<b>58.00</b>	Community satisfaction with Council decisions is consistent with 2017–18 and is three points higher than the state average.
<b>Libraries</b>					
<b>Participation</b>					
<b>Active library members</b>					
[Number of active library members / Municipal population] x100	18.20%	17.32%	17.06%	<b>15.46%</b>	The number of active library members decreased due to the three-month closure of the Toorak/South Yarra library.

Indicator/measure	Result 2015–16	Result 2016–17	Result 2017–18	Result 2018–19	Comments
<b>Maternal and Child Health</b>					
<b>Participation</b>					
<b>Participation in the MCH service</b>  [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	70.72%	75.02%	78.86%	<b>78.84%</b>	The result is consistent with 2017–18. Family participation in maternal and child health services can vary between years.
<b>Participation</b>  <b>Participation in the MCH service by Aboriginal children</b>  [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	69.81%	68.42%	62.16%	<b>73.33%</b>	The City of Stonnington has a small Aboriginal community, and family participation in maternal and child health services will vary significantly between years.
<b>Roads</b>					
<b>Satisfaction</b>					
<b>Satisfaction with sealed local roads</b>	68.00	66.00	65.00	<b>70.00</b>	Satisfaction with sealed local roads is 14 points higher than the state average.
<b>Statutory Planning</b>					
<b>Decision making</b>					
<b>Council planning decisions upheld at VCAT</b>  [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	57.63%	66.67%	50.75%	<b>48.00%</b>	This result will be variable as Council continues to make decisions in the best interest of the community. 107 planning applications were referred to VCAT in 2018/19. The figure excludes withdrawn, mediated outcomes or consent orders negotiated by Council which were 53 per cent of VCAT cases (57) and hence does not reflect Council's overall performance.
<b>Waste Management</b>					
<b>Waste diversion</b>					
<b>Kerbside collection waste diverted from landfill</b>  [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	35.66%	36.89%	36.57%	<b>34.81%</b>	Council's ability to divert kerbside waste from landfill was significantly impacted by the Victorian recycling crisis. Council's contracted recycling facility (SKM) was closed for 10 weeks, resulting in 1,800 tonnes of household recyclables disposed to landfill. Without the closure, Council would have improved its diversion rate (37.7 per cent).

## 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*

“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 1 food premises under section 19C of that Act

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

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

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

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

“major non-compliance outcome notification” means a notification received by 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 2018

Dimension/ indicator/ measure	Result				Forecast				Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Efficiency</b>									
<b>Revenue level</b>									
<b>Average residential rate per residential property assessment</b>									
[Residential rate revenue / Number of residential property assessments]	\$1,608.26	\$1,632.21	\$1,652.48	<b>\$1,667.69</b>	\$1,721.00	\$1,755.00	\$1,789.00	\$1,824.00	Council continues to have one of the lowest average residential rates and charges across metropolitan Melbourne. Council's budgeted rate increase is capped at 2.5 per cent. Council is delivering services in accordance with its long term plan.
<b>Expenditure level</b>									
<b>Expenses per property assessment</b>									
[Total expenses / Number of property assessments]	\$2,336.24	\$2,338.30	\$2,475.41	<b>\$2,523.21</b>	\$2,422.00	\$2,437.00	\$2,474.00	\$2,526.00	Council is delivering quality services in accordance with its long term plan. The increase in this indicator compared with 2017–18 is primarily driven by an increase in annual operating expenditure on service delivery from \$154.34 million in 2017–18 to \$162.65 million in 2018–19.
<b>Workforce turnover</b>									
<b>Resignations and terminations compared to average staff</b>									
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	11.93%	14.43%	14.32%	<b>14.54%</b>	15.4%	15.4%	15.4%	15.4%	Based on permanent staff only. The 2018–19 result is slightly higher than previous years. Turnover has been higher due to higher levels of permanent part-time staff departures mainly in Community Facilities due to high numbers of part time staff members leaving for other commitments or opportunities. Forecast for subsequent years is based on the Financial Performance Indicator forecasts in the Adopted 2019–20 Budget.

Dimension/ indicator/ measure	Result				Forecast				Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Liquidity</b>									
<b>Working capital</b>									
Current assets compared to current liabilities  [Current assets / Current liabilities] x100	291.00%	321.42%	286.98%	<b>260.39%</b>	244.0%	205.0%	206.0%	261.0%	Council can comfortably meet all short term financial commitments and is in a sound financial position. Cash and investments will assist in funding the significant capital works programs planned in the years ahead.
<b>Unrestricted cash</b>									
<b>Unrestricted cash compared to current liabilities</b>  [Unrestricted cash / Current liabilities] x100	-139.54%	-196.58%	-49.61%	<b>-36.38%</b>	200.0%	162.0%	163.0%	209.0%	The 2018–19 actual result (and prior year results) do not include Council's significant holdings of Term Deposits with maturity over 90 days (which are classed as Financial Assets). These Term Deposits total \$99.0 million in 2018–19. When included in the measure for 2018–19 the result is a very healthy 169.50 per cent. Forecasts for 2019–20 onwards assume that all term deposits as having original maturities of less than 90 days and are therefore included in unrestricted cash. Council is forecast to be in a strong financial position in the years ahead.
<b>Obligations</b>									
<b>Asset renewal</b>									
Asset renewal compared to depreciation  [Asset renewal expense / Asset depreciation] x100	149.50%	119.44%	135.15%	<b>139.51%</b>	128.5%	138.7%	114.8%	96.8%	The 2018–19 result and forecasts from 2019–20 onwards demonstrates Council's ongoing commitment to invest in the renewal of its existing community infrastructure.
<b>Loans and borrowings</b>									
<b>Loans and borrowings compared to rates</b>  [Interest bearing loans and borrowings / Rate revenue] x100	11.46%	8.85%	6.99%	<b>23.25%</b>	34.2%	37.2%	31.0%	25.2%	The balance of Council borrowings at the end of 2018–19 was \$26.0 million compared to \$7.5 million at the end of 2017–18. New loan borrowings of \$20 million were undertaken in 2018–19, with \$17 million forecast for 2019–20 and \$10 million for 2020–21 to

Dimension/ indicator/ measure	Result				Forecast				Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
									assist in funding the development of major community infrastructure. This is consistent with Council's long term financial plan.
<b>Loans and borrowings</b>  <b>Loans and borrowings repayments compared to rates</b>  [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2.87%	2.66%	2.35%	<b>2.38%</b>	3.9%	5.8%	6.3%	6.1%	Loan borrowings of \$1.5 million were repaid in 2018–19. New loans and associated repayments are forecast in 2019–20 and 2020–21 to assist in funding the development of major community infrastructure. This is consistent with Council's long term financial plan.
<b>Indebtedness</b>  <b>Non-current liabilities compared to own source revenue</b>  [Non-current liabilities / Own source revenue] x100	8.46%	7.06%	5.58%	<b>14.99%</b>	21.8%	23.2%	19.2%	16.2%	In 2018–19 new loan borrowings of \$20 million were undertaken. Further loan borrowings of \$17 million for 2019–20 and \$10 million for 2020–21 are forecast to assist in funding the development of major community infrastructure. This is consistent with Council's long-term financial plan.
<b>Operating position</b>  <b>Adjusted underlying result</b>  <b>Adjusted underlying surplus (or deficit)</b>  [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	13.89%	15.48%	13.26%	<b>18.14%</b>	14.7%	14.9%	14.9%	14.7%	The 2018–19 result is another strong result. The surplus assists in funding the annual capital works program, which brings major community benefit. The forecast levels are expected to remain in a healthy range of between 14.7 and 14.9 per cent.
<b>Stability</b>  <b>Rates concentration</b>  Rates compared to adjusted underlying revenue  [Rate revenue / Adjusted underlying revenue] x100	61.00%	61.01%	60.26%	<b>56.27%</b>	63.0%	62.9%	63.1%	63.0%	The 2018–19 result is due to other revenue sources increasing at a slightly higher rate than rate revenue which is capped. However, rate revenue will continue to be a key source of funding for the delivery of high-quality services and infrastructure to the community.

Dimension/ indicator/ measure	Result				Forecast				Comments
	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Rates effort</b>  <b>Rates compared to property values</b>  [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.16%	0.13%	0.13%	<b>0.12%</b>	0.12%	0.12%	0.13%	0.13%	This result illustrates the relatively low rating burden for the Stonnington community.

## Definitions

“adjusted underlying revenue” means total income other than:

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

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

“asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset 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 council’s Strategic Resource Plan

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

“population” means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

“recurrent grant” means a grant other than a non-recurrent grant

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

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

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

# Other information

## 1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the Local Government Act and Local Government (Planning and Reporting) Regulations 2014.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 require explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 3 June 2019 and which forms part of the Council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and 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 can be obtained by contacting Council.

# Certification of the performance statement

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



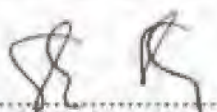
**Jon Gorst, B.Com., CPA**  
Principal Accounting Officer  
Dated: 2 September 2019

In our opinion, the accompanying performance statement of the City of Stonnington for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

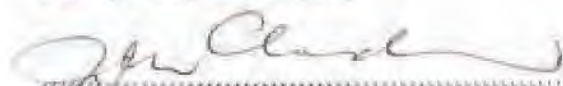
The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

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

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



**Steven Stefanopoulos**  
Councillor  
Dated: 2 September 2019



**John Chandler**  
Councillor  
Dated: 2 September 2019



**Jacqui Weatherill**  
Chief Executive Officer  
Dated: 2 September 2019



Victorian Auditor-General's Office

## Independent Auditor's Report

To the Councillors of Stonnington City Council

<b>Opinion</b>	<p>I have audited the accompanying performance statement of Stonnington City Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2019</li> <li>• sustainable capacity indicators for the year ended 30 June 2019</li> <li>• service performance indicators for the year ended 30 June 2019</li> <li>• financial performance indicators for the year ended 30 June 2019</li> <li>• other information</li> <li>• certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the performance statement</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<b>Auditor's responsibilities for the audit of the performance statement</b>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

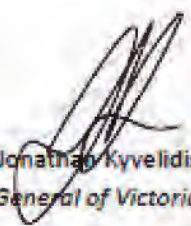
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE  
9 September 2019

  
Jonathan Kyvelidis  
as delegate for the Auditor-General of Victoria

# Annual financial report



# Stonnington City Council

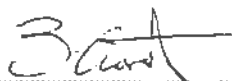
## Financial Report

### Table of Contents

<b>FINANCIAL REPORT</b>	<b>Page</b>
Certification of the Consolidated Financial Statements	85
Victorian Auditor-General's Office Auditors' Report	86
<b>Financial Statements</b>	
Comprehensive Income Statement	88
Balance Sheet	89
Statement of Changes in Equity	90
Statement of Cash Flows	91
Statement of Capital Works	92
<b>Overview</b>	93
<b>Notes to the Financial Report</b>	
Note 1      Performance against budget	
1.1      Income and expenditure	94
1.2      Capital works	96
Note 2.1    Analysis of Council results by division	98
Note 3      Funding for the delivery of our services	
3.1      Rates and charges	100
3.2      Statutory fees and fines	100
3.3      User fees	100
3.4      Funding from other levels of government	101
3.5      Contributions	102
3.6      Other income	102
Note 4      The cost of delivering services	
4.1      Employee costs	102
4.2      Materials and services	103
4.3      Depreciation and amortisation	103
4.4      Bad and doubtful debts	104
4.5      Borrowing costs	104
4.6      Net (gain)/loss on disposal of property, infrastructure, plant and equipment	104
4.7      Other expenses	104
Note 5      Our financial position	
5.1      Financial assets	105
5.2      Non-financial assets	106
5.3      Payables	108
5.4      Interest bearing liabilities	108
5.5      Provisions	109
5.6      Financing arrangements	110
5.7      Commitments	111
Note 6      Assets we manage	
6.1      Property, infrastructure, plant and equipment	113
6.2      Investments in joint operation and subsidiary	124
6.3      Investment property	126
Note 7      People and relationships	
7.1      Council and key management remuneration	127
7.2      Related party disclosure	129
Note 8      Managing uncertainties	
8.1      Contingent assets and liabilities	130
8.2      Change in accounting standards	131
8.3      Financial instruments	132
8.4      Fair value measurement	133
8.5      Events occurring after balance date	134
Note 9      Other matters	
9.1      Reserves	135
9.2      Reconciliation of cash flows from operating activities to surplus	137
9.3      Superannuation	137

### Certification of the Consolidated Financial Statements

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

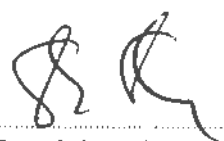


Jon Gorst, B.Com., CPA  
Principal Accounting Officer  
Date : 2 September 2019  
Malvern

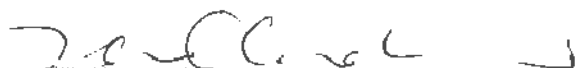
In our opinion the accompanying consolidated financial statements present fairly the financial transactions of Stonnington City Council and its subsidiary for the year ended 30 June 2019 and the financial position of Stonnington City Council and its subsidiary as at that date.

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

We have been authorised by Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the consolidated financial statements in their final form.



Steven Stefanopoulos  
Councillor  
Date : 2 September 2019  
Malvern



John Chandler  
Councillor  
Date : 2 September 2019  
Malvern



Jacqui Weatherill  
Chief Executive Officer  
Date : 2 September 2019  
Malvern

# Independent Auditor's Report

## To the Councillors of Stonnington City Council

<b>Opinion</b>	<p>I have audited the consolidated financial report of Stonnington City Council (the council) and its controlled entities (together, the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> <li>consolidated entity and council balance sheet as at 30 June 2019</li> <li>consolidated entity and council comprehensive income statement for the year then ended</li> <li>consolidated entity and council statement of changes in equity for the year then ended</li> <li>consolidated entity and council statement of cash flows for the year then ended</li> <li>council statement of capital works for the year then ended</li> <li>notes to the financial statements, including significant accounting policies</li> <li>certification of the consolidated financial statements.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the council as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors' responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

---

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

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


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

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

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

---

MELBOURNE  
9 September 2019

  
Jonathan Kyvelidis  
as delegate for the Auditor-General of Victoria

## Comprehensive Income Statement For the Year Ended 30 June 2019

		Council		Consolidated	
	Note	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Income</b>					
Rates and charges	3.1	113,597	108,995	113,597	108,995
Statutory fees and fines	3.2	25,788	27,359	25,788	27,359
User fees	3.3	21,638	20,968	21,638	20,968
Grants - operating	3.4 (a)	8,890	8,932	8,890	8,932
Grants - capital	3.4 (b)	2,736	689	2,736	689
Contributions - monetary	3.5	16,501	12,139	16,501	12,139
Contributions - non monetary	3.5	14	880	14	880
Other income	3.6	12,116	11,167	15,512	14,483
<b>Total income</b>		<b>201,280</b>	<b>191,129</b>	<b>204,676</b>	<b>194,445</b>
<b>Expenses</b>					
Employee costs	4.1	66,532	63,855	67,460	64,623
Materials and services	4.2	60,251	57,333	62,273	59,548
Depreciation and amortisation	4.3	19,280	18,784	19,582	19,096
Bad and doubtful debts	4.4	5,857	5,297	5,857	5,297
Borrowing costs	4.5	490	228	490	228
Share of net loss of joint operation accounted for by the equity method	6.2	118	315	118	315
Net (gain) / loss on disposal of property, infrastructure, plant and equipment	4.6	4,351	2,678	4,380	2,671
Fair value adjustments for investment property	6.3	566	378	566	378
Other expenses	4.7	5,202	5,470	5,218	5,486
<b>Total expenses</b>		<b>162,647</b>	<b>154,339</b>	<b>165,944</b>	<b>157,643</b>
<b>Surplus for the year</b>		<b>38,633</b>	<b>36,790</b>	<b>38,732</b>	<b>36,802</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to surplus in future periods</b>					
Net asset revaluation increment / (decrement)	9.1	(124,368)	271,969	(124,368)	271,969
<b>Total comprehensive result</b>		<b>(85,735)</b>	<b>308,759</b>	<b>(85,636)</b>	<b>308,772</b>

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

## Balance Sheet As at 30 June 2019

		Council		Consolidated	
	Note	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5.1 (a)	12,125	18,897	13,116	19,518
Trade and other receivables	5.1 (c)	10,436	10,069	10,686	10,226
Other financial assets	5.1 (b)	99,000	90,000	99,000	90,000
Other assets	5.2 (a)	3,653	4,615	3,699	4,616
<b>Total current assets</b>		<b>125,214</b>	<b>123,581</b>	<b>126,501</b>	<b>124,360</b>
<b>Non-current assets</b>					
Other financial assets	5.1 (b)	245	245	245	245
Investments in joint operation and subsidiary	6.2	2,632	2,890	632	890
Property, infrastructure, plant and equipment	6.1	2,866,352	2,929,176	2,872,463	2,935,579
Investment property	6.3	9,100	11,200	9,100	11,200
Intangible assets	5.2 (b)	1,733	2,348	1,733	2,348
<b>Total non-current assets</b>		<b>2,880,062</b>	<b>2,945,859</b>	<b>2,884,173</b>	<b>2,950,262</b>
<b>Total assets</b>		<b>3,005,276</b>	<b>3,069,440</b>	<b>3,010,674</b>	<b>3,074,622</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	5.3 (a)	21,907	20,332	22,280	20,548
Trust funds and deposits	5.3 (b)	7,716	6,557	7,769	6,637
Provisions	5.5 (a)	14,964	14,674	15,083	14,765
Interest-bearing liabilities	5.4	3,500	1,500	3,500	1,500
<b>Total current liabilities</b>		<b>48,087</b>	<b>43,063</b>	<b>48,632</b>	<b>43,450</b>
<b>Non-current liabilities</b>					
Provisions	5.5 (a)	1,891	1,704	1,893	1,748
Interest-bearing liabilities	5.4	22,500	6,000	22,500	6,000
Other liabilities	6.2	1,566	1,705	1,566	1,705
<b>Total non-current liabilities</b>		<b>25,957</b>	<b>9,409</b>	<b>25,959</b>	<b>9,453</b>
<b>Total liabilities</b>		<b>74,044</b>	<b>52,472</b>	<b>74,591</b>	<b>52,903</b>
<b>Net assets</b>		<b>2,931,232</b>	<b>3,016,968</b>	<b>2,936,083</b>	<b>3,021,719</b>
<b>Equity</b>					
Accumulated surplus		1,095,388	1,054,909	1,100,239	1,059,660
Reserves	9.1	1,835,844	1,962,059	1,835,844	1,962,059
<b>Total Equity</b>		<b>2,931,232</b>	<b>3,016,968</b>	<b>2,936,083</b>	<b>3,021,719</b>

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

**Statement of Changes in Equity  
For the Year Ended 30 June 2019**

Council	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
<b>2019</b>					
Balance at beginning of the financial year		3,016,968	1,054,909	1,897,031	65,027
Surplus for the year		38,633	38,633	-	-
Net asset revaluation increment / (decrement)	9.1 (a)	(124,368)	-	(124,368)	-
Transfers to other reserves	9.1 (b)	-	(20,481)	-	20,481
Transfers from other reserves	9.1 (b)	-	22,327	-	(22,327)
<b>Balance at end of the financial year</b>		<b>2,931,232</b>	<b>1,095,388</b>	<b>1,772,663</b>	<b>63,181</b>
<b>2018</b>					
Balance at beginning of the financial year		2,708,209	1,021,247	1,625,062	61,900
Surplus for the year		36,790	36,790	-	-
Net asset revaluation increment / (decrement)	9.1 (a)	271,969	-	271,969	-
Transfers to other reserves	9.1 (b)	-	(16,330)	-	16,330
Transfers from other reserves	9.1 (b)	-	13,203	-	(13,203)
<b>Balance at end of the financial year</b>		<b>3,016,968</b>	<b>1,054,909</b>	<b>1,897,031</b>	<b>65,027</b>
<b>Consolidated</b>					
<b>2019</b>					
Balance at beginning of the financial year		3,021,719	1,059,660	1,897,031	65,027
Surplus for the year		38,732	38,732	-	-
Net asset revaluation increment / (decrement)	9.1 (a)	(124,368)	-	(124,368)	-
Transfers to other reserves	9.1 (b)	-	(20,481)	-	20,481
Transfers from other reserves	9.1 (b)	-	22,327	-	(22,327)
<b>Balance at end of the financial year</b>		<b>2,936,083</b>	<b>1,100,239</b>	<b>1,772,663</b>	<b>63,181</b>
<b>2018</b>					
Balance at beginning of the financial year		2,712,948	1,025,986	1,625,062	61,900
Surplus for the year		36,802	36,802	-	-
Net asset revaluation increment / (decrement)	9.1 (a)	271,969	-	271,969	-
Transfers to other reserves	9.1 (b)	-	(16,330)	-	16,330
Transfers from other reserves	9.1 (b)	-	13,203	-	(13,203)
<b>Balance at end of the financial year</b>		<b>3,021,719</b>	<b>1,059,660</b>	<b>1,897,031</b>	<b>65,027</b>

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

**Statement of Cash Flows**  
**For the Year Ended 30 June 2019**

		Council	Consolidated	
		2019	2018	
		Inflows/ (Outflows)	Inflows/ (Outflows)	
		\$'000	\$'000	
	Note	\$'000	\$'000	
Cash flows from operating activities				
Rates and charges		113,278	109,190	
Statutory fees and fines		26,604	27,359	
User fees		22,883	20,531	
Grants - operating		9,486	9,063	
Grants - capital		2,739	719	
Contributions - monetary		16,597	12,161	
Interest received		2,644	2,987	
Other receipts		9,657	9,217	
Net GST refund		11,629	9,473	
Trust funds and deposits taken		21,328	21,782	
Employee costs		(67,407)	(63,141)	
Materials and services		(77,353)	(70,806)	
Trust funds and deposits repaid		(20,626)	(23,606)	
Other payments		(6,070)	(4,790)	
Net cash provided by operating activities	9.2	65,388	60,137	
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment	6.1	(81,146)	(61,250)	
Proceeds from sale of property, infrastructure, plant and equipment		642	447	
Payments for investments		(146,800)	(46,000)	
Receipts from investments		137,800	57,000	
Net cash used in investing activities		(89,504)	(49,803)	
Cash flows from financing activities				
Borrowing costs		(469)	(228)	
Proceeds from borrowings		20,000	-	
Repayment of borrowings		(2,187)	(2,287)	
Net cash provided by/(used in) financing activities		17,344	(2,515)	
Net (decrease)/increase in cash and cash equivalents		(6,772)	7,819	
Cash and cash equivalents at the beginning of the financial year		18,897	11,078	
Cash and cash equivalents at the end of the financial year	5.1 (a)	12,125	18,897	
Financing arrangements	5.6			
Restrictions on cash assets	5.1 (b)			

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

## Statement of Capital Works For the Year Ended 30 June 2019

	Council	
	2019	2018
	\$'000	\$'000
<b>Property</b>		
Land	7,518	7,251
<b>Total land</b>	<u>7,518</u>	<u>7,251</u>
Buildings	11,246	7,995
Heritage buildings	1,275	601
<b>Total buildings</b>	<u>12,521</u>	<u>8,596</u>
<b>Total property</b>	<u>20,039</u>	<u>15,847</u>
<b>Plant and equipment</b>		
Heritage plant and equipment	262	173
Plant, machinery and equipment	3,826	3,695
Fixtures, fittings and furniture	591	853
Computers and telecommunications	585	461
Library books	832	855
<b>Total plant and equipment</b>	<u>6,096</u>	<u>6,036</u>
<b>Infrastructure</b>		
Roads	4,970	7,079
Bridges	209	-
Footpaths and cycleways	1,094	2,465
Drainage	1,903	3,340
Recreational, leisure and community facilities	3,448	1,702
Parks, open space and streetscapes	42,356	16,084
Other infrastructure	1,596	3,828
<b>Total infrastructure</b>	<u>55,576</u>	<u>34,498</u>
<b>Total capital works expenditure</b>	<u>81,711</u>	<u>56,381</u>
<b>Represented by:</b>		
New asset expenditure	50,084	22,512
Asset renewal expenditure	25,640	24,067
Asset expansion expenditure	1,728	2,191
Asset upgrade expenditure	4,259	7,610
<b>Total capital works expenditure</b>	<u>81,711</u>	<u>56,381</u>

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

## Notes to the Financial Report For the Year Ended 30 June 2019

### OVERVIEW

#### Introduction

Stonnington City Council was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate.  
Council's main office is located at 311 Glenferrie Road, Malvern, Victoria.

#### Statement of compliance

These consolidated 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 consolidated financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

#### Significant accounting policies

##### Basis of accounting

The accrual basis of accounting has been used in the preparation of these consolidated 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 AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 6.1 )
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.1 )
- the determination of employee provisions (refer to note 5.5 ).

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

**Note 1 Performance against budget**

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$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 4 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**1.1 Income and expenditure**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Variance</b>	<b>Ref</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	
<b>Income</b>					
Rates and charges	113,932	113,597	(335)	(0.29%)	
Statutory fees and fines	21,608	25,788	4,180	19.34%	1
User fees	21,157	21,638	481	2.28%	
Grants - operating	9,431	8,890	(541)	(5.73%)	
Grants - capital	175	2,736	2,561	1463.40%	2
Contributions - monetary	10,216	16,501	6,285	61.52%	3
Contributions - non monetary	-	14	14	0.00%	
Other income	10,738	12,116	1,378	12.83%	4
<b>Total income</b>	<b>187,257</b>	<b>201,280</b>	<b>14,023</b>	<b>7.49%</b>	
<b>Expenses</b>					
Employee costs	64,995	66,532	(1,537)	(2.37%)	5
Materials and services	54,843	60,251	(5,408)	(9.86%)	6
Bad and doubtful debts	20	5,857	(5,837)	(29184.96%)	7
Depreciation and amortisation	19,892	19,280	612	3.08%	8
Borrowing costs	979	490	489	49.93%	9
Share of net loss of joint operation accounted for by using the equity method	-	118	(118)	0.00%	
Fair value adjustments for investment property	-	566	(566)	0.00%	
Net loss /(gain) on disposal of property, infrastructure, plant and equipment	45	4,351	(4,306)	(9568.41%)	10
Other expenses	8,644	5,202	3,442	39.82%	11
<b>Total expenses</b>	<b>149,418</b>	<b>162,647</b>	<b>(13,229)</b>	<b>(8.85%)</b>	
<b>Surplus for the year</b>	<b>37,839</b>	<b>38,633</b>	<b>794</b>	<b>2.10%</b>	

**Note 1 Performance against budget (cont.)**  
**1.1 Income and expenditure (cont.)**  
**(i) Explanation of material variations**

<b>Variance Ref</b>	<b>Item</b>	<b>Explanation</b>
1	Statutory fees and fines	Statutory fees and fines income was \$4.18 million greater than budget. This is primarily due to the recognition of infringement court income owing to Council, however the majority of infringement court income owing to Council is offset by a provision for doubtful debts as there is a low likelihood of this income being paid to Council. The collection of infringement court income is managed by Fines Victoria.
2	Grants - capital	Unbudgeted capital grants received during the financial year includes the Toorak Park Cricket Facility Improvement \$0.9 million, Living Libraries Infrastructure program grant \$0.75 million, Safer Communities Fund for the King's Walk-Urban Realm Improvements \$0.23 million, Roads to Recovery program funding \$0.23 million, Bert Healy Pavilion Malvern East Change rooms upgrade \$0.18 million, Sports and Recreation Victoria's Community Sports Infrastructure Fund \$0.23 million.
3	Contributions - monetary	Open space contributions exceeded budget by \$6.29 million due to higher than expected levels of development.
4	Other income	Other income is greater than budget due to cost recoveries as a result of the transfer of valuations functions to the Valuer-General Victoria \$0.31 million, WorkCover premium adjustments \$0.11 million, unbudgeted legal case settlements \$0.21 million, cost recoveries associated with the Victorian Building Association cladding inspections \$0.13 million.
5	Employee costs	Employee costs were greater than budget to meet increased demand for council services, to backfill employees on leave and to cover vacancies to ensure continuity of service delivery.
6	Materials and services	Expenditure identified as operating in nature in the capital works program were expensed to materials and services and new operating initiatives of \$3.79 million that were budgeted under 'other expenses' were allocated to 'materials and services'.
7	Bad and doubtful debts	Bad and doubtful debts were \$5.84 million greater than budget as a result of an increment in the provision for doubtful debts for infringement court income owing to Council. The majority of infringement court income owing to Council is offset by a provision for doubtful debts as there is a low likelihood of this income being paid to Council. The collection of infringement court income is managed by Fines Victoria.
8	Depreciation and amortisation	Depreciation is lower than budget as a result of delays in the completion and capitalisation of the capital works program.
9	Borrowing costs	Budgeted loan borrowings for the Prahran Square redevelopment project were not required to be drawn down until later in the year than originally budgeted and the actual interest rate was lower than budgeted leading to savings.
10	Net loss /(gain) on disposal of property, infrastructure, plant and equipment	Council derecognised road assets of \$3.23 million owned by Vic Track, Vic Roads and roads owned by private owners. \$1.1 million of roads assets were also written off as a result of the roads renewal program.
11	Other expenses	New operating initiatives of \$3.79 million that were budgeted under 'other expenses' were allocated to materials and services resulting in a favourable variance.

Note 1 Performance against budget (cont.)

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
<b>Property</b>					
Land	5,000	7,518	(2,518)	(50.35%)	1
<b>Total land</b>	<b>5,000</b>	<b>7,518</b>	<b>(2,518)</b>	<b>(50.35%)</b>	
Buildings	11,344	11,246	98	0.86%	
Heritage buildings	8,265	1,275	6,990	84.57%	2
<b>Total buildings</b>	<b>19,609</b>	<b>12,521</b>	<b>7,088</b>	<b>36.15%</b>	
<b>Total property</b>	<b>24,609</b>	<b>20,039</b>	<b>4,570</b>	<b>18.57%</b>	
<b>Plant and equipment</b>					
Heritage plant and equipment	460	262	198	43.11%	3
Plant, machinery and equipment	2,327	3,826	(1,499)	(64.41%)	4
Fixtures, fittings and furniture	413	591	(178)	(43.08%)	5
Computers and telecommunications	685	585	100	14.57%	6
Library books	950	832	118	12.42%	7
<b>Total plant and equipment</b>	<b>4,835</b>	<b>6,096</b>	<b>(1,261)</b>	<b>(26.07%)</b>	
<b>Infrastructure</b>					
Roads	6,951	4,970	1,981	28.50%	8
Bridges	125	209	(84)	(67.20%)	8
Footpaths and cycleways	771	1,094	(323)	(41.95%)	8
Drainage	1,541	1,903	(362)	(23.49%)	9
Recreational, leisure and community facilities	5,402	3,448	1,954	36.16%	10
Street trees	680	-	680	100.00%	11
Parks, open space and streetscapes	45,191	42,356	2,835	6.27%	12
Other infrastructure	1,918	1,596	322	16.79%	13
<b>Total infrastructure</b>	<b>62,579</b>	<b>55,576</b>	<b>7,003</b>	<b>11.19%</b>	
<b>Total capital works expenditure</b>	<b>92,023</b>	<b>81,711</b>	<b>10,312</b>	<b>11.21%</b>	
<b>Represented by:</b>					
New asset expenditure	50,599	50,084	515	1.02%	
Asset renewal expenditure	25,704	25,640	64	0.25%	
Asset expansion expenditure	6,279	1,728	4,551	72.48%	
Asset upgrade expenditure	9,440	4,259	5,181	54.89%	
<b>Total capital works expenditure</b>	<b>92,023</b>	<b>81,711</b>	<b>10,312</b>	<b>11.21%</b>	

**Note 1 Performance against budget (cont.)**  
**1.2 Capital works (cont.)**  
**(i) Explanation of material variations**

<b>Variance Ref</b>	<b>Item</b>	<b>Explanation</b>
1	Land	Council purchased several new properties as part of the Open Space Strategy which are funded from the Open Space Reserve. The opportunity to purchase properties to enhance public realm is dependent on market availability.
2	Heritage buildings	The Prahran Town Hall and the Harold Holt Swim Centre redevelopments have been delayed into the next financial year.
3	Heritage plant and equipment	The variance relates to an increased roll-out of the energy efficiency street lighting replacement program which will lead to environmental benefits and savings. Also, some of the plant, machinery and equipment expenditure was originally budgeted in operating initiatives and the building capital works program.
4	Plant, machinery and equipment	The minor variance is a result of furniture upgrades as part of the buildings assets upgrade. These were originally budgeted under the building capital works program.
5	Fixtures, fittings and furniture	The minor variance is a result of furniture upgrades as part of the buildings assets upgrade. These were originally budgeted under the building capital works program.
6	Computers and telecommunications	Some of the expenditure being budgeted under this category was operational in nature and expensed.
7	Library books	Some of the expenditure being budgeted under this category was operational in nature and expensed.
8	Roads, bridges, footpaths and cycleways	Completion of the Cato Street (and surrounding street's) refurbishment program has been delayed into the new financial year.
9	Drainage	Some drainage improvements works that were originally budgeted as part of the roads refurbishment capital works program were allocated to the drainage capital works program.
10	Recreational, leisure and community facilities	Some capital works are now expected to be completed in the next financial year. The delayed projects include the Righetti Sportsground flood lighting, the floodlighting development program and Malvern Valley Golf Course works.
11	Street trees	The annual tree planting and tree replacement program was completed in line with the budgeted program. The aerial bundling of electrical cable works to reduce tree pruning requirements on high quality street trees were identified as operating in nature and expensed.
12	Parks, open space and streetscapes	The majority of expenditure (\$35.59 million) relates to the Prahran Square development. The variance of \$2.84 million predominantly relates to the balance of funding for 2018/19 for the Prahran Square development works being carried forward into the next financial year.
13	Other infrastructure	Some of the expenditure being budgeted under this category was operational in nature and expensed.

## **Note 2.1 Analysis of Council results by division**

Council delivers its functions and activities through the following divisions.

### **2.1 (a) Chief Executive Officer, Advocacy, Performance and Customer Experience**

The Advocacy, Performance and Customer Experience function provides efficient and effective services to meet the growing needs of the community. This is underpinned by both customer commitments and customer service strategies. This includes the Mayor, Councillors and Chief Executive Officer areas.

### **Assets and Services**

Assets and Services is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. These assets include capital works engineering services, environment and waste, city works, parks and gardens, emergency management and municipal resources.

### **Community and Culture**

Community and Culture provides high quality community focused programs, service delivery and communication to residents. Community and Culture is comprised of community care, connected communities, family and childrens services, health services, leisure and recreational services. The division also supports economic development, the arts, local festivals and events and advocates on behalf of the community for major events, tourism and cultural.

### **Corporate Services**

Corporate Services provides efficient, effective and proactive support services across council to enable the delivery of the Council Plan and council vision. The provision of these services includes financial services, legal services, governance, human resources, digital information and technology, property and procurement, risk, safety and assurance services.

### **Planning and Amenity**

Planning and Amenity includes statutory and strategic planning, amenity and compliance and communications.

Note 2.1 Analysis of Council results by division (cont.)

2.1 (b) Summary of revenues, expenses and assets by division

	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
Chief Executive Officer, Advocacy, Performance and Customer Experience	27	3,924	(3,897)	27	724
Assets and Services	32,156	78,018	(45,862)	3,380	155,087
Community and Culture	18,833	41,897	(23,064)	5,765	118,929
Corporate Services	125,054	23,558	101,496	2,397	2,729,692
Planning and Amenity	25,210	15,250	9,960	57	844
	201,280	162,647	38,633	11,626	3,005,276
	Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>					
Chief Executive Officer, Advocacy, Performance and Customer Experience	10	3,446	(3,436)	10	721
Assets and Services	30,764	69,542	(38,778)	1,396	149,328
Community and Culture	19,143	40,947	(21,804)	5,800	119,570
Corporate Services	120,587	25,642	94,945	2,394	2,798,722
Planning and Amenity	20,625	14,762	5,863	21	1,099
	191,129	154,339	36,790	9,621	3,069,440

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

### Note 3 Funding for the delivery of our services

#### 3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land plus buildings and other improvements.

The Capital Improved Value (CIV) used to calculate general rates for 2018/2019 was \$95.537 billion (2017/2018, \$78.807 billion). The 2018/2019 rate in the CIV dollar was 0.000941 (2017/2018, 0.001098).

General rates	89,811	86,475	89,811	86,475
Service rates and charges	20,873	19,447	20,873	19,447
Special rates and charges	1,785	1,770	1,785	1,770
Supplementary rate and rate adjustments	922	1,108	922	1,108
Interest on rates and charges	206	194	206	194
<b>Total rates and charges</b>	<b>113,597</b>	<b>108,995</b>	<b>113,597</b>	<b>108,995</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation will be first applied in the rating year commencing 1 July 2019. The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was applied in the rating year commencing 1 July 2018.

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

#### 3.2 Statutory fees and fines

Infringements and costs	14,651	14,583	14,651	14,583
Court recoveries	6,458	7,807	6,458	7,807
Town planning fees	2,233	2,650	2,233	2,650
Land information certificates	159	180	159	180
Permits	2,287	2,140	2,287	2,140
<b>Total statutory fees and fines</b>	<b>25,788</b>	<b>27,359</b>	<b>25,788</b>	<b>27,359</b>

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

#### 3.3 User fees

Aged and health services	647	575	647	575
Leisure centre and recreation	5,164	4,982	5,164	4,982
Child care/ children's programs	4,232	4,308	4,232	4,308
Parking	4,002	4,057	4,002	4,057
Registration and other permits	778	709	778	709
Building services	3,084	3,122	3,084	3,122
Green fees	1,193	962	1,193	962
Waste management services	1,100	997	1,100	997
Other fees and charges	1,438	1,258	1,438	1,258
<b>Total user fees</b>	<b>21,638</b>	<b>20,968</b>	<b>21,638</b>	<b>20,968</b>

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

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 3 Funding for the delivery of our services (cont.)</b>				
<b>3.4 Funding from other levels of government</b>				
Grants were received in respect of the following:				
<b>Summary of grants</b>				
Commonwealth funded grants	5,842	5,384	5,842	5,384
State funded grants	5,784	4,237	5,784	4,237
<b>Total grants received</b>	<b>11,626</b>	<b>9,621</b>	<b>11,626</b>	<b>9,621</b>
<b>(a) Operating grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Financial Assistance Grants	2,864	2,844	2,864	2,844
Aged care	2,740	2,254	2,740	2,254
<b>Recurrent - State Government</b>				
Veteran affairs - Home care	4	39	4	39
Aged care	786	1,380	786	1,380
School crossing supervisors	296	246	296	246
Libraries	705	694	705	694
Maternal and child health	708	699	708	699
Community partnership & youth programs	467	451	467	451
Child care & immunisation	177	250	177	250
<b>Total recurrent operating grants</b>	<b>8,747</b>	<b>8,855</b>	<b>8,747</b>	<b>8,855</b>
<b>Non-recurrent - Commonwealth Government</b>				
Other minor grants	5	5	5	5
<b>Non-recurrent - State Government</b>				
Community safety	42	34	42	34
Learner to probation L2P	38	38	38	38
Other minor grants	58	-	58	-
<b>Total non-recurrent operating grants</b>	<b>143</b>	<b>77</b>	<b>143</b>	<b>77</b>
<b>Total operating grants</b>	<b>8,890</b>	<b>8,932</b>	<b>8,890</b>	<b>8,932</b>
<b>(b) Capital grants</b>				
<b>Recurrent - Commonwealth Government</b>				
Roads to recovery	233	272	233	272
<b>Recurrent - State Government</b>				
Premier's reading challenge	12	12	12	12
<b>Total recurrent capital grants</b>	<b>245</b>	<b>284</b>	<b>245</b>	<b>284</b>
<b>Non - recurrent - Commonwealth Government</b>				
Plant, machinery and equipment	-	10	-	10
<b>Non - recurrent - State Government</b>				
Building	238	-	238	-
Heritage buildings	750	-	750	-
Parks, open space and streetscapes *	350	175	350	175
Recreational, leisure and community facilities	1,125	90	1,125	90
Operating initiatives	-	11	-	11
Plant, machinery and equipment	27	-	27	-
Other infrastructure	-	118	-	118
<b>Total non-recurrent capital grants</b>	<b>2,491</b>	<b>405</b>	<b>2,491</b>	<b>405</b>
<b>Total capital grants</b>	<b>2,736</b>	<b>689</b>	<b>2,736</b>	<b>689</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>				
Balance at start of year	786	789	786	789
Received during the financial year and remained unspent at balance date	1,625	323	1,625	323
Received in prior years and spent during the financial year	( 618 )	( 326 )	( 618 )	( 326 )
<b>Balance at year end</b>	<b>1,793</b>	<b>786</b>	<b>1,793</b>	<b>786</b>

\* Parks, open space and streetscapes was previously classified as major project streetscape improvement.

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

**Note 3 Funding for the delivery of our services (cont.)**

**3.5 Contributions**

Monetary	16,501	12,139	16,501	12,139
Non-monetary	14	880	14	880
<b>Total contributions</b>	<b>16,515</b>	<b>13,019</b>	<b>16,515</b>	<b>13,019</b>
Open space	16,278	11,864	16,278	11,864
Capital works contributions	82	50	82	50
Operating contributions	141	225	141	225
<b>Total monetary contributions</b>	<b>16,501</b>	<b>12,139</b>	<b>16,501</b>	<b>12,139</b>
<i>Contributions of non-monetary assets were received in relation to the following asset classes :</i>				
Land	-	195	-	195
Buildings	-	685	-	685
Heritage plant and equipment	14	-	14	-
<b>Total non-monetary contributions</b>	<b>14</b>	<b>880</b>	<b>14</b>	<b>880</b>

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

**3.6 Other income**

Interest	2,739	2,762	2,750	2,768
Investment property rental	633	524	633	524
Council works cost recovery	1,392	1,028	1,392	1,028
Fire services property levy administration	82	80	82	80
State Revenue Office - valuation cost recovery	1,207	96	1,207	96
Transport towing	132	94	132	94
Other rent	5,652	5,732	9,047	8,852
Other	279	851	269	1,042
<b>Total other income</b>	<b>12,116</b>	<b>11,167</b>	<b>15,512</b>	<b>14,483</b>

Interest is recognised as it is earned.

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

**Note 4 The cost of delivering services**

**4.1 (a) Employee costs**

Wages and salaries	49,100	47,581	49,880	48,283
WorkCover	1,073	1,013	1,078	1,017
Casual staff	2,790	2,658	2,790	2,658
Annual leave and long service leave	7,279	6,474	7,352	6,476
Superannuation	5,004	4,833	5,074	4,892
Fringe benefits tax	514	530	514	530
Other	772	767	772	767
<b>Total employee costs</b>	<b>66,532</b>	<b>63,855</b>	<b>67,460</b>	<b>64,623</b>

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	564	588	564	588
	<b>564</b>	<b>588</b>	<b>564</b>	<b>588</b>

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 4 The cost of delivering services (cont.)</b>				
<b>(b) Superannuation (cont.)</b>				
<b>Accumulation funds</b>				
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,894	3,939	3,964	3,998
Employer contributions - other funds	546	306	546	306
	<u>4,440</u>	<u>4,245</u>	<u>4,510</u>	<u>4,304</u>
Employer contributions payable at reporting date	69	64	69	64
Total superannuation	<u>5,004</u>	<u>4,833</u>	<u>5,074</u>	<u>4,892</u>

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

#### 4.2 Materials and services

Parking enforcement	9,860	9,632	9,860	9,632
Transport and car parks management	2,347	1,874	2,347	1,874
Parks and environment	7,380	6,936	7,380	6,936
Waste management	9,553	8,460	9,553	8,460
Infrastructure projects, roads and drains maintenance	5,164	4,667	5,164	4,667
Property and projects delivery	2,995	3,371	2,995	3,371
Amenity and compliance	887	916	887	916
Statutory planning	1,368	1,197	1,368	1,197
City strategy	853	1,201	853	1,201
Communications	642	624	642	624
Community services	2,024	1,988	2,024	1,988
Diversity and aged services	1,520	1,523	1,520	1,523
Leisure and wellbeing	4,144	3,514	4,144	3,514
Arts, culture and economy	4,941	4,777	4,941	4,777
Corporate services and governance	4,951	5,089	4,951	5,089
Others	1,622	1,563	3,644	3,778
<b>Total materials and services</b>	<u>60,251</u>	<u>57,333</u>	<u>62,273</u>	<u>59,548</u>

Materials and services have been reclassified to provide information by similar function.

#### 4.3 Depreciation and amortisation

Property	4,442	4,766	4,657	4,980
Plant and equipment	3,739	3,476	3,826	3,575
Infrastructure	10,199	9,565	10,199	9,565
<b>Total depreciation</b>	<u>18,380</u>	<u>17,807</u>	<u>18,682</u>	<u>18,119</u>
Intangible assets	900	977	900	977
<b>Total depreciation and amortisation</b>	<u>19,280</u>	<u>18,784</u>	<u>19,582</u>	<u>19,096</u>

Refer to note 5.2( b ) and 6.1 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

	Council		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 4 The cost of delivering services (cont.)</b>				
<b>4.4 Bad and doubtful debts</b>				
Parking fine debtors	5,857	5,287	5,857	5,287
Other debtors	-	10	-	10
<b>Total bad and doubtful debts</b>	<b>5,857</b>	<b>5,297</b>	<b>5,857</b>	<b>5,297</b>
<b>Movement in provisions for doubtful debts</b>				
Balance at the beginning of the year	16,813	11,526	16,813	11,526
New provisions recognised during the year	5,857	5,287	5,857	5,287
Amounts already provided for and written off as uncollectible	-	(10)	-	(10)
Amounts provided for but recovered during the year	-	10	-	10
Balance at end of year	<b>22,670</b>	<b>16,813</b>	<b>22,670</b>	<b>16,813</b>
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.				
<b>4.5 Borrowing costs</b>				
Interest - borrowings	490	226	490	226
Interest - finance leases	-	2	-	2
<b>Total borrowing costs</b>	<b>490</b>	<b>228</b>	<b>490</b>	<b>228</b>
Borrowing costs are recognised as an expense in the period in which they are incurred.				
<b>4.6 Net (gain) / loss on disposal of property, infrastructure, plant and equipment</b>				
<b>Net (gain) / loss on sale of property, infrastructure, plant and equipment</b>				
Proceeds from sales	(642)	(447)	(642)	(458)
Written down value of assets disposed	665	555	694	559
	<b>23</b>	<b>107</b>	<b>52</b>	<b>100</b>
<b>Net loss on write off property, infrastructure, plant and equipment</b>				
Property	-	1,288	-	1,288
Infrastructure	4,328	1,282	4,328	1,282
	<b>4,328</b>	<b>2,571</b>	<b>4,328</b>	<b>2,571</b>
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>4,351</b>	<b>2,678</b>	<b>4,380</b>	<b>2,671</b>
<b>4.7 Other expenses</b>				
Auditors' remuneration - VAGO - audit of the financial statement, performance statement and grant acquittals	73	71	89	86
Auditors' remuneration - Internal	129	152	129	152
Councillors' allowances	375	366	375	366
Operating lease rentals	687	696	687	696
Community grants	3,414	3,531	3,414	3,531
Sundry other	524	654	524	654
<b>Total other expenses</b>	<b>5,202</b>	<b>5,470</b>	<b>5,218</b>	<b>5,486</b>

	Council		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 5 Our financial position</b>				
<b>5.1 Financial assets</b>				
<b>(a) Cash and cash equivalents</b>				
Cash on hand	7	8	7	8
Cash at bank	4,118	4,889	5,109	5,509
Term deposits	8,000	14,000	8,000	14,000
<b>Total cash and cash equivalents</b>	<b>12,125</b>	<b>18,897</b>	<b>13,116</b>	<b>19,518</b>
<b>(b) Other financial assets</b>				
<b>Current</b>				
Term deposits	99,000	90,000	99,000	90,000
<b>Total cash, cash equivalents and term deposits</b>	<b>111,125</b>	<b>108,897</b>	<b>112,116</b>	<b>109,518</b>
<b>Non-current</b>				
Shares in Regional Kitchen Pty Ltd - At cost *	230	230	230	230
MAPS shareholding - At cost	15	15	15	15
<b>Total non-current other financial assets</b>	<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>
<b>Total other financial assets</b>	<b>99,245</b>	<b>90,245</b>	<b>99,245</b>	<b>90,245</b>
<b>Total financial assets</b>	<b>111,370</b>	<b>109,142</b>	<b>112,361</b>	<b>109,762</b>
* At balance date, Council holds 24 of the 322 shares in Regional Kitchen Pty Ltd.				
Council's cash and term deposits are subject to external restrictions that limit amounts available for discretionary use. These include:				
- Trust funds and deposits (note 5.3)	7,716	6,557	7,769	6,637
Total restricted funds	7,716	6,557	7,769	6,637
<b>Total unrestricted cash, cash equivalents and term deposits</b>	<b>103,410</b>	<b>102,340</b>	<b>104,347</b>	<b>102,881</b>
<b>Intended allocations</b>				
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:				
- Cash held to fund carried forward capital works	20,110	32,410	20,110	32,410
- Employee leave entitlement provisions (note 5.5) *	11,199	10,666	11,280	10,759
- Future Fund held for future strategic property purchase (note 9.1 (b))	19,578	17,778	19,578	17,778
- Public open space, developer contributions and off-street parking reserves (note 9.1 (b))	43,352	46,266	43,352	46,266
- Infrastructure reserve fund held for future road damage reinstatement (note 9.1 (b))	250	272	250	272
- Infrastructure reserve fund held for future park reinstatement (note 9.1 (b))	-	710	-	710
- Conditional grants unspent (note 3.4 (c))	1,793	786	1,793	786
- IMAP monies held under payables	688	632	688	632
<b>Total funds subject to intended allocations</b>	<b>96,970</b>	<b>109,521</b>	<b>97,052</b>	<b>109,613</b>
Total unrestricted cash, cash equivalents and term deposits adjusted for intended allocations **	6,439	(7,181)	7,295	(6,732)

\* Includes long service leave and retirement gratuity provisions only.

\*\* It is highly unlikely that settlement of all restricted funds and intended allocations will be required within the next twelve months.

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

Other financial assets are measured at original cost at balance date. Term deposits are measured at original cost at balance date.

	Council		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 5 Our financial position (cont.)</b>				
<b>5.1 Financial assets (cont.)</b>				
<b>(c) Trade and other receivables</b>				
<b>Current</b>				
<i>Statutory receivables</i>				
Rates debtors	2,492	2,165	2,492	2,165
Special rate assessment	40	28	40	28
Parking infringement debtors	26,427	21,388	26,427	21,388
Provision for doubtful debts - parking infringements	(22,569)	(16,713)	(22,569)	(16,713)
Net GST receivable	2,633	2,014	2,633	2,014
<i>Non statutory receivables</i>				
Other debtors	1,513	1,288	1,763	1,444
Provision for doubtful debts - other debtors	(100)	(100)	(100)	(100)
<b>Total trade and other receivables</b>	<b>10,436</b>	<b>10,069</b>	<b>10,686</b>	<b>10,226</b>
Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.				
<b>(i) Ageing of other debtors</b>				
The ageing of Council's other receivables (excluding statutory receivables) that are not impaired was:				
Current (not yet due)	1,065	932	1,272	1,049
Past due by up to 30 days	185	141	203	153
Past due between 31 and 180 days	90	109	99	114
Past due between 181 and 365 days	44	5	46	27
Past due by more than 1 year	129	101	143	101
<b>Total other receivables</b>	<b>1,513</b>	<b>1,288</b>	<b>1,763</b>	<b>1,443</b>
<b>(ii) Ageing of individually impaired receivables</b>				
At balance date there were no other debtors representing financial assets that were impaired (2018; nil).				
<b>5.2 Non-financial assets</b>				
<b>(a) Other assets</b>				
Prepayments	2,186	3,311	2,235	3,311
Accrued income	915	820	915	820
Other	552	485	548	485
<b>Total other assets</b>	<b>3,653</b>	<b>4,615</b>	<b>3,699</b>	<b>4,616</b>

	Council \$'000	Consolidated \$'000
<b>Note 5 Our financial position (cont.)</b>		
<b>5.2 Non-financial assets (cont.)</b>		
<b>(b) Intangible assets</b>		
<b>Gross Carrying Amount</b>		
Balance at 1 July 2018	12,190	12,190
Work in progress	109	109
Other additions	177	177
Balance at 30 June 2019	<u>12,476</u>	<u>12,476</u>
<b>Accumulated amortisation and impairment</b>		
Balance at 1 July 2018	(9,842)	(9,842)
Amortisation expense	(901)	(901)
Balance at 30 June 2019	<u>(10,743)</u>	<u>(10,743)</u>
Net book value at 30 June 2018	2,348	2,348
Net book value at 30 June 2019	<u>1,733</u>	<u>1,733</u>

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

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

**Note 5 Our financial position (cont.)**

**5.3 Payables**

**(a) Trade and other payables**

Trade payables	15,385	12,772	15,699	12,937
Accrued expenses	5,177	6,224	5,177	6,224
Other	1,345	1,336	1,404	1,387
<b>Total trade and other payables</b>	<b>21,907</b>	<b>20,332</b>	<b>22,280</b>	<b>20,548</b>

**(b) Trust funds and deposits**

Refundable deposits	5,386	4,874	5,439	4,954
Refundable contract deposits	894	821	894	821
Fire Service Property Levy	780	-	780	-
Retention amounts	656	862	656	862
<b>Total trust funds and deposits</b>	<b>7,716</b>	<b>6,557</b>	<b>7,769</b>	<b>6,637</b>

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

*Purpose and nature of items*

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

Fire Services Property Levy - Council is the collection agent for fire services property levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

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

**5.4 Interest-bearing liabilities**

**Current**

Borrowings - secured	3,500	1,500	3,500	1,500
	<b>3,500</b>	<b>1,500</b>	<b>3,500</b>	<b>1,500</b>

**Non-current**

Borrowings - secured	22,500	6,000	22,500	6,000
	<b>22,500</b>	<b>6,000</b>	<b>22,500</b>	<b>6,000</b>

**Total**

	<b>26,000</b>	<b>7,500</b>	<b>26,000</b>	<b>7,500</b>
--	---------------	--------------	---------------	--------------

Borrowings are secured by rates income of Council.

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

Not later than one year	3,500	1,500	3,500	1,500
Later than one year and not later than five years	12,500	3,000	12,500	3,000
Later than five years	10,000	3,000	10,000	3,000
	<b>26,000</b>	<b>7,500</b>	<b>26,000</b>	<b>7,500</b>

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 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.

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

	Employee Provisions	Insurance Excess Provision	Total
	\$'000	\$'000	\$'000
<b>Note 5 Our financial position (cont.)</b>			
<b>5.5 Provisions</b>			
<b>2019 Council</b>			
Balance at beginning of the financial year	16,178	200	16,378
Additional provisions	5,946	-	5,946
Amounts used	(5,314)	(85)	(5,399)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(71)	-	(71)
<b>Balance at the end of the financial year</b>	<b>16,740</b>	<b>115</b>	<b>16,855</b>
<b>2019 Consolidated</b>			
Balance at beginning of the financial year	16,313	200	16,513
Additional provisions	6,020	-	6,020
Amounts used	(5,402)	(85)	(5,487)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(71)	-	(71)
<b>Balance at the end of the financial year</b>	<b>16,860</b>	<b>115</b>	<b>16,975</b>
<b>2018 Council</b>			
Balance at beginning of the financial year	16,275	200	16,475
Additional provisions	4,743	-	4,743
Amounts used	(4,827)	-	(4,827)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(13)	-	(13)
<b>Balance at the end of the financial year</b>	<b>16,178</b>	<b>200</b>	<b>16,378</b>
<b>2018 Consolidated</b>			
Balance at beginning of the financial year	16,407	200	16,607
Additional provisions	4,800	-	4,800
Amounts used	(4,881)	-	(4,881)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(13)	-	(13)
<b>Balance at the end of the financial year</b>	<b>16,313</b>	<b>200</b>	<b>16,513</b>
	<b>Council</b>	<b>Consolidated</b>	
	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Employee provisions</b>			
<b>Current provisions expected to be wholly settled within 12 months</b>			
Annual leave	2,506	2,540	2,536
Long service leave	465	448	465
Time in lieu	99	84	99
Accrued day off	445	387	445
	<b>3,515</b>	<b>3,460</b>	<b>3,493</b>
<b>Current provisions expected to be wholly settled after 12 months</b>			
Annual leave	2,492	2,500	2,501
Long service leave	8,842	8,514	8,921
	<b>11,334</b>	<b>11,014</b>	<b>11,423</b>
<b>Total current employee provisions</b>	<b>14,849</b>	<b>14,474</b>	<b>14,968</b>
<b>Non-current</b>			
Long service leave	1,741	1,564	1,743
Retirement gratuity	150	140	150
<b>Total non-current employee provisions</b>	<b>1,891</b>	<b>1,704</b>	<b>1,893</b>

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 5 Our financial position (cont.)</b>				
<b>5.5 Provisions (cont.)</b>				
<b>(a) Employee provisions (cont.)</b>				
Aggregate carrying amount of employee provisions:				
Current	14,849	14,474	14,968	14,565
Non-current	1,891	1,704	1,893	1,748
<b>Total aggregate carrying amount of employee provisions</b>	<b>16,740</b>	<b>16,178</b>	<b>16,861</b>	<b>16,313</b>

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

*Long service leave*

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

*Retirement Gratuity*

Liability for retirement gratuity is recognised in the provision for employee benefits and accounts as post - employment benefits. Retirement gratuity is measured at present value and disclosed as a non - current liability.

The following assumptions were adopted in measuring the present value of long service leave and retirement gratuity:

Weighted average increase in employee costs	2.25%	2.25%	2.25%	2.25%
Weighted average discount rates	1.03%	1.95%	1.03%	1.95%
Weighted average settlement period	12 months	12 months	12 months	12 months

**(b) Insurance Excess Provision**

Current	115	200	115	200
---------	-----	-----	-----	-----

**5.6 Financing arrangements**

Council has the following funding arrangements in place as at 30 June 2019.

Bank overdraft	250	250	250	250
Credit card facilities	65	65	65	65
Borrowings	26,000	7,500	26,000	7,500
<b>Total facilities</b>	<b>26,315</b>	<b>7,815</b>	<b>26,315</b>	<b>7,815</b>
Used facilities	(26,009)	(7,508)	(26,009)	(7,508)
<b>Unused facilities</b>	<b>306</b>	<b>307</b>	<b>306</b>	<b>307</b>

**Note 5 Our financial position (cont.)**

**5.7 Commitments**

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

Prahran Market Pty Ltd has no material commitments.

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2019</b>					
<b>Operating</b>					
Municipal turf maintenance and mowing services	3,228	-	-	-	3,228
Parking enforcement and car parks	8,326	-	-	-	8,326
Management of car parks	899	919	-	-	1,818
Hard and green waste collection	390	-	-	-	390
Cleaning of municipal buildings & aquatics centres	1,403	1,257	1,301	-	3,961
Recycling collections	2,150	-	-	-	2,150
Building maintenance services	2,200	-	-	-	2,200
Tipping waste management	4,656	4,772	4,892	-	14,320
Provision of insurance broking & premium services	33	36	121	-	190
Central record services	218	222	458	-	898
Other contractual obligations	1,960	1,059	1,228	-	4,247
<b>Total</b>	<b>25,463</b>	<b>8,265</b>	<b>8,000</b>	<b>-</b>	<b>41,728</b>
<b>Capital</b>					
Buildings	580	533	-	-	1,113
Roads	4,460	550	50	-	5,060
Drainage	110	-	-	-	110
Cato Street car park redevelopment	13,111	-	-	-	13,111
Other capital works	658	25	25	-	708
<b>Total</b>	<b>18,919</b>	<b>1,108</b>	<b>75</b>	<b>-</b>	<b>20,102</b>
<b>2018</b>					
<b>Operating</b>					
Municipal turf maintenance and mowing services	2,557	2,566	883	-	6,006
Consultancies	137	-	-	-	137
Parking enforcement and car parks	8,084	8,326	-	-	16,410
Management of car parks	149	153	35	-	337
Hard and green waste collection	950	976	559	-	2,485
Cleaning of municipal buildings & aquatics centres	1,741	188	-	-	1,929
Recycling collections	1,277	1,310	-	-	2,587
Building maintenance services	1,752	-	-	-	1,752
Tipping waste management	4,290	4,400	9,130	-	17,820
Other contractual obligations	2,849	1,985	3,604	-	8,438
<b>Total</b>	<b>23,786</b>	<b>19,904</b>	<b>14,211</b>	<b>-</b>	<b>57,901</b>
<b>Capital</b>					
Buildings	4,148	660	173	-	4,981
Roads	340	150	300	-	790
Drainage	768	-	-	-	768
Cato Street car park redevelopment	49,497	2,765	37	-	52,299
Other capital works	4,407	1,683	450	-	6,540
<b>Total</b>	<b>59,160</b>	<b>5,258</b>	<b>960</b>	<b>-</b>	<b>65,378</b>

Council		Consolidated	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

**Note 5 Our financial position (cont.)**

**5.7 Commitments (cont.)**

***Operating lease commitments***

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

Not later than one year	526	764	526	764
Later than one year and not later than five years	469	1,046	469	1,046
	<u>995</u>	<u>1,810</u>	<u>995</u>	<u>1,810</u>

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

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Council

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2018 \$'000	At cost 30 June 2018 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At fair value 30 June 2019 \$'000	At cost 30 June 2019 \$'000	Written down value 30 June 2019 \$'000
Property	2,506,533	-	-	-	(117,593)	(4,442)	-	-	26,095	2,410,593	-	2,410,593
Plant and equipment	4,831	18,434	-	14	356	(3,739)	(665)	-	5,110	5,187	19,154	24,341
Infrastructure	368,948	-	-	-	(7,131)	(10,199)	-	(4,328)	13,031	360,321	-	360,321
Work in progress	30,430	-	81,711	-	-	-	-	-	(41,042)	71,098	-	71,098
	2,910,742	18,434	81,711	14	(124,368)	(18,379)	(665)	(4,328)	3,194	2,847,199	19,154	2,866,352

Summary of work in progress (WIP)

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	8,328	20,039	-	(22,915)	5,452
Plant and equipment	-	6,096	-	(5,096)	1,000
Infrastructure	22,101	55,576	-	(13,031)	64,646
Total	30,430	81,711	-	(41,042)	71,098

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Consolidated

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2018 \$'000	At cost 30 June 2018 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At fair value 30 June 2019 \$'000	At cost 30 June 2019 \$'000	Written down value 30 June 2019 \$'000
Property	2,512,210	-	-	-	(117,593)	(4,657)	-	-	26,141	2,416,101	-	2,416,101
Plant and equipment	4,831	18,930	-	14	356	(3,825)	(694)	-	5,109	5,187	19,534	24,720
Infrastructure	368,948	-	-	-	(7,131)	(10,199)	-	(4,328)	13,031	360,321	-	360,321
Work in progress	30,659	-	81,773	-	-	-	-	-	(41,112)	71,320	-	71,320
	2,916,648	18,930	81,773	14	(124,368)	(18,680)	(694)	(4,328)	3,170	2,852,930	19,534	2,872,463

Summary of work in progress (WIP)

	Opening WIP \$'000	Additions \$'000	Write Offs \$'000	Transfers \$'000	Closing WIP \$'000
Property	8,558	20,101	-	(22,985)	5,674
Plant and equipment	-	6,096	-	(5,096)	1,001
Infrastructure	22,101	55,576	-	(13,031)	64,645
Total	30,659	81,773	-	(41,112)	71,320

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Council

(a) Property	Land - specialised \$'000	Land - non specialised \$'000	Total land \$'000	Heritage buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2018	2,157,786	162,482	2,320,269	65,263	105,736	15,265	186,264	8,328	2,514,861
Accumulated depreciation at 1 July 2018	-	-	-	-	-	-	-	-	-
	2,157,786	162,482	2,320,269	65,263	105,736	15,265	186,264	8,328	2,514,861
<b>Movements in fair value</b>									
Additions	-	-	-	-	-	-	-	20,038	20,038
Revaluation	(110,915)	(8,070)	(118,985)	680	(4,042)	312	(3,050)	-	(122,035)
Transfers	7,518	-	7,518	1,275	11,775	2,347	15,397	(22,915)	-
Transfer between asset class	3,093	-	3,093	-	88	-	88	-	3,180
	(100,304)	(8,070)	(108,374)	1,955	7,821	2,659	12,435	(2,877)	(98,817)
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	(975)	(3,041)	(426)	(4,442)	-	(4,442)
Revaluation	-	-	-	975	3,041	426	4,442	-	4,442
	-	-	-	-	-	-	-	-	-
At fair value 30 June 2019	2,057,482	154,412	2,211,895	67,218	113,556	17,924	198,698	5,452	2,416,045
Accumulated depreciation at 30 June 2019	-	-	-	-	-	-	-	-	-
	2,057,482	154,412	2,211,895	67,218	113,556	17,924	198,698	5,452	2,416,045

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Council

(b) Plant and Equipment

	Heritage plant and equipment \$'000	Plant machinery, motor vehicles and equipment \$'000	Fixtures and fittings furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	4,831	-	-	-	-	-	4,831
At cost 1 July 2018	724	22,836	9,210	6,196	20,510	-	59,477
Accumulated depreciation at 1 July 2018	(171)	(11,952)	(6,027)	(5,141)	(17,751)	-	(41,042)
	5,384	10,884	3,183	1,055	2,759	-	23,267
<b>Movements</b>							
Additions	-	-	-	-	-	6,096	6,096
Contributions	14	-	-	-	-	-	14
Revaluation	100	-	-	-	-	-	100
Disposal	-	(1,755)	-	(242)	-	-	(1,997)
Transfers between asset class	-	14	-	-	-	-	14
Transfers	7	3,081	591	585	832	(5,096)	-
	121	1,340	591	343	832	1,000	4,226
<b>Movements in accumulated depreciation</b>							
Depreciation	(85)	(1,753)	(546)	(514)	(840)	-	(3,739)
Accumulated depreciation of disposals	-	1,091	-	240	-	-	1,331
Revaluation	256	-	-	-	-	-	256
	171	(662)	(546)	(274)	(840)	-	(2,151)
At fair value 30 June 2019	5,676	-	-	-	-	-	5,676
At cost 30 June 2019	-	24,176	9,801	6,539	21,342	1,000	62,859
Accumulated depreciation at 30 June 2019	-	(12,614)	(6,573)	(5,415)	(18,591)	-	(43,193)
	5,676	11,562	3,228	1,124	2,751	1,000	25,341

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Council

(c) Infrastructure

At fair value 1 July 2018  
Accumulated depreciation at 1 July 2018

Movements in fair value

Additions  
Revaluation  
Write-off  
Transfers

Movements in accumulated depreciation

Depreciation  
Accumulated depreciation of disposals/write offs  
Revaluation

At fair value 30 June 2019  
Accumulated depreciation at 30 June 2019

	Roads \$'000	Bridges \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks, open space and streetscapes \$'000	Other infrastructure \$'000	Work in progress infrastructure \$'000	Total infrastructure \$'000
At fair value 1 July 2018	377,602	6,475	148,805	17,475	54,608	31,879	22,101	658,945
Accumulated depreciation at 1 July 2018	(170,936)	(1,458)	(73,694)	(4,695)	(6,706)	(10,407)	-	(267,897)
	206,665	5,016	75,111	12,781	47,901	21,473	22,101	391,048
<b>Movements in fair value</b>								
Additions	-	-	-	-	-	-	55,576	55,576
Revaluation	6,605	-	-	(52)	(163)	-	-	6,390
Write-off	(6,181)	-	-	-	-	-	-	(6,181)
Transfers	3,612	209	1,998	1,269	3,966	1,978	(13,031)	-
	4,036	209	1,998	1,217	3,803	1,978	42,545	55,785
<b>Movements in accumulated depreciation</b>								
Depreciation	(4,670)	(124)	(1,828)	(954)	(1,363)	(1,260)	-	(10,199)
Accumulated depreciation of disposals/write offs	1,854	-	-	-	-	-	-	1,854
Revaluation	(13,650)	-	-	53	76	-	-	(13,521)
	(16,467)	(124)	(1,828)	(901)	(1,287)	(1,260)	-	(21,866)
At fair value 30 June 2019	381,637	6,683	150,804	18,692	58,411	33,857	64,646	714,730
Accumulated depreciation at 30 June 2019	(187,403)	(1,582)	(75,522)	(5,596)	(7,993)	(11,667)	-	(289,763)
	194,234	5,101	75,282	13,096	50,418	22,190	64,646	424,967

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Consolidated

(a) Property	Land - specialised \$'000	Land - non specialised \$'000	Total land \$'000	Heritage buildings \$'000	Buildings - specialised \$'000	Buildings - non specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2018	2,157,786	162,482	2,320,269	72,845	105,736	15,265	193,845	8,558	2,522,672
Accumulated depreciation at 1 July 2018	-	-	-	(1,905)	-	-	(1,905)	-	(1,905)
	2,157,786	162,482	2,320,269	70,940	105,736	15,265	191,941	8,558	2,520,767
<b>Movements in fair value</b>									
Additions	-	-	-	-	-	-	-	20,101	20,101
Revaluation	(110,915)	(8,070)	(118,985)	680	(4,042)	312	(3,050)	-	(122,035)
Transfers	7,518	-	7,518	1,345	11,775	2,347	15,467	(22,985)	-
Transfer between asset class	3,093	-	3,093	-	88	-	88	-	3,180
	(100,304)	(8,070)	(108,374)	2,025	7,821	2,659	12,505	(2,884)	(98,754)
<b>Movements in accumulated depreciation</b>									
Depreciation	-	-	-	(1,190)	(3,041)	(426)	(4,657)	-	(4,657)
Revaluation	-	-	-	975	3,041	426	4,442	-	4,442
Transfers	-	-	-	(23)	-	-	(23)	-	(23)
	-	-	-	(238)	-	-	(238)	-	(238)
At fair value 30 June 2019	2,057,482	154,412	2,211,894	74,869	113,556	17,924	206,350	5,674	2,423,918
Accumulated depreciation at 30 June 2019	-	-	-	(2,143)	-	-	(2,143)	-	(2,143)
	2,057,482	154,412	2,211,894	72,727	113,556	17,924	204,207	5,674	2,421,775

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Consolidated

(b) Plant and equipment

	Heritage plant and equipment \$'000	Plant machinery, motor vehicles and equipment \$'000	Fixtures and fittings furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Work in progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	4,831	-	-	-	-	-	4,831
At cost 1 July 2018	724	24,199	9,355	6,396	20,510	-	61,186
Accumulated depreciation at 1 July 2018	(171)	(12,832)	(6,171)	(5,328)	(17,754)	-	(42,255)
	5,384	11,368	3,184	1,068	2,757	-	23,762
<b>Movements in fair value</b>							
Additions	-	-	-	-	-	6,096	6,096
Contributions	14	-	-	-	-	-	14
Revaluation	100	-	-	-	-	-	100
Disposal	-	(1,910)	(92)	(274)	-	-	(2,276)
Transfers between asset class	-	10	-	-	-	-	10
Transfers	7	3,081	591	585	832	(5,096)	-
	121	1,181	499	311	832	1,000	3,944
<b>Movements in accumulated depreciation</b>							
Depreciation	(85)	(1,840)	(546)	(514)	(840)	-	(3,825)
Accumulated depreciation of disposals	-	1,187	122	272	-	-	1,581
Transfer	-	-	-	-	3	-	3
Revaluation	256	-	-	-	-	-	256
	171	(653)	(424)	(242)	(837)	-	(1,985)
At fair value 30 June 2019	5,676	-	-	-	-	-	5,676
At cost 30 June 2019	-	25,380	9,854	6,707	21,342	1,000	64,284
Accumulated depreciation at 30 June 2019	-	(13,485)	(6,594)	(5,570)	(18,591)	-	(44,240)
	5,676	11,895	3,260	1,137	2,751	1,000	25,720

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Consolidated

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Drainage \$'000	Recreational, leisure and community \$'000	Parks, open space and streetscapes infrastructure \$'000	Other infrastructure \$'000	Work in progress infrastructure \$'000	Total infrastructure \$'000
At fair value 1 July 2018	377,601	6,475	148,806	17,475	54,608	31,880	22,101	658,945
At cost 1 July 2017	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 July 2018	(170,936)	(1,458)	(73,694)	(4,695)	(6,706)	(10,407)	-	(267,896)
	206,665	5,016	75,112	12,781	47,902	21,473	22,101	391,049
<b>Movements in fair value</b>								
Additions	-	-	-	-	-	-	55,576	55,576
Revaluation	6,605	-	-	(52)	(163)	-	-	6,390
Write-off	(6,181)	-	-	-	-	-	-	(6,181)
Transfers	3,612	209	1,998	1,269	3,966	1,978	(13,031)	-
	4,036	209	1,998	1,217	3,803	1,978	42,545	55,785
<b>Movements in accumulated depreciation</b>								
Depreciation	(4,670)	(124)	(1,828)	(954)	(1,363)	(1,260)	-	(10,199)
Accumulated depreciation of disposals/write offs	1,854	-	-	-	-	-	-	1,854
Revaluation	(13,650)	-	-	53	76	-	-	(13,521)
	(16,466)	(124)	(1,828)	(901)	(1,287)	(1,260)	-	(21,866)
At fair value 30 June 2019	381,637	6,683	150,804	18,692	58,411	33,857	64,646	714,729
Accumulated depreciation at 30 June 2019	(187,402)	(1,582)	(75,522)	(5,596)	(7,993)	(11,667)	-	(289,762)
	194,235	5,101	75,282	13,096	50,418	22,191	64,646	424,967

**Note 6 Assets we manage (cont.)**

**6.1 Property, infrastructure, plant and equipment (cont.)**

*Acquisition*

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

Where assets are constructed by Council, cost includes all materials used in construction and direct labour.

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

*Asset recognition thresholds and depreciation periods*

	<b>Depreciation Period</b>	<b>Threshold Limit \$'000</b>
Property		
land	Not depreciable	all land
Buildings		
buildings	50 years	5
heritage buildings	100 years	5
Plant and Equipment		
plant, machinery and equipment	3-10 years	1
fixtures, fittings and furniture	5-10 years	1
computers and telecommunications	4-10 years	1
heritage plant and equipment	100 years	1
library stocks		all holdings with life exceeding one year
	3-8 years	
Infrastructure		
road pavements and seals	30-60 years	10
road substructure	200 years	10
road kerb, channel and minor culverts	60-80 years	10
bridges	80 years	10
footpaths and cycleways	30-60 years	10
drains	100 years	10
drainage pits	50 years	10
rights of way	15-200 years	10
recreational, leisure and community facilities	20 years	5
park, open space and streetscapes	20 years	5
off street car parks	25-50 years	10
other infrastructure	10-25 years	10
Intangible assets		
software	4 years	1

*Land under roads*

Council recognises land under roads it controls at fair value.

*Depreciation and amortisation*

Buildings, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to 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.

**Note 6 Assets we manage (cont.)**

**6.1 Property, infrastructure, plant and equipment (cont.)**

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

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

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

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

*Repairs and maintenance*

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**Valuation of land and buildings**

Full valuation of land and buildings were undertaken by Mr D.Thai, AAPI CPV (Australian Property Institute Member no. 3029). 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.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land or land under roads 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 and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land - non specialised	-	154,412	-	06/19
Land - specialised	-	-	1,371,332	06/19
Land under roads	-	-	686,150	06/19
Buildings - non specialised	-	17,924	-	06/19
Buildings - specialised	-	-	180,774	06/19
<b>Total</b>	-	<u>172,336</u>	<u>2,238,256</u>	

**Valuation of infrastructure**

Infrastructure is valued at fair value based on replacement cost less accumulated depreciation method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the asset to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

A valuation of Council's road assets was conducted based on conditional assessment and stocktake performed by independent valuer, which has been verified by Mr. Rick Kwasek, D.Eng. (Municipal), MPM (Master of Project Management), MAIPM. The valuation was performed based on current condition and replacement cost. The effective date of the valuation is 30 June 2019.

A valuation of Council's infrastructure assets; open space parks and reserves was updated in line with new unit rates as confirmed by independent valuer (Ross McPherson). The valuation was performed as a desk-top exercise applying the updated unit rates to determine the total replacement cost of the asset. The effective date of the valuation is 30 June 2019.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Note 6 Assets we manage (cont.)

6.1 Property, infrastructure, plant and equipment (cont.)

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	194,234	06/19
Bridges	-	-	5,101	06/17
Drainage	-	-	75,282	06/16
Other infrastructure	-	-	22,190	06/15
Recreational, leisure and community facilities	-	-	13,096	06/19
Parks, open space and streetscapes	-	-	50,418	06/19
<b>Total</b>	-	-	360,321	

No transfers between levels occurred during the year.

**Valuation of heritage assets - arts and antiques**

Council underwent a valuation of artworks, antiques and public artworks in accordance with AASB 113 - *Fair value measurement* in 2019. The value of these assets are determined in accordance with an independent valuation undertaken by McWilliam Associates, Colin McWilliam (Registered Valuer No: 384) on council's fine arts, public sculptures and other artworks and by Peter Tinslay (Registered Valuer No: 613) on council's historical assets. Input data for the valuation was derived from values of like or similar material found by research of records of Australian and international sales, purchases and other forms of acquisition, knowledge of prices paid by other institutions and valuation experience of other Council's Collections.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Heritage, plant and equipment	-	-	5,676	06/19
<b>Total</b>	-	-	5,676	

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

**Specialised land and land under roads** is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between **5% and 95%**. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between **\$150 and \$5,500** 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 **\$950 to \$8,250** per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 50 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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. Current replacement costs is calculated on a cost per unit per linear metre basis and ranges from **\$18 to \$500** per linear metre. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 200 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2019 \$'000	2018 \$'000
<b>Reconciliation of specialised land</b>		
Land under roads	686,150	728,850
Land	1,371,332	1,428,936
<b>Total specialised land</b>	2,057,482	2,157,786

Note 6 Assets we manage (cont.)

6.2 Investments in joint operation and subsidiary  
(a) Investment in joint operation

**Regional Landfill Clayton South**

*Background*

The Regional Landfill Clayton South Investment is a joint council initiative comprising the municipalities of Stonnington, Glen Eira, Monash, Boroondara and Whitehorse for the sole purpose of owning and operating a putrescible landfill (rubbish tip) to the benefit of the owner Councils.

The City of Stonnington has a 12.76% interest in the assets, liabilities, and operating result of this Investment. Council's share of the financial result in the Investment is brought to account using the equity accounting method as an investment in joint operation based on 2019 unaudited accounts (2018 unaudited accounts).

	Council		Consolidated	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Fair value of Council's investment in Regional Landfill Clayton South</b>	<u>632</u>	<u>890</u>	<u>632</u>	<u>890</u>
<b>Council's share of accumulated surplus/(deficit)</b>				
Council's share of accumulated surplus/(deficit) at start of year	(1,027)	(712)	(1,027)	(712)
Reported surplus /(deficit) for year	(118)	(315)	(118)	(315)
Council's share of accumulated surplus/(deficit) at end of year	<u>(1,145)</u>	<u>(1,027)</u>	<u>(1,145)</u>	<u>(1,027)</u>
<b>Council's share of reserves</b>				
Council's share of reserves at start of year	212	212	212	212
Council's share of reserves at end of year	<u>212</u>	<u>212</u>	<u>212</u>	<u>212</u>
<b>Movement in carrying value of specific investment</b>				
Carrying value of investment at start of year	890	963	890	963
Share of surplus/(deficit) for the year excluding revaluation of provision for environmental rehabilitation	(257)	(73)	(257)	(73)
Carrying value of investment at end of year	<u>632</u>	<u>890</u>	<u>632</u>	<u>890</u>
<b>Council's share of expenditure commitments</b>				
Operating commitments	-	5	-	5
Council's share of expenditure commitments	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
<b>Council's share of environmental rehabilitation provision</b>				
Carrying value of environment rehabilitation provision at start of year	1,705	1,463	1,705	1,463
Share of revaluation of provision	(139)	242	(139)	242
Carrying value of environment rehabilitation provision at end of year	<u>1,566</u>	<u>1,705</u>	<u>1,566</u>	<u>1,705</u>

The landfill has reached capacity and ceased operations at the end of January 2016, with rehabilitation now in progress in accordance with EPA requirements. An assessment of the post closure aftercare management costs for the landfill undertaken by Golder Associates Pty Ltd civil/geotechnical and environmental consultants in June 2015 was reviewed in June 2017 for the purposes of updating the Clayton Landfill rehabilitation provision. The resultant provision for rehabilitation within the Regional Landfill Clayton 2019 unaudited accounts of \$12.3 million (\$13.4 million, 2018) now reflects the latest present value of the estimated costs for capping of the landfill cells and installation of additional gas extraction infrastructure over the next year, and then 'aftercare' costs (active monitoring and site management) for a 26 year period. The Landfill joint operation will, in the future, be dependent on the participating councils for funding contributions to meet its rehabilitation obligations. As such, Council's share of the joint operation's provision is recorded in the Balance Sheet as a Non-current liability – Other liabilities \$1.6 million (2018, \$1.7 million reduction to Investment in joint operation) and an expense, Share of net profit or loss of joint operation accounted for by the equity method, in the Comprehensive Income Statement.

**Significant restrictions**

Since Council holds less than 20% equity, it does not have significant influence over the operations of the joint operation.

A fair value assessment on the Clayton Tip facility was conducted by C.J. Ham & Murray Pty Ltd (Ham & Murray) at 30 June 2016 after the site ceased operation.

Post closure and environmental impact costs are not part of the assessment. (The fair values of land, land improvements and EPA licence at 30 June 2019 is nil (2018, nil) and infrastructure assets as at 30 June 2019 is valued at nil (2018, nil)).

Council recognises its direct right to, and its share of, the jointly held assets, liabilities, revenues and expenses of Clayton South Regional Landfill. These have been incorporated in the financial statements under the appropriate headings. Council interest in joint operations are accounted for using the equity method. Under this method, the interest is initially recognised in the Balance Sheet at cost and adjusted thereafter to recognise Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

**Note 6 Assets we manage (cont.)**

**6.2 Investment in joint operation and subsidiary (cont.)**

**(b) Subsidiary**

**Prahran Market Pty Ltd**

Prahran Market Pty Ltd is a wholly owned subsidiary, incorporated within Australia, of the City of Stonnington. Prahran Market Pty Ltd manages the retail activities of the Prahran Market for the City of Stonnington on terms set out in a management agreement between both parties dated 30 March 2008. The assets, liabilities, and operating result based upon 2019 audited financial statements (2018 unaudited financial statements) are included in Council's consolidated financial accounts, as follows:

<b>Summarised financial information</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Summarised statement of comprehensive income</b>		
Total income	4,907	4,654
Total expenses	4,808	4,642
Surplus/(deficit) for the year	<u>99</u>	<u>12</u>
Other comprehensive income	-	-
<b>Total comprehensive result</b>	<u><b>99</b></u>	<u><b>12</b></u>
<b>Summarised balance sheet</b>		
Current assets	1,291	779
Non-current assets	6,110	6,403
Total assets	<u>7,401</u>	<u>7,182</u>
Current liabilities	498	309
Non-current liabilities	55	124
Total liabilities	<u>552</u>	<u>432</u>
<b>Net Assets</b>	<u><b>6,849</b></u>	<u><b>6,750</b></u>
<b>Equity</b>		
Accumulated funds	4,849	4,750
Issued capital	2,000	2,000
<b>Total Equity</b>	<u><b>6,849</b></u>	<u><b>6,750</b></u>
<b>Summarised statement of cash flows</b>		
Net cash provided by operating activities	438	379
Net cash used in investing activities	(18)	(517)
Net cash used in financing activities	(49)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u><b>370</b></u>	<u><b>(138)</b></u>

**Principles of consolidation**

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2019, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

The Prahran Market Pty Ltd is the only subsidiary and controlled entity consolidated into Council.

**Note 6 Assets we manage (cont.)**

**6.3 Investment property**

	<b>Council</b>		<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of the financial year	11,200	8,850	11,200	8,850
Additions	1,646	3,783	1,646	3,783
Net transfer to land and building	(3,180)	(1,055)	(3,180)	(1,055)
Fair value adjustments	(566)	(378)	(566)	(378)
Balance at end of financial year	9,100	11,200	9,100	11,200

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise.

**Valuation of investment property**

The valuation of investment property has been determined annually by Council valuer, Mr D. Thai AAPI CPV (Australian Property Institute Member no. 3029). All tenant leases are on arm's length basis. Investment property is carried at fair value being \$9.1 million (2018, \$11.2 million), based on the current market value of the property.

**Note 7 People and relationships**

**7.1 Council and key management remuneration**

**(a) Related parties**

*Parent entity*

Stonnington City Council is the parent entity.

*Subsidiaries*

Interests in subsidiary are detailed in note 6.2.

**(b) Key management personnel**

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

<b>Councillors</b>	Councillor Steve Stefanopoulos	(Mayor 1 July 2018 - 30 June 2019)
	Councillor Jami Klisaris	(1 July 2018 - 30 June 2019)
	Councillor John Chandler	(1 July 2018 - 30 June 2019)
	Councillor Melina Sehr	(1 July 2018 - 30 June 2019)
	Councillor Matthew Koce	(1 July 2018 - 30 June 2019)
	Councillor Glen Atwell	(1 July 2018 - 30 June 2019)
	Councillor Judy Hindle	(1 July 2018 - 30 June 2019)
	Councillor Marcia Griffin	(1 July 2018 - 30 June 2019)
	Councillor Sally Davis	(1 July 2018 - 30 June 2019)
<b>Chief Executive Officer</b>	Mr Warren Roberts	(1 July 2018 - 22 March 2019)
<b>Interim Chief Executive Officer</b>	Mr Simon Thomas	(25 March - 30 June 2019)
<b>General Manager</b>	Mr Geoff Cockram	General Manager Corporate Services (1 July 2018 - 30 June 2019)
	Mr Simon Thomas	General Manager Assets and Services (1 July 2018 - 22 March 2019)
	Mr Stuart Draffin	General Manager Planning and Amenity (1 July 2018 - 30 June 2019)
	Ms Cath Harrod	General Manager Community and Culture (1 July 2018 - 30 June 2019)
	Mr Rick Kwasek	Acting General Manager Assets and Services (25 March - 30 June 2019)

	<b>Council</b>	
	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
<b>Total number of Councillors</b>	9	9
<b>Total of Chief Executive Officer and other key management personnel</b>	6	6
<b>Total key management personnel</b>	15	15

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

Total remuneration of key management personnel was as follows:

Short-term benefits	1,805	1,759
Post-employment benefits	157	128
Other long-term benefits	32	31
Termination benefits	223	200
<b>Total remuneration</b>	<b>2,217</b>	<b>2,118</b>

Key management personnel of the subsidiary are reported in the subsidiary financial statements.

**7.1 Council and key management remuneration (cont.)**

**(c) Remuneration of key management personnel (cont.)**

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

	<b>Council 2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
\$30,000 - \$39,999	8	7
\$50,000 - \$59,999	-	1
\$80,000 - \$89,999	-	1
\$100,000 - \$109,999	1	-
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	1	-
\$250,000 - \$259,999	3	1
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	-	1
\$280,000 - \$289,999	1	-
\$380,000 - \$389,999	-	1
\$390,000 - \$399,999 *	-	1
\$590,000 - \$599,999 *	1	-
	<u>15</u>	<u>15</u>

\* Includes termination payment

**(d) Senior officer remuneration**

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

The number of Senior Officers are shown below in their relevant income bands:

	<b>Council 2019</b>	<b>2018</b>	<b>Consolidated 2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Income Range:				
< \$148,000	8	-	8	-
\$150,000 - \$159,999	3	2	3	2
\$160,000 - \$169,999	1	5	1	5
\$170,000 - \$179,999	7	8	7	8
\$180,000 - \$189,999	4	4	4	4
	<u>23</u>	<u>19</u>	<u>23</u>	<u>19</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	3,403	3,290	3,403	3,290

## 7.2 Related party disclosure

### (a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Type of transaction	Terms	Aggregate Amount (incl GST) \$'000
Rental, Council rates, garbage collection fees and reimbursements from Prahran Market Pty Ltd	Management agreement	1,682
Base rent paid to Prahran Market Pty Ltd	Rental agreement	28
Reimbursement for capital improvements undertaken at Prahran Market	Management agreement	460

### (b) Outstanding balances with related parties

The following balance is outstanding at the end of the reporting period in relation to transactions with related parties.

Type of transaction	Terms	Aggregate Amount (incl GST) \$'000
Amounts receivable from Prahran Market Pty Ltd	Memorandum of understanding	4

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

There are no outstanding loans to/from related parties.

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

Prahran Market Pty Ltd has a Management Agreement with Stonnington City Council which is in overholding.

Prahran Market Pty Ltd had a variation of Lease Agreement with Stonnington City Council until 30 June 2019. This is in overholding from 1 July 2019.

**Note 8 Managing uncertainties**

**8.1 Contingent assets and contingent liabilities**

**(a) Contingent assets**

**Legal matters**

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. The remaining matters are not yet finalised, the financial outcome of these matters cannot be reliably estimated and no allowance for these contingencies has been made in the financial report (30 June 2018, same position).

**Operating lease receivables**

Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

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

	<b>Council</b>		<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Not later than one year	395	1,897	395	395
Later than one year and not later than five years	-	411	-	411
Later than five years	-	-	-	-
	<u>395</u>	<u>2,308</u>	<u>395</u>	<u>805</u>

**(b) Contingent liabilities**

**Legal matters**

Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report (30 June 2018, same position).

**Infringements Review**

A potential issue has arisen in relation to the validity of infringement notice reviews, conducted under the Infringements Act 2006 (the Act).

Council is currently party to an Ombudsman Victoria review in relation to this process, and is participating fully and openly.

If it is found that in any given case Council has not complied with the strict requirements of the Infringements Act, Council may have a liability to refund monies.

**Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

**Liability Mutual Insurance**

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

**Building Cladding**

Council has no potential contingent liabilities in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

## **8.2 Change in accounting standards**

The following new AASs have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

Council expects that it is unlikely to have a material impact.

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

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

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

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$1,263,144 in lease related assets and an equivalent liability.

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

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

Council expects that it is unlikely to have a material impact.

### **8.3 Financial instruments**

#### **(a) Objectives and policies**

Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the Notes of the financial statements. Risk management is carried out by senior management under policies approved by Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

#### **(b) Market risk**

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

##### ***Interest rate risk***

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

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

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

There has been no significant change in 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 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 us to make a financial loss. We have exposure to credit risk on some financial assets included in our Balance Sheet. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest 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 Council's other financial assets is minimal. Rates debtors are secured by a charge over the rateable property. Council has assessed that 94% of parking infringement debts owing to Council are unlikely to be collected and has raised a provision for doubtful debts over those debts based on an assessment of collectability. The collection of long overdue parking infringement debts is managed by Fines Victoria.

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

We may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 8.1 (b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and notes to the financial statements. Council does not hold any collateral other than that related to Council rates and charges. In the event that a ratepayer fails to pay their rates and charges, Council has the power to register a charge over the rateable property. By registering the charge over the rateable property, Council has priority over any other encumbrances on the property.

### 8.3 Financial instruments (cont.)

#### (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 or 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:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

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 any financial guarantees disclosed in Note 8.1(b), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

#### (e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 0.5% and - 0.5% in market interest rates (AUD) from year-end rates of 1.90%.

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

### 8.4 Fair value measurement

#### *Fair value hierarchy*

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

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

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

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

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

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

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

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

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

#### **8.4 Fair value measurement (cont.)**

##### *Revaluation*

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

##### *Impairment of assets*

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

#### **8.5 Events occurring after balance date**

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

**Note 9 Other matters**

**9.1 Reserves**

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
<b>(a) Asset revaluation reserve</b>			
<b>2019</b>			
<b>Property</b>			
Land	1,189,596	(76,285)	1,113,311
Land under roads	348,260	(42,700)	305,560
Buildings	174,284	(262)	174,022
Heritage buildings	15,267	1,655	16,922
	1,727,407	(117,592)	1,609,815
<b>Infrastructure</b>			
Roads, streets, rights of way and bridges	119,789	(7,045)	112,744
Other infrastructure	12,182	-	12,182
Drainage	29,120	-	29,120
Recreational, leisure and community	1,672	1	1,673
Parks, open space and streetscapes	5,927	(87)	5,840
	168,690	(7,131)	161,559
<b>Plant and equipment</b>			
Heritage plant and equipment	934	356	1,290
<b>Total asset revaluation reserve</b>	<b>1,897,031</b>	<b>(124,368)</b>	<b>1,772,663</b>
<b>2018</b>			
<b>Property</b>			
Land	1,027,035	162,561	1,189,596
Land under roads	240,760	107,500	348,260
Buildings	172,375	1,909	174,284
Heritage buildings	15,267	-	15,267
	1,455,438	271,969	1,727,407
<b>Infrastructure</b>			
Roads, streets, rights of way and bridges	119,789	-	119,789
Other infrastructure	12,182	-	12,182
Drainage	29,120	-	29,120
Recreational, leisure and community	1,672	-	1,672
Parks, open space and streetscapes	5,927	-	5,927
	168,690	-	168,690
<b>Plant and equipment</b>			
Heritage plant and equipment	934	-	934
<b>Total asset revaluation reserve</b>	<b>1,625,062</b>	<b>271,969</b>	<b>1,897,031</b>

The asset revaluation reserve is used to record the movement in the fair value of Council's assets over time.

Note 9 Other matters (cont.)

9.1 Reserves (cont.)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period	Consolidated balance at end of reporting period
(b) Other reserves					
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
Open Space Reserve	46,267	17,481	(20,396)	43,352	43,352
Off-Street Parking Reserve	-	-	-	-	-
Developer Contributions	-	-	-	-	-
Future Fund Reserve	17,778	3,000	(1,200)	19,578	19,578
Infrastructure - Roads Damaged Reserve	272	-	(21)	250	250
Park Reinstatement Reserve	710	-	(710)	-	-
<b>Total Other reserves</b>	<b>65,027</b>	<b>20,481</b>	<b>(22,327)</b>	<b>63,181</b>	<b>63,181</b>
<b>2018</b>					
Open Space Reserve	44,471	13,033	(11,238)	46,267	46,267
Off-Street Parking Reserve	1,057	27	(1,084)	-	-
Developer Contributions	859	22	(881)	-	-
Future Fund Reserve	14,529	3,249	-	17,778	17,778
Infrastructure - Roads Damaged Reserve	272	-	-	272	272
Park Reinstatement Reserve	710	-	-	710	710
<b>Total Other reserves</b>	<b>61,899</b>	<b>16,330</b>	<b>(13,203)</b>	<b>65,027</b>	<b>65,027</b>

The Open Space Reserve is used to record developer contributions and utilisation of this reserve is to purchase, create or enhance open space assets.

The Off-Street Parking Reserve is used to record contributions to off-street parking and funds the purchase or development of off-street parking assets.

The Developer Contributions Reserve is governed by the Developer Contributions Plan. It is used for the development of infrastructure in the Forrest Hill precinct.

The Future Fund Reserve is a reserve created to assist Council when making strategic property acquisitions, for major community infrastructure development opportunities and other specific one off purposes.

The Infrastructure - Roads Damaged Reserve is created to enable Council to utilise forfeited road asset protection and work zones maintenance bonds on road and infrastructure repair and maintenance.

Note 9 Other matters (cont.)	Council		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>9.2 Reconciliation of cash flows from operating activities to surplus</b>				
Surplus for the year	38,633	36,790	38,732	36,802
Depreciation/amortisation	19,280	18,784	19,582	19,096
Loss on disposal of property, infrastructure, plant and equipment	4,351	2,678	4,360	2,671
Share of net loss of joint operation accounted for by the equity method	118	315	118	315
Fair value adjustments for investment property	566	378	566	378
Contributions - non monetary assets	(14)	(880)	(14)	(880)
<b>Change in assets and liabilities in relation to operating activities:</b>				
Decrease in trade and other receivables	70	(903)	(22)	(850)
(Increase)/decrease in prepayments	1,125	(475)	1,125	(471)
Decrease in accrued income	(142)	(42)	(142)	(42)
Increase in trade and other payables	84	3,803	235	3,791
(Decrease)/increase in other liabilities	839	(214)	822	(201)
Increase/(decrease) in provisions	478	(97)	463	(94)
<b>Net cash provided by operating activities</b>	<b>65,388</b>	<b>60,137</b>	<b>65,825</b>	<b>60,517</b>

### 9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision Super). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

#### Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

#### Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

#### Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa.

Vision Super has advised that the VBI at 30 June 2019 was 107.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

### **9.3 Superannuation (cont.)**

#### ***Employer contributions***

##### ***Regular contributions***

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017-18). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

##### ***Funding calls***

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### **The 2018 interim actuarial investigation surplus amounts**

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

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	<b>2018</b>	<b>2017</b>
	<b>\$m</b>	<b>\$m</b>
A VBI surplus	131.9	69.8
A total service liability surplus	218.3	193.5
A discounted accrued benefits surplus	249.1	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018.

Council was notified of the 30 June 2018 VBI during August 2018. (2017: August 2017).

#### **The 2019 interim actuarial investigation**

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





**City of Stonnington**

**T** 8290 1333

**F** 9521 2255

[council@stonnington.vic.gov.au](mailto:council@stonnington.vic.gov.au)

PO Box 21, Prahran Victoria 3181

**Service Centres**

311 Glenferrie Road, Malvern

Corner Chapel and Greville Streets, Prahran

293 Tooronga Road, Malvern

**STONNINGTON.VIC.GOV.AU**



stonningtoncouncil



StonningtonNews



City of  
**STONNINGTON**