

2019–20 Annual Report

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City of
STONNINGTON

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.



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A message from our Mayor and Chief Executive Officer

The Financial Year 2019–20 was the third year of the City of Stonnington Council Plan 2017–21. Notwithstanding the unprecedented health and economic shocks brought about by COVID-19, the City of Stonnington performed strongly against the Council Plan's four pillars: community, liveability, environment and economy.

Council is proud to have created opportunities, under its plan, to bring our community together, implement a range of long-term strategic policies and invest in infrastructure to ensure Stonnington remains one of Australia's premier municipalities.



Despite the challenges, we remain focused on being a future ready organisation that puts the customer at the centre of everything we do. We are committed to being efficient, fit for purpose, responsive and agile, delivering high quality services and responding to the changing needs of our community.

A year of challenges

The devastating bushfires during the summer of 2019-20 hit our regional local government colleagues hard. The effects were felt locally, with a number of Council services and facilities forced to close due to poor air quality.

The bushfires were soon followed by the global outbreak of COVID-19. The second half of the year therefore took on an entirely different complexion as Council responded to rapidly moving events.

Council acted quickly to implement a range of measures to help slow the spread of COVID-19 and to protect our people and the community. These measures included the re-design of services and facilities, temporary closures of our libraries, aquatics and leisure centres and face-to-face child and maternal health services.

It was a difficult decision to stand down hundreds of loyal staff – and send hundreds more to work from home. The resilience with which the organisation responded to these changes was a testimony to the commitment of our people.

Meanwhile, as the community experienced successive waves of the pandemic, core Council services such as waste collection, street maintenance and open space management became more important than ever.

Our frontline teams – from street cleaners to those helping society's most vulnerable – worked tirelessly to keep the municipality clean, support the directives of health authorities and provide outlets for the community's physical and mental wellbeing.

Impact on the Budget

The impact of COVID-19 on Council's Budget has been significant and the reverberations will continue for many years.

There was an immediate decline in revenue of \$9.6 million from the 2019–20 forecast. The 2020–21 Budget was re-designed to reflect a deeply impacted economic environment.

Due to many years of prudent financial management, Council was in the position to offer approximately \$5 million in relief for residents and businesses, while remaining committed to critical long-term capital projects that create jobs and economic opportunity.

From the re-imagining of Prahran Town Hall, to many smaller projects across our neighbourhoods such as footpath and playground upgrades, these initiatives provide important economic stimulus and employment opportunities.

Projects and infrastructure

Council was delighted to open Prahran Square in late 2019. The new heart of Prahran has spaces to relax, catch up with friends or just take a breather from the hustle and bustle. Alongside hundreds of safe and secure car spaces – including our first electric car charging stations – Prahran Square will be home to many exciting community events, boosting patronage to nearby cafés, bars, restaurants and retail stores.

Planning for the Percy Trevaud Memorial Park Masterplan also continued. It will guide the proposed development of new community sporting facilities and park improvements.

Important projects delivered this year include:

- » Grosvenor Street Maternal Child Health Centre upgrade
- » Toorak Park/Victory Square Masterplan Stage 1 completion
- » Caroline Gardens redevelopment
- » King Street Walk
- » Gardiner Park redevelopment and first synthetic sports ground
- » Gladstone Gardens and Carters Avenue Reserve, and
- » Princess Gardens Masterplan Stage 1 implementation.

We continued to invest in our neighbourhoods, including the Kooyong Village Shopping Precinct upgrade and Mount Street and Forrest Hill Masterplans, as well as adding valuable pocket parks in Mount, Balmoral, Regent, Porter and Grattan streets.

Our rehabilitation and revegetation works continued across the city, particularly along the Yarra River, an increasingly popular recreation area.



A message from our Mayor and Chief Executive Officer

Cont...

Climate and sustainability

In February 2020, Council declared a climate emergency. This recognises the need for immediate and urgent action on climate change.

Council's Climate Emergency Action Plan will include actions we are taking to reduce corporate and community emissions, increase canopy cover, enhance biodiversity, improve resource recovery, and support the community and businesses to take action.

Sustainability highlights in 2019-20 include:

- » Committed to purchasing 100 per cent of electricity supply from renewables from July 2021
- » Installed electric vehicle charging stations at Prahran Square carpark
- » Saved 1.6 million litres of water at Prahran Aquatic Centre
- » Planted 1,981 trees and 23,660 plants
- » Trialled permeable paving at Kingston Street carpark, Malvern East, allowing capture water to irrigate nearby Central Park
- » Expanded kerbside waste service to include food waste, and
- » Hosted Melbourne's biggest clothes swap event.

Events and economic development

Council continued to roll out its well known and popular series of events, celebrating the diversity, culture, arts and sense of community that make Stonnington special.

COVID-19 forced a reimagined events program. New opportunities for Council to connect to community came from using online technology and innovation.

The Economic Development team initiated several successful programs and campaigns to showcase Stonnington as a great place to live, work and invest, including the See Opportunity campaign.

We provided strong support to our uniquely different precincts and retail strips, including creative marketing campaigns, business education and networking programs.

Transformation

In late 2019, the City of Stonnington unveiled a new corporate structure, designed to enable a transformation to a more customer-focused, agile and efficient business model.

Work is now well underway on a major overhaul of the complex and ageing business systems and infrastructure that underpin our operations. This will lay the groundwork for a digital-first service that will result in a superior customer experience, drive internal efficiencies and provide ratepayers with greater value for money.

Advocacy

Council significantly stepped up its advocacy program on behalf of the community, working both unilaterally and in partnership with other councils on a range of challenges and opportunities, including homelessness, waste and recycling management, Victoria's major projects program, the implementation of the new *Local Government Act* and improvements to Melbourne's cycling infrastructure network.

Farewells

Council would like to acknowledge the many years of wonderful service of former Corporate Services Director Geoff Cockram, who retired after more than 14 years of service.



Cr Steven Stefanopoulos
Mayor



Jacqui Weatherill
Chief Executive Officer



Postscript from Cr Stefanopoulos

It was an honour to have served a third term as Mayor and spend more than 1,000 days leading what I believe is Victoria's most successful municipality. Congratulations to Cr John Chandler, who was appointed our first Deputy Mayor. John was also Stonnington's first Mayor in 1996.

I could not have been better supported by my fellow Councillors and the wonderful dedicated staff who strive to make Stonnington a better place every day. I was also delighted to host the Mayoral Charity Fundraiser for the Victorian Pride Centre, an Australia-first which celebrated the LGBTIQ+ community.

I particularly thank my fellow Councillors for the way in which we have come together, on behalf of our community, to navigate these difficult times.

Report of operations



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. The municipality is well known for shopping and lifestyle precincts, parks and gardens, leafy streets and historical architecture.

The estimated resident population in 2020 is 120,784. It is anticipated that the municipality will experience population growth of approximately 18.61 per cent to 2036.

Our community

Stonnington has a relatively young population, with 35 per cent of residents 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, 8.9 per cent are group households, and the average size across all households is 2.1 persons per dwelling.

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. Nearly one-quarter of the community speak a language other than English at home, with the top five non-English languages being 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.

Stonnington has 3,463 residents who 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 18,512 businesses creating 70,456 local jobs. The retail trade (20.4 per cent) and health care and social assistance (17.0 per cent) industries are Stonnington's largest employers. This adds to our \$10.09 billion gross regional product and 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 Shire of Malvern, as it was then, holding its first meeting there in 1886.

Stonnington community profile

Demographic profile:

Residents:
117,768

Density:
45.94 persons per hectare

Median age:
35

Household income:
\$1,942 median per week

Home ownership:

25.5% fully own house

21% mortgage

41% renting

3% public housing

9.45% not stated

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

Economy: Employed residents = 71,845

Local jobs: 70,456 / Largest employers:

20.4%

Retail trade

17%

Health care and social assistance

13%

Professional, scientific and technical services

9.4%

Accommodation and food services

40.2% Other

Local businesses: 18,512 / Industry type:

18.9%

Professional, scientific and technical services

17.7%

Rental, hiring and real estate services

14.3%

Financial and insurance services

9.9%

Health care and social assistance

39.2% Other

Fast facts



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

Your Council

Council's commitment

Council endeavours to achieve the best outcomes for the community having regard to the long-term and cumulative effects of its decisions.

In seeking to achieve its primary purpose, Council will facilitate the following:

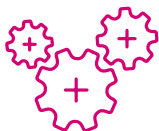
- » Promote the social, economic and environmental viability and sustainability of the city.
- » Ensure resources are used efficiently and effectively and that services are provided in accordance with the best value principles to meet the needs of the community.
- » Improve the overall quality of people's lives in the community.
- » Promote appropriate business and employment opportunities.
- » Continually upgrade Council's services and facilities to be accessible and equitable.
- » Ensure the equitable imposition of rates and charges.
- » Ensure transparency and accountability in decision-making.

The purpose of local government is specified in the *Local Government Act 1989*.

Our values

City of Stonnington has a clear strength in the bond and affinity between its Councillors, the community and staff. Staff support the community leadership and governance role of Councillors, and work together to achieve the commitments of the Council Plan. Having all City of Stonnington staff practise the following organisational values enhances the quality of this partnership:

- » **Cooperation** – We know that working together means we get better results. We are a team and together we achieve great things for our community. Our citizens, community and service users are the focus of all our actions.
- » **Change and New Ideas** – Finding better ways to do things and sometimes doing things that haven't been done before keeps us challenged, inspired and relevant.
- » **Learning** – We encourage learning and create opportunities for people to grow and succeed for the benefit of our community.
- » **Achievement** – We work hard to achieve great outcomes, strive for excellence and celebrate our successes.
- » **Communication** – We communicate in a respectful, transparent and inclusive manner. Being open and honest in our communications allows us to make better decisions.
- » **Accountability** – We do things the right way for the right reasons. We are responsible and accountable for the work we do and the way we do it.



Cooperation



Change and
New Ideas



Learning



Achievement



Communication



Accountability

Council's vision: Stonnington will be an inclusive, healthy, creative, sustainable and smart community.

Councillors

South Ward



Cr Steve Stefanopoulos

First elected 2004, re-elected 2016.
Mayor 2017–20.



Cr Judy Hindle

First elected 2002, re-elected 2004, 2008
and 2016.



Cr Melina Sehr

First elected 2002, re-elected 2004,
2008, 2012 and 2016. Mayor 2003–04,
March–November 2004, and 2010–11.

East Ward



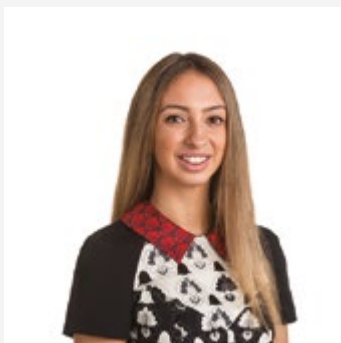
Cr Glen Atwell

First elected 2016.



Cr Sally Davis

First elected 1999, re-elected 2002
and 2016. Mayor 2002–03.



Cr Jami Klisaris

First elected 2012, re-elected 2016.
Mayor 2016–17.

North Ward



Cr John Chandler

First elected 1996, re-elected 1999, 2002,
2004, 2008, 2012 and 2016. Mayor
1996–97, 2006–07 and 2011–12.
Deputy mayor 2019–20. Served as an
elected Councillor and Mayor of the
former City of Prahran.



Cr Marcia Griffin

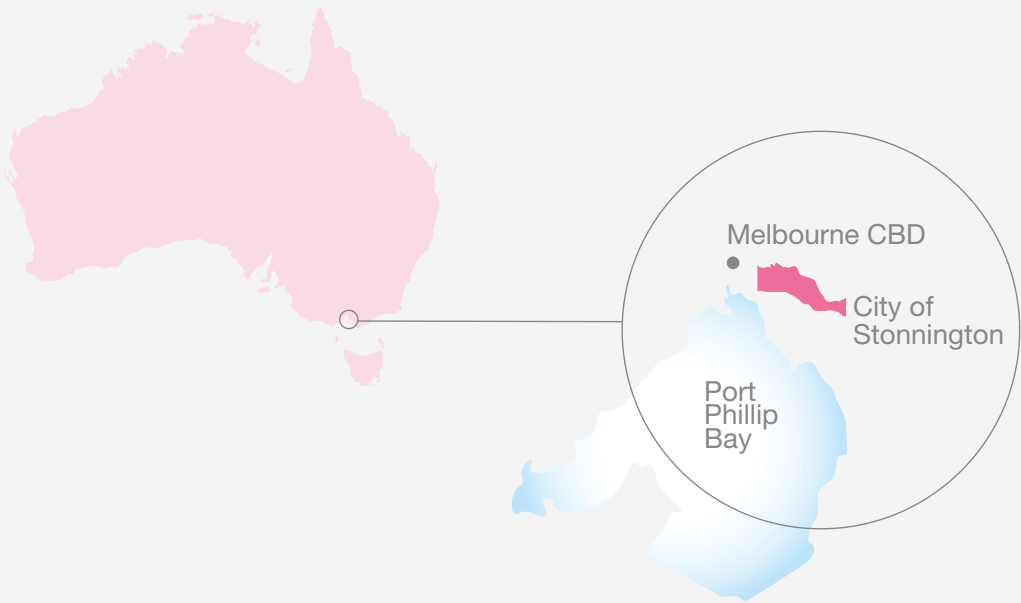
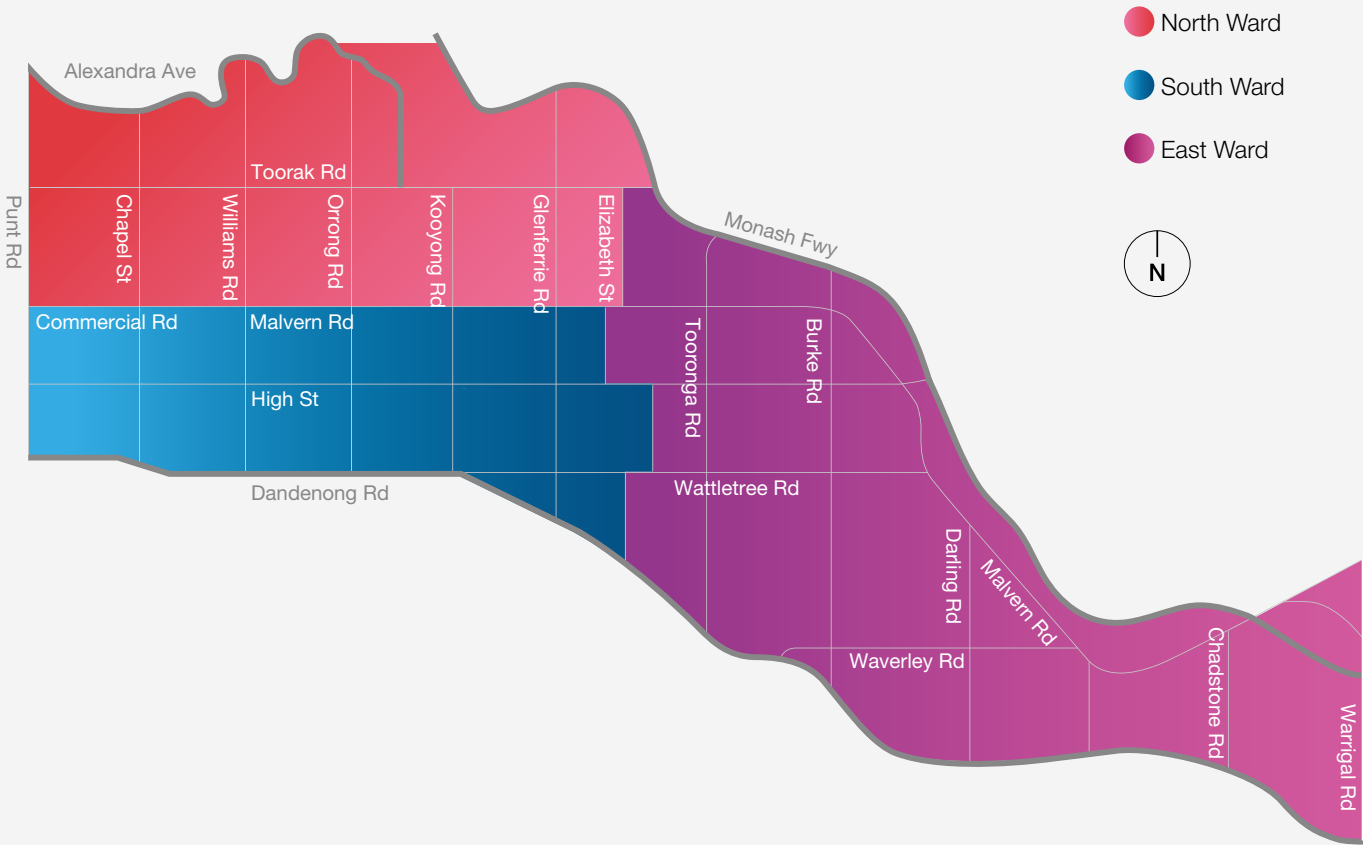
First elected 2016.



Cr Matthew Koce

First elected 2012, re-elected 2016.
Mayor 2012–13.

Stonnington ward map



Council offices

Stonnington City Centre

311 Glenferrie Road
Malvern 3144

Stonnington Services and Visitor Hub

Chatham Street,
Prahran Square
Prahran, 3181

Stonnington Depot (Administration Building)

293 Tooronga Road
Malvern, 3144

PO Box 58, Malvern Victoria 3144

T 8290 1333

E council@stonnington.vic.gov.au



Financial summary

Council's financial position continues to remain strong. A summary of our performance is outlined below. Detailed information relating to Council's financial performance is included within the Financial Statements and Performance Statement sections of this report.

The Financial Statements are a general purpose financial report compliant with Australian Accounting Standards, the *Local Government Act 1989*, 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

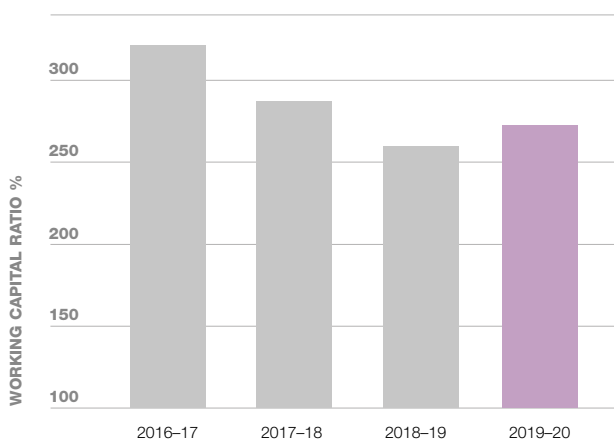
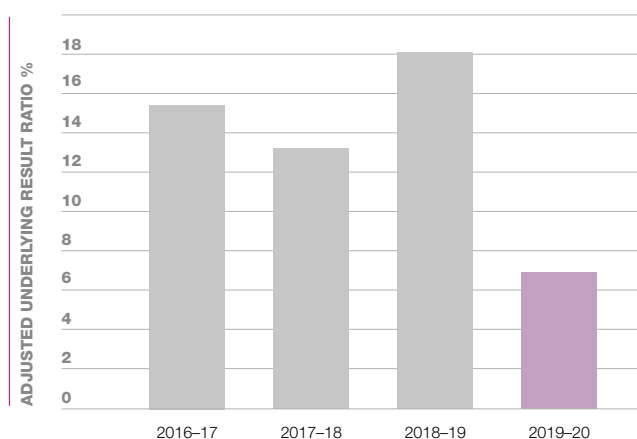
During the 2019–20 financial year COVID-19 significantly impacted the delivery of all non-essential services and core service were forced to adapt to the impact of social restrictions. Measures taken to mitigate the crisis has impacted City of Stonnington's operations at year ended 30 June 2020.

Council achieved a surplus of \$25.98 million in 2019–20. Rates and Charges revenue was \$117.74 million. The average rate was capped at 2.5% for 2019–20, and there was some growth in the number of rateable properties as a result of development activity. \$12.75 million of total revenue was attributable to open space contributions, which will be used to fund future investments in the creation of open space in response to our growing population.

Employee costs were \$68.81 million with Council providing employment opportunities for over 900 employees. Expenditure on materials and services was \$60.55 million, enabling Council to deliver an array of high quality services to the community. The adjusted underlying surplus of Council, after removing non-recurrent capital grants, cash capital contributions and non-monetary contributions, is \$12.4 million or 6.97% when compared to adjusted underlying revenue. Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to assist in funding the renewal of the \$2.93 billion of community assets under Council's control.

Liquidity

Council's current assets includes cash and cash equivalents, investments in term deposits (other financial assets) and other assets. Current assets were \$120.48 million in 2019–20 compared to \$125.21 million in 2018–19. 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 272% is an indicator of an excellent financial position and exceeds the expected target band of 120% to 200%.

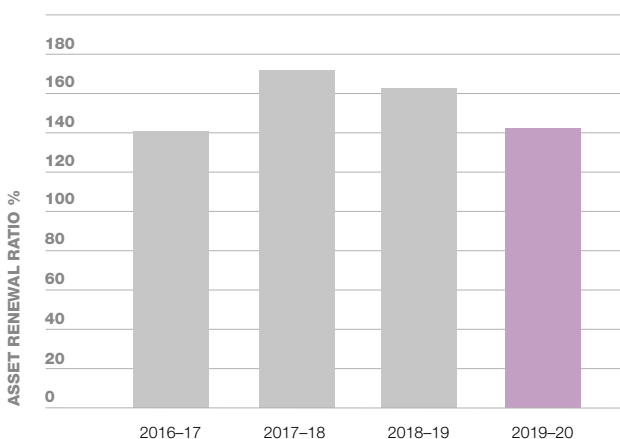
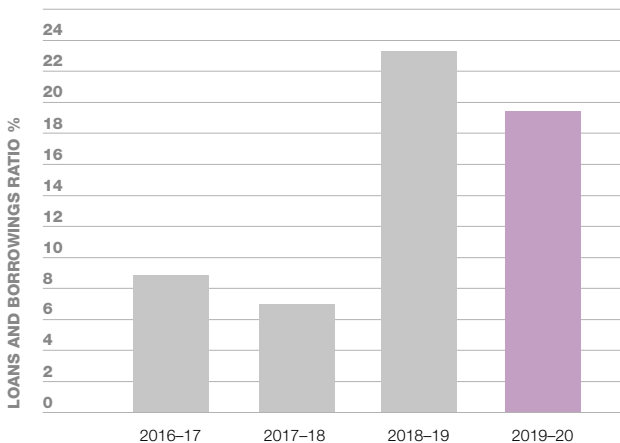


Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver essential services. Council invested \$27.46 million in renewal and upgrade works during the 2019–20 year. This was funded from the accumulation of the annual budget surplus.

During 2019–20 Council did not undertake new loan borrowings to assist in funding major community infrastructure development works. At the end of the 2019–20 year Council's debt ratio, which is measured by comparing interest-bearing loans and borrowings to rate revenue was 19.42%. This is within the lower range of the expected target band of 20%-60%.

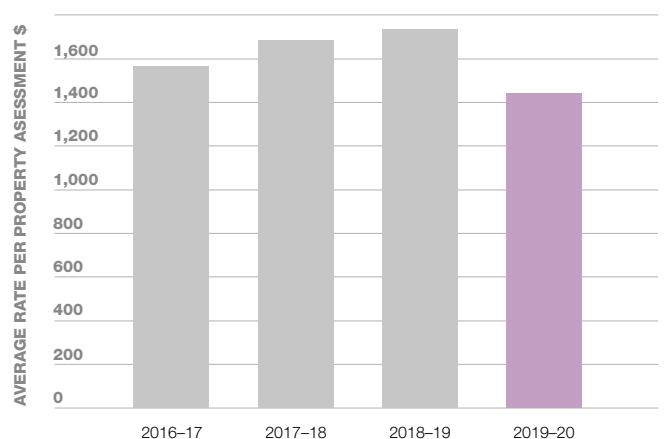
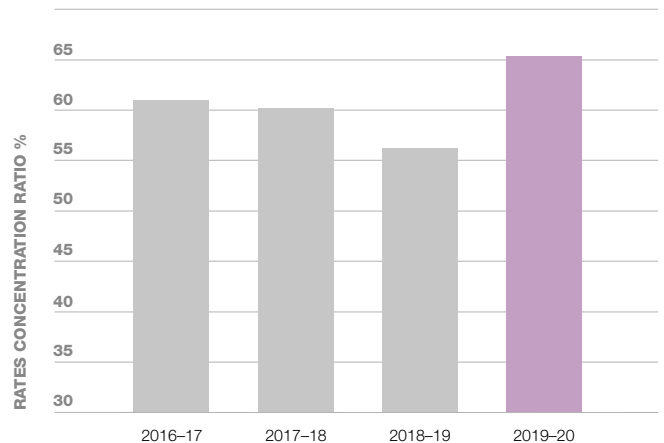
Council's asset renewal and upgrade ratio, which is measured by comparing asset renewal expenditure to depreciation, was a healthy 142.06%, which was greater than the expected target band of 90%-110%. This illustrates Council's focus on ensuring a sustainable level of funding is provided for the renewal of community infrastructure. Significant renewal projects during 2019–20 are detailed under the Major Capital Works section below.



Stability and efficiency

Council raises a wide range of revenue including rates, user fees, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 65.32% for the 2019–20 year, which is within the expected target band of 50%-80%.

Council has focused on broadening its revenue base and for the 2019–20 year was able maintain its high quality service delivery while delivering a capped general rate in the dollar increase of 2.5%. This resulted in an average residential rate per residential assessment of \$1,444 for 2019–20. This is in line with similar councils in the inner metropolitan area.



Note: Indicator for average rate per property assessment (Residential rates revenue / Number of property assessments) updated in 2019–20 to reflect total number of property assessment, in previous years the denominator reflected number of residential property assessments.

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.

Our community services and infrastructure support the wellbeing and prosperity of the community. Council's vision, strategic objectives and strategies to further improve services and facilities for the period of this Annual Report are further described in the Council Plan 2017–21 and the Budget 2019–2020.

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

Major capital works

During 2019–20 the overall expenditure on capital works was \$46.55 million and included:

- » Prahran Square development project (\$15.59 million)
- » Open space acquisition and development (\$1.03 million)
- » Roads and Footpaths (\$6.69 million)
- » Drainage improvements (\$2.91 million) – including road drainage replacement works
- » Harold Holt Swim Centre Masterplan implementation (\$0.86 million)
- » Percy Trevaud Memorial Park Masterplan development (\$1.03 million)
- » Princes Gardens Masterplan implementation (\$0.36 million)
- » Prahran Town Hall Masterplan development (\$0.78 million)
- » Toorak Park Masterplan implementation (\$2.47 million)
- » Windsor Siding Masterplan implementation (\$0.56 million)
- » Forest Hill Public Realm (\$0.58 million)
- » Bicycle strategy and path improvement (\$0.42 million)
- » Floodlighting development program (\$0.41 million)
- » Street light LED upgrade and solar upgrades (\$0.51 million)
- » Library materials (\$0.84 million), and
- » Public art and sculpture acquisition program (\$0.7 million).

Major achievements

- » Official opening of Prahran Square
- » Declared a climate change emergency
- » Achieved Council's 2020 greenhouse gas emissions target
- » Completed Harold Holt Swim Centre improvement works
- » Redeveloped Gardiner Park, featuring Council's first synthetic sports ground
- » Completed Victory Square improvement works
- » Adopted Inclusion Plan 2019–2022, and
- » Delivered recovery planning, strategies and community awareness campaigns in response to COVID-19 pandemic.

Major changes

Ms Jacqui Weatherill commenced as Chief Executive Officer on 22 July 2019. A restructure was undertaken during 2019–20 as part of building a fit-for-purpose organisation that is future ready. This included developing a new directorate to elevate community engagement and innovation.

The *Local Government Act 2020* commenced its staged proclamation and implementation during 2019–20. It represents the most ambitious reform to the local government sector in over 30 years. The Act will improve local government democracy, accountability and service delivery for all Victorians.

The new *Local Government Act 2020* will be implemented in stages from April 2020 to July 2021. During this transition period many of Council's obligations will still be governed by the *Local Government Act 1989*.

Economic factors

On 11 March 2020, COVID-19 was declared a global pandemic and a state of emergency was declared in Victoria on 16 March 2020.

Council enacted its Business Continuity and Pandemic Plans on 17 March 2020, with a focus on maintaining core services.

COVID-19 significantly impacted the delivery of all non-essential services and core services adapted to the impact of restrictions. Measures taken to mitigate the crisis have impacted City of Stonnington's operations and financial performance.

A summary of these impacts is included in the financial report under *Note 1(a) – Impact of COVID-19 crisis on City of Stonnington's operations and 2019–20 financial report*.

Performance

Strategic Planning framework

The Planning and Accountability Framework is found in part 6 of the *Local Government Act 1989* (the Act). The Act requires councils to prepare the following planning and reporting documents:

- » 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 that is included in the Council Plan
- » a budget for each financial year, and
- » an annual report for each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the Planning and Accountability Framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

Council Plan

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

The key strategic objectives are:

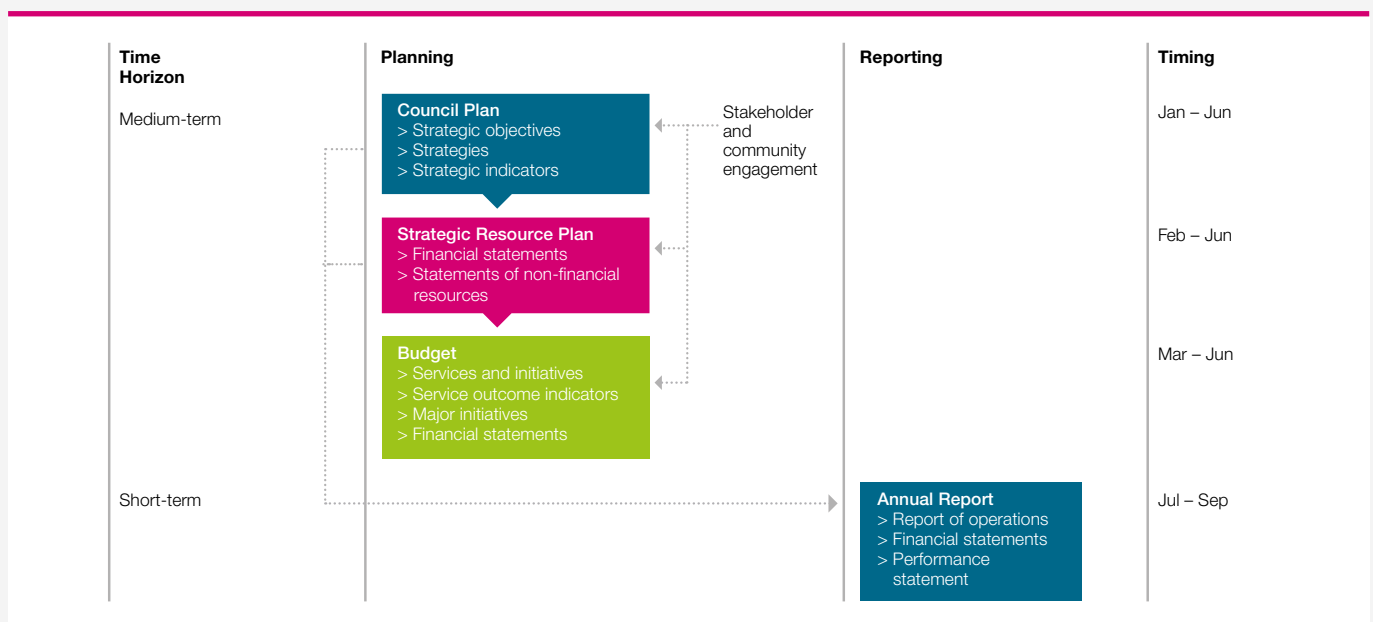
- » **Community** – an inclusive city that enhances the health and wellbeing of all residents, where people can feel safe, socially connected and engaged
- » **Liveability** – the most desirable place to live, work and visit
- » **Environment** – a cleaner, safer and better environment for future generations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

Performance

Council's performance for the 2019–20 year has been reported against each key strategic objective and the strategic resource plan, 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
- » a **description of services** funded in the Budget and the people or sections of the community they are provided to, and
- » results against the prescribed **service performance indicators** and measures.

Council is also required to publish an audited Performance Statement as part of the Annual Report. The Performance Statement contains a selection of the service performance indicators as well as a number of financial performance indicators and sustainable capacity indicators. This is provided in the Performance Statement section.



Community

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

Achievements

- » Adopted Inclusion Plan 2019–2022
- » Upgraded and expanded Community Safety Camera Program
- » Completed Harold Holt Swim Centre improvement works
- » Redeveloped Victory Square
- » Redeveloped two Council buildings as universally accessible facilities
- » Shifted events and programs to online environments in response to COVID-19, and
- » Increased community engagement across communication, digital and customer service platforms.



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%	<ul style="list-style-type: none"> » Delivered 75 immunisation sessions and 24 school visits with 8,960 vaccines administered. » Assessed early years services were recorded as 'exceeding' National Quality Standards. » Implemented Year 3 Action Plan of the Municipal Public Health and Wellbeing Plan 2017–2021, including actions to promote active and healthy lifestyles, provide a safe community, provide inclusive and accessible environments, minimise the impact of alcohol and other drug use and prevent violence and injury. » Monitored the impacts of COVID-19 on health and wellbeing to inform recovery planning and community awareness campaigns.
Strengthen Council's commitment to support our diverse and inclusive communities.	95%	<ul style="list-style-type: none"> » Adopted the Inclusion Plan 2019–2022 to increase access and participation for people living with disabilities, their families and carers. Actions progressed included the establishment of a policy to guide the installation of Changing Places facilities across the municipality. » Shifted events and programs to online environments in response to COVID-19 including cultural celebrations, such as Reconciliation Week, and online programming for young people, including music and arts workshops.
Implement community safety initiatives and fair compliance processes to address community safety issues.	100%	<ul style="list-style-type: none"> » Convened six community safety meetings and continued to maintain a strong partnership with Victoria Police. » Upgraded the Community Safety Camera Program wireless network and installed six new safety cameras at Prahran Square. Council facilitated a Relief Centre exercise to test organisational and key agency preparedness. » Updated the Municipal Emergency Management Plan and sub-plans to reflect changes to legislation and Pandemic Plan requirements. » Continued to deliver the Stonnington 'Toward Zero' 2018–2022 Road Safety Strategy. » Administered and enforced new regulations for swimming pools and spas.
Enhance community engagement to ensure Council makes long-term decisions in the best interests of the community.	100%	<ul style="list-style-type: none"> » Increased engagement across all online communication platforms driven by COVID-19. Our Connect Stonnington platform continues to engage the community with more than 19,000 site visits. » Developed and implemented a new Communications Plan, which included new digital communication offerings to assist in community engagement. » Implemented virtual consultation sessions to ensure continued engagement in the planning process during COVID-19 restrictions. » Implemented new technology systems to drive improved business processes (including e-payments, digital forms and on-line bookings for events and pools). » Developed a Customer Experience Strategy and roadmap to deliver an improved customer experience model across all service areas of Council. » Implemented a dedicated COVID-19 Call Centre Hotline so that customers have a single point of contact for all COVID related enquiries, including federal, state and local information. » Achieved a score of 74 for community satisfaction with customer service (4 points above state average) in the annual community satisfaction survey, with improvement actions included in the Customer Experience road-map
Increase participation in physical activity through long-term recreation planning and service delivery.	90%	<ul style="list-style-type: none"> » Completed improvement works at Victory Square to create a new playground and lawn area. Construction of cricket practice nets is in progress. » Completed initial facility improvements at Harold Holt Swim Centre, including renovation of the indoor leisure pool, replacement of pool-water treatment system and refurbishment of an indoor changeroom. » Adopted a Masterplan for Percy Treyvaud Memorial Park.
Enhance modern learning environments, community hubs and libraries to support connected communities.	95%	<ul style="list-style-type: none"> » Upgraded early years facilities at Princes Close Child Care Centre, Youth Services Offices at Grattan Gardens Community Centre, Brookville Kindergarten and Wattletree Early Childhood Centre. » Undertook works to improve accessibility and inclusion at Council's buildings including the redevelopment of the former Grosvenor Street Child Care Centre as a universally accessible Maternal Child Health Centre and redevelopment of the former East Malvern Guide Hall as a universally accessible Men's Shed. » Shifted library information services online during COVID-19 shutdown.
Support local community organisations with equitable access to facilities, training and resources.	100%	<ul style="list-style-type: none"> » Awarded more than \$600,000 in community grants to local community organisations. » Commissioned two street art murals at Princess Close Childcare Centre and Malvern Library, and a short-term installation on Malvern Road as part of the Vacant Shops Project.

Major initiatives

The following table reviews progress in relation to major initiatives identified in the Budget 2019–20.

Major initiative	Progress
Complete the design phase of the proposed indoor facility and begin construction, subject to adopting the Masterplan for the Multi-Sport and Recreation Precinct at Percy Treyvaud Memorial Park (\$14.41 million net cost).	Masterplan endorsed by Council in May 2019. Currently progressing detailed design.
Implement Stage 1 of the Toorak Park Sport Precinct Masterplan (\$1.91 million net cost).	Stage 1 Victory Square redevelopment works completed. Stage 2 construction of cricket practice nets is in progress. Draft feasibility study due for completion by August 2020.
Complete Stage 1 of the Harold Holt Swim Centre Masterplan implementation (\$2.9 million net cost).	Stage 1 of the Improvement Program completed. Design and documentation for next stage.



Description of services

The following table provides information about the services funded in the Budget 2019–20 and the people or sections of the community who receive the service.

Service area	Description	Net cost (\$'000)
		Actual Budget Variance Favourable / (unfavourable)
Diversity and Aged 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.	5,386 <u>5,220</u> (166)
Animal Management Services	This service oversees animal registrations, animal complaints and prosecutions, pound operations and animal welfare education.	326 <u>168</u> (158)
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.	2,525 <u>1,229</u> (1,296)
Children and Family Services	This service provides family-oriented support services including childcare, pre-schools, a toy library, maternal and child health, preschool dental, counselling and support, youth services, immunisation, family day care and holiday programs.	4,771 <u>4,024</u> (747)
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 including for seminars, meetings and conferences.	1,070 <u>903</u> (167)
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 and support services at the Civic Centre. The customer support service is delivered from three customer service centres	1,967 <u>2,205</u> 238
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 the management and provision of advice on external communication on behalf of Council.	3,163 <u>2,393</u> (770)
Environmental Health	This service protects the community by coordinating food safety support programs, Tobacco Act activities and smokefree dining and gaming venue issues. The service also responds to public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	490 <u>159</u> (331)
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.	4,241 <u>4,290</u> 49
Malvern Valley Golf Course	This service provides public open space, significant environmental areas and an 18-hole public golf course.	289 <u>350</u> 61
Recreation Services	This service is responsible for the management and use of sportsgrounds, pavilions and community centres. It provides advice to Council on recreation needs, assists community groups with funding applications, event management and promotion, and administers license agreements.	856 <u>919</u> 63

Service performance indicators

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
Aquatic facilities						
Service standard						
AF2	Health inspections of aquatic facilities <i>(Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)</i>	2.00	1.00	1.00	0.33	Council ensures aquatic facilities operate in accordance with the Public Health and Wellbeing Act 2008. No health inspections were conducted in the fourth quarter of 2019–20, due to COVID-19 shutdown of facilities.
Utilisation						
AF6	Utilisation of aquatic facilities <i>(Number of visits to aquatic facilities / Municipal population)</i>	4.96	5.42	5.30	4.09	COVID-19 restrictions resulted in a reduced attendance of 29,417 visits recorded from April to June 2020, with facilities open for just 23 days during the 3-month period. This resulted in a reduced utilisation rate that is outside materiality.
Service cost						
AF4*	Cost of indoor aquatic facilities <i>(Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities)</i>	\$1.52	\$1.25	\$2.58	Retired in 2020	This measure was replaced by AF7 from 1 July 2019.
AF5*	Cost of outdoor aquatic facilities <i>(Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities)</i>	\$0.00	\$0.00	\$0.00	Retired in 2020	This measure was replaced by AF7 from 1 July 2019.
AF7	Cost of aquatic facilities <i>(Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities)</i>	New in 2020	New in 2020	New in 2020	\$1.76	This is a new indicator for 2020. Cost per visit was impacted due to COVID-19 shutdowns. While visits ceased, fixed costs continued throughout the shutdown period. Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.
Animal management						
Timeliness						
AM1	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)</i>	2.61	1.83	1.12	1.60	Critical requests such as animal attacks and injured animals are actioned the same day. Council's response time remains ahead of the state average (2 days across all councils 2018–19).
Service standard						
AM2	Animals reclaimed <i>(Number of animals reclaimed / Number of animals collected) x100</i>	78.28%	61.34%	50.68%	37.19%	The percentage of animals reclaimed continues to decline. A higher proportion of cats (146) have been impounded, which are less likely to be reclaimed than dogs (109). The reclaim rates averaged 19% for cats and 83% for dogs.

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
AM5	Animals rehomed (Number of animals rehomed / Number of animals collected) x100	New in 2020	New in 2020	New in 2020	TBC	The Council pound is operated by the Save-A-Dog Scheme. Council is working with our provider to meet the data requirements for this performance indicator. Note: New measure for 2019–20 financial year.
Service cost						
AM3*	Cost of animal management service (Direct cost of the animal management service / Number of registered animals)	\$68.50	\$50.59	\$79.03	Retired in 2020	This measure was replaced by AM6 from 1 July 2019.
AM6	Cost of animal management service per population (Direct cost of the animal management service / Population)	New in 2020	New in 2020	New in 2020	\$8.18	Council is committed to the safety of the community and animal welfare. Increased costs related to the use of contract staff to cover unexpected leave, and increased legal costs for prosecutions that were adjourned. Note: This measure is replacing previous 'Cost of animal management service', which was based on cost per number of registered animals.
Health and safety						
AM4*	Animal management prosecutions (Number of successful animal management prosecutions)	6	9	5	Retired in 2020	This measure was replaced by AM7 from 1 July 2019.
AM7	Animal management prosecutions (Number of successful animal management prosecutions / Number of animal management prosecutions) x 100	New in 2020	New in 2020	New in 2020	0.00%	Council pursues charges through the Magistrates Court as appropriate. During the 2019–20 financial year COVID-19 restrictions led to court hearing adjournments. Note: This measure is replacing previous 'Animal management prosecutions', which was a measure of number, not proportion.
Food safety						
Timeliness						
FS1	Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints)	1.00	1.00	2.88	2.94	Council's community response to the COVID-19 pandemic involved Environmental Health Officers. Response times declined to a 2.5 day average for a food premises related complaint, including weekends.
Service standard						
FS2	Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984) x100	88.64%	97.46%	91.58%	95.39%	Food safety assessments, required under the Victorian Food Act 1984, improved by more than 3%, and is consistent with the state average. This is despite COVID-19 closures during the fourth quarter of 2019–20.

Service performance indicators

Cont...

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
	Service cost					
FS3	Cost of food safety service <i>(Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984)</i>	\$696.15	\$695.05	\$643.29	\$680.71	Increased cost is the result of contract labour hire usage. Contractors were utilised due increased workload associated with COVID-19 response.
	Health and safety					
FS4	Critical and major non-compliance outcome notifications <i>(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</i>	89.57%	87.93%	90.75%	99.50%	Council has improved responsiveness to critical and major non-compliance notifications. Follow up inspections of premises that had critical and major non-compliance notifications, occurred within appropriate timelines.
	Libraries					
	Utilisation					
LB1	Physical library collection usage <i>(Number of physical library collection item loans / Number of physical library collection items)</i>	4.42	4.91	5.00	3.23	COVID-19 restrictions forced library closures, impacting usage of items across all libraries. Malvern library was closed for renovations for six weeks (January - February) impacting loans during this time frame. Note: From 2019–20, this indicator measures the performance of physical library items as a subset of the wider library collection.
	Resource standard					
LB2	Recently purchased library collection <i>(Number of library collection items purchased in the last 5 years / Number of library collection items) x100</i>	83.21%	91.37%	99.94%	82.98%	Purchases over recent years meet the community’s expectation for contemporary library services. Since COVID-19 restrictions, purchases have reduced, and focused on digital acquisitions.
	Participation					
LB4	Active library borrowers in municipality <i>(Number of active library borrowers in the last three years / The sum of the population for the last three years) x100</i>	17.32%	17.06%	15.46%	15.84%	The number of active library borrowers is consistent with 2018–19. COVID-19 restrictions and Malvern Library renovations increased online borrowings.
	Service cost					
LB3*	Cost of library service <i>(Direct cost of the library service / Number of visits)</i>	\$7.21	\$7.14	\$7.88	Retired in 2020	This measure was replaced by LB5 from 1 July 2019.
LB5	Cost of library service per population <i>(Direct cost of the library service / Population)</i>	New in 2020	New in 2020	New in 2020	\$48.18	Costs increased with COVID-19 shutdown causing: increased online subscriptions; cancelled events requiring honouring of expense agreements; lost revenue of meeting room hire. High utilities costs also had an impact.

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
	Maternal and child health (MCH)					
	Service standard					
MC2	Infant enrolments in the MCH service <i>(Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x100</i>	101.05%	100.46%	101.43%	101.13%	The result is consistent with prior periods. High participation rates demonstrate the importance and value of maternal and child health services for infants and their families.
	Service cost					
MC3	Cost of the MCH service <i>(Cost of the MCH service / Hours worked by MCH nurses)</i>	\$79.65	\$87.70	\$97.33	\$62.39	The cost of service provision has decreased outside the materiality threshold, with improvements to true cost allocation - removing costs not directly related to maternal child health service provision.
	Participation					
MC4	Participation in the MCH service <i>(Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100</i>	75.02%	78.86%	78.84%	82.39%	Family participation can vary between years. The 2019-20 result was an improvement on 2018-19.
MC5	Participation in the MCH service by Aboriginal children <i>(Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100</i>	68.42%	62.16%	73.33%	95.45%	The City of Stonnington has a small Aboriginal community, and family participation in maternal and child health services will vary significantly between years. There was a focused effort by Council for this service, resulting in an increase in participation.
	Satisfaction					
MC1*	Participation in first MCH home visit <i>(Number of first MCH home visits / Number of birth notifications received) x100</i>	99.9%	95.0%	99.7%	Retired in 2020	This measure was replaced by MC6 from 1 July 2019.
MC6	Participation in 4-week Key Age and Stage visit <i>(Number of 4-week key age and stage visits / Number of birth notifications received) x100</i>	New in 2020	New in 2020	New in 2020	96.83%	Council encourages participation by families in universal health care supports. Participation rates are high, rating well against the state average.

Note: *Denotes retired indicator not captured during current reporting period. Replacement indicators specified in Comments where appropriate.

Liveability

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

Achievements

- » Official opening of Prahran Square
- » Continued detailed design of the Prahran Town Hall redevelopment
- » Received funding for new pocket park in Prahran and off-leash dog park in South Yarra, and
- » Added 26 heritage places to the Heritage Overlay.



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.	95%	<ul style="list-style-type: none"> » The State Government provided grants Local Parks Program for a new pocket park in Mount Street Prahran and a new off-leash dog park in South Yarra. » Ensured new open spaces as part of the Toorak Road Level Crossing Removal Project, demonstrating Council's advocacy for open space provision as a legacy of State Government infrastructure projects. » Completed facility improvement works at Righetti Oval, Malvern Library, Grattan Gardens Community Centre, Menzies Pavilion, Muir Pavilion, Pollack Pavilion, Como Pavilion and the Stonnington Animal Pound. » Implemented ongoing Masterplan works including safety and amenity upgrades at Windsor Siding, park improvements at Princess Gardens and pedestrian improvements at Forrest Hill. » Launched Prahran Square in December 2019.
Preserve Stonnington's heritage architecture and balance its existing character with complementary and sustainable development.	100%	<ul style="list-style-type: none"> » Endorsed a comprehensive suburb-by-suburb approach to heritage preservation. » Added three individual places and two precinct extensions totaling 26 heritage places to the Heritage Overlay.
Balance the competing demands of maintaining residential amenity and population growth through appropriate planning.	100%	<ul style="list-style-type: none"> » Completed a Neighbourhood Character Refresh following updated State Government requirements which will inform Council's Draft Housing Strategy.
Enhance the design outcomes of public spaces, places and buildings.	100%	<ul style="list-style-type: none"> » Assessed planning applications against the Environmental Sustainable Design and advocated for state-wide Policy. » Advocated for improved public amenity and urban design for the Bangs Street Housing Estate, and the creation of safe spaces through consideration of crime prevention through environmental design principles, opportunities for communal spaces to encourage connectedness, a sustainable social housing mix and appropriate supports and services for future tenants. » Advocated at a regional and state level for increased supply of public, social and affordable housing to meet the needs of the community.
Advocate for improved and accessible public transport to enhance liveability and economic growth.	100%	<ul style="list-style-type: none"> » Engaged with the Department of Transport, Yarra Trams and inner south metro councils to address existing services, future planning and new, improved public transport infrastructure, including DDA compliance and access for all users.
Maintain Council's infrastructure and assets essential for the sustainable operation of the city.	100%	<ul style="list-style-type: none"> » Completed conservation work on heritage significant facilities including the Harold Holt Swim Centre and Malvern Town Hall. » Completed a proposal to redevelop the Prahran Town Hall. » Prepared a Developer Contributions Policy and lodged Planning Scheme amendment for authorisation. » Delivered Council's annual street cleaning program, and replaced and repaired approximately 8,000 m2 of footpath. In response to flooding events and service demands, a number of subprograms have been expanded including footpath replacement, drainage pit cleaning and signage maintenance. 90% of requests through CRMS were met within service standards.

Major initiatives

The following table reviews progress in relation to major initiatives identified in the Budget 2019–20.

Major initiative	Progress
Progress the Prahran Town Hall redevelopment project (\$7.55 million net cost).	Completed redevelopment proposal.
Complete the Cato Street car park redevelopment into a new urban open space (\$10.32 million net cost).	Completed Prahran Square and launched in December 2019.
Complete Planning Scheme amendments in accordance with the recommendations of the Stonnington Planning Scheme Review (\$0.16 million net cost).	In progress.
Provide high quality and well-maintained public open spaces, including parks, gardens, reserves, golf course and sportsgrounds to cater for diverse community needs through delivering the annual program of works. This includes a review and enhancement of roadside and park maintenance service standards (\$11.40 million net cost).	Ongoing and progressed in line with planned program of works.



Description of services

The following table provides information about the services funded in the Budget 2019–20 and the people or sections of the community who receive the service.

Service area	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.	362 <u>(308)</u> (670)
Property Maintenance	This service prepares long-term maintenance management programs for Council's 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.	2,832 <u>2,653</u> (179)
Infrastructure Planning, Design and Management	This service conducts capital works planning for Council's 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.	4,586 <u>2,414</u> (2,172)
Major Projects and Property Improvements	This service conducts planning and delivers capital works projects for Council's properties to renew and improve the condition, compliance, sustainability, performance and value of Council's existing buildings to meet service delivery needs.	477 <u>767</u> 290
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.	4,397 <u>3,861</u> (536)
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 Council at the Victorian Civil and Administrative Tribunal. The service monitors and amends Council's Planning Scheme as well as preparing major planning policy documents to shape the future of Stonnington.	5,228 <u>5,114</u> (114)
Venue Facilities	This service provides venues for commercial hire and community use at the Malvern Town Hall, Functions On Chapel and Armadale meeting rooms. The service supports Council's civic functions and activities.	1,252 <u>1,258</u> 6

Service performance indicators

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
	Roads					
	Satisfaction of use					
R1	Sealed local road requests <i>(Number of sealed local road requests / Kilometres of sealed local roads) x100</i>	63.25	49.40	51.52	76.67	Requests increased outside materiality threshold, though 140 requests outside Council responsibility were redirected to relevant authorities. Removing these results in total of 34.24 for 2019–20, and 33% reduction on 2018–19 result.
	Condition					
R2	Sealed local roads maintained to condition standards <i>(Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x100</i>	99.40%	98.80%	98.79%	99.70%	Road condition has been maintained by ongoing maintenance and renewal programs.
	Service cost					
R3	Cost of sealed local road reconstruction <i>(Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)</i>	\$133.07	\$248.29	\$133.99	\$199.90	The reconstruction of Union Street required full depth pavement reconstruction. Situated in the business activity precinct of Chapel Street, these works required additional OHS measures, increasing costs.
R4	Cost of sealed local road resealing <i>(Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)</i>	\$24.15	\$19.68	\$21.52	\$26.13	The increased cost of resealing is due to increased cost of asphalt, and works being conducted in busy narrow streets that required additional site safety measures.
	Satisfaction					
R5	Satisfaction with sealed local roads <i>(Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads)</i>	66.00	65.00	70.00	65.00	Council has ongoing maintenance and renewal programs. Satisfaction with sealed local roads was 5 points lower than 2018–19, but within the materiality threshold. The result is 11 points higher than the state average for 2018–9.

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
Statutory Planning						
Timeliness						
SP1	Time taken to decide planning applications <i>(The median number of days between receipt of a planning application and a decision on the application)</i>	88.00	96.00	86.00	70.00	Council received 100 less applications in Q4 2019–20 when compared with Q4 2018–19, which influenced the outcome on application processing times.
Service standard						
SP2	Planning applications decided within required time frames <i>((Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made) x100</i>	57.07%	54.76%	66.00%	71.21%	Changes to the Planning Scheme, allowing additional application categories to be classed as VicSmart, resulted in a 7% increase in VicSmart applications (received and assessed) within the timeframe.
Service cost						
SP3	Cost of statutory planning service <i>(Direct cost of the statutory planning service / Number of planning applications received)</i>	\$3,497.25	\$4,093.77	\$4,053.98	\$2,560.10	Operating expenditure decreased with reduced reliance on contract staff during Q4.
Decision-making						
SP4	Council planning decisions upheld at VCAT <i>(Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100</i>	66.67%	50.75%	48.00%	52.63%	Council makes decisions in the best interest of the community. The 2019–20 result of 52.63% aligns to the state average of 52.64% for 2018–19 and is an improvement of almost 10% on Council's 2018–19 results. Note that for 2019–20 the success rate was 76%, if mediated outcomes included.

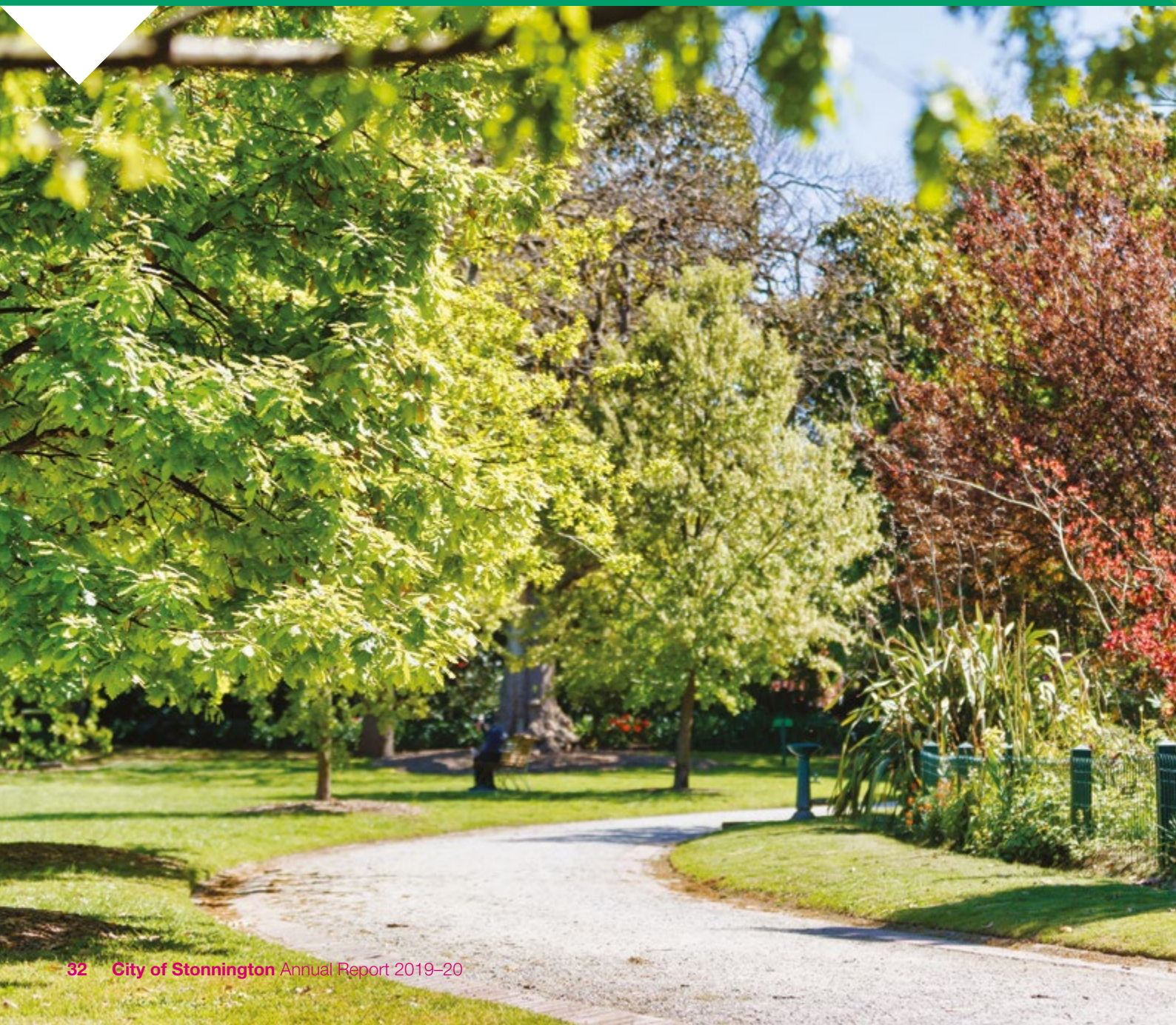


Environment

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

Achievements

- » Declared a climate change emergency
- » Achieved our 2020 greenhouse gas emissions target
- » Planted 1,981 trees and 23,660 plants across the municipality
- » Trialled innovative permeable paving at Kingston St carpark, allowing water from the carpark to irrigate adjacent park and trees
- » Expanded kerbside waste service to include food waste
- » Laid 3,000 tonnes of asphalt containing recycled plastic and 1,000 tonnes of asphalt containing recycled crumb rubber on 21 local roads, and
- » Delivered 72 environmental education sessions to 28 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%	<ul style="list-style-type: none"> » Reduced corporate greenhouse gas emissions by 32%, successfully meeting Council's 2020 target. » Installed new solar systems at Grosvenor Street Childcare Centre and expanded existing systems at Malvern Library and Orrong Romanis Recreation Centre. Council has now installed 880 kW of solar on 32 buildings and facilities to reduce corporate emissions. » Upgraded 1,310 street-lights to LEDs. 97% of Council's street lights are now energy efficient. » Prepared a Climate Emergency Action Plan for adoption, outlining how Council, the community, schools and businesses can work together to take action.
Maximise efficiency of water use and improve water quality entering waterways.	100%	<ul style="list-style-type: none"> » Awarded a Melbourne Water grant to trial innovative permeable paving containing recycled tyres in the Kingston Street car park in Malvern East. This was the first Victorian trial site for this treatment, which will support Council's water sensitive city by filtering stormwater and passively watering the adjoining Central Park and eight new tree pits. » Investigated opportunities to reduce potable water consumption, achieving an 8% reduction this year.
Enhance biodiversity values throughout Stonnington to protect and increase flora and fauna.	100%	<ul style="list-style-type: none"> » Pursued opportunities to complete the 'missing links' bridge sections of the Yarra River Biodiversity Project, resulting in federal grant funding of \$400,000 to support this work. » Prepared the Gardiners Creek Masterplan.
Protect, maintain and grow Stonnington's street tree population to enhance the character, identity and liveability of the City of Stonnington.	100%	<ul style="list-style-type: none"> » Managed urban forest on public land and resident requests relating to the management of trees on private land. » Planted 1,981 trees and 23,660 plants in streets, gardens, parks and reserves. In total, Council has planted 145,000 plants and trees since 2018 and are on track to achieve our target of 250,000 by 2023.
Deliver best practice waste management services to minimise waste generation and maximise resource recovery and recycling.	100%	<ul style="list-style-type: none"> » Installed smart litter and recycling bins in Ardrie Park and Prahran Square. Smart bins use solar compacting technology to hold up to eight times the capacity of a traditional bin and include sensors to alert Council's waste team when bins are almost full. » Installed over 150 public recycling bins in shopping precincts and public open space throughout the city. » Commenced kerbside food waste recycling. Participation in green waste bin service increased by 3.5% from last year.
Enhance sustainable purchasing of goods, materials and services with reduced environmental impacts.	90%	<ul style="list-style-type: none"> » Enhanced the environmental responsibility of Council's vehicle fleet through fuel efficient purchases. Council invested in a number of new fuel-efficient vehicles (waste trucks, block trucks, hook trucks and hybrid cars). » Replaced 12 petrol or diesel vehicles with suitable efficient hybrid vehicles. » Planned introduction of a new Fleet Management System to improve fuel efficiency tracking and monitoring.
Lead community sustainability through public programs.	100%	<ul style="list-style-type: none"> » Delivered annual program of environmental education and sustainability outreach events with some programs shifting to online environments in response to COVID-19. This included the delivery of 9 webinars as part of an online sustainable living series in partnership with cities of Yarra, Port Phillip and Glen Eira, which reached over 900 attendees. » Developed an online resource bank for educators to support teaching and online learning. » Launched Stonnington's Environmental Champions program.
Promote and facilitate the use of sustainable transport options across the city.	90%	<ul style="list-style-type: none"> » Undertook Gardiners Creek project planning to improve connections and enhance quality of off-road cycle paths. » Commenced Peverill Park shared path upgrade. » Advocated for development of Strategic Cycle Corridors in partnership with VicRoads and DoT. » Installed cycle counters on the Main Yarra trail and Scotchman's Creek shared path, and counter totem near Punt Road. » Installed traffic survey cameras in Chapel Street to count cyclists, vehicles and pedestrians to assist with planning for Chapel Street redevelopment.

Major initiatives

The following table reviews progress in relation to major initiatives identified in the Budget 2019–20.

Major initiative	Progress
Enhance biodiversity values through implementing the Yarra River Biodiversity Project 'Missing Links' bridge sections and the Gardiners Creek Corridor Project (\$0.99 million net cost).	Progressed program of work, including pursuing opportunities to complete the 'missing links' bridge sections of the Yarra River Biodiversity Project



Description of services

The following table provides information about the services funded in the Budget 2019–20 and the people or sections of the community who receive the service.

Service area	Description	Net cost (\$'000)
		Actual Budget Variance Favourable / (unfavourable)
Environment and Sustainability	This service develops environmental policy and coordinates and implements other services to improve Council's environmental projects and works with environmental performance, including the greenhouse gas emissions reduction program.	861 874 13
Public Spaces Design and Development	This service prepares policies and development strategies related to open space and urban design. It also provides and implements landscape and urban design advice.	1,321 417 (904)
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.	9,222 8,386 (836)
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.	18,398 17,816 (582)

Service performance indicators

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
Waste Collection						
Satisfaction						
WC1	Kerbside bin collection requests <i>(Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x1000</i>	140.35	135.07	138.73	150.22	The result is an 8% increase and within materiality threshold. Increased reports of missed collections (April–June 2020) attributed to COVID-19 ‘work from home’ arrangements; increased home gardening and a higher incidence of bin refills.
Service standard						
WC2	Kerbside collection bins missed <i>(Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts) x10,000</i>	3.58	3.83	3.80	4.40	The result compares well to 4.9% state average for 2018–19. Increased reports of missed collections (April–June 2020) attributed to COVID-19 ‘work from home’ arrangements; increased home gardening and a higher incidence of bin refills.
Service cost						
WC3	Cost of kerbside garbage bin collection service <i>(Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)</i>	\$122.23	\$126.33	\$119.87	\$118.68	Council is committed to providing cost efficient waste management services. This result shows a marginal improvement on the 2018–2019 result.
WC4	Cost of kerbside recyclables collection service <i>(Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)</i>	\$18.41	\$25.69	\$37.83	\$37.51	This result is consistent with 2018–2019, and \$20 cheaper than the state average.
Waste diversion						
WC5	Kerbside collection waste diverted from landfill <i>(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100</i>	36.89%	36.57%	34.81%	40.20%	Council promotes community environmental outcomes. Waste diversion rates improved almost 6% compared to 2018–19, with food waste inclusion in green organics bin from 1 March 2020 contributing to the improved result.

Economy

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

Achievements

- » Progressed Chapel Street Masterplan implementation
- » Prior to COVID-19 restrictions, delivered a diverse program of ticketed and free events to the community attracting over 42,000 attendees, and
- » Promoted local businesses who have adapted in response to COVID-19.



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.	90%	<ul style="list-style-type: none"> » Commenced planning for Council's adopted Hawksburn Structure Plan via planning scheme amendment C272, which was progressed to a virtual Panel Hearing in June 2020. » Planned 17 smaller activity centres, with 3D modelling undertaken to gauge appropriateness of proposed heights and setbacks as well as further supporting studies. A draft framework for the centres has been progressed. » Implemented a business concierge service as part of the Better Approvals program to assist with welcoming new businesses. » Progressed Chapel Street Masterplan implementation.
Provide effective engagement and support to local business through business skills development and marketing.	100%	<ul style="list-style-type: none"> » Delivered planned business education events and support services online in response to COVID-19, including: <ul style="list-style-type: none"> » "See Opportunity" Webinar Series, which featured six local businesses over six episodes, sharing their insights into how they adapted their business in the current environment » 'Retail Restart' webinar tailored to assist Stonnington retail businesses consider how they might restart or relaunch as restrictions ease » Two online training webinars on social media marketing and Facebook advertising, and » Continued to engage with local businesses explaining available Local, State and Federal support packages and training.
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%	<ul style="list-style-type: none"> » Endorsed the Vacant to Vibrant Action Plan and progressed a number of initiatives including: <ul style="list-style-type: none"> » Better Approvals Program, recruitment of a Senior Business Consultant » Retail Precinct Profiles, installation of graphics on vacant shop windows » Activation of 290 Malvern Road (vacant Council owned commercial building flagged as new skate park as part of Prahran Aquatic Centre redevelopment) with internal mural and art work, and » Established internal processes to identify businesses requiring support.
Promote Stonnington's premier precincts, employment clusters and cultural assets as hubs for shopping, hospitality, entertainment and culture.	95%	<ul style="list-style-type: none"> » Prepared an Arts and Culture Strategy for adoption by Council. » Successfully delivered a diverse program of ticketed and free events to the community between July and February, attracting over 42,000 attendees. March to June events were not delivered due to COVID-19 State of Emergency. » Completed a comprehensive activation plan to engage with the local community and encourage participation in activities, Prahran Square visitation and local business support. » Promoted local businesses who have adapted in response to COVID-19 on our website, and featured six businesses as part of Council's "See Opportunity" Webinar Series. » Partnered with the Chapel Street Precinct Association to implement the 'Chapel Innovation' program, a campaign that features businesses and people who have adapted in response to COVID-19 restrictions.

Major initiatives

The following table reviews progress in relation to major initiatives identified in the Budget 2019–20.

Major initiative	Progress
Adopt the Activity Centres Strategy and progress planning provisions for Hawksburn Village (\$0.32 million net cost).	Commenced planning for Council's adopted Hawksburn Structure Plan, which was progressed to a virtual Panel Hearing in June 2020.



Description of services

The following table provides information about the services funded in the Budget 2019–20 and the people or sections of the community who receive the service.

Service area	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 and plans. It also develops arts and cultural facilities and infrastructure as well as policies and strategies to facilitate art practice.	2,954 <u>3,204</u> 250
Economic Development and Recovery	This service provides a range of events and activities to support and develop local businesses including marketing and promotion, business support and partnerships.	657 <u>433</u> (224)
Traffic and Parking Services	This service provides strategic planning, policy development and day-to-day management of traffic and transport-related issues, including managing Council's activity centre car parks.	(4,774) <u>(9,536)</u> (4,762)



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

- » Developed a three-year technology and digitisation road-map to modernise Council processes, ensure safe and reliable infrastructure, automate manual handling and provide greater choice for customers to interact with us
- » Implemented the use of virtual desktops (AWS workspaces) across the organisation to enable staff to work from home wherever possible, enabling Council business to continue during the COVID-19 pandemic, and
- » Unveiled a new corporate structure, designed to enable a transformation to a more customer-focused, agile and efficient business model.



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	100%	<ul style="list-style-type: none"> » Continuously updated governance practices, policies and procedures in accordance with legislative requirements. » Undertook Annual Citizen of the Year awards ceremony. » Moved citizenship ceremonies to online environment during COVID-19. » Continued to support the Inner Melbourne Action Plan (IMAP) maintaining Executive membership and special interest working groups.
People	90%	<ul style="list-style-type: none"> » Continued to offer staff an award-winning wellbeing program. » Provided human rights legislation training throughout the year. » Enabled people to work-from-home in line-with COVID-19 restrictions.
Asset Management	100%	<ul style="list-style-type: none"> » Upgraded council facilities at Princes Close Child Care Centre, Malvern Library, Central Park Child Care Centre, McArthur Street MCH Centre, Drysdale Street, Elizabeth Street and McFarlan Street Multi-storey Carparks, Orrong Romanis Recreation Centre, and Brookville Kindergarten.
Business Systems and Technology	100%	<ul style="list-style-type: none"> » Developed a 3-year technology and digitisation road-map to modernise Council processes, ensure safe and reliable infrastructure, automate manual handling and provide greater choice for customers to interact with us. » Implemented the use of virtual desktops (AWS workspaces) across the organisation to enable staff to work from home wherever possible, enabling Council business to continue during the COVID-19 pandemic. » Developed a new Corporate Information Technology Strategy to support Council's business transformation program for the next 3 years. » Increased the functionality of Council's Geographic Information System (GIS). » Progressed a number of business system improvement projects to assist in service delivery across Council, including e-services, booking systems, digital forms, a new website and internal system upgrades
Risk	95%	<ul style="list-style-type: none"> » Continued to maintain all OHS policies, procedures and management systems to AS/NZS 4801 standard. » Undertook continuous improvement and training to ensure a high safety culture within the organisation.

Description of services

The following table provides information about the services funded in the Budget 2019–20 and the people or sections of the community who receive the service.

Service area	Description	Net cost (\$'000)
		Actual Budget Variance Favourable / (unfavourable)
Councillors, Chief Executive, Executive Team and Governance	This area includes the Mayor, Councillors, CEO, Executive Team and associated support, which cannot be easily attributed to the direct service provision areas.	5,704 <u>4,802</u> 902
Financial Services	This service provides strategic financial-based services to internal and external customers including managing Council's finances and payroll, raising and collecting rates and charges, and property valuations.	(2,019) <u>(1,531)</u> 488
Fleet Services	This service purchases and maintains Council's vehicles, plant and equipment to meet functionality and safety needs, and to minimise operational cost of the fleet.	(1,302) <u>(1,521)</u> (219)
Geographical Information System	To provide a Geographic Information System and associated services that support strategic and operational decision-making across Council.	357 <u>370</u> 13
Information Services and Business Systems	This service provides, supports and maintains reliable and cost effective communications and computing systems, facilities and infrastructure to Council's staff, enabling them to deliver services in a smart, productive and efficient way.	2,241 <u>1,995</u> (246)
Risk Management	This service ensures that Council's risk is managed to minimise and prevent injury and loss. The service supports Council's 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 1989 and Council's Procurement Policy.	1,005 <u>1,035</u> 30
Organisation Development	This service provides human resource, organisational development and industrial relations strategies, policies, procedures and support.	1,502 <u>1,532</u> 30

Service performance indicators

No.	Service performance indicators	Results				Comments
		2016–17	2017–18	2018–19	2019–20	
	Governance					
	Transparency					
G1	Council decisions made at meetings closed to the public <i>(Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors) x100</i>	9.47%	8.00%	14.47%	10.76%	The new Local Government Act 2020 has narrower definitions as to what can be included as confidential. Council has improved its transparency, and achieved a 3.71 percentage point improvement compared to the 2018–19 year.
	Consultation and engagement					
G2	Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	58.00	60.00	56.00	56.00	Council is committed to consultation and engagement with the community on an ongoing basis. Satisfaction with community consultation and engagement is consistent with the state average.
	Attendance					
G3	Councillor attendance at council meetings <i>(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)) x100</i>	91.88%	90.74%	89.37%	89.86%	Councillor commitment is demonstrated by their regular attendance at meetings. The result is consistent with 2018–19.
	Service cost					
G4	Cost of elected representation <i>(Direct cost of the governance service / Number of Councillors elected at the last Council general election)</i>	\$60,078.78	\$57,650.56	\$57,214.56	\$61,032.11	The cost of elected representation increased during the 2019–20 year, due to increased cost of governance services.
	Satisfaction					
G5	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)</i>	60.00	58.00	58.00	57.00	Community satisfaction with Council decisions is consistent with prior years, and is four points higher than the state average.

Our people

Organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day-to-day management of operations in accordance with the strategic directions of the Council Plan. Mr Simon Thomas was interim CEO from the beginning of the period until the commencement of the CEO, Ms Jacqui Weatherill, on 22 July 2019.

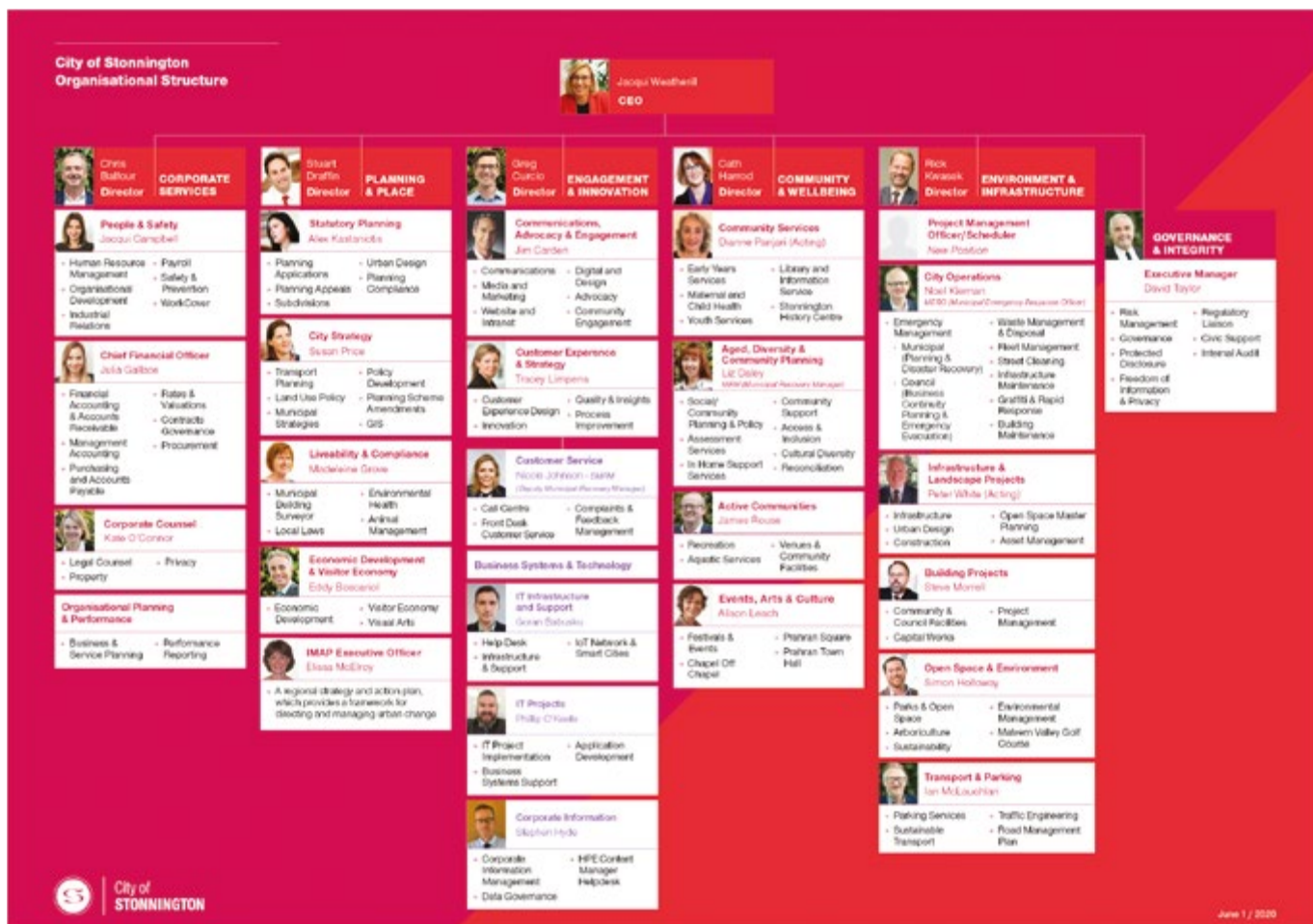
The CEO and five Directors form the Executive Team.

The Executive Team manages the day-to-day operations of the municipality and leads the organisation. Its members are:

- » Chief Executive Officer, Jacqui Weatherill
- » Director Corporate Services, Chris Balfour
- » Director Planning and Place, Stuart Driffin
- » Director Engagement and Innovation, Greg Curcio
- » Director Community and Wellbeing, Cath Harrod, and
- » Director Environment and Infrastructure, Rick Kwasek.

A restructure was undertaken during 2019–20 as part of building a fit for purpose organisation that is future ready. This included developing a new directorate to elevate community engagement and drive innovation across Council.

The areas of responsibility of the Executive Team members and their direct reports as at 30 June 2020 are included in the organisational chart.



Council staff

A summary of the number of full time equivalent (FTE) staff across a range of aspects as at 30 June 2020 is set out below. In response to the COVID-19 pandemic, approximately 130 staff were stood down between March and June 2020 due to closure of select Council services.

Employment type – gender	CEO	Corporate Services	Planning and Place	Engagement and Innovation	Community and Wellbeing	Environment and Infrastructure	Total FTE
Permanent full time – F	8.0	20.7	53.0	17.0	79.4	30.3	208.3
Permanent part time – F	0.1	4.4	3.8	2.6	70.8	0.9	82.6
Temporary full time – F	0.0	1.1	4.4	3.8	18.8	2.1	30.2
Temporary part time – F	0.0	0.2	0.5	0.0	11.4	2.2	14.4
Casual – F	0.4	0.4	0.5	3.8	17.5	0.1	22.8
Permanent full time – M	3.0	15.3	32.8	19.9	27.8	136.1	235.0
Permanent part time – M	0.0	0.1	0.0	4.1	44.0	0.1	48.4
Temporary full time – M	0.0	0.1	2.4	2.7	1.5	3.6	10.4
Temporary part time – M	0.0	0.0	0.0	0.0	4.0	0.9	5.0
Casual – M	0.0	0.0	0.9	1.0	7.0	2.6	11.4
Total	11.5	42.3	98.3	54.9	282.3	179.0	668.3

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	0.5	0.0	0.5
Band 2	19.5	21.9	41.4
Band 3	49.4	16.8	66.2
Band 4	72.0	22.8	94.8
Band 5	72.7	42.2	114.9
Band 6	66.7	36.3	102.9
Band 7	30.8	29.0	59.8
Band 8	10.8	14.8	25.6
Other	35.8	126.4	162.1
Total	358.2	310.1	668.3

Our people

Cont...

Equal employment opportunity program

The City of Stonnington is committed to providing a workplace free of all forms of discrimination, bullying, harassment, sexual harassment and victimisation. Council aims 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 including the ability to report complaints. We ensure employees receive information and training about equal opportunity expectations at induction and regular intervals throughout their employment.

As part of our commitment, Council has 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: 90 per cent.
- » Indicator: percentage of existing employees receiving refresher equal opportunity training at least every two years. Target: 100 per cent. Result: 83 per cent.
- » Indicator: number of contact officers per number of Council employees. Target: 1:50. Result: 1:53 (based on 900 employees with 17 contact officers in total)

	2016–17	2017–18	2018–19	2019–20
Training sessions conducted	3	12	15	5 face to face (+ online)
Employees completing training sessions	127	195	214	167
Number of equal opportunity reports	3	6	4	5
Number of equal opportunity investigations reported to external bodies	1	1	2	2
Number of equal opportunity complaints results internally	4	5	1	3

Professional development

We have a strong commitment to helping staff develop and further enhance their skills. 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 2019–20 program was the focus on mental health. Given the community pressures as a result of COVID-19, as well as the impact the pandemic has had on staff, it became a priority of the Corporate Training program to focus on wellbeing. A number of programs were developed and tailored to the different roles and stresses that individuals and teams face. One particular program, REACH, (Recognise, Empathise, Assist, Connect, Hindsight) focused on improving the experience of individuals interacting with Council, and our people's understanding of complex mental health issues and warning signs. The program was successful in reducing stigmas and building more supportive relationships between the community and staff.

Enterprise bargaining agreement

Council's 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 2021.

Wellbeing program

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

The 2019–20 wellbeing program was very successful, with participation in all initiatives increasing by over 100%. This year's program focused on three key pillars identified as critical to overall employee wellbeing – healthy mind, healthy body and healthy life – and also focused on increasing participation from our male workforce.

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 remuneration is included in the financial report under Note 7.1 – Council and key management remuneration.

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 its legislative obligations.

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 2019 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.

Governance

Cont...

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. Council meetings are streamed live over the internet and recordings are usually available on our website within 48 hours after the meeting. From May 2020, Council Meetings were relocated from the Council Chamber to the homes and offices of Councillors and Council Staff to ensure that social distancing was observed during the COVID-19 pandemic.

Copies of the Council Agenda are available prior to the meeting on the website and for viewing at Council libraries, (COVID-19 restrictions permitting). Minutes and Agendas of past meetings are available on the 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 2019–20

Councillor	Council meetings		Council briefings	Planning consultative meetings *			Ward meetings
	Ordinary	Special		East Ward	South Ward	North Ward	
Total meetings held	20	3	26	18	11	12	1 per ward
G Atwell	19	2	21	6	0	0	1
J Chandler	20	2	21	0	0	4	1
S Davis	18	3	25	17	0	0	1
M Griffin	17	2	25	0	0	11	1
J Hindle	17	3	23	0	8	0	1
J Klisaris	15	3	18	10	0	0	0
M Koce	19	3	23	0	0	11	1
M Sehr	17	3	23	0	4	0	1
S Stefanopoulos (Mayor from 7 November 2019)	20	3	25	0	10	0	1

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

Advisory committees

Council's advisory committees included:

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

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

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

- » Stonnington Cycling Reference Group
- » Access Stonnington Committee
- » Prahran Town Hall Redevelopment Steering Group
- » Stonnington Ethnic Services Committee
- » Stonnington History Committee
- » Prahran Square Project Steering Committee
- » Community Grants Working Group
- » Multi-purpose sports and recreation facility – Percy Treyvaud Memorial Park – Steering Group Meeting

Councillor advisory committee attendance 2019–20

	Economic Development and Culture	Community Services	Strategic Planning	Strategic Communications and Engagement	Sustainability
Total meetings held	3	1	3	1	2
G Atwell	0	0	0	0	0
J Chandler	0	0	3	0	0
S Davis	2	0	0	1	0
M Griffin	3	0	1	0	0
J Hindle	0	0	2	0	0
J Klisaris	0	1	0	0	0
M Koce	0	0	0	0	2
M Sehr	0	0	0	0	0
S Stefanopoulos (Mayor from 7 November 2019)	3	1	1	1	2

Special committees

The *Local Government Act 1989* allows councils to establish one or more special committees consisting of Councillors, Council staff, other persons, and any combination of these. Council has one Special Committee, the Inner Melbourne Action Plan Implementation Committee (IMAP).

IMAP is a collaborative partnership between the Cities of Stonnington, Melbourne, Port Phillip, Yarra and Maribyrnong, with these Councils working together to strengthen the liveability, attraction and prosperity of the region. This Special Committee is formed in partnership with each of these councils and has delegated authority to progress the implementation of the action plan.

Governance

Cont...

Citizenship

The Mayor is required by law to receive the Oaths or Affirmations of Allegiance for new Citizens. The City of Stonnington is proud to be able to conduct these citizenship ceremonies.

	2016–17	2017–18	2018–19	2019–20
Number of ceremonies	6	5	6	12*
Number of people naturalised	654	404	553	795

Note: *Seven ceremonies were conducted online due to COVID-19 restrictions.

Code of conduct

The *Local Government Act 1989* requires Councils to develop and approve a Councillor Code of Conduct for councillors. The City of Stonnington first adopted its 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 the establishment of good working relationships between Councillors and also with officers is the basis for 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 advisory 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. Council's Code of Conduct 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 the declaration of 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 of the meeting. Any declarations for Council meetings can be viewed when accessing the Council minutes on Council's website.

Further, Councillors are required to submit a Register of Interests Return to Council's 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.

Councillor allowances

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 2019 – 30 Nov 2019	1 Dec 2019 – 30 Jun 2020
Mayor	\$98,465.00	\$100,434.00
Councillors	\$30,827.00	\$31,444.00

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 the General Election.

The following table contains a summary of the allowances paid to Councillors during 2019–20.

Councillor	Allowance	Superannuation guarantee levy equivalent
G Atwell	\$31,136.64	\$2,957.98
J Chandler	\$31,136.64	\$2,957.98
S Davis	\$31,136.64	\$2,957.98
M Griffin	\$31,136.64	\$2,957.98
J Hindle	\$31,136.64	\$2,957.98
J Klisaris	\$31,136.64	\$2,957.98
M Koce	\$31,136.64	\$2,957.98
M Sehr	\$31,136.64	\$2,957.98
S Stefanopoulous (Mayor from 7 November 2019)	\$99,452.68	\$9,448.01

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 in relation to 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 2019–20 year are set out in the following table.

	TR (IS) \$	TR (LC) \$	CM \$	CC \$	IC \$	CT \$	OE \$	Total \$
G Atwell	-	-	-	-	1,568	-	-	1,568
J Chandler	-	-	-	-	3,941	-	-	3,941
S Davis	-	-	-	-	3,048	1,605	74	4,727
M Griffin	-	186	-	-	5,983	1,450	1,165	8,784
J Hindle	-	-	-	-	1,550	-	74	1,624
J Klisaris	-	-	-	-	3,770	-	74	3,844
M Koce	-	44	-	-	4,347	-	-	4,391
M Sehr	-	-	-	212	3,368	-	624	4,204
S Stefanopoulous (Mayor from 7 November 2019)	-	260	-	-	1,693	904	-	2,857

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 1989* 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 and plays a key role in overseeing Council's audit governance, accounting control and risk management practices. The committee comprises three independent members and two Councillors. During 2019–20 the committee chair was Bruce Potgieter and the deputy chair was David Ashmore. Council representatives for 2019–20 were Cr Steve Stefanopoulos and Cr Matthew Koce.

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 2019–20 the following internal audits were undertaken by Council's internal auditors (HLB Mann Judd) with results actioned by the Executive Team and the monitored Audit Committee:

- » Fleet Management
- » Environmental Health Services
- » Review of Councillors Expenses
- » Tree Management
- » Parking Infringement Management
- » Records Management
- » Procurement and Supplier Management
- » Tendering and Contract Management
- » Review of Completed Actions by Management (2019–20)

External audit

Council is externally audited by the Victorian Auditor-General's Office. During 2019–20 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 and are included in this Annual Report.

Safety

Council is committed to providing and maintaining a healthy and safe work environment for its employees, contractors and community in general.

During 2019–20, all safety incidents that met the WorkSafe Victoria criteria for notifiable incidents were reported.

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

	2016–17	2017–18	2018–19	2019–20
Total claims lodged	27	27*	34	25
Total claims closed	16	25*	74	38

* 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.

Occupational Health and Safety Management System Certification

Council will continue to benchmark against AS/NZS 4801; however will not be moving forward with re-certification due to the review of a cost/benefit analysis. Many businesses are also moving to the International Standard of ISO 45001 – Occupational Health and Safety. Council will undertake a review to determine any benefits of being accredited under the ISO certification.

Council will continue to look at all best practice guidance and ensure that the Occupational Health and Safety Management System and associated practices are of the highest standard for all employees.

Risk management

The management of risk and the compliance with legislative demands placed on any government body is vital to the successful administration of that entity. Council rigorously examines its known risks and examines the operations of similar entities and businesses in order to be alert to potential risks. It scrutinises compliance with legislation to deliver ongoing conformity and engages strongly with appointed internal auditors to maintain contact with best practice local government administration.

Council reviewed its Procurement, Risk Management and Fraud and Corruption Control policies during this period to ensure they remain up to date and in line with industry trends and community expectations.

Appropriate insurance cover for all of Council's operations and buildings was maintained throughout the reporting period and Council continued its rollout of digital CCTV systems to enhance the security of public facilities. Quarterly and half-yearly performance reports were delivered to the Executive Management Team, the Audit Committee and to Council respectively.

Emergency management

During 2019–20, Council:

- » conducted three Municipal Emergency Management Planning Committee (MEMPC) meetings to facilitate planning with emergency response and relief and recovery agencies, Council staff and the local community
- » updated the Municipal Emergency Management Plan (MEMP) and sub plans to reflect changes to legislation and amendments and Pandemic Plan requirements
- » conducted a major Emergency Relief Centre exercise to test organisational and key agency preparedness in response to a major fire evacuation event
- » undertook a review of the Community Emergency Risk Assessment (CERA) to reassess key risks for the municipality to inform ongoing planning (June 2020)
- » provided 'response and recovery' services in relation to various residential fires, vehicle incidents and storm events
- » deployed staff to Towong Shire to assist with bush fire response and recovery, and
- » assisted with response, recovery and business continuity initiatives across various organisational teams in response to COVID-19.

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. Council is committed to full compliance with its obligations under the *Privacy and Data Protection Act 2014* and *Health Records Act 2001*.

Any person who feels aggrieved by Council's handling of their personal information may make a complaint to Council's 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

	2016–17	2017–18	2018–19	2019–20
Internal reviews	3	1	3	5
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 investigates 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*.

	2016–17	2017–18	2018–19	2019–20
Complaints referred to Council by the Ombudsman for investigation	21	12	12	9

Note that multiple referrals regarding the same matter are counted as a single referral within this table.


Governance and management checklist

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

No.	Governance and management item	Assessment
1	Community engagement policy Policy outlining council's commitment to engaging with the community on matters of public interest	Policy in operation Adopted: 30 November 2017 <i>Currently under review</i>
2	Community engagement guidelines Guidelines to assist staff to determine when and how to engage with the community	Guidelines in operation Updated: 13 May 2020
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	Adopted in accordance with section 126 of the Act Adopted: 31 August 2020
4	Annual budget Plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required	Adopted in accordance with section 130 of the Act Adopted: 31 August 2020
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	Plan in operation Adopted: 7 August 2017
6	Rating strategy Strategy setting out the rating structure of council to levy rates and charges	Strategy in operation Adopted: 31 August 2020
7	Risk policy Policy outlining council's commitment and approach to minimising the risks to council's operations	Policy in operation Adopted: 18 March 2013 Updated: 6 July 2019 <i>Currently under review</i>
8	Fraud policy Policy outlining council's commitment and approach to minimising the risk of fraud	Policy and procedure in operation Adopted: 18 March 2013 <i>Currently under review</i>
9	Municipal emergency management plan Plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery	Prepared and maintained in accordance with Section 20 of the <i>Emergency Management Act 1986</i> Adopted: 21 September 2020
10	Procurement policy Policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works	Policy in operation Adopted: 9 November 2009 Updated: 6 June 2019 <i>Currently under review</i>
11	Business continuity plan Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster	Plan in operation Updated: 24 March 2020 and 31 July 2020
12	Disaster recovery plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster	Plan in operation Updated: 24 March 2020 and 31 July 2020
13	Risk management framework Framework outlining Council's approach to managing risks to the council's operations	Framework in operation Adopted: 18 March 2013 Reviewed: 17 November 2015 <i>Currently under review</i>

No.	Governance and management item	Assessment
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 Act Established: 30 January 1995
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	Internal audit provider (HLB Mann Judd) engaged Three year period from 1 July 2019. Option to extend 2 x 1 year terms.
16	Performance reporting framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act	Framework in operation: Effective: 1 July 2014 <i>Currently under review</i>
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	Reports presented Presented: 21 January 2020
18	Financial reporting Quarterly statements to council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure	Statements presented to Council in accordance with section 138(1) of the Act Presented: 18 November 2019 (Q1); 17 February 2020 (Q2); 1 June 2020 (Q3); 5 October 2020 (Q4)
19	Risk reporting Six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies	Quarterly risk reporting to Executive Team and Audit Committee Presented to Audit Committee: 22 August 2019 (Q1); 14 November 2019 (Q2); 20 February 2020 (Q3); 23 September 2020 (Q4) <i>Strategic risks to be reviewed in conjunction with Council Plan 2021-25 development.</i>
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 presented Presented: 21 January 2020; 28 July 2020
21	Annual report Annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements	Report considered by Council in accordance with Section 134 of the Act Considered: 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 reviewed in accordance with Section 76C of the Act Reviewed: 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 Reviewed: 7 August 2020
24	Meeting procedures A local law governing the conduct of meetings of council and special committees	Procedures in operation Adopted: 25 July 2018

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


Cr Steven Stefanopoulos
Mayor
5 October 2020


Jacqui Weatherill
Chief Executive Officer
5 October 2020

Statutory information

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

Best value

Compliance with the *Local Government Act 1989* requires Council to report to the community on its achievements in relation to the Best Value Principles at least once a year. Council's Best Value Principles demonstrate commitment to continuous improvement and the pursuit of service excellence. Council incorporates Best Value Principles through regular business planning and performance monitoring processes.

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 2019–20 Council maintained its existing programs to ensure compliance with sections 186 and 186A of the *Local Government Act 1989*. Council continued its membership of the Municipal Association of Victoria's LEAP Program, which analyses expenditure by category and by supplier. The information gained enables Council to strategically plan future procurements for achieving greater cost savings.

Council did not enter into any contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

Documents available for public inspection

During the year 2019–20, in accordance with regulation 12 of the *Local Government (General) Regulations 2015* the following documents were available for public inspection or copies of the documents could be made in accordance with the *Local Government Act 1989* (LGA 1989) at Stonnington City Centre, 311 Glenferrie Road Malvern:

- » a document containing details of overseas or interstate travel (with exceptions) undertaken in an official capacity by any Councillor or any member of Council staff in the previous 12 months, including the names of the Councillors, or member of Council 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 (kept under section 93 of the LGA 1989) of ordinary and special meetings held in the previous 12 months held pursuant to the LGA 1989 and the *Local Government Act 2020* (LGA 2020) other than those agendas and minutes relating to parts of meetings closed to members of the public under section 89 of the LGA 1989 or section 66 of the LGA 2020 relating to confidential information within the meaning of section 77(2) of the LGA 1989 and section 3 of the LGA 2020 (note: minutes and agendas are on Council's website)
- » minutes of meetings of the Inner Melbourne Action Plan special committee established under section 86 of the LGA 1989 and held in the previous 12 months, other than those minutes relating to parts of meetings closed to members of the public under section 89 of the LGA 1989 which was confidential information within the meaning of section 77(2) of the LGA 1989 (note: minutes and agendas for the Inner Melbourne Action Plan Committee are on the Council website)
- » a register of delegations kept under sections 87(1), and 98(4) of the LGA 1989 and sections 11 and 47 of the LGA 2020, including the dates on which the last review under sections 86(6) and 98(6) of the LGA 1989 took place
- » a document containing details of all leases involving land that were entered into by Council as lessor, including the lessee and the terms and the value of the lease;
- » a register maintained under section 224(1A) of the LGA 1989 of authorised officers appointed under section 224 of the LGA 1989, and
- » a list of donations and grants made by Council 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.

Inclusion plan

During 2019–20 Council implemented the following actions:

- » endorsed the “Changing Places” policy
- » reviewed the Access Stonnington Committee and endorsed the recommended changes
- » launched the “Better Access Better Business Guide”
- » published the Inclusion Strategy with an “Easy Read” edition
- » upgraded Council’s website to utilise inclusive technology features, and
- » partnered with Specialisterne Australia to employ staff to fill vacancies for ongoing positions from candidates who are on the autism spectrum.

Domestic animal management plan

Under the *Domestic Animals Act 1994* s 68(A)3(c), Council is required to provide an update on implementation of our Domestic Animal Management Plan in our Annual Report.

We continued to implement the Stonnington Domestic Animal Management Plan 2016-21 and fulfil our commitments contained within. During 2019–20, Council:

- » provided ongoing training of new staff and refresher training as required
- » investigated alternative effective signage options to assist with communicating key messages including a pilot project undertaken at Victoria Gardens, Central Park and Hedgeley Dene
- » continued to implement media releases through various communication methods as part of the Liveability and Compliance Community Education Calendar, and
- » investigated the introduction of compulsory desexing of dogs.

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 council inbox at council@stonnington.vic.gov.au. A fee applies for each application, and other fees may apply as the application is processed. 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 1982* requires that the request must be for existing documents and include specific details about the documents requested. A request will not be valid if it seeks answers to a broad range of queries. We processed 67 valid applications during the financial year. To be a valid request the application must also be accompanied by the required application fee. 94% of requests were finalised within the statutory timeframe in the 2019–2020 financial year.

Summary of freedom of information applications	2016–17	2017–18	2018–19	2019–20
Valid applications received and processed	36	49	66	67
External reviews	2	3	6	0
Appeals to VCAT	-	1	5	0

Food Act ministerial directions

In accordance with the *Food Act* s 7E, 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 2019–20.

Infrastructure and development contributions

In accordance with the *Planning and Environment Act 1987* ss 46GM and 46QD, 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 contributions were collected during 2019–20.

Statutory information

Cont...

Public interest disclosure procedures

The City of Stonnington does not tolerate improper conduct by the organisation, its employees, officers, Councillors or persons who are performing a public function on behalf of the Council under contract.

Council has established and published procedures under s 58 of the Protected Disclosure Act 2012. Council is committed to the aims and objectives of the Act. The procedures are a resource for disclosers and potential disclosers on the process of how to make a disclosure, receive the protections available under the Act, and how the discloser and their disclosure may be managed and handled by the Council.

Under these procedures, Council's protected disclosure officer receives all disclosures and assess the allegation and if required notifies IBAC for assessment under s 21 of the Act.

These procedures are available on Council's website or by contacting Council's Public Interest Disclosure Officer:

Executive Manager Governance and Integrity
PO Box 58, Malvern Victoria 3144
0408 566 329

disclosure@stonnington.vic.gov.au

A secure register of disclosures is maintained under the Act. Council is required to publish statistics relating to the number of disclosures notified to the IBAC for assessment under s 21 of the Act during the financial year in the annual report.

Summary of disclosures made	2016–17	2017–18	2018–19	2019–20
Disclosures made	-	1	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 the *Road Management Act 2004* s 22, councils must publish a copy or summary of any Ministerial Direction in their annual report.

No such Ministerial Directions were received by council during 2019–20.

Performance statement

For the year ended 30 June 2020





Description of municipality

The City of Stonnington is located in Melbourne's inner south-eastern suburbs, a short distance from the centre of Melbourne and alongside the Yarra River.

Covering an area of 25.62 square kilometres, the city stretches from Punt Road in the west to Warrigal Road in the east and is bounded by the Yarra River / Gardiners Creek to the north and Dandenong Road to the south. The city covers the suburbs of Prahran, Windsor (part), South Yarra (part), Toorak, Armadale, Malvern, Malvern East, Kooyong and Glen Iris (part).

The city is primarily a residential area, with significant retail/commercial activity along with institutional land uses. The Chapel Street Precinct is home to a vibrant entertainment area which attracts both residents and visitors to the municipality.

The ABS estimates that the resident population of the City of Stonnington, at 30 June 2020 was 117,768. It is anticipated that the municipality will grow to 143,257 by 2036 (.id, Population and household forecasts, 2016 to 2036).

The COVID-19 pandemic has had many and varied impacts across the City of Stonnington, greater Melbourne and beyond. The City of Stonnington responded swiftly to this health emergency, with our first priority at all times being the safety and wellbeing of our customers, communities and staff.

Council significantly adjusted its operations as a result of the pandemic, including mandating most of its workforce to work from home, from where they now continue to deliver the many essential services that keep our community and environment safe, clean and functioning.

The pandemic has caused many businesses to close or reduce operations, resulting in a significant economic impact. Council responded with support packages for business, including suspending a range of fees and charges to help business get through this tough period.

Sustainable capacity indicators

For the year ended 30 June 2020

Indicator/measure	Results				Comments
	2017	2018	2019	2020	
Population					
Expenses per head of municipal population (Total expenses / Municipal population)	\$1,287.44	\$1,352.22	\$1,399.62	\$1,401.00	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 slight increase in this indicator compared with 2018–19 is a result of an increase in the operating expenses resulted from the recognition of amortisation of right of use asset (change in accounting policy AASB 16 Leases), fair value decrement in investment properties and enterprise bargaining increase in employees costs. Municipal population: 2017: 111,003 (2016 ERP) 2018: 113,772 (2017 ERP) 2019: 116,281 (2018 ERP) 2020: 117,768 (2019 ERP)
Infrastructure per head of municipal population (Value of infrastructure / Municipal population)	\$5,224.19	\$5,334.83	\$5,631.84	\$5,946.57	Council continues to maintain and invest in high quality community infrastructure.
Population density per length of road (Municipal population / Kilometres of local roads)	333.04	343.79	352.14	355.79	As an inner urban municipality, Stonnington's population continues to grow significantly while the length of the local roads remains relatively unchanged.
Own-source revenue					
Own-source revenue per head of municipal population (Own-source revenue / Municipal population)	\$1,422.79	\$1,476.19	\$1,489.91	\$1,431.01	The result has decreased from 2018–19 due to the loss of income from the closure of non-essential services as a result of the COVID-19 pandemic. However the indicator still reflects Council's continual ability to generate revenue from alternative sources to ensure ongoing financial sustainability.
Recurrent grants					
Recurrent grants per head of municipal population (Recurrent grants / Municipal population)	\$99.91	\$80.08	\$77.38	\$74.70	The variance year-on-year predominantly relates to the nature and timing of government grant funding to Council.
Disadvantage					
Relative socio-economic disadvantage (Index of Relative socio-economic disadvantage by decile)	10	10	10	10	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.
Workforce turnover					
Resignations and terminations compared to average staff (Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year) x100	14.4%	14.3%	14.5%	12.0%	Turnover has been lower due to lower level of departures as a result of the COVID-19 pandemic.

Definitions

- » “adjusted underlying revenue” means total income other than:
 - (a) non-recurrent grants used to fund capital expenditure; and
 - (b) non-monetary asset contributions; and
 - (c) contributions to fund capital expenditure from sources other than those referred to above
- » “infrastructure” means non-current property, plant and equipment excluding land
- » “local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
- » “population” means the resident population estimated by council
- » “own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
- » “relative socio-economic disadvantage”, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
- » “SEIFA” means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website
- » “unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service performance indicators

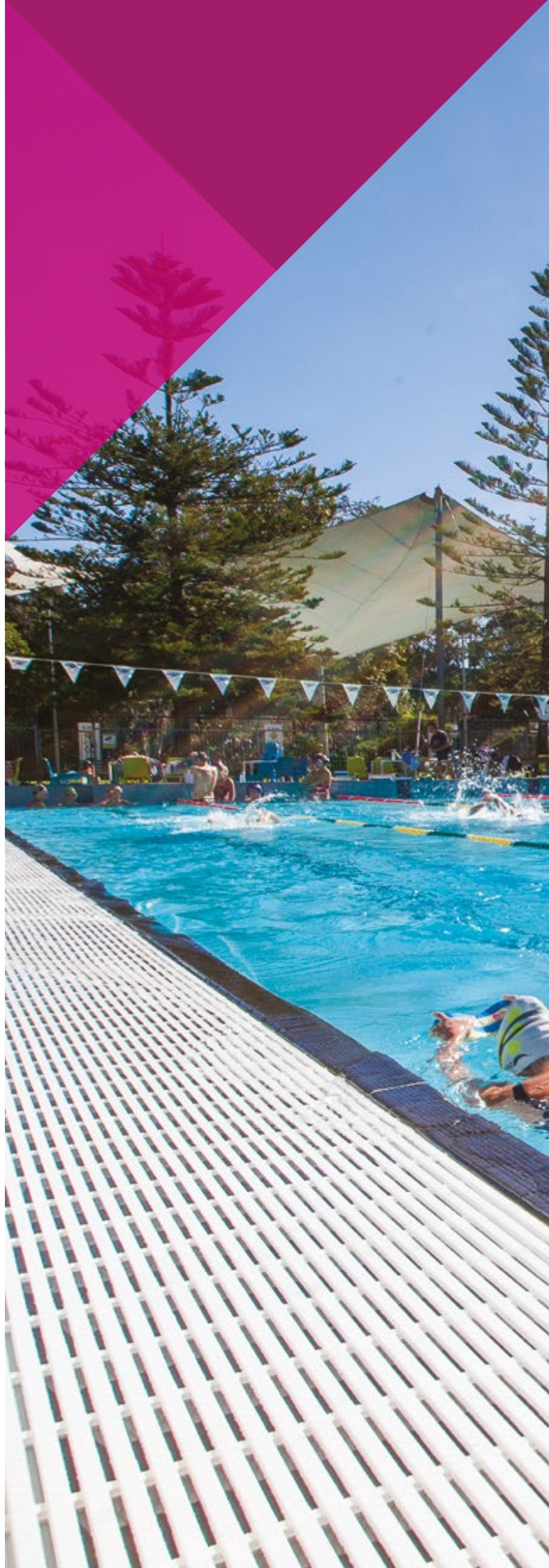
For the year ended 30 June 2020

	Results				
Service/indicator/measure	2017	2018	2019	2020	Comments
Aquatic facilities					
Utilisation					
Utilisation of aquatic facilities (Number of visits to aquatic facilities / municipal population)	4.96	5.42	5.30	4.09	COVID-19 restrictions resulted in only 29,417 visits recorded from April to June 2020, with facilities open for just 23 days during the 3-month period. This has resulted in a reduced utilisation rate.
Animal management					
Health and safety					
Animal management prosecutions (Percentage of successful animal management prosecutions) *Change to methodology for 2019–20 year. Comparison with previous years is not possible.	New in 2020	New in 2020	New in 2020	0%	Council pursues charges through the Magistrates' Court as appropriate. During the 2019–20 financial year there were COVID-19 restrictions and court hearing adjournments which resulted in 0% prosecutions. *This indicator, AM7 is new in 2019–20, and replaces indicator AM4. The methodology for AM7 utilises municipal population as the denominator, rather than number of registered animals.
Food safety					
Health and safety					
Critical and major non-compliance outcome notifications (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	89.57%	87.93%	90.75%	99.50%	Council has improved responsiveness to critical and major non-compliance notifications. Follow up inspections of premises that had critical and major non-compliance notifications, occurred within appropriate timelines.
Governance					
Satisfaction					
Satisfaction with council decisions (Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community)	60	58	58	57	Community satisfaction with Council decisions is consistent with prior years, and is four points higher than the state average.
Libraries					
Participation					
Active library borrowers in the municipality (Sum of the number of active library borrowers over the past 3 years / Sum of the municipal population for past 3 years) x100	17.32%	17.06%	15.46%	15.84%	The number of active library borrowers is consistent with 2018–19. While COVID-19 restrictions and Malvern Library closed for 6 weeks for renovations, online borrowings increased.

	Results				
Service/indicator/measure	2017	2018	2019	2020	Comments
Maternal and child health (MCH)					
Participation					
Participation in the MCH service <i>(Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x100</i>	75.02%	78.86%	78.84%	82.39%	Family participation can vary between years. Staff encourage participation and the 2019–20 result was a 3.5% improvement on the 2018–19 participation rate, and 4.5% higher than the 2018–19 state average.
Participation					
Participation in the MCH service by Aboriginal children <i>(Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service) x100</i>	68.42%	62.16%	73.33%	95.45%	Staff made a concerted effort to encourage participation of families of Aboriginal children, resulting in improved participation that was 12% above materiality compared with the 2018–19 year, and 22% above the 2018–19 state average.
Roads					
Satisfaction					
Satisfaction with sealed local roads	66.00	65.00	70.00	65.00	Council has ongoing maintenance and renewal programs. Satisfaction with sealed local roads was 5 points lower than 2018–19, but within the materiality threshold. The result is 11 points higher than the state average for 2018–19.
Statutory planning					
Decision-making					
Council planning decisions upheld at VCAT <i>(Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x100</i>	66.67%	50.75%	48.00%	52.63%	Council makes decisions in the best interest of the community. The 2019–20 result of 52.63% aligns to the state average of 52.64% for 2018–19 and is an improvement of almost 10% on Council's 2018–19 results. Note that for 2019–20 the success rate was 76%, if mediated outcomes included.
Waste collection					
Waste diversion					
Kerbside collection waste diverted from landfill <i>(Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x100</i>	36.89%	36.57%	34.81%	40.20%	Council promotes community environmental outcomes and has improved waste diversion rates by almost 6% compared to the 2018–19 result. Council introduced food waste into green organics bin from 1 March 2020, contributing to the improved result.

Definitions

- » “Aboriginal child” means a child who is an Aboriginal person
- » “Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*
- » “active library member” means a member of a library who has borrowed a book from the library
- » “annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- » “CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
- » “class 1 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act
- » “class 2 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act
- » “critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- » “food premises” has the same meaning as in the *Food Act 1984*
- » “local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
- » “major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- » “MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- » “population” means the resident population estimated by council
- » “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 2020

	Results				
Dimension/indicator/measure	2017	2018	2019	2020	
Expenditure level					
Expenses per property assessment (Total expenses / Number of property assessments)	\$2,338.30	\$2,475.41	\$2,523.22	\$2,522.68	
Efficiency					
Revenue level					
Average rate per property assessment (Total rate revenue / Number of property assessments)	New in 2020	New in 2020	New in 2020	\$1,443.55	
Liquidity					
Working capital					
Current assets compared to current liabilities (Current assets / Current liabilities) x100	321.42%	286.98%	260.39%	272.38%	
Unrestricted cash					
Unrestricted cash compared to current liabilities (Unrestricted cash / Current liabilities) x100	-196.58%	-49.61%	-36.38%	-86.95%	
Obligations					
Loans and borrowings					
Loans and borrowings compared to rates (Interest bearing loans and borrowings / Rate revenue) x100	8.85%	6.99%	23.25%	19.42%	
Loans and borrowings					
Loans and borrowings repayments compared to rates (Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100	2.66%	2.35%	2.38%	3.35%	
Indebtedness					
Non-current liabilities compared to own source revenue (Non-current liabilities / Own source revenue) x100	7.06%	5.58%	14.99%	13.78%	
Asset renewal					
Asset renewal and upgrade compared to depreciation (Asset renewal and asset upgrade expense / Asset depreciation) x100	New in 2020	New in 2020	New in 2020	142.06%	

	Forecasts				
	2021	2022	2023	2024	Material Variations
	\$2,380.80	\$2,436.62	\$2,575.56	\$2,650.26	Council is delivering quality services in accordance with its long term plan.
	\$1,460.91	\$1,531.39	\$1,577.78	\$1,625.41	<p>Council continues to have one of the lowest average residential rates and charges across metropolitan Melbourne. Council's actual rate increase was capped at 2.5 per cent for 2019–20. Council is delivering services in accordance with its long term plan.</p> <p>* This indicator, E4 is new in 2019–20, and replaces indicator E1.</p>
	194.75%	147.43%	124.49%	106.01%	Council can comfortably meet all short term financial commitments and is in a sound financial position. The decrease in later years reflects increased expenditure in capital works program (using cash reserves). Cash and investments will assist in funding the significant capital works programs planned in the years ahead.
	48.75%	10.22%	-1.06%	-13.23%	The 2019–20 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 \$63.0 million in 2019–20. When included in the measure for 2019–20 the result is a very healthy 55.5%. 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.
	20.41%	34.59%	45.64%	39.15%	The balance of Council borrowings at the end of 2019–20 was \$26.0 million compared to \$7.5 million at the end of 2018–19. New loan borrowings are forecast at \$5 million for 2020–21, \$22 million for 2021–22 and \$20 million for 2022–23 to assist in funding the development of major community infrastructure. This is consistent with Council's long term financial plan.
	3.27%	3.48%	4.81%	6.32%	Loan borrowings of \$3.5 million were repaid in 2019–20. New loans and associated repayments are forecast in 2021–22, 2022–23 and 2023–24 to assist in funding the development of major community infrastructure. This is consistent with Council's long term financial plan.
	15.26%	23.56%	30.10%	25.69%	At 2019–20 loan borrowings decreased by \$3.5 million. Further loan borrowings of \$5 million for 2020–21, \$22 million for 2021–22 and \$20 million for 2022–23 are forecast to assist in funding the development of major community infrastructure. This is consistent with Council's long term financial plan.
	250.00%	321.00%	192.00%	201.00%	<p>Council has a robust capital program that ensures appropriate levels of renewals and upgrades are maintained.</p> <p>* This indicator, O5 is new in 2019–20, and replaces indicator O1.</p>

Financial performance indicators

For the year ended 30 June 2020

Cont...

	Results				
Dimension/indicator/measure	2017	2018	2019	2020	
Operating position					
Adjusted underlying result					
Adjusted underlying surplus (or deficit)	15.48%	13.26%	18.14%	6.97%	
<i>(Adjusted underlying surplus (deficit) / Adjusted underlying revenue) x100</i>					
Stability					
Rates concentration					
Rates compared to adjusted underlying revenue	61.01%	60.26%	56.27%	65.32%	
<i>(Rate revenue / Adjusted underlying revenue) x100</i>					
Rates effort					
Rates compared to property values	0.13%	0.13%	0.12%	0.12%	
<i>(Rate revenue / Capital improved value of rateable properties in the municipality) x100</i>					

	Forecasts				
	2021	2022	2023	2024	Material Variations
	6.33%	13.57%	11.66%	11.61%	The 2019–20 result is significantly impacted by the lockdown restrictions in place in response to the unprecedented COVID-19 pandemic. The pandemic is also forecast to impact results of 2020–21. Footpath and health permits income were refunded as part of the business support program \$0.77 million. Loss of income resulted from the closure of non-essential services including aquatic services \$1.38 million and the early year's services \$0.76 million. Parking enforcements were reduced to support essential workers movements \$1.73 million. Council activated its hardship policy and paused or significantly reduced commercial rent agreements for tenants of Council owned properties \$0.25 million and other non-essential community services income.
	70.74%	66.64%	66.42%	66.55%	The 2019–20 result is due to other revenue sources decreased compared to 2018–19 as a result of COVID-19. The other revenue sources include user fees, statutory fees and fines, monetary contributions and capital works grants. However, rate revenue will continue to be a key source of funding for the delivery of high quality services and infrastructure to the community.
	0.13%	0.13%	0.13%	0.14%	This result illustrates the relatively low rating burden for the Stonnington community, and Council continues to have one of the lowest average residential rates and charges across metropolitan Melbourne.

Financial performance indicators

For the year ended 30 June 2020

Cont...

Definitions

- » “adjusted underlying revenue” means total income other than:
 - (a) non-recurrent grants used to fund capital expenditure; and
 - (b) non-monetary asset contributions; and
 - (c) contributions to fund capital expenditure from sources other than those referred to above
- » “adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure
- » “asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
- » “current assets” has the same meaning as in the AAS Local Government Better Practice Guide Performance Statement 2019–2031
- » “current liabilities” has the same meaning as in the AAS
- » “non-current assets” means all assets other than current assets
- » “non-current liabilities” means all liabilities other than current liabilities
- » “non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan
- » “own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
- » “population” means the resident population estimated by council
- » “rate revenue” means revenue from general rates, municipal charges, service rates and service charges
- » “recurrent grant” means a grant other than a non-recurrent grant
- » “residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
- » “restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
- » “unrestricted cash” means all cash and cash equivalents other than restricted cash.

Other information

For the year ended 30 June 2020

Basis of Preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and *Local Government (Planning and Reporting) Regulations 2014*.

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's strategic resource plan. The *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 31 August 2020 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*.



Julia Gallace, B.Acy, CA
Principal Accounting Officer

Dated: 5 October 2020

In our opinion, the accompanying performance statement of the City of Stonnington for the year ended 30 June 2020 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: 5 October 2020



John Chandler
Councillor

Dated: 5 October 2020



Jacqui Weatherill
Chief Executive Officer

Dated: 5 October 2020

Independent Auditor's Report



Independent Auditor's Report

To the Councillors of Stonnington City Council

Opinion	<p>I have audited the accompanying performance statement of Stonnington City Council (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2020• sustainable capacity indicators for the year ended 30 June 2020• service performance indicators for the year ended 30 June 2020• financial performance indicators for the year ended 30 June 2020• other information and• the certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<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>

Independent Auditor's Report

Cont...

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

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

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

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

MELBOURNE
13 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Annual Financial Report

For the year ended 30 June 2020



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.



Julia Gallace, B.Acy, CA

Principal Accounting Officer

Date: 5 October 2020

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 2020 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: 5 October 2020

Malvern



John Chandler

Councillor

Date: 5 October 2020

Malvern



Jacqui Weatherill

Chief Executive Officer

Date: 5 October 2020

Malvern

Independent Auditor's Report



Independent Auditor's Report

To the Councillors of Stonnington City Council

Opinion	<p>I have audited the consolidated financial report of Stonnington City Council (the council) and its controlled entity (together, the consolidated entity), which comprises the:</p> <ul style="list-style-type: none">• consolidated entity and council balance sheet as at 30 June 2020• consolidated entity and council comprehensive income statement for the year then ended• consolidated entity and council statement of changes in equity for the year then ended• consolidated entity and council statement of cash flows for the year then ended• council statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the consolidated financial statements. <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 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<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 <i>APES 110 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>
Councillors's responsibilities for the financial report	<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>

Independent Auditor's Report

Cont...

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 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
13 October 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2020

		Council		Consolidated	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Income					
Rates and charges	3.1	117,736	113,597	117,736	113,597
Statutory fees and fines	3.2	23,880	25,788	23,880	25,788
User fees	3.3	18,105	21,638	18,105	21,638
Grants – operating	3.4 (a)	8,521	8,890	8,521	8,890
Grants – capital	3.4 (b)	779	2,736	779	2,736
Contributions – monetary	3.5	13,144	16,501	13,144	16,501
Contributions – non monetary	3.5	-	14	-	14
Other income	3.6	8,806	12,115	12,531	15,511
Total income		190,971	201,280	194,696	204,676
Expenses					
Employee costs	4.1	68,812	66,532	69,745	67,460
Materials and services	4.2	60,547	60,251	62,824	62,273
Depreciation	4.3	19,332	18,380	19,621	18,682
Amortisation – intangible assets	4.4	817	900	817	900
Amortisation – right of use assets	4.5	641	-	641	-
Bad and doubtful debts	4.6	4,785	5,857	4,867	5,857
Borrowing costs	4.7	361	490	361	490
Share of net loss of joint operation accounted for by the equity method	6.2	143	118	143	118
Net (gain) / loss on disposal of property, infrastructure, plant and equipment	4.8	2,117	4,351	2,125	4,380
Fair value adjustments for investment property	6.3	1,615	566	1,615	566
Finance costs – leases	4.9	776	-	776	-
Other expenses	4.10	5,048	5,202	5,064	5,218
Total expenses		164,994	162,647	168,599	165,944
Surplus for the year		25,977	38,632	26,097	38,732
Other comprehensive income					
Items that will not be reclassified to surplus in future periods					
Net asset revaluation increment / (decrement)	9.1	36,989	(124,368)	36,989	(124,368)
Total comprehensive result		62,966	(85,735)	63,086	(85,636)

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

Balance Sheet

As at 30 June 2020

	Note	Council		Consolidated	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	5.1 (a)	43,711	12,125	44,874	13,116
Trade and other receivables	5.1 (c)	12,865	10,436	13,289	10,686
Other financial assets	5.1 (b)	63,000	99,000	63,000	99,000
Other assets	5.2 (a)	901	3,653	1,171	3,699
Total current assets		120,477	125,214	122,334	126,501
Non-current assets					
Other financial assets	5.1 (b)	15	245	15	245
Investments in joint operation and subsidiary	6.2	2,363	2,632	363	632
Property, infrastructure, plant and equipment	6.1	2,928,051	2,866,352	2,933,921	2,872,463
Right-of-use assets	5.8	1,971	-	1,971	-
Investment property	6.3	7,485	9,100	7,485	9,100
Intangible assets	5.2 (b)	1,286	1,733	1,286	1,733
Total non-current assets		2,941,171	2,880,062	2,945,041	2,884,173
Total assets		3,061,648	3,005,276	3,067,375	3,010,674
Liabilities					
Current liabilities					
Trade and other payables	5.3 (a)	13,981	21,907	14,317	22,280
Trust funds and deposits	5.3 (b)	8,434	7,716	8,487	7,769
Unearned income	5.3 (c)	1,952	-	1,952	-
Provisions	5.5 (a) & (b)	15,223	14,964	15,384	15,083
Interest-bearing liabilities	5.4	3,500	3,500	3,500	3,500
Lease liabilities	5.8	1,143	-	1,143	-
Total current liabilities		44,233	48,087	44,783	48,632
Non-current liabilities					
Provisions	5.5 (a)	2,061	1,891	2,064	1,893
Interest-bearing liabilities	5.4	19,000	22,500	19,000	22,500
Lease liabilities	5.8	717	-	717	-
Other liabilities	6.2	1,441	1,566	1,441	1,566
Total non-current liabilities		23,219	25,957	23,222	25,959
Total liabilities		67,450	74,044	68,005	74,591
Net assets		2,994,198	2,931,232	2,999,370	2,936,083
Equity					
Accumulated surplus		1,109,343	1,095,388	1,114,515	1,100,238
Reserves	9.1	1,884,855	1,835,844	1,884,855	1,835,844
Total equity		2,994,198	2,931,232	2,999,370	2,936,083

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

Statement of Changes in Equity

For the year ended 30 June 2020

			Accumulated	Asset	Other
	Note	Total	Surplus	Revaluation	Reserves
		\$'000	\$'000	\$'000	\$'000
Council					
2020					
Balance at beginning of the financial year		2,931,232	1,095,388	1,772,663	63,181
Surplus for the year		25,977	25,977	-	-
Net asset revaluation increment / (decrement)	9.1 (a)	36,989	-	36,989	-
Transfers to other reserves	9.1 (b)	-	(16,257)	-	16,257
Transfers from other reserves	9.1 (b)	-	4,235	-	(4,235)
Balance at end of the financial year		2,994,198	1,109,343	1,809,652	75,203
2019					
Balance at beginning of the financial year		3,016,968	1,054,909	1,897,031	65,027
Surplus for the year		38,632	38,632	-	-
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)
Balance at end of the financial year		2,931,232	1,095,388	1,772,663	63,181
Consolidated					
2020					
Balance at beginning of the financial year		2,936,083	1,100,238	1,772,663	63,181
Impact of change in accounting policy – AASB 16 Leases	10	201	201	-	-
Adjusted opening balance		2,936,284	1,100,439	1,772,663	63,181
Surplus for the year		26,097	26,097	-	-
Net asset revaluation increment / (decrement)	9.1 (a)	36,989	-	36,989	-
Transfers to other reserves	9.1 (b)	-	(16,257)	-	16,257
Transfers from other reserves	9.1 (b)	-	4,235	-	(4,235)
Balance at end of the financial year		2,999,370	1,114,515	1,809,652	75,203
2019					
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)
Balance at end of the financial year		2,936,083	1,100,238	1,772,663	63,181

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

Statement of Cash Flows

For the year ended 30 June 2020

	Note	Council		Consolidated	
		2020	2019	2020	2019
		Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Rates and charges		113,832	113,278	113,832	113,278
Statutory fees and fines		24,211	26,604	24,211	26,604
User fees		18,918	22,883	18,918	27,157
Grants – operating		9,070	9,486	9,070	9,486
Grants – capital		1,566	2,739	1,566	2,739
Contributions - monetary		13,043	16,597	13,043	16,597
Interest received		2,240	2,644	2,246	2,655
Other receipts		7,100	9,657	11,390	9,657
Net GST refund		10,175	11,629	10,006	11,457
Trust funds and deposits taken		22,613	21,328	22,613	21,328
Employee costs		(68,033)	(67,407)	(68,928)	(68,345)
Materials and services		(74,729)	(77,353)	(74,729)	(80,063)
Short-term, low value and variable lease payments		(337)	-	(337)	-
Trust funds and deposits repaid		(21,481)	(20,626)	(21,481)	(20,652)
Other payments		(4,676)	(6,070)	(7,688)	(6,072)
Net cash provided by operating activities	9.2	53,513	65,388	53,730	65,825
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	6.1	(53,332)	(81,146)	(53,387)	(81,185)
Proceeds from sale of property, infrastructure, plant and equipment		393	642	393	663
Payments for investments		(72,500)	(146,800)	(72,500)	(146,800)
Receipts from investments		108,500	137,800	108,500	137,800
Net cash used in investing activities		(16,939)	(89,504)	(16,994)	(89,522)
Cash flows from financing activities					
Borrowing costs		(376)	(469)	(376)	(469)
Proceeds from borrowings		-	20,000	-	20,000
Repayment of borrowings		(3,500)	(2,187)	(3,490)	(2,236)
Interest paid – lease liability		(776)	-	(776)	-
Repayment of lease liabilities		(337)	-	(337)	-
Net cash provided by/(used in) financing activities		(4,989)	17,344	(4,979)	17,295
Net (decrease)/increase in cash and cash equivalents		31,585	(6,772)	31,758	(6,402)
Cash and cash equivalents at the beginning of the financial year		12,125	18,897	13,116	19,518
Cash and cash equivalents at the end of the financial year	5.1 (a)	43,711	12,125	44,874	13,116
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 2020

	Council	
	2020	2019
	\$'000	\$'000
Property		
Land	1,030	7,518
Total land	1,030	7,518
Buildings	6,334	11,246
Heritage buildings	812	1,275
Total buildings	7,146	12,521
Total property	8,176	20,039
Plant and equipment		
Heritage plant and equipment	1,587	262
Plant, machinery and equipment	2,489	3,826
Fixtures, fittings and furniture	605	591
Computers and telecommunications	382	585
Library books	843	832
Total plant and equipment	5,906	6,096
Infrastructure		
Roads	7,845	4,970
Bridges	-	209
Footpaths and cycleways	594	1,094
Drainage	3,546	1,903
Recreational, leisure and community facilities	1,528	3,448
Parks, open space and streetscapes	16,668	42,356
Other infrastructure	2,290	1,596
Total infrastructure	32,471	55,576
Total capital works expenditure	46,553	81,711
Represented by:		
New asset expenditure	18,595	50,084
Asset renewal expenditure	19,502	25,640
Asset expansion expenditure	494	1,728
Asset upgrade expenditure	7,962	4,259
Total capital works expenditure	46,553	81,711

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

Notes to the Financial Report

For the year ended 30 June 2020

Overview

Introduction

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 consolidated 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)
- » the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- » the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8), and
- » other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities* do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

Note 1(a) –

Impact of COVID-19 crisis on City of Stonnington's operations and 2019–20 financial report

On the 11 March 2020 COVID-19 was declared a global pandemic and a State of Emergency was declared in Victoria on 16 March 2020. Council enacted its Business Continuity and Pandemic Plans on 17 March 2020, with a focus on maintaining core services. Since then, various measures were taken by all three levels of Government in Australia to reduce the spread of COVID-19.

COVID-19 significantly impacted the delivery of all non-essential services and core service were forced to adapt to the impact of social restrictions. Measures taken to mitigate the crisis has impacted City of Stonnington's operations in the following areas for the financial year ended 30 June 2020:

- » In response to Government directive amidst the COVID-19 outbreak, aquatic centre facilities, libraries, community centres, venues and community events closed. Council reverted to no parking fees at selected carparks and waived footpath trading permits and Food Act registrations from April 2020. The activities undertaken by Council resulted in a decrease in the Council user fee revenue by \$9.06 million and decreased associated expenses by \$2.67 million
- » Council significantly reduced parking enforcement across the municipality, which resulted in a decrease in Council statutory fees and fines revenue by \$0.85 million and decreased associated expenses by \$0.36 million
- » Council activated its Financial Hardship Policy in response to this crisis which outlines specific provisions that Council will consider providing temporary relief to those under financial stress as a result of the crisis
- » Council accelerated supplier payments in response to financial hardship experienced by businesses. This has resulted in the trade payables balance as at 30 June 2020 to decrease by \$7.81 million compared to last year
- » A number of businesses, not-for-profit organisations and other organisations that lease Council property were impacted by the social restrictions imposed by COVID-19. Council paused or significantly reduced commercial rent agreements for tenants of Council owned properties from March 2020. This resulted in decrease in rent revenue of \$0.45 million
- » Financial impact from deferral of rates revenue/ interest free period is \$0.12 million. This has also resulted in the debtor balance as at 30 June 2020 to increase by \$4.21 million compared to last year. All rate debtor balances are deemed collectible at 30 June 2020
- » Total financial impact of COVID-19 against the City of Stonnington surplus at 30 June 2020 resulted in a decrease in Council total revenue by \$10.5 million and decreased associated expenses by \$3.03 million as detailed above.

Note 1(b) – Performance against budget

1.1 Income and expenditure

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 per cent 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 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

	Budget 2020	Actual 2020	Variance 2020	Variance 2020	Ref
	\$'000	\$'000	\$'000	%	
Income					
Rates and charges	117,393	117,736	343	0.29%	
Statutory fees and fines	23,154	23,880	726	3.13%	
User fees	23,171	18,105	(5,066)	(21.86%)	1
Grants – operating	9,361	8,521	(840)	(8.98%)	
Grants – capital	776	779	3	0.34%	
Contributions – monetary	15,150	13,144	(2,006)	(13.24%)	2
Other income	10,067	8,806	(1,260)	(12.52%)	3
Total income	199,072	190,972	(8,101)	(4.07%)	
Expenses					
Employee costs	67,314	68,812	(1,498)	(2.22%)	4
Materials and services	56,777	60,547	(3,770)	(6.64%)	5, 12
Bad and doubtful debts	20	4,785	(4,765)	(23824.27%)	6
Depreciation	21,085	19,332	1,753	8.31%	7
Amortisation – Intangible assets	841	817	24	2.89%	
Amortisation – Right of use assets	-	641	(641)	0.00%	8
Borrowing costs	1,031	361	670	64.98%	9
Share of net loss of joint operation accounted for by using the equity method	-	143	(143)	0.00%	
Fair value adjustments for investment property	-	1,615	(1,615)	0.00%	10
Net loss /(gain) on disposal of property, infrastructure, plant and equipment	75	2,117	(2,042)	(2722.70%)	11
Finance costs – Leases	-	776	(776)	0.00%	8
Other expenses	9,043	5,048	3,995	44.17%	12
Total expenses	156,186	164,994	(8,808)	(5.64%)	
Surplus for the year	42,886	25,977	(16,909)	(39.43%)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Footpath permits and Health permits income was refunded as part of the business support program as a result of the unprecedented COVID-19 pandemic \$0.56 million. Loss of income also resulted from the closure and restrictions placed on non-essential services including aquatic services income \$1.38 million and the early years services income \$0.76 million. Parking enforcements were reduced in response to the pandemic, and Council experienced collection issues with Fines Victoria resulting in income lower than budget \$1.73 million. Statutory planning permits income was lower than budgeted \$0.25 million as well as other non essential community services income loss.
2	Contributions – monetary	Open space contributions lower than budget by \$2.0 million due to lower than expected levels of development.
3	Other income	<p>Other income lower than budget predominantly due to unfavourable Interest income \$0.67 million impacted by the decreasing interest rate environment, rental reliefs as part of the COVID-19 Business Support Program.</p> <p>\$0.45 million, rental income lower than expected as a result of the delay in the opening of the newly developed Prahran Square \$0.11 million, and cost recovery for Victorian Building Authorities (VBA) cladding project no longer forthcoming as full cost recovery is being rebuked by the VBA \$0.13 million. These are partially offset by recovery of valuations work from the State Revenue Office \$0.20 million and Fuel Tax Credit and the Goods and Services Tax recovery.</p>
4	Employee costs	Contractor costs exceeded budget \$0.95 million predominantly due to additional resource requirements in the waste disposal and tipping area in response to new safety initiatives requirements, graffiti maintenance, additional compliance functions and initiatives to improve the engagement and communications services. There are a number of unplanned leaves requiring backfill. Cost also exceeded budget due to termination payments following the COVID-19 pandemic.
5	Materials and services	Materials and services cost exceeded budget predominantly due to higher than budget security cost \$0.37 million, consulting fees \$0.48 million, legal fees \$0.53 million, tipping fees \$0.28 million, cleaning costs and additional PPE \$0.33 million, telecommunication and software support \$0.36 million and vehicle servicing requirements \$0.26 million. This has been offset by major contract payments savings of \$1.0m which includes saving against the parking enforcement contract with DCA and cost re-prioritisation as a result of COVID-19. A further reduction of contract payment costs of \$1.16m, arising from the impact of the new accounting standard (AASB16 Leases), this amount is re-allocated to depreciation and lease interest expenses.
6	Bad and doubtful debts	Bad and doubtful debts were \$4.76 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.
7	Depreciation	Depreciation expense is lower than budget as a result of the lower level of capital works completed and capitalised for 2019–20 (please refer to the Statement of Capital Works for more details on this program).
8	Amortisation - Right of use assets / Finance costs - Leases	The new accounting standard for leases (AASB16 Leases) came into effect 1 July 2020. This was not budgeted and shows an overspend of \$1.41 million, offset by a reduction against materials and services (contract payments). The new standard requires Council to bring operating leases on-balance sheet, and has a net impact on surplus of \$0.11 million (please refer to Note 5.8 for further details).
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	Fair value adjustments for investment property	This adjustment is unbudgeted and reflects the reduction in the assessed value of Council's investment properties over the last 12 months (please refer to Note 6.3 for further details).
11	Net loss /(gain) on disposal of property, infrastructure, plant and equipment	<p>Council had an overall net loss on disposal/write-off of assets (proceeds less the net asset value) which represents the following transactions:</p> <ul style="list-style-type: none"> » Proceeds received for which there was no adjustment in the asset register \$0.03 million » Net loss on the sale of plant and equipment \$0.26 million; and » Net loss or Asset write-offs for property and infrastructure assets \$0.98 million from building demolitions and road renewal program \$1.48 million. Refer to Notes 4.8 and 6.1 for further details. » The budget estimate reflects the expected net loss from the sale of minor plant and equipment only.
12	Other expenses	New operating initiatives of \$3.11 million that were budgeted under 'other expenses' were allocated to materials and services resulting in a favourable variance.

Note 1(b) – Performance against budget

Cont...

1.2 Capital works

	Budget 2020	Actual 2020	Variance 2020	Variance 2020	Ref
	\$'000	\$'000	\$'000	%	
Property					
Land	10,000	1,030	8,970	89.70%	1
Total land	10,000	1,030	8,970	89.70%	
Buildings	21,633	6,334	15,299	70.72%	2
Heritage buildings	11,000	812	10,188	92.62%	3
Total buildings	32,633	7,146	25,487	78.10%	
Total property	42,633	8,176	34,457	80.82%	
Plant and equipment					
Heritage plant and equipment	192	1,587	(1,395)	(726.75%)	4
Plant, machinery and equipment	2,350	2,489	(139)	(5.91%)	
Fixtures, fittings and furniture	833	605	228	27.37%	5
Computers and telecommunications	575	382	193	33.57%	6
Library books	1,055	843	212	20.09%	7
Total plant and equipment	5,005	5,906	(901)	(18.01%)	
Infrastructure					
Roads	5,830	7,845	(2,015)	(34.56%)	8
Bridges	75	0	75	100.00%	8
Footpaths and cycleways	3,091	594	2,497	80.78%	8
Drainage	2,781	3,546	(765)	(27.51%)	9
Recreational, leisure and community facilities	3,692	1,528	2,164	58.61%	10
Street trees	920	749	171	18.59%	11
Parks, open space and streetscapes	17,750	15,919	1,831	10.32%	12
Other infrastructure	1,727	2,290	(563)	(32.60%)	13
Total infrastructure	35,866	32,471	3,395	9.47%	
Total capital works expenditure	83,503	46,553	36,950	44.25%	
Represented by:					
New asset expenditure	36,755	18,595	18,159	49.41%	1,2
Asset renewal expenditure	27,092	19,502	7,590	28.02%	2,12
Asset expansion expenditure	6,390	494	5,896	92.27%	3
Asset upgrade expenditure	13,266	7,962	5,304	39.98%	3
Total capital works expenditure	83,503	46,553	36,950	44.25%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The opportunity to purchase properties to enhance public realm is dependent on market availability. Council purchased a new property as part of the Open Space Strategy which was funded from the Open Space Reserve, however based on availability did not purchase Open Space in line with budget.
3	Buildings	The Percy Treyvaud Masterplan Implementation \$13.0 million (new) and Harold Holt Masterplan works \$2.1 million (renewal) have been deferred to future financial year as a result of COVID-19 impacts and construction restrictions.
3	Heritage buildings	The Prahran Town Hall redevelopment \$7.0 million (upgrade/expansion) and Prahran Market upgrade works \$1.4 million (upgrade/expansion) have been deferred into the next financial year as a result of COVID-19 impacts and construction restrictions.
4	Heritage plant and equipment	The variance relates to the recognition of costs for the Prahran Square 'The Pipes' art installation under the Heritage Art asset category while being originally budgeted under Park and Open Space works.
5	Fixtures, fittings and furniture	The variance is a result of furniture upgrades works placed on hold as a result of COVID-19 impacts and restrictions.
6	Computers and telecommunications	The variance is a result of upgrade/renewal works placed on hold as a result of COVID-19 impacts and restrictions.
7	Library books	Some of the expenditure being budgeted under this category was operational in nature and expensed. In addition, the variance is also a result of upgrade/renewal works placed on hold as a result of COVID-19 impacts and restrictions.
8	Roads, bridges, footpaths and cycleways	The variance relates to the recognition of road construction costs for Prahran Square and Chapel Street Precinct Masterplan Implementation project works in this asset category while being originally budgeted under the Park and Open Space works. In addition, the variance is also a result of upgrade/renewal works being deferred as a result of COVID-19 impacts and restrictions.
9	Drainage	Some drainage improvements works that were originally budgeted as part of the roads refurbishment or parks and open space capital works programs or projects were allocated to the drainage capital works program. These include project works for Prahran Square, Lorne Road Refurbishment and Millewa Avenue Refurbishment.
10	Recreational, leisure and community facilities	Some capital works are now expected to be completed in the next financial year as a result of COVID-19 impacts and restrictions. The delayed project includes the Tennis Facility Review and Redevelopment Strategy Implementation.
11	Street trees	The annual tree planting and tree replacement program has been delayed as a result of COVID-19 impacts and restrictions.
12	Parks, open space and streetscapes	The majority of expenditure \$11.5 million relates to the Prahran Square development which is now complete. The variance mainly relates to project works being originally budgeted in this asset category being capitalised elsewhere (see above comment) and as a result of project works being deferred as a result of COVID-19 impacts and restrictions, including Chapel Street Precinct Masterplan Implementation \$1.4 million (renewal).
13	Other infrastructure	The variance relates to the recognition of road extra construction costs for various project works in this asset category while being originally budgeted under the Park and Open Space works or other asset categories. These projects include Chapel Street Precinct Masterplan Implementation and Prahran Square.

Note 2 – Analysis of Council results by division

Council delivers its functions and activities through the following divisions:

2.1 (a) Chief Executive Office

The Chief Executive Office includes the governance and integrity functions and risk management.

Community and Wellbeing

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

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, rates and valuation, legal services, people and safety, property and procurement.

Engagement and Innovation

Engagement and Innovation comprises of Customer Experience, Innovation, Customer Service, Communications Advocacy and Engagement (previously CEO division) and Business Systems and Technology (previously Corporate

Services division). Our Customer Service team are the front facing support of Stonnington that provide assistance to the community on a daily basis. The communications team provides important and efficient engagement communication to our staff and the Stonnington Community. The business systems and technology team manages the information technology systems and support to underpin Council's service delivery, whilst Customer Experience designs the future processes and innovations for our community and organisation.

Environment and Infrastructure

Environment and Infrastructure 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 infrastructure, city operations, open space and environment, emergency management and municipal resources.

Planning and Place

Planning and Place includes statutory and strategic planning, geographic information system, liveability and compliance, customer experience and communications.

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
2020					
Chief Executive Office	57	3,281	(3,224)	-	362
Community and Wellbeing	17,265	42,596	(25,331)	5,285	134,716
Corporate Services	123,502	18,907	104,595	2,499	833,421
Engagement and Innovation	1	8,693	(8,692)	-	1,924
Environment and Infrastructure	27,926	75,789	(47,863)	1,490	2,089,715
Planning and Place	22,220	15,728	6,492	25	1,510
	190,971	164,994	25,977	9,299	3,061,648
2019					
Chief Executive Office	27	3,924	(3,897)	27	724
Community and Wellbeing	18,833	41,897	(23,063)	5,765	118,929
Corporate Services	125,054	23,558	101,496	2,397	2,729,692
Environment and Infrastructure	32,156	78,018	(45,862)	3,380	155,087
Planning and Place	25,210	15,250	9,960	57	844
	201,280	162,647	38,633	11,626	3,005,276

The Engagement and Innovation division is a newly created division for the 2019/2020 financial year.

Note 3 – Funding for the delivery of our services

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

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 2019–2020 was \$94.878 billion (2018–2019, \$95.537 billion). The 2019/2020 rate in the CIV dollar was 0.0010177 (2018–2019, 0.000999).

General rates	93,183	89,811	93,183	89,811
Service rates and charges	21,193	20,873	21,193	20,873
Special rates and charges	1,884	1,785	1,884	1,785
Supplementary rate and rate adjustments	1,339	922	1,339	922
Interest on rates and charges	137	206	137	206
Total rates and charges	117,736	113,597	117,736	113,597

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation will be first applied in the rating year commencing 1 July 2020. The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2019, and the valuation was applied in the rating year commencing 1 July 2019.

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	12,960	14,651	12,960	14,651
Court recoveries	6,251	6,458	6,251	6,458
Town planning fees	2,195	2,233	2,195	2,233
Land information certificates	164	159	164	159
Permits	2,310	2,287	2,310	2,287
Total statutory fees and fines	23,880	25,788	23,880	25,788

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

3.3 User fees

Aged and health services	519	647	519	647
Leisure centre and recreation	3,962	5,164	3,962	5,164
Child care / children's programs	3,375	4,232	3,375	4,232
Parking	3,574	4,002	3,574	4,002
Registration and other permits	590	778	590	778
Building services	2,646	3,084	2,646	3,084
Green fees	1,095	1,193	1,095	1,193
Waste management services	1,236	1,100	1,236	1,100
Other fees and charges	1,108	1,438	1,108	1,438
Total user fees	18,105	21,638	18,105	21,638
User fees by timing of revenue recognition				
User fees recognised over time	7,855	10,043	7,855	10,043
User fees recognised at a point in time	10,250	11,595	10,250	11,595
Total user fees	18,105	21,638	18,105	21,638

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

Note 3 – Funding for the delivery of our services

Cont...

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants				
Commonwealth funded grants	5,816	5,842	5,816	5,842
State funded grants	3,483	5,784	3,483	5,784
Total grants received	9,299	11,626	9,299	11,626

(a) Operating grants

Recurrent – Commonwealth Government

Financial Assistance Grants	2,964	2,864	2,964	2,864
Aged care	2,553	2,740	2,553	2,740

Recurrent – State Government

Veteran affairs – Home care	1	4	1	4
Aged care	640	786	640	786
School crossing supervisors	309	296	309	296
Libraries	723	705	723	705
Maternal and child health	722	708	722	708
Community partnership & youth programs	349	467	349	467
Child care & immunisation	226	177	226	177
Total recurrent operating grants	8,487	8,747	8,487	8,747

Non-recurrent – Commonwealth Government

Other minor grants	-	5	-	5
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Non-recurrent – State Government

Community safety	7	42	7	42
Learner to probation L2P	-	38	-	38
Other minor grants	27	58	27	58
Total non-recurrent operating grants	34	143	34	143

Total operating grants	8,521	8,890	8,521	8,890
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(b) Capital grants

Recurrent – Commonwealth Government

Roads to recovery	298	233	298	233
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Recurrent – State Government

Premier's reading challenge	12	12	12	12
Total recurrent capital grants	310	245	310	245

Non-recurrent – State Government

Building	-	238	-	238
Heritage buildings	-	750	-	750
Parks, open space and streetscapes	295	350	295	350
Recreational, leisure and community facilities	80	1,125	80	1,125
Plant, machinery and equipment	-	27	-	27
Land improvements	94	-	94	-
Total non-recurrent capital grants	469	2,491	469	2,491

Total capital grants	779	2,736	779	2,736
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	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
(c) Unspent grants received on condition that they be spent in a specific manner				
Operating				
Balance at start of year	1,415	786	1,415	786
Received during the financial year and remained unspent at balance date	787	1,247	787	1,247
Received in prior years and spent during the financial year	(1,170)	(618)	(1,170)	(618)
Balance at year end	1,032	1,415	1,032	1,415
Capital				
Balance at start of year	378	-	378	-
Received during the financial year and remained unspent at balance date	757	378	757	378
Received in prior years and spent during the financial year	-	-	-	-
Balance at year end	1,135	378	1,135	378
Grant income is recognised at the point in time when the council satisfies its performance obligations as specified in the underlying agreement.				

3.5 Contributions

Monetary	13,144	16,501	13,144	16,501
Non-monetary	-	14	-	14
Total contributions	13,144	16,515	13,144	16,515
Open space	12,747	16,278	12,747	16,279
Development contributions	74	-	74	-
Capital works contributions	275	82	275	82
Operating contributions	48	141	48	141
Total monetary contributions	13,144	16,501	13,144	16,501
<i>Contributions of non-monetary assets were received in relation to the following asset classes :</i>				
Heritage plant and equipment	-	14	-	14
Total non-monetary contributions	-	14	-	14

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

3.6 Other income

Interest	1,641	2,738	1,647	2,749
Investment property rental	486	633	486	633
Council works cost recovery	981	1,392	981	1,392
Fire services property levy administration	84	82	84	82
State Revenue Office – valuation cost recovery	347	1,207	347	1,207
Transport towing	74	132	74	132
Other rent	4,855	5,652	8,519	9,047
Other	338	279	393	269
Total other income	8,806	12,115	12,531	15,511

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 3 – Funding for the delivery of our services

Cont...

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
4.1 (a) Employee costs				
Wages and salaries	50,644	49,100	51,463	49,880
WorkCover	1,347	1,073	1,353	1,078
Casual staff	2,722	2,790	2,722	2,790
Annual leave and long service leave	7,398	7,279	7,443	7,352
Superannuation	5,325	5,004	5,388	5,074
Fringe benefits tax	492	514	492	514
Other	884	772	884	772
Total employee costs	68,812	66,532	69,745	67,460

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

	559	564	559	564
	559	564	559	564

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

Employer contributions – other funds

	3,535	3,894	3,598	3,964
	1,168	546	1,168	546
	4,703	4,440	4,766	4,510

Employer contributions payable at reporting date

	63	69	63	69
Total superannuation	5,325	5,004	5,388	5,074

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

4.2 Materials and services

Transport and parking	8,379	8,792	8,379	8,792
Environment and infrastructure	13,731	12,922	13,731	12,922
Community support and care services	696	648	696	648
Rates and valuations	2,458	2,118	2,458	2,118
Waste management services	5,524	4,890	5,524	4,890
Building Maintenance	2,323	2,514	2,323	2,514
General Maintenance	1,108	893	1,108	893
Utilities	2,528	2,541	2,528	2,541
Office Administration	3,030	3,030	3,030	3,030
Information Technology	2,908	2,500	2,908	2,500
Consulting	2,313	2,640	2,313	2,640
Legal fees	1,276	1,307	1,276	1,307
Insurance	1,218	1,090	1,218	1,090
Stamp duty, lodgement fees and registrations	2,450	2,669	2,450	2,669
Fleet Management	1,819	1,659	1,819	1,659
Events and programs	3,708	3,585	3,708	3,585
Planning amendment fees	326	205	326	205
Others	4,752	6,248	7,029	8,271
Total materials and services	60,547	60,251	62,824	62,273

*Materials and Services have been reclassified based on the revised of organisational structures.

Note 4 – The cost of delivering services

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

4.3 Depreciation

Property	5,640	4,442	5,856	4,657
Plant and equipment	3,832	3,739	3,904	3,826
Infrastructure	9,860	10,199	9,860	10,199
Total depreciation	19,332	18,380	19,621	18,682

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Amortisation – intangible assets

Intangible assets	817	900	817	900
Total amortisation - intangible assets	817	900	817	900

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

4.5 Amortisation – right-of-use

Equipment	51	-	51	-
Vehicles	590		590	
Total amortisation - right of use assets	641	-	641	-

Refer to note 5.8 for a more detailed breakdown of application of new accounting standard for *AASB 16 Leases* and changes to amortisation

4.6 Bad and doubtful debts

Parking fine debtors	4,739	5,857	4,739	5,857
Other debtors	46	-	129	-
Total bad and doubtful debts	4,785	5,857	4,867	5,857

Movement in provisions for doubtful debts

Balance at the beginning of the year	22,670	16,813	22,670	16,813
Amounts already provided for and written off as uncollectible	(78)	-	(78)	-
Amounts provided for but recovered during the year	-	-	-	-
Balance at end of year	27,409	22,670	27,491	22,670

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.

4.7 Borrowing costs

Interest – borrowings	361	490	361	490
Interest – finance leases	-	-	-	-
Total borrowing costs	361	490	361	490

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

Note 4 – The cost of delivering services

Cont...

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

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

Net (gain) / loss on sale of property, infrastructure, plant and equipment				
Proceeds from sales	(393)	(642)	(393)	(642)
Written down value of assets disposed	260	665	268	694
Net loss on write off property, infrastructure, plant and equipment				
Infrastructure	2,250	4,328	2,250	4,328
Plant and equipment	-	-	-	-
	2,250	4,328	2,250	4,328
Total net loss on disposal of property, infrastructure, plant and equipment	2,117	4,351	2,125	4,380

4.9 Finance costs – leases

Interest – Lease liabilities	776	-	776	-
Total finance costs	776	-	776	-

Refer to note 5.8 for a more detailed breakdown of application of new accounting standard for *AASB 16 Leases* and changes to interest

4.10 Other expenses

Auditors' remuneration – VAGO – audit of the financial statement, performance statement and grant acquittals	73	73	89	89
Auditors' remuneration – Internal	200	129	200	129
Councillors' allowances	382	375	382	375
Operating lease rentals	337	687	337	687
Community grants	3,192	3,414	3,192	3,414
Others	864	524	864	524
Total other expenses	5,048	5,202	5,064	5,218

Note 5 – Our financial position

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
5.1 Financial assets				
(a) Cash and cash equivalents				
Cash on hand	4	7	4	7
Cash at bank	15,707	4,118	16,870	5,109
Term deposits	28,000	8,000	28,000	8,000
Total cash and cash equivalents	43,711	12,125	44,874	13,116
(b) Other financial assets				
Current				
Term deposits	63,000	99,000	63,000	99,000
Total cash, cash equivalents and term deposits	106,711	111,125	107,874	112,116
Non-current				
Shares in Regional Kitchen Pty Ltd – At cost *	-	230	-	230
MAPS shareholding – At cost	15	15	15	15
Total non-current other financial assets	15	245	15	245
Total other financial assets	63,015	99,245	63,015	99,245
Total financial assets	106,726	111,370	107,889	112,361
*As at 30 June 2020, Council's investment in Regional Kitchen Pty Ltd at historical cost has been written off with sale proceeds of \$1 dollar.				
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:				
– Trust funds and deposits (note 5.3)	8,434	7,716	8,487	7,769
Total restricted funds	8,434	7,716	8,487	7,769
Total unrestricted cash, cash equivalents and term deposits	98,278	103,409	99,386	104,347
Intended allocations				
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:				
» Cash held to fund carried forward capital works	18,820	20,110	18,820	20,110
» Employee leave entitlement provisions (note 5.5)*	10,659	11,199	10,750	11,280
» Future Fund held for future strategic property purchase (note 9.1 (b))	22,278	19,578	22,278	19,578
» Public open space, developer contributions and off-street parking reserves (note 9.1 (b))	52,673	43,352	52,673	43,352
» Infrastructure reserve fund held for future road damage reinstatement (note 9.1 (b))	250	250	250	250
» Infrastructure reserve fund held for future park reinstatement (note 9.1 (b))	-	-	-	-
» Conditional grants unspent (note 3.4 (c))	2,168	1,793	2,168	1,793
» IMAP monies held under payables	425	688	425	688
Total funds subject to intended allocations	107,273	96,970	107,364	97,052
Total unrestricted cash, cash equivalents and term deposits adjusted for intended allocations **	(8,995)	6,439	(7,977)	7,295

* 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 valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Note 5 – Our financial position

Cont...

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

5.1 Financial assets

Cont...

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors (refer note 1.1(a))	6,704	2,492	6,704	2,492
Special rate assessment	172	40	172	40
Parking infringement debtors	30,836	26,427	30,836	26,427
Provision for doubtful debts – parking infringements	(27,309)	(22,569)	(27,309)	(22,569)
Net GST receivable	1,381	2,633	1,381	2,633
Non statutory receivables				
Other debtors	1,181	1,513	1,687	1,763
Provision for doubtful debts – other debtors	(100)	(100)	(182)	(100)
Total trade and other receivables	12,865	10,436	13,289	10,686

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

(i) Ageing of parking infringement debtors

The ageing of Council's parking infringement debtors that are impaired per (ii):

Current (not yet due)	3,114	3,303	3,114	3,303
Past due by up to 30 days	550	570	550	570
Past due between 31 and 180 days	2,991	3,473	2,991	3,473
Past due between 181 and 365 days	2,962	2,890	2,962	2,890
Past due by more than 1 year	21,220	16,191	21,220	16,191
Total other receivables	30,836	26,427	30,836	26,427

(ii) Ageing of impaired receivables - parking infringement debtors

At balance date, parking infringement debtors with nominal value \$27.72 million (2019: \$23.12 million) were impaired. The amount of provision raised against these debtors was \$27.31 million (2019: \$22.57 million). The provision for doubtful debts has been recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment. The collection of impaired parking infringement debtors is managed by Fines Victoria.

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

Current (not yet due)	-	-	-	-
Past due by up to 30 days	385	399	385	399
Past due between 31 and 180 days	2,742	3,089	2,742	3,089
Past due between 181 and 365 days	2,962	2,890	2,962	2,890
Past due by more than 1 year	21,220	16,191	21,220	16,191
Total other receivables	27,309	22,569	27,309	22,569

(iii) Ageing of other debtors

The ageing of Council's other receivables (excluding statutory receivables) that are impaired per (iv):

Current (not yet due)	646	1,065	890	1,272
Past due by up to 30 days	65	185	85	203
Past due between 31 and 180 days	346	90	511	99
Past due between 181 and 365 days	72	44	145	46
Past due by more than 1 year	52	129	56	143
Total other receivables	1,181	1,513	1,687	1,763

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

(iv) Ageing of individually impaired receivables – other debtors

At balance date, consolidated receivables with nominal value \$0.18 million (2019; nil) were impaired. The amount of provision raised against these debtors was \$0.18 million (2019; nil). They have been individually impaired as a result of their doubtful collection.

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

Current (not yet due)	-	-	12	-
Past due by up to 30 days	-	-	-	-
Past due between 31 and 180 days	87	-	91	-
Past due between 181 and 365 days	13	-	75	-
Past due by more than 1 year	-	-	4	-
Total other receivables	100	-	182	-

5.2 Non-financial assets

(a) Other assets – current

Prepayments	270	2,186	344	2,235
Accrued income	398	915	735	915
Other	233	552	92	548
Total other assets	901	3,653	1,171	3,699

(b) Intangible assets

Gross Carrying Amount

Balance at 1 July 2019			12,476	12,476
Work in progress			78	78
Other additions			291	291
Balance at 30 June 2020			12,845	12,845

Accumulated amortisation and impairment

Balance at 1 July 2019			(10,743)	(10,743)
Amortisation expense			(816)	(816)

Balance at 30 June 2020			(11,559)	(11,559)
Net book value at 30 June 2019			1,733	1,733
Net book value at 30 June 2020			1,286	1,286

Intangible assets relate to software. 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.

Note 5 – Our financial position

Cont...

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

5.3 Payables

(a) Trade and other payables

Trade payables (refer note 1.1(a))	7,580	15,385	7,878	15,699
Accrued expenses	5,310	5,177	5,310	5,177
Other	1,091	1,345	1,129	1,404
Total trade and other payables	13,981	21,907	14,317	22,280

(b) Trust funds and deposits

Refundable deposits	5,511	5,386	5,564	5,439
Refundable contract deposits	846	894	846	894
Fire Service Property Levy	1,200	780	1,200	780
Retention amounts	877	656	877	656
Total trust funds and deposits	8,434	7,716	8,487	7,769

(c) Unearned income

Grants received in advance – operating	1,135	-	1,135	-
Grants received in advance – capital	788	-	788	-
Other	29	-	29	-
Total unearned income	1,952	-	1,952	-

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.

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

5.4 Interest-bearing liabilities

Current				
Borrowings – secured	3,500	3,500	3,500	3,500
	3,500	3,500	3,500	3,500
Non-current				
Borrowings – secured	19,000	22,500	19,000	22,500
	19,000	22,500	19,000	22,500
Total	22,500	26,000	22,500	26,000

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Borrowings are secured by rates income of Council.				
a) The maturity profile for Council's borrowings is:				
Not later than one year	3,500	3,500	3,500	3,500
Later than one year and not later than five years	10,000	12,500	10,000	12,500
Later than five years	9,000	10,000	9,000	10,000
	22,500	26,000	22,500	26,000

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

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

	Employee Provisions	Insurance Excess Provision	Total
	\$'000	\$'000	\$'000

5.5 Provisions

2020 Council

Balance at beginning of the financial year	16,740	115	16,855
Additional provisions	5,967	-	5,967
Amounts used	(5,360)	(115)	(5,475)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(63)	-	(63)
Balance at the end of the financial year	17,284	-	17,284

2020 Consolidated

Balance at beginning of the financial year	16,860	115	16,975
Additional provisions	6,037	-	6,037
Amounts used	(5,386)	(115)	(5,501)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(63)	-	(63)
Balance at the end of the financial year	17,448	-	17,448

2019 Council

Balance at beginning of the financial year	16,178	200	16,378
Additional provisions	5,946	-	5,946
Amounts used	(5,314)	(86)	(5,399)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(71)	-	(71)
Balance at the end of the financial year	16,740	115	16,855

2019 Consolidated

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)
Balance at the end of the financial year	16,860	115	16,975

Note 5 – Our financial position

Cont...

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

5.5 Provisions

Cont...

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	2,859	2,506	2,912	2,536
Long service leave	516	465	516	465
Retirement gratuity	99	-	99	-
Time in lieu	118	99	118	99
Accrued day off	597	445	597	445
	4,189	3,515	4,242	3,545

Current provisions expected to be wholly settled after 12 months

Annual leave	2,952	2,492	2,973	2,501
Long service leave	8,082	8,842	8,169	8,921
	11,034	11,334	11,142	11,423

Total current employee provisions

	15,223	14,849	15,384	14,968
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Non-current

Long service leave	2,016	1,741	2,019	1,743
Retirement gratuity	45	150	45	150

Total non-current employee provisions

	2,061	1,891	2,064	1,893
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Aggregate carrying amount of employee provisions:

Current	15,223	14,849	15,384	14,968
Non-current	2,061	1,891	2,064	1,893

Total aggregate carrying amount of employee provisions

	17,284	16,740	17,448	16,861
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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	0.26%	1.03%	0.26%	1.03%
Weighted average settlement period	12 months	12 months	12 months	12 months
Weighted average index rate	1.34%	2.59%	1.34%	2.59%

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000

5.6 Financing arrangements

Council has the following funding arrangements in place as at 30 June 2020.

Bank overdraft	250	250	250	250
Credit card facilities	65	65	65	65
Finance lease	4,617	3,913	4,617	3,913
Borrowings	22,500	26,000	22,500	26,000
Total facilities	27,432	30,228	27,432	30,228
Used facilities	(26,103)	(29,017)	(26,103)	(29,017)
Unused facilities	1,329	1,211	1,329	1,211

(b) Insurance excess provisions

Current	-	115	-	115
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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	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2020					
Operating					
Municipal turf maintenance and mowing services	1,847	316	-	-	2,163
Playground landscape, recreational and sports facilities upgrade	507	211	-	-	718
Management of car parks	1,118	172	-	-	1,290
Hard and green waste collection	796	-	-	-	796
Cleaning of municipal buildings & aquatics centres	1,290	838	-	-	2,129
Recycling collections	2,179	-	-	-	2,179
Building maintenance services	1,809	27	27	54	1,917
Tipping waste management	4,803	5,710	235	485	11,233
Central record services	71	-	-	-	71
Other contractual obligations	2,996	1,450	950	1,514	6,910
Total	17,416	8,723	1,212	2,053	29,406
Capital					
Buildings	347	149	59	-	555
Other capital works	1,563	12	12	25	1,613
Total	1,910	161	71	25	2,167
2019					
Operating					
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	-	-	1,819
Hard and green waste collection	390	-	-	-	390
Cleaning of municipal buildings and 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 and premium services	33	36	121	-	190
Central record services	218	222	458	-	899
Other contractual obligations	1,960	1,059	1,228	-	4,247
Total	25,463	8,265	8,000	-	41,728
Capital					
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
Total	18,919	1,108	75	-	20,102

5.8 Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 5 – Our financial position

Cont...

5.8 Leases

Cont...

	Equipment	Vehicles	Total
	\$'000	\$'000	\$'000
2020 Council			
Right-of-use assets			
Balance at 1 July 2019	133	2,212	2,345
Additions	20	247	267
Amortisation charge	(51)	(590)	(641)
Balance at 30 June 2020	102	1,869	1,971
Lease Liabilities			
Maturity analysis – contractual undiscounted cash flows			
Less than one year	1,143		
One to five years	717		
Total undiscounted lease liabilities as at 30 June:	1,860		
Lease liabilities included in the Balance Sheet at 30 June:			
Current	1,143		
Non-current	717		
Total lease liabilities	1,860		
2020 Consolidated			
Right-of-use assets			
Balance at 1 July 2019	133	2,212	2,345
Additions	20	247	267
Amortisation charge	(51)	(590)	(641)
Balance at 30 June 2020	102	1,869	1,971
Lease Liabilities			
Maturity analysis – contractual undiscounted cash flows			
Less than one year	1,143		
One to five years	717		
Total undiscounted lease liabilities as at 30 June:	1,860		
Lease liabilities included in the Balance Sheet at 30 June:			
Current	1,143		
Non-current	717		
Total lease liabilities	1,860		

5.8 Leases

Short-term and low value leases

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

	Council 2020	Consolidated 2020
	\$'000	\$'000
Expenses relating to:		
Short-term leases	185	185
Leases of low value assets	152	152
Total	337	337
Variable lease payments (not included in measurement of lease liabilities)	-	-
Non-cancellable lease commitments – Short-term and low-value leases		
Commitments for minimum lease payments for short-term and low-value leases are payable as follows:		
Payable:		
Within one year	185	185
Later than one year but not later than five years	152	152
Total lease commitments	337	337

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

ii. Leases previously classified as finance leases

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

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

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 2019	At cost 30 June 2019	Acquisitions	Contributions	Revaluation
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,410,593	-	-	-	29,076
Plant and equipment	5,676	18,665	-	-	-
Infrastructure	360,321	-	-	-	8,146
Work in progress	71,098	-	46,553	-	-
Total	2,847,688	18,665	46,553	-	37,222
Summary of work in progress (WIP)					
	Opening WIP	Additions	Class Transfers	Write-off	Transfers
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	5,452	8,176	45,150	-	(51,493)
Plant and equipment	1,000	5,906	-	-	(6,765)
Infrastructure	64,646	32,471	(45,150)	-	(43,597)
Total	71,098	46,553	-	-	(101,855)
Consolidated					
Summary of property, infrastructure, plant and equipment					
	At fair value 30 June 2019	At cost 30 June 2019	Acquisitions	Contributions	Revaluation
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,416,101	-	-	-	29,076
Plant and equipment	5,676	19,043	-	-	-
Infrastructure	360,321	-	-	-	8,146
Work in progress	71,320	-	46,587	-	-
Total	2,853,418	19,043	46,587	-	37,222
Summary of work in progress (WIP)					
	Opening WIP	Additions	Class Transfers	Write-off	Transfers
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	5,674	8,210	45,150	-	(51,533)
Plant and equipment	1,000	5,906	-	-	(6,765)
Infrastructure	64,646	32,471	(45,150)	-	(43,597)
Total	71,320	46,587	-	-	(101,895)

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment

Cont...

Council				
(a) Property	Land – specialised	Land – non specialised	Total land	Heritage buildings
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	2,057,482	154,412	2,211,895	67,218
Accumulated depreciation at 1 July 2019	-	-	-	-
	2,057,482	154,412	2,211,895	67,218
Movements in fair value				
Additions	-	-	-	-
Revaluation	5,317	9,493	14,810	753
Disposal	-	-	-	-
Write-off	-	-	-	-
Transfers	1,030	-	1,030	812
Transfer between asset class	-	-	-	-
	6,348	9,493	15,840	1,565
Movements in accumulated depreciation				
Depreciation	-	-	-	(1,001)
Accumulated depreciation of disposals	-	-	-	-
Revaluation	-	-	-	1,001
	-	-	-	-
At fair value 30 June 2020	2,063,830	163,905	2,227,735	68,783
Accumulated depreciation at 30 June 2020	-	-	-	-
	2,063,830	163,905	2,227,735	68,783

Buildings – specialised	Buildings – non specialised	Total buildings	Work in progress	Total property
\$'000	\$'000	\$'000	\$'000	\$'000
113,556	17,924	198,698	5,452	2,416,045
-	-	-	-	-
113,556	17,924	198,698	5,452	2,416,045
-	-	-	8,176	8,176
9,903	(1,893)	8,763	-	23,573
-	-	-	-	-
(1,135)	-	(1,135)	-	(1,135)
48,111	1,539	50,463	(51,493)	-
-	-	-	45,150	45,150
56,879	(354)	58,091	1,833	75,764
(4,128)	(511)	(5,640)	-	(5,640)
137	-	137	-	137
3,991	511	5,503	-	5,503
-	-	-	-	-
170,435	17,571	256,789	7,285	2,491,809
-	-	-	-	-
170,435	17,571	256,789	7,285	2,491,809

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment

Cont...

Council				
(b) Plant and Equipment	Heritage plant and equipment	Plant machinery, motor vehicles and equipment	Fixtures fittings and furniture	Computers and telecomms
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	5,676	-	-	-
At cost 1 July 2019	-	24,176	9,801	6,539
Accumulated depreciation at 1 July 2019	-	(12,614)	(6,573)	(5,415)
	5,676	11,562	3,228	1,124
Movements				
Additions	-	-	-	-
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	-	(632)	(1)	(239)
Transfers between asset class	-	-	-	-
Transfers	1,827	3,238	475	382
	1,827	2,606	474	143
Movements in accumulated depreciation				
Depreciation	(75)	(1,855)	(554)	(503)
Accumulated depreciation of disposals	-	375	1	235
Revaluation	-	-	-	-
	(75)	(1,480)	(553)	(268)
At fair value 30 June 2020	5,676	-	-	-
At cost 30 June 2020	1,827	26,782	10,275	6,682
Accumulated depreciation at 30 June 2020	(75)	(14,094)	(7,126)	(5,683)
	7,428	12,688	3,149	999

	Library books	Work In progress	Total plant and equipment
	\$'000	\$'000	\$'000
	-	-	5,676
	21,342	1,000	62,858
	(18,591)	-	(43,193)
	2,751	1,000	25,341
	-	5,906	5,906
	-	-	-
	-	-	-
	-	-	(872)
	-	-	-
	843	(6,765)	-
	843	(859)	5,034
	(845)	-	(3,832)
	-	-	611
	-	-	-
	(845)	-	(3,221)
	-	-	5,676
	22,186	141	67,892
	(19,436)	-	(46,414)
	2,750	141	27,154

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment Cont...

Council				
(c) Infrastructure	Roads	Bridges	Drainage	Recreational, leisure and community
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	381,637	6,683	150,804	18,692
Accumulated depreciation at 1 July 2019	(187,403)	(1,582)	(75,522)	(5,596)
	194,234	5,101	75,282	13,096
Movements in fair value				
Additions	-	-	-	-
Revaluation	-	-	(70,832)	-
Write-off	(4,574)	-	-	-
Transfers	11,730	-	4,242	6,100
Transfer between asset class	-	-	-	-
	7,156	-	(66,590)	6,100
Movements in accumulated depreciation				
Depreciation	(4,590)	(130)	(1,848)	(799)
Accumulated depreciation of disposals/write offs	3,089	-	-	-
Revaluation	-	-	77,370	-
	(1,501)	(130)	75,522	(799)
At fair value 30 June 2020	388,793	6,683	84,213	24,792
Accumulated depreciation at 30 June 2020	(188,904)	(1,712)	-	(6,395)
	199,889	4,971	84,213	18,397

Parks, open space and streetscapes	Other infrastructure	Work in progress	Total infrastructure
\$'000	\$'000	\$'000	\$'000
58,411 (7,993)	33,857 (11,667)	64,646 -	714,730 (289,763)
50,418	22,190	64,646	424,967
-	-	32,471	32,471
-	(2,044)	-	(72,876)
-	-	-	(4,574)
19,061	2,464	(43,597)	-
-	-	(45,150)	(45,150)
19,061	420	(56,276)	(90,129)
(1,141)	(1,352)	-	(9,860)
-	-	-	3,089
-	3,652	-	81,022
(1,141)	2,300	-	74,251
77,472 (9,134)	34,277 (9,367)	8,371 -	624,601 (215,512)
68,338	24,910	8,371	409,089

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment

Cont...

Consolidated				
(a) Property	Land – specialised	Land – non specialised	Total land	Heritage buildings
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	2,057,482	154,412	2,211,894	74,869
Accumulated depreciation at 1 July 2019	-	-	-	(2,143)
	2,057,482	154,412	2,211,894	72,727
Movements in fair value				
Additions	-	-	-	-
Contributed asset	-	-	-	-
Revaluation	5,317	9,493	14,810	753
Disposal	-	-	-	-
Write-off	-	-	-	-
Transfers	1,030	-	1,030	853
Transfer between asset class	-	-	-	-
	6,348	9,494	15,841	1,606
Movements in accumulated depreciation				
Depreciation	-	-	-	(1,217)
Accumulated depreciation of disposals	-	-	-	-
Revaluation	-	-	-	1,001
	-	-	-	(216)
At fair value 30 June 2020	2,063,830	163,906	2,227,736	76,475
Accumulated depreciation at 30 June 2020	-	-	-	(2,359)
	2,063,830	163,906	2,227,736	74,116

Buildings – specialised	Buildings – non specialised	Total buildings	Work in progress	Total property
\$'000	\$'000	\$'000	\$'000	\$'000
113,556	17,924	206,350	5,674	2,423,918
-	-	(2,143)	-	(2,143)
113,556	17,924	204,207	5,674	2,421,775
-	-	-	8,210	8,210
-	-	-	-	-
9,903	(1,893)	8,763	-	23,573
-	-	-	-	-
(1,135)	-	(1,135)	-	(1,135)
48,111	1,539	50,503	(51,533)	-
-	-	-	45,150	45,150
56,879	(354)	58,131	1,827	75,799
(4,128)	(511)	(5,856)	-	(5,856)
137	-	137	-	137
3,991	511	5,503	-	5,503
-	-	(216)	-	(216)
170,435	17,571	264,481	7,501	2,499,718
-	-	(2,359)	-	(2,359)
170,435	17,571	262,122	7,501	2,497,358

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment

Cont...

Consolidated				
(b) Plant and equipment	Heritage plant and equipment	Plant machinery, motor vehicles and equipment	Fixtures fittings and furniture	Computers and telecomms
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	5,676	-	-	-
At cost 1 July 2019	-	25,380	9,854	6,707
Accumulated depreciation at 1 July 2019	-	(13,485)	(6,593)	(5,570)
	5,676	11,895	3,260	1,137
Movements in fair value				
Additions	-	-	-	-
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	-	(648)	(1)	(251)
Transfers between asset class	-	-	-	-
Transfers	1,827	3,238	474	382
	1,827	2,590	473	131
Movements in accumulated depreciation				
Depreciation	(75)	(1,927)	(554)	(503)
Accumulated depreciation of disposals	-	417	1	235
Transfer	-	-	-	-
Revaluation	-	-	-	-
	(75)	(1,510)	(553)	(268)
At fair value 30 June 2020	7,503	-	-	-
At cost 30 June 2020	-	27,970	10,326	6,838
Accumulated depreciation at 30 June 2020	(75)	(14,995)	(7,147)	(5,838)
	7,428	12,975	3,180	1,000

	Library books	Work In progress	Total plant and equipment
	\$'000	\$'000	\$'000
	-	-	5,676
	21,342	1,000	64,284
	(18,591)	-	(44,239)
	2,751	1,000	25,720
	-	5,906	5,906
	-	-	-
	-	-	-
	-	-	(900)
	-	-	-
	844	(6,765)	-
	844	(859)	5,006
	(844)	-	(3,904)
	-	-	653
	-	-	-
	-	-	-
	(844)	-	(3,251)
	-	-	7,503
	22,186	141	67,462
	(19,436)	-	(47,491)
	2,750	141	27,474

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment

Cont...

Consolidated				
(c) Infrastructure	Roads	Bridges	Drainage	Recreational, leisure and community
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	381,637	6,683	150,804	18,692
At cost 1 July 2019	-	-	-	-
Accumulated depreciation at 1 July 2019	(187,403)	(1,582)	(75,522)	(5,596)
	194,234	5,101	75,282	13,096
Movements in fair value				
Additions	-	-	-	-
Revaluation	-	-	(70,832)	-
Write-off	(4,574)	-	-	-
Transfers	11,730	-	4,242	6,100
Transfer between asset class	-	-	-	-
	7,156	-	(66,590)	6,100
Movements in accumulated depreciation				
Depreciation	(4,590)	(130)	(1,848)	(799)
Accumulated depreciation of disposals/write offs	3,089	-	-	-
Revaluation	-	-	77,370	-
	(1,501)	(130)	75,522	(799)
At fair value 30 June 2020	388,793	6,683	84,214	24,792
Accumulated depreciation at 30 June 2020	(188,904)	(1,712)	-	(6,394)
	199,889	4,971	84,214	18,398

Parks, open space and streetscapes	Other infrastructure	Work in progress	Total infrastructure
\$'000	\$'000	\$'000	\$'000
58,410	33,857	64,646	714,730
-	-	-	-
(7,993)	(11,667)	-	(289,763)
50,418	22,191	64,646	424,967
-	-	32,471	32,471
-	(2,044)	-	(72,876)
-	-	-	(4,574)
19,061	2,464	(43,597)	-
-	-	(45,150)	(45,150)
19,061	420	(56,276)	(90,129)
(1,141)	(1,353)	-	(9,860)
-	-	-	3,089
-	3,652	-	81,022
(1,141)	2,299	-	74,251
77,471	34,277	8,371	624,601
(9,134)	(9,367)	-	(215,513)
68,337	24,910	8,371	409,089

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

	Depreciation Period	Threshold Limit
		\$'000
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	3-8 years	all holdings with life exceeding one year
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
Right of use assets	Remaining contract period	

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.

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

The market is being impacted by the uncertainty caused by the COVID-19 pandemic. As at the date of valuation we consider that there is market uncertainty resulting in significant valuation uncertainty. This valuation is therefore reported on the basis of 'significant valuation uncertainty'. As a result, less certainty exists than normal and a higher degree of caution should be attached to the valuation given the environment and future impact that COVID-19 might have on markets.

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation.

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 2020 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Land – non specialised	-	163,905	-	06/20
Land – specialised	-	-	1,382,530	06/20
Land under roads	-	-	681,300	06/20
Buildings – non specialised	-	17,571	-	06/20
Buildings – specialised	-	-	239,219	06/20
Total	-	181,476	2,303,048	

Definitions of the fair value hierarchy outlined in Note 8.4.

Note 6 – Assets we manage

Cont...

6.1 Property, infrastructure, plant and equipment

Cont...

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.

Council's drainage assets have had the inflationary impact of construction cost change reflected in the replacement cost of these assets using ABS data as at 30 June 2020.

A valuation of Council's other infrastructure assets has been updated in line with new unit rates as confirmed by independent valuers (Infrastructure Management Group Pty Ltd), which has been verified by Council Engineer and Asset Co-ordinator Tze Sian Hor B.Civil Eng, B.Com. 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 2020.

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

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

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads		-	199,889	06/19
Bridges		-	4,971	06/19
Drainage		-	84,213	06/20
Other infrastructure		-	24,910	06/20
Recreational, leisure and community facilities		-	18,398	06/19
Parks, open space and streetscapes		-	68,337	06/19
Total		-	400,718	

No transfers between levels occurred during the year.

Definitions of the fair value hierarchy outlined in Note 8.4.

Valuation of heritage assets – arts and antiques

Council underwent a valuation of artworks, antiques and public artworks in accordance with AASB 13 - 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. Heritage assets acquired over the 2019–20 financial year have been recognised at cost. Council's Fine Art (comprising furniture, decorative arts and archives) and New Art Asset Collections have been determined by the valuer as requiring level 3 (unobservable) inputs to determine their valuation. The specific nature of these collections are that there are fewer observable sales of like or similar items for these assets.

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Heritage, plant and equipment	-	3,346	4,082	06/19
Total	-	3,346	4,082	

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 \$160 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 \$1,350 to \$8,650 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.

	2020	2019
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	681,300	686,150
Land	1,382,530	1,371,332
Total specialised land	2,063,830	2,057,482

Note 6 – Assets we manage

Cont...

	Council	
	2020	2019
	\$'000	\$'000

6.2 Investments in joint operation and subsidiary

(a) Investment in joint operation

Regional Landfill Clayton South

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 2020 unaudited accounts (2019 unaudited accounts).

Fair value of Council's investment in Regional Landfill Clayton South	363	632
Council's share of accumulated deficit		
Council's share of accumulated deficit at start of year	(1,145)	(1,027)
Reported deficit for year	(143)	(118)
Council's share of accumulated deficit at end of year	(1,288)	(1,145)
Council's share of reserves		
Council's share of reserves at start of year	212	212
Council's share of reserves at end of year	212	212
Movement in carrying value of specific investment		
Carrying value of investment at start of year	632	890
Share of surplus deficit for the year excluding revaluation of provision for environmental rehabilitation	(269)	(258)
Carrying value of investment at end of year	363	632
Council's share of expenditure commitments		
Operating commitments	-	5
Council's share of expenditure commitments	-	5
Council's share of environmental rehabilitation provision		
Carrying value of environment rehabilitation provision at start of year	1,566	1,705
Share of revaluation of provision	(125)	(125)
Carrying value of environment rehabilitation provision at end of year	1,441	1,566

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 2020 unaudited accounts of \$11.3 million (\$12.3 million, 2019) 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 \$1.4 million (2019, \$1.6 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 2020 is valued at nil (2019, 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.

(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.

In response to the COVID-19 pandemic, Council provided rent abatement to Prahran Market of \$0.29 million as at 30 June 2020 with intention to perform another review post balance date as the COVID-19 crisis continues to evolve.

The assets, liabilities, and operating result based upon 2020 unaudited financial statements (2019 unaudited financial statements) are included in Council's consolidated financial accounts, as follows:

Summarised financial information	2020	2019
	\$'000	\$'000
Summarised statement of comprehensive income		
Total income	4,991	4,907
Total expenses	4,871	4,808
Surplus/(deficit) for the year	120	99
Total comprehensive result	120	99
Summarised balance sheet		
Current assets	2,059	1,291
Non-current assets	5,869	6,110
Total assets	7,928	7,401
Current liabilities	701	498
Non-current liabilities	57	55
Total liabilities	758	552
Net Assets	7,170	6,849
Equity		
Accumulated funds	5,170	4,849
Issued capital	2,000	2,000
Total Equity	7,170	6,849
Summarised statement of cash flows		
Net cash provided by operating activities	217	438
Net cash used in investing activities	(55)	(18)
Net cash used in financing activities	10	(49)
Net increase/(decrease) in cash and cash equivalents	172	370

Principles of consolidation

The consolidated financial statements of Council incorporates all entities controlled by Council as at 30 June 2020, and their income and expenses for that part of the reporting period in which control existed. Transactions and balances within the consolidated group are eliminated.

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

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year	9,100	11,200	9,100	11,200
Additions	-	1,646	-	1,646
Net transfer to land and building	-	(3,180)	-	(3,180)
Fair value adjustments	(1,615)	(566)	(1,615)	(566)
Balance at end of financial year	7,485	9,100	7,485	9,100

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 \$7.5 million (2019, 9.1 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:

Councillors	Councillor Steve Stefanopoulos	(Mayor 1 July 2019 – 30 June 2020)
	Councillor Jami Klisaris	(1 July 2019 – 30 June 2020)
	Councillor John Chandler	(1 July 2019 – 30 June 2020)
	Councillor Melina Sehr	(1 July 2019 – 30 June 2020)
	Councillor Matthew Koce	(1 July 2019 – 30 June 2020)
	Councillor Glen Atwell	(1 July 2019 – 30 June 2020)
	Councillor Judy Hindle	(1 July 2019 – 30 June 2020)
	Councillor Marcia Griffin	(1 July 2019 – 30 June 2020)
	Councillor Sally Davis	(1 July 2019 – 30 June 2020)
Chief Executive Officer	Ms Jacqui Weatherill	(22 July 2019 – 30 June 2020)
Interim Chief Executive Officer	Mr Simon Thomas	(1 July – 19 July 2019)
Director	Mr Geoff Cockram	Director Corporate Services (1 July 2019 – 24 March 2020)
	Mr Christopher Balfour	Director Corporate Services (25 March – 30 June 2020)
	Mr Rick Kwasek	Director Environment and Infrastructure (1 July 2019 – 30 June 2020)
	Mr Stuart Draffin	Director Planning and Place (1 July 2019 – 30 June 2020)
	Ms Cath Harrod	Director Community and Wellbeing (1 July 2019 – 30 June 2020)
	Mr Greg Curcio	Director Engagement and Innovation (24 March – 30 June 2020)

Council	2020	2019
	No.	No.
Total number of Councillors	9	9
Total of Chief Executive Officer and other key management personnel	8	6
Total key management personnel	17	15

(c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2020	2019
	\$'000	\$'000
Short-term benefits	2,006	1,805
Post-employment benefits	190	157
Other long-term benefits	48	32
Termination benefits	-	223
Total remuneration	2,246	2,217

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

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

Council	2020	2019
	No.	No.
\$30,000 – \$39,999	8	8
\$60,000 – \$69,999	1	-
\$70,000 – \$79,999	1	-
\$100,000 – \$109,999	1	1
\$190,000 – \$199,999	-	1
\$250,000 – \$259,999	1	3
\$260,000 – \$269,999	1	-
\$270,000 – \$279,999	2	-
\$280,000 – \$289,999	1	1
\$370,000 – \$379,999	1	-
\$590,000 – \$599,999*	-	1
	17	15

*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 \$151,000

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

	Council		Consolidated	
	2020	2019	2020	2019
Income Range:	No.	No.	No.	No.
< \$151,000	4	8	4	8
\$151,000 - \$159,999	1	3	1	3
\$160,000 - \$169,999	2	1	2	1
\$170,000 - \$179,999	3	7	3	7
\$180,000 - \$189,999	5	4	5	4
\$190,000 - \$199,999	5	-	5	-
\$200,000 - \$210,999	1	-	1	-
	21	23	21	23
	\$'000	\$'000	\$'000	\$'000
Total Remuneration for the reporting year for Senior Officers included above.	3,381	3,403	3,381	3,403

Note 7 – People and relationships

Cont...

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	1,396
Other revenue from Prahran Market Pty Ltd	Letter of Agreement	26
Base rent paid to Prahran Market Pty Ltd	Rental agreement	29
Reimbursement for capital improvements undertaken at Prahran Market	Management agreement	248

(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	141
Capital contribution outstanding to Prahran Market Pty Ltd	Memorandum of understanding	62

(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 2019, 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:

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Not later than one year	395	395	395	395
	395	395	395	395

(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 2019, same position).

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.

MAV Workcare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare 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.

Note 8 – Managing uncertainties

Cont...

8.2 Change in accounting standards

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

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

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

- » recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset
- » reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset
- » initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059
- » recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator, and
- » disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

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

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

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

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

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

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.

The declining interest rate may have altered as a result of changed business conditions under COVID-19, however the duration as well as the effectiveness of government and reserve bank responses remains unclear at this time. 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.

The City of Stonnington Rates Financial Hardship Policy provides various options to assist ratepayers in financial distress, such as rate concessions, charge and interest deferral, payment options and interest waivers. The Rates Financial Hardship Policy continued to apply with the following amendments in response to the COVID-19 pandemic: In response to the COVID-19 state of emergency, interest and other additional fees will not be charged on overdue rates for the period of 16 March to 31 December 2020.

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.

Note 8 – Managing uncertainties

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 1.00%.

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.

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

The spread of COVID-19 has continued to severely impact Victoria's economy after balance date, with many businesses being forced to cease or limit operations for long or indefinite periods of time.

On 2 August 2020, if you live in metropolitan Melbourne, Stage 4 restrictions were applied. Measures taken to contain the spread of the COVID-19, include travel bans, quarantines, social distancing, mandatory face masks and closures of non-essential services including schools and childcare unless permitted. These measures have triggered significant disruptions to businesses in Victoria, resulting in an economic slowdown.

The government has responded with monetary and fiscal interventions to stabilise economic conditions, however Council does not meet the criteria to access current government funding, nor the job keeper scheme.

Council has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2020 have not been adjusted to reflect their impact.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Council for future periods.

Note 9 – Other matters

9.1 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserve			
2020			
Property			
Land	1,113,311	14,577	1,127,889
Land under roads	305,560	-	305,560
Buildings	174,022	14,266	188,288
Heritage buildings	16,922	-	16,922
	1,609,815	28,843	1,638,659
Infrastructure			
Roads, streets, rights of way and bridges	112,744	-	112,744
Other infrastructure	12,182	1,608	13,790
Drainage	29,120	6,538	35,658
Recreational, leisure and community	1,673	-	1,673
Parks, open space and streetscapes	5,840	-	5,840
	161,559	8,146	169,705
Plant and equipment			
Heritage plant and equipment	1,290	-	1,290
Total asset revaluation reserve	1,772,664	36,989	1,809,654
2019			
Property			
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
Infrastructure			
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
Plant and equipment			
Heritage plant and equipment	934	356	1,290
Total asset revaluation reserve	1,897,031	(124,368)	1,772,663

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

9.1 Reserves

	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
	\$'000	\$'000	\$'000	\$'000	\$'000
(b) Other reserves					
2020					
Open Space Reserve	43,352	13,257	(3,935)	52,674	52,674
Developer Contributions	-	-	-	-	-
Future Fund Reserve	19,578	3,000	(300)	22,278	22,278
Infrastructure - Roads Damaged Reserve	251	-	-	251	251
Total other reserves	63,181	16,257	(4,235)	75,203	75,203
2019					
Open Space Reserve	46,267	17,481	(20,396)	43,352	43,352
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)	-	-
Total other reserves	65,027	20,481	(22,327)	63,181	63,181

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.

The Park Reinstatement Reserve is created for recording of funds received as a result of occupation of Gardiner Park by VicRoads. Funds will be utilised to maintain and enhance Gardiner Park.

Note 9 – Other matters

Cont...

9.2 Reconciliation of cash flows from operating activities to surplus

	Council		Consolidated	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Surplus for the year	25,977	38,633	26,097	38,732
Depreciation/amortisation	20,790	19,280	21,079	19,582
Loss on disposal of property, infrastructure, plant and equipment	2,117	4,351	2,124.88	4,360
Share of net loss of joint operation accounted for by the equity method	143	118	143	118
Loss of sale in investment equity	230	-	230	-
Fair value adjustments for investment property	1,615	566	1,615	566
Contributions – non monetary assets	-	(14)	-	(14)
Rent abatement	361	-	361	-
Change in assets and liabilities in relation to operating activities:				
Decrease in trade and other receivables	(2,467)	70	(2,702)	(22)
(Increase)/decrease in prepayments	1,916	1,125	1,746	1,125
Decrease in accrued income	167	(142)	167	(142)
Increase in trade and other payables	(1,856)	84	(1,673)	235
(Decrease)/increase in other liabilities	4,160	839	4,139	822
Increase/(decrease) in provisions	360	478	405	463
Net cash provided by operating activities	53,513	65,388	53,730	65,825

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 2020, 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) 2.0% pa.

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

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.

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 2020, this rate was 9.5% of members' salaries (9.5% in 2018–19). 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:

	2018	2017
	\$m	\$m
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.

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

Scheme	Type of Scheme	Rate	2020 \$'000	2019 \$'000
Vision super	Defined benefit	9.50%	559	564
Vision super	Accumulation fund	9.50%	4,703	4,440

There were \$0.06 million contributions outstanding as at 30 June 2020.

Note 10 – Change in accounting policy

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

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

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

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

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

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

(b) AASB 16 Leases

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

The consolidated include accounting for operating leases by the lessor (Pahran Market Pty Ltd) recognising prior year straight line rental revenue against opening retained earnings. The transition impact of these are detailed below.

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

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

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

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

(d) Transition impacts

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

	Council 2019	Consolidated 2019
	\$'000	\$'000
Retained earnings at 30 June 2019	1,095,388	1,100,238
Revenue adjustment – impact of <i>AASB 16 Leases</i>	-	201
Retained earnings at 1 July 2019	1,095,388	1,100,439

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

The consolidated include accounting for operating leases by the lessor (Pahran Market Pty Ltd) recognising prior year straight line rental revenue against opening retained earnings.

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