

KNOX CITY COUNCIL

Appendices Circulated Separately from
the Agenda

ORDINARY MEETING OF COUNCIL

Meeting to be held
on
Monday, 27 August 2018

10.5 Knox City Council Attendance at the Australian Local Government Association National Assembly 2018

Appendices A-C

10.6 Unaudited 2017-18 Annual Financial Statements and Performance Statement

Appendices A-B

10.5 Knox City Council Attendance at the Australian Local Government Association National Assembly 2018

Appendices A-C

Refer to Item 20.5 - Knox City Council
Attendance at the Australian Local
Government Association National
Assembly 2018

Mayor David O'Loughlin

President of the Australian Local
Government Association



AUSTRALIAN
LOCAL GOVERNMENT
ASSOCIATION

NGA Highlights

- Ministers, shadow minister, Leader of the Opposition
- Keynote speakers: politics, gender, population
- Panel discussions: innovation, liveability, resilience
- Concurrent sessions: technology, recycling, delivering for communities
- Debate: 143 motions, three sessions
- Networking, sponsors, stalls and information

ALGA Achievements 17/18

- FAGs freeze lifted 1st July 2017
- Improved NDRRA framework agreed
- A new focus on mitigation
- Community sporting infrastructure fund
- SA road funding gap fixed for two years

ALGA's Advocacy

- First and last mile freight strategy
- Community Infrastructure funding
- Remote Indigenous Housing
- Waste and Recycling



SUPPORT
A NATIONAL
ACTION PLAN
ON RECYCLING



want recycled
content included
in government
procurement

6

88%
SUPPORT

new requirements for
packaging to be recyclable,
and for national education
to reduce contamination
in kerbside recycling



China's new restrictions affect **4%** of
Australia's recyclable waste (1.3m tonnes).
This includes:

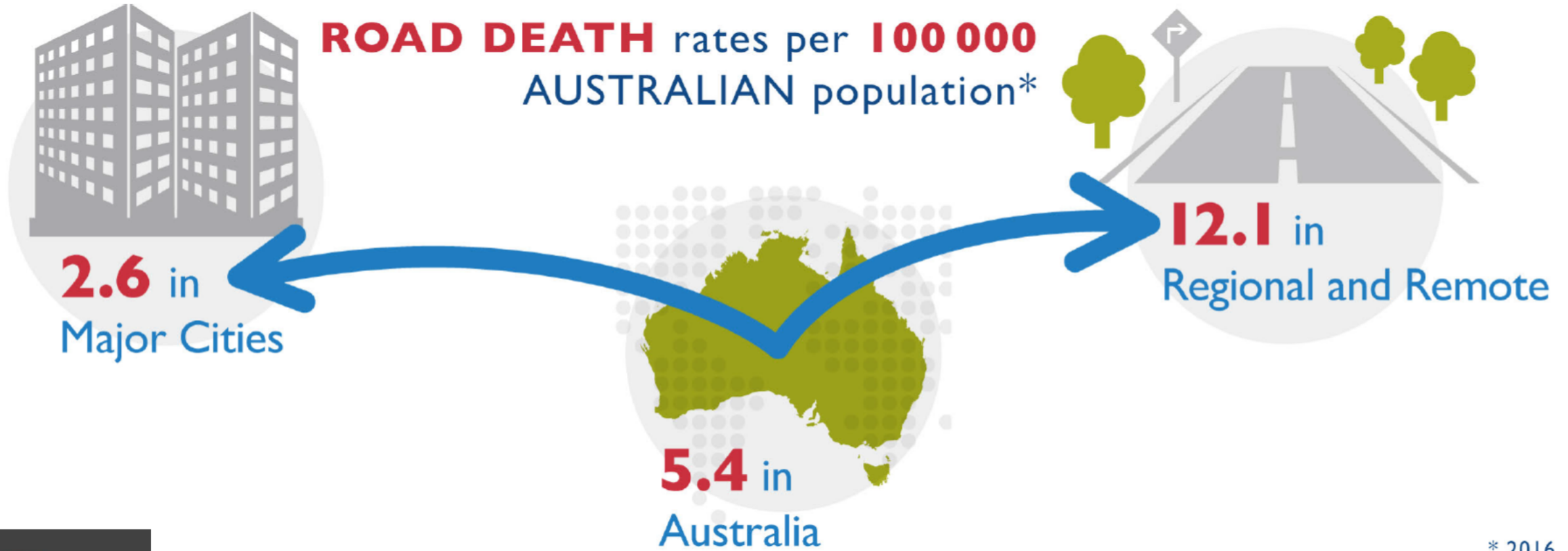
30% of paper

35% of plastics



88%
of recyclates still
being processed
domestically

Road Safety⁷



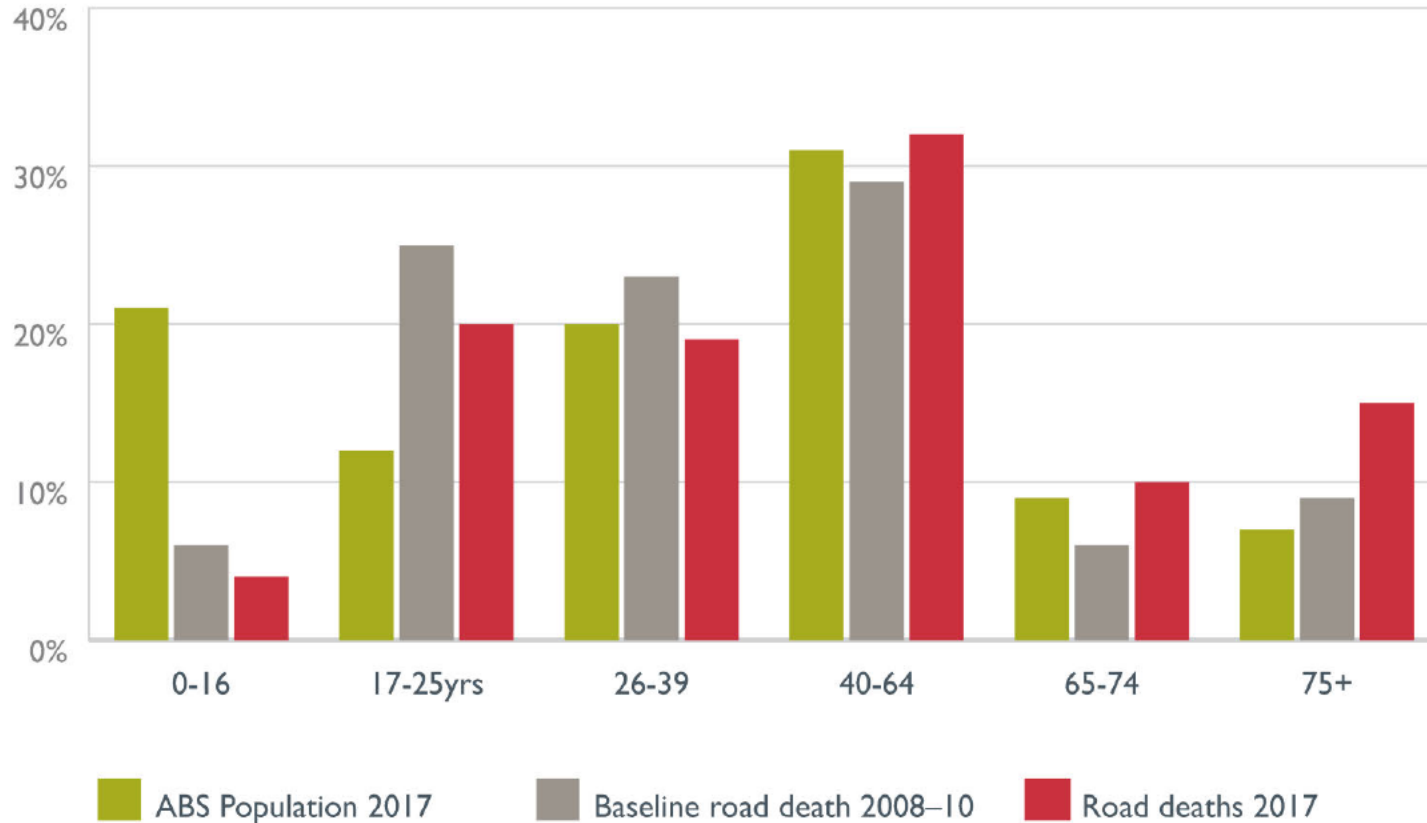
* 2016

ROAD DEATHS by AGE



OLDER
road user*
DEATHS
INCREASED

* Older road user refers to 65 years and over

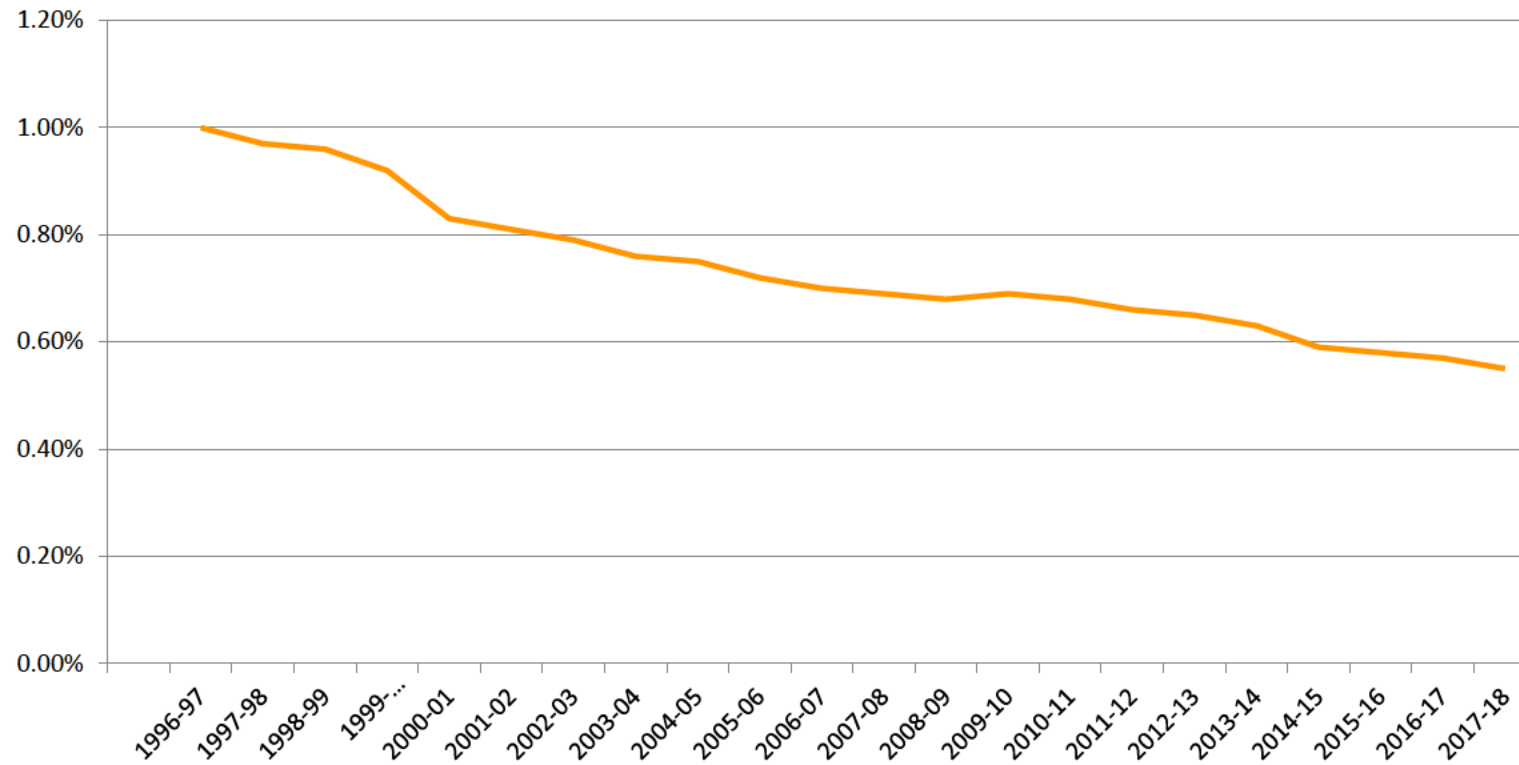


17-25 year olds
DECREASED from
25% to **20%**
of total **ROAD**
DEATHS but still
over-represented

Partnerships and Programs

- Roads to Recovery
- Bridges Renewal
- Road Safety
Blackspots program
- Heavy Vehicle Safety
and Productivity
- Mobile Blackspots
program
- Building Better Regions

FAGs declining relative to Commonwealth taxes¹⁰



1%  **PARTNERSHIP
PROGRAMS**

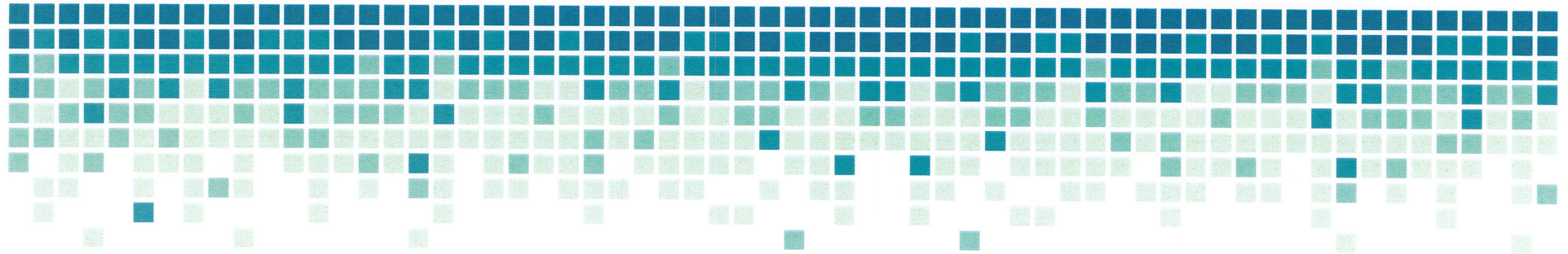
Thank you



AUSTRALIAN
LOCAL GOVERNMENT
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Mayor David O'Loughlin

President of the Australian Local
Government Association



Australian Local Government Association

Population and the Policy Imperative

**Bernard Salt AM
The Demographics Group**

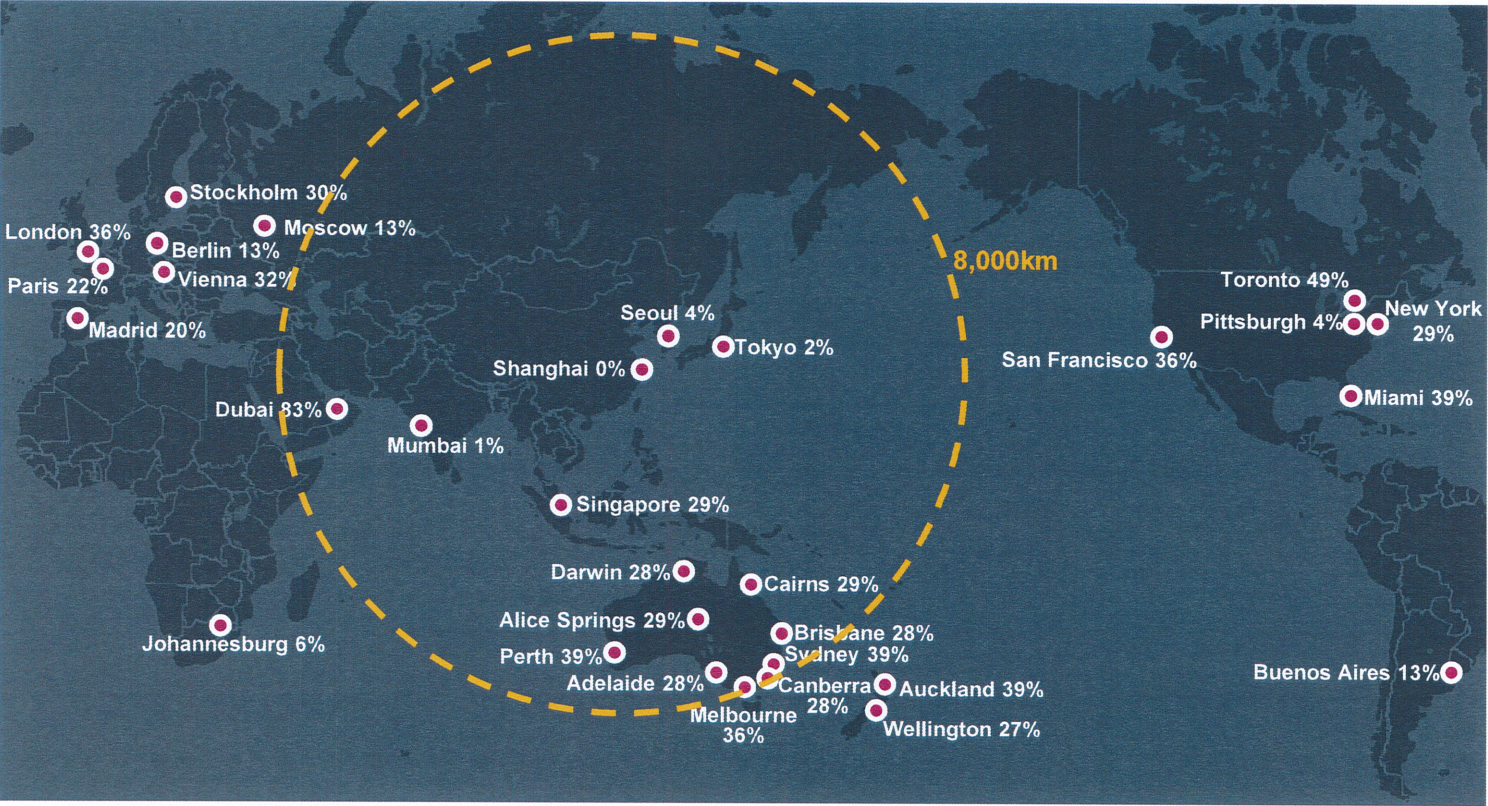
19 June 2018

Australia is a place of rising prosperity

2008		2018		2028	
	GDP USDbn		GDP USDbn		GDP USDbn
1. United States	14,719	1. United States	20,413	1. United States	27,603
2. Japan	5,038	2. China	14,093	2. China	26,110
3. China	4,604	3. Japan	5,167	3. Japan	6,348
4. Germany	3,770	4. Germany	4,212	4. India	6,194
5. France	2,937	5. United Kingdom	2,936	5. Germany	5,538
6. United Kingdom	2,921	6. France	2,925	6. France	4,044
7. Italy	2,402	7. India	2,848	7. United Kingdom	3,958
8. Russian Fed.	1,785	8. Italy	2,182	8. Brazil	3,093
9. Brazil	1,695	9. Brazil	2,139	9. Italy	2,848
10. Spain	1,643	10. Canada	1,799	10. Canada	2,698
11. Canada	1,549	11. Russian Fed.	1,720	11. South Korea	2,443
12. India	1,224	12. South Korea	1,693	12. Australia	2,291
13. Mexico	1,110	13. Spain	1,506	13. Russian Fed.	2,262
14. Australia	1,054	14. Australia	1,500	14. Spain	2,068
15. South Korea	1,002	15. Mexico	1,213	15. Indonesia	1,997

Source: Based on International Monetary Fund, The Demographics Group













The Australian consumer market is remarkably diverse



Proportion of city population comprising international-born residents as measured by local censuses

Source: relevant local census data, The Demographics Group, presentation template by SlidesCarnival

Australia's Asian and Indian influences are rising

	2016	Change 2011-2016	Greater Melbourne
 United Kingdom	1,088,000	-1%	-2%
 New Zealand	518,000	+7%	+18%
 China	510,000	+60%	+72%
 India	455,000	+54%	+51%
 Philippines	232,000	+36%	+33%
 Vietnam	219,000	+19%	+18%
 Italy	174,000	-6%	-8%
 South Africa	162,000	+12%	+11%
 Malaysia	138,000	+19%	+25%
 Sri Lanka	110,000	+27%	+27%
 Germany	103,000	-5%	-6%
 South Korea	99,000	+33%	+43%

Nationalities by country of birth in Australia and Greater Melbourne between the 2011 and 2016 censuses

Source: Based on Australian Bureau of Statistics data, The Demographics Group, presentation template by SlidesCamival

New acronyms for our newest tribes

PUMCINS ...

Professional Urban Middle Class In Nice Suburbs

Not Enough Time To Enjoy Life

...NETTELS

KIPPERS ...

Kids In Parents Pockets Eroding Retirement Savings

Lots Of Money But A Real Dickhead

...LOMBARDS

There has been a loss of faith in big institutions

	2016	Change 2011-2016	Greater Sydney
1. No religion	6,933,700	+45%	+54%
2. Catholic	5,291,800	-3%	-2%
3. Anglican	3,101,200	-16%	-18%
4. Uniting Church	870,200	-18%	-22%
5. Islam	604,200	+27%	+22%
6. Buddhism	563,700	+7%	+3%
7. Presbyterian & Reformed	526,700	-12%	-10%
8. Eastern Orthodox	502,800	-11%	-10%
9. Hinduism	440,300	+60%	+50%
10 Baptist	345,100	-2%	-7%
11. Pentecostal	260,600	+9%	+10%
12. Lutheran	174,000	-31%	-43%

Religious affiliation in Australia and Greater Sydney between the 2011 and 2016 censuses

Source: Based on Australian Bureau of Statistics data, The Demographics Group, presentation template by SlidesCarnival

There is opportunity for growth in Australia's largest cities and towns

	2011-2016	
1. Sydney	4,300,000	+11%
2. Melbourne	4,200,000	+13%
3. Brisbane	2,100,000	+10%
4. Perth	1,900,000	+15%
5. Adelaide	1,200,000	+6%
6. Gold Coast	541,000	+13%
7. Canberra	396,000	+11%
8. Newcastle	322,000	+5%
9. Central Coast	308,000	+3%
10. Wollongong	262,000	+6%
11. Sunshine Coast	243,000	+16%
12. Hobart	178,000	+4%

	2011-2016	
13. Townsville	169,000	+7%
14. Geelong	157,000	+9%
15. Cairns	145,000	+8%
16. Darwin	118,000	+15%
17. Toowoomba	100,000	+4%
18. Ballarat	94,000	+9%
19. Bendigo	92,000	+12%
20. Maitland	78,000	+16%
21. Mackay	76,000	+2%
22. Launceston	75,000	+2%
23. Bunbury	71,000	+10%
24. Rockhampton	61,000	-1%

Percentage change in Australia's Urban Centre Localities between the 2011 and 2016 Censuses

Source: Based on Australian Bureau of Statistics data; The Demographics Group

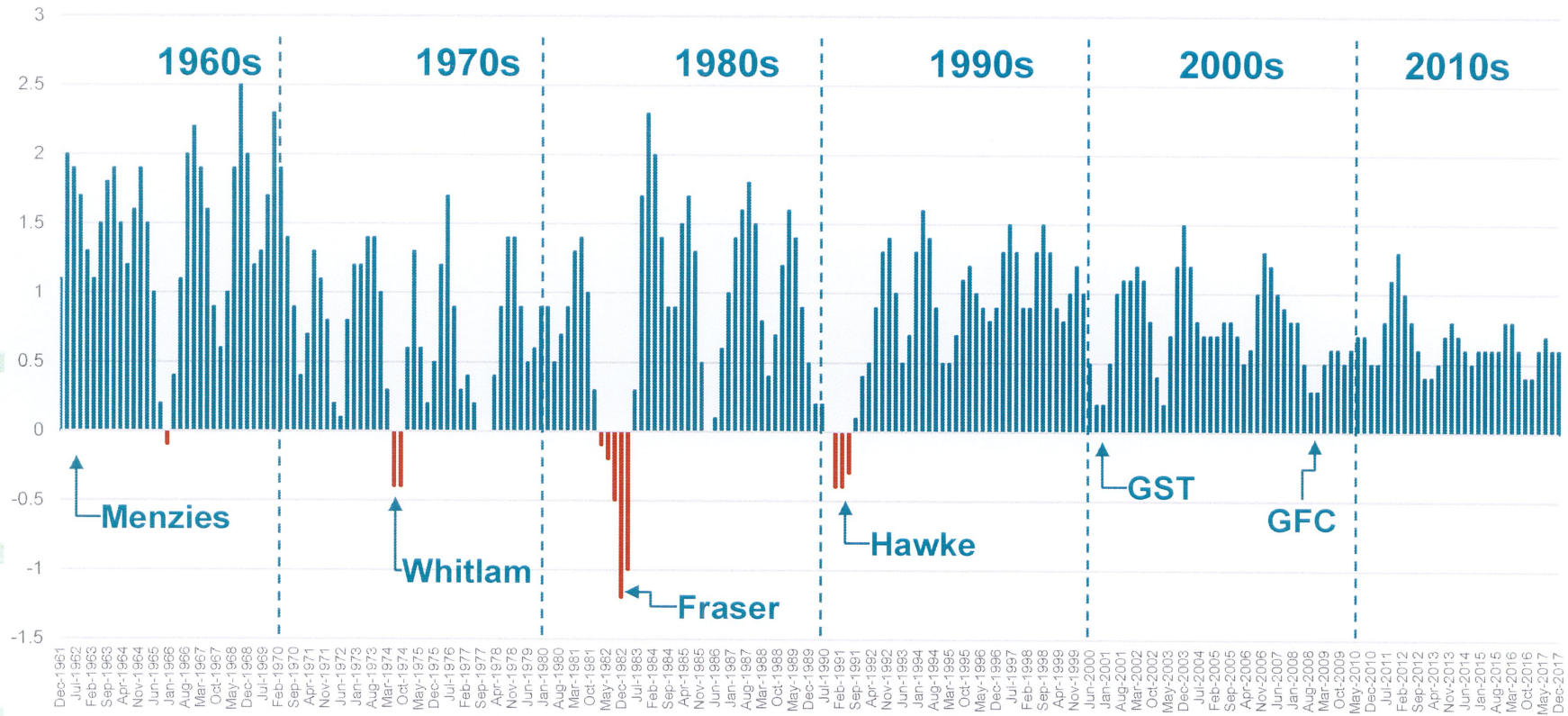
The lonely-fication of Australian suburbia

	Number of Households (000)			H/H Growth
	1986	2016	2036	1986-2036
Traditional Nuclear Family	2,272	2,687	3,424	+51%
Couple-Only	1,236	2,199	3,093	+150%
Single Household	961	2,024	2,721	+183%
One Parent Families	215	355	477	+122%
Group Household	499	919	1,275	+156%
Total No.	5.2m	8.2m	11.0m	+112%

Change in household and family type in Australia over 50 years

Source: Based on Australian Bureau of Statistics data; The Demographics Group; presentation template by SlidesCarnival

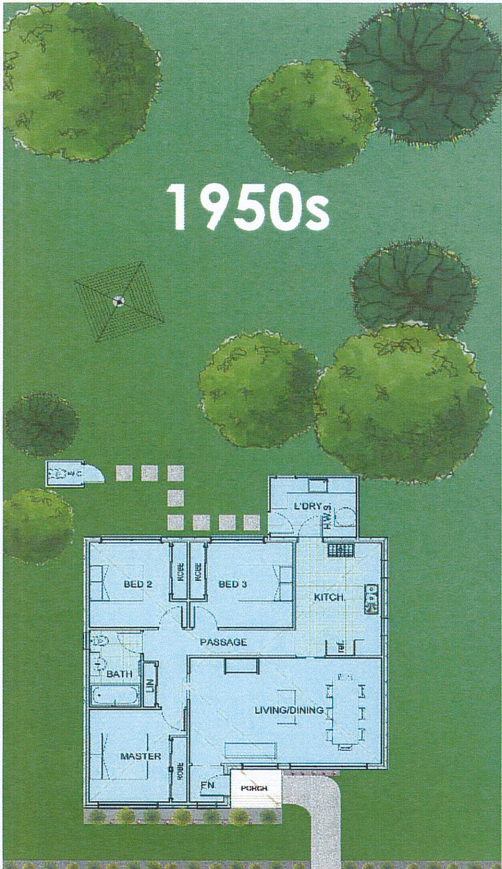
Years of prosperity have created a culture of aspiration



Per cent change in Australian GDP by quarter from December 1961 to December 2017

Source: Based on Australian Bureau of Statistics data, The Demographics Group, presentation template by SlidesCarnival

The way we live has changed ... and so too have expectations



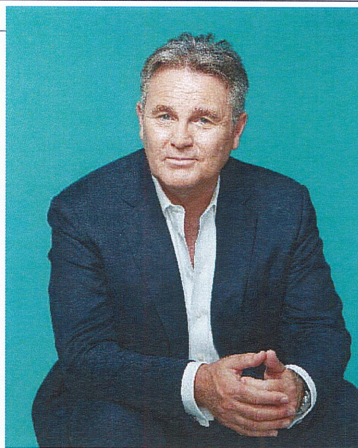
Source: House plans created by Sawmill Designs

If you are under 40 and starting to read this, I politely suggest that you turn the page. There isn't anything here that will interest you. Just me rabbiting on about the old days. Bit of a yawn-fest, really... Have they gone? Is it just you and me now? Shhh... act natural and read this column without making a sound. Do not look up; do not make eye contact with anyone. Come close to the page. Closer!

I belong to a secret society and I am looking for new recruits. It's a sect known as the Middle-Aged Moralisers. We in the MAM meet monthly in our members' homes in the suburbs, where we discuss... hush... the youth of today. Why the need for secrecy? Well, if it ever got out that middle-aged people talk about young people, all hell would break loose.

We on the MAM membership committee have been watching you. We've seen the pursed lips, the tut-tutting, the head-shaking. We have seen the sighing, the face-palming, the eye-rolling. We think you are one of us. We know it, you know it. Come to our next meeting. You'll find it liberating to know there are others just like you.

This week we're discussing the evils of hipster cafes. Do you know why hipster cafes have milk crates for seating? To keep baby boomers at bay. They know they can't officially ban us, so what do they do? They rig the seating so that tight baby-boomer hamstrings recoil at the prospect of positioning the buttocks below the latitude of the knees. Sitting is fine. Getting up is problematic. And doesn't the sub-40 set



BY BERNARD SALT

Moralisers, we need you!

know it. They don't want we over-50s despoiling the authentic grooviness of their cafes. (Is groovy still a word?)

Do you know what else hipster cafes do? With malicious aforethought, hipster proprietors deliberately design their menus with the tiniest of writing and print these same menus using a light-coloured ink on light-coloured paper. That is pure evil writ large. And then these same hipster

proprietors play thumping, pumping music that reverberates off polished concrete floors so as to eliminate all hope of audible conversation. The meandering middle-aged who have naively wandered into hipster cafes are thereby reduced to pathetically lip-reading conversations, hoping to catch the odd word so as to guess the meaning of entire sentences.

Don't get me started on the befuddlement caused by toilets with obscure signage. Is that an M or is that a W? Is that a top hat or is that a ladies' bonnet? This is a hipster cafe: they wouldn't have a top hat on the door to the men's loo. Unless, of course, they're being *ironic*. Maybe it is the men's. Why can't we have some light back here? Why can't we have a sign saying men and women?

But all of this is mere ephemera. It gets worse. I have seen young people order smashed avocado with crumbled feta on five-grain toasted bread at \$22 a pop and more. I can afford to eat this for lunch because I am middle-aged and have raised my family. But how can young people afford to eat like this? Shouldn't they be economising by eating at home? How often are they eating out? Twenty-two dollars several times a week could go towards a deposit on a house.

There. I've said it. I have said what every secret middle-aged moraliser has thought but has never had the courage to verbalise. Should you disclose the contents of this conversation, I will disavow all knowledge of you and of the existence of this secret society. In fact, this conversation never took place. Goodbye.

◀ saltb@theaustralian.com.au ▶



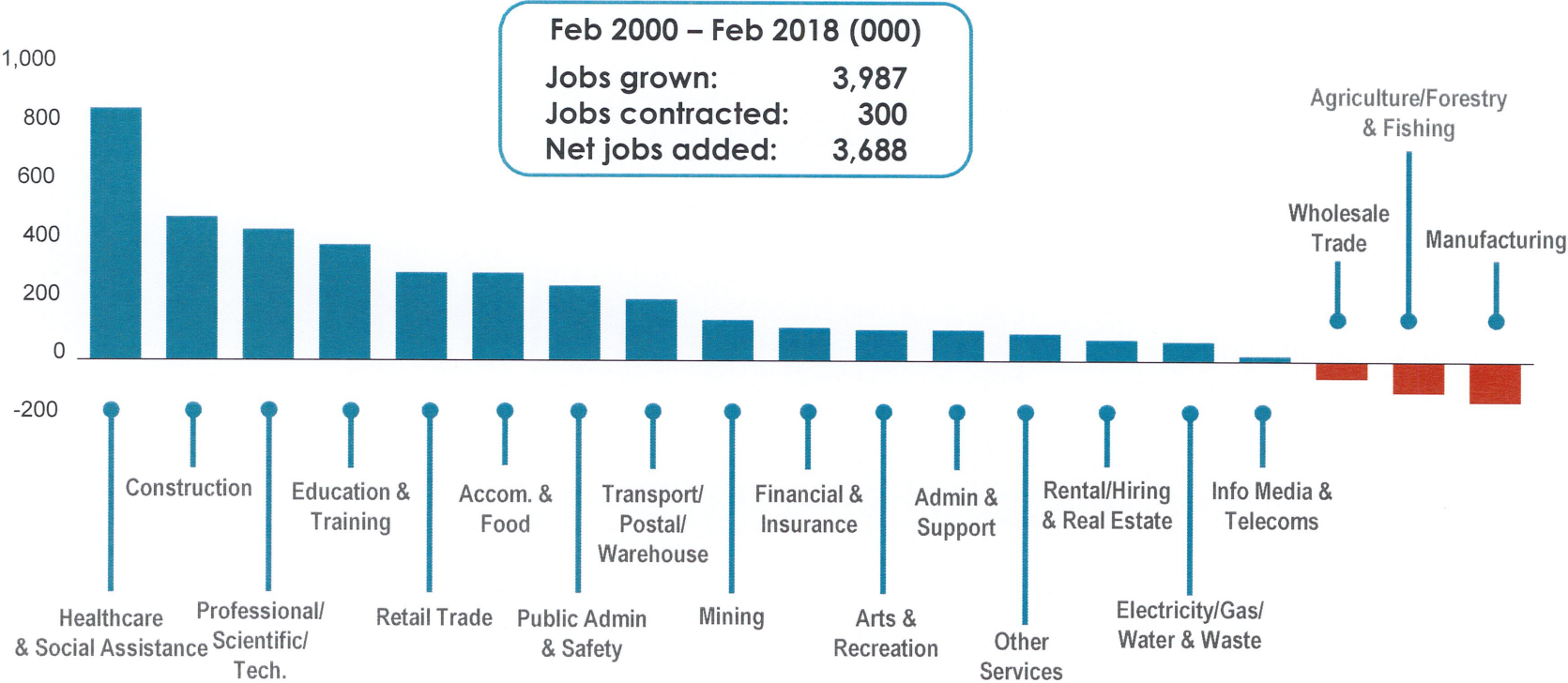
I stopped eating smashed avocado ... and now I own a castle



Road sign outside Avoca in Central Victoria



Knowledge workers are driving Australian prosperity



18 years Australia February quarter 2018 – up 3.9m (8.7m – 12.4m)

Source: Based on Australian Bureau of Statistics data, The Demographics Group, presentation template by SlidesCarnival

New technology creating some jobs ... and diminishing others

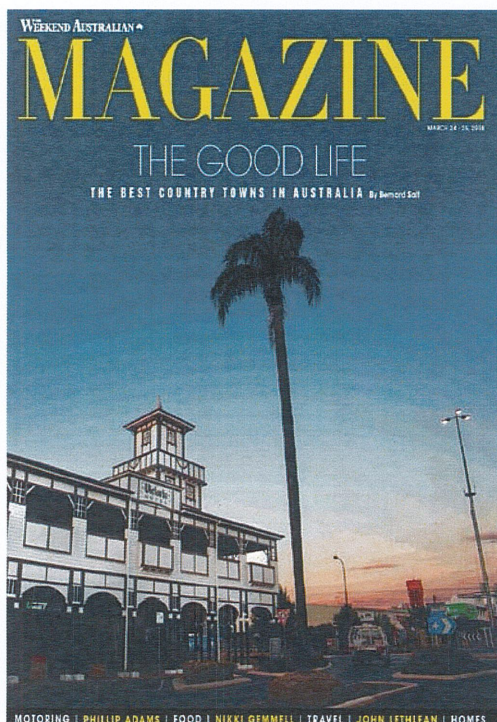
Growth occupations	Change 2016-2011
1. Sales Assistant (General)	69,100
2. Aged or Disabled Carer	24,100
3. Chef	23,100
4. Domestic Cleaner	20,700
5. Kitchenhand	17,200
6. Construction Project Manager	17,000
7. Enrolled Nurse	16,500
8. Registered Nurse (Critical/Emergency)	16,300
9. Child Care Worker	15,800
10. Barista	15,600
11. Management Consultant	14,600
12. Marketing Specialist	14,400

Declining occupations	Change 2016-2011
1. Secretary (General)	-19,200
2. Retail Manager (General)	-18,500
3. General Clerk	-16,500
4. Mixed Crop & Livestock Farmer	-11,700
5. Checkout Operator	-11,000
6. Manufacturer	-9,200
7. Bank Worker	-8,600
8. Wholesaler	-6,600
9. Financial Institution Branch Mgr.	-5,900
10. Cook	-5,200
11. Engineering Production Worker	-5,200
12. Miner	-5,000

Net change in employment by occupation in Australia over 5 years to 2016

Source: Based on Australian Bureau of Statistics data, The Demographics Group

What it takes to be Australia's best country town



	Goondiwindi	Griffith	Australia
Population 2016	5,524	18,878	23.4m
Population growth 2011-16	0.2%	7.0%	8.8%
Unemployment	3.7%	5.3%	6.9%
Volunteering (past 12 mths)	25.9%	17.2%	19%
Median house price (2018)	\$335,500	\$320,000	N/A
Five year housing growth	24.7%	48.8%	N/A
Median weekly personal income (persons 15+)	\$718	\$673	\$662

Source: Based on Australian Bureau of Statistics data, The Demographics Group



Smorgasbord checklist of successful capital city “must haves”

Build Airport Connections

Create a World-City Checklist

Support Business Awards

Deliver affordable housing

Forge global city relationships

Deliver City Functionality

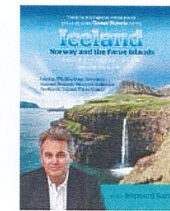
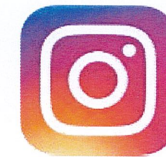
Develop a 2050 City Vision

Invest in City Brand

Smorgasbord checklist of successful local town “must haves”

- | | | | | | |
|--------------------------|----------------|--------------------------|---------------------|--------------------------|----------------------|
| <input type="checkbox"/> | Airport | <input type="checkbox"/> | National Event | <input type="checkbox"/> | United Community |
| <input type="checkbox"/> | University | <input type="checkbox"/> | Private School | <input type="checkbox"/> | Marginal Seat |
| <input type="checkbox"/> | Local TV | <input type="checkbox"/> | Affordable Housing | <input type="checkbox"/> | Tourist Attractions |
| <input type="checkbox"/> | Local Radio | <input type="checkbox"/> | Aged Care Facility | <input type="checkbox"/> | Vocational Training |
| <input type="checkbox"/> | Daily Paper | <input type="checkbox"/> | Sports Stadium | <input type="checkbox"/> | Business Awards |
| <input type="checkbox"/> | Military/CSIRO | <input type="checkbox"/> | Convention Centre | <input type="checkbox"/> | Café Culture |
| <input type="checkbox"/> | Hospital | <input type="checkbox"/> | Local Entrepreneurs | <input type="checkbox"/> | State/Fed/Local Govt |

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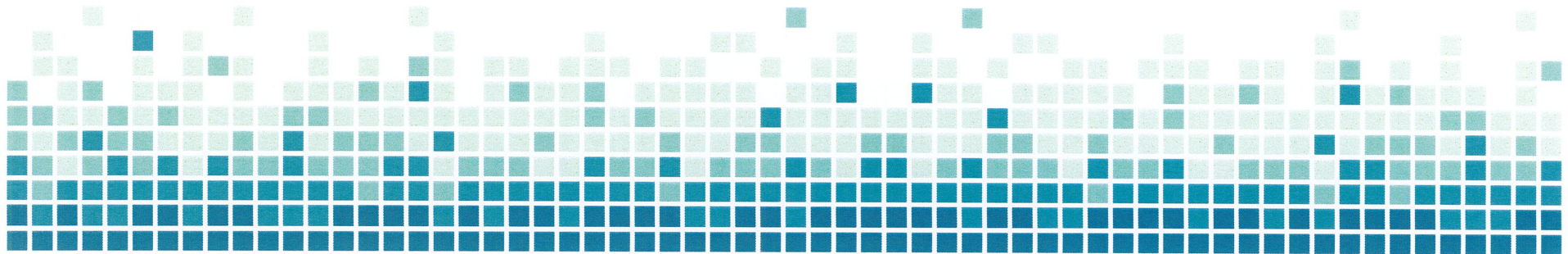
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2018 Resolutions

Special Ugent Business Palm Island Aboriginal Shire Council, QLD **Carried**

That the National General Assembly calls on the Federal Government to commit to vital long-term funding for housing construction in remote and discrete Aboriginal and Torres Strait Islander communities. The current failure to do this risks reversing the gains made in these communities to Close the Gap of indigenous disadvantage in Australia. Refusal to provide funding will have catastrophic impacts on the social, educational and health outcomes, including increased mental health issues and family violence in these communities.

1 ALGA, NSW **Carried**

That the National General Assembly call on the Commonwealth Government to initiate a timely process for the development and conduct of a national referendum on constitutional recognition of Local Government within 5 years. This process should be cognisant and respectful of indigenous people and not impede any process that recognises indigenous people.

1.4 Hunter's Hill Council, NSW **Carried**

That the Australian Local Government Association consider advocating for a second question concerning democratic recognition of local government in the Constitution to be put to the Australian people at a referendum asking that a new section 119A be inserted with wording to the effect (or similar effect) that:

- Each State shall, and each Territory may, provide for the establishment and continuance of local government bodies directly chosen by the people in accordance with its laws and empowered to administer, and to make by-laws for, their respective areas in accordance with the laws of the State or Territory.
- The Parliament of a State or Territory may by Statute dismiss a local government body, and provide for the appointment of persons to perform its functions and exercise its powers until such time as a new local government is elected.

1.5 City of West Torrens, SA **Carried**

That the National General Assembly call on the Australian Local Government Association, with involvement in the Council of Australian Governments, approach the Federal Government to write a new Federal Constitution for the 21st Century.

1.6 Frankston City Council, VIC **Carried**

That the National General Assembly endorses the constitutional acknowledgement of Indigenous Australians as the first peoples of this land. Furthermore, the National General Assembly call on Federal Parliament to allow a national referendum for Australians to make a determination on this matter.

2 Bega Valley Shire Council, NSW **Carried**

That the National General Assembly advocates on behalf of local government that Financial Assistance Grants should be increased to at least 1% of national taxation revenue at the 2019/2020 budget.

3 Yarra City Council, VIC**Carried**

- 1) That the National General Assembly, in line with previous NGA resolutions over successive years, continue raising with the Commonwealth through COAG and all other relevant forums:
 - a) The need for re-alignment of federal funding arrangements so that the three levels of Government in Australia have a more efficient match between their public responsibilities and their finances;
 - b) The need for the Commonwealth to urgently address the rapidly growing infrastructure gap in the States, particularly in regards to rail transport in and between capital and regional cities – with significant funding being immediately provided to metropolitan public transport which will free up road space for cars and freight;
 - c) The need for equitable infrastructure funding to States to reduce major discrepancies between the Australian States, e.g. Victoria’s infrastructure funding has been reduced to 8-9% of federal infrastructure funding notwithstanding its population being 25% of the nation which produces 22% of the Australian GDP.
- 2) That the National General Assembly therefore seeks:
 - a) A commitment to a “new agreement of principles” funding discussion across all three levels of government so it is clear who does what based from which taxation stream.
 - b) Equitable Commonwealth infrastructure investment in rail and other infrastructure projects (in both metropolitan and regional cities); and
 - c) Better communication of the Commonwealth’s infrastructure funding distribution formula.

4 Livingstone Shire Council, QLD**Carried**

- a) That the National General Assembly call on the Australian Local Government Association to lobby State and National Governments to adjust procurement policy and practices to drive local content supply chain opportunities and direct spend, specifically in regional Australia, and particularly where Tier 1 and Tier 2 contractors are engaged to ensure that contracts require local content outcomes that are measurable and accountable to milestone achievements.
- b) That Local Government is encouraged to lead by example by updating procurement policy to ensure appropriate weightings for local content are included and outcomes are measured and reported.

5 City of Wagga Wagga, NSW**Carried**

That the National General Assembly call on the Federal Government to engage with the States in order for the States to make changes and support legislation procurement frameworks that allow for Local Government to implement a similar Federal Government Indigenous Procurement Policy.

6 Logan City Council, QLD**Carried**

That the National General Assembly calls on the Australian Government to introduce a taxation category recognising social enterprises and develop a National Guideline for Social Procurement in Local Government that provides clear parameters for councils developing social procurement policies within existing legislative frameworks.

7 Bayside City Council, VIC

Carried

That the National General Assembly calls on the Australian Government to:

- Build upon existing initiatives including industry product stewardship schemes, and directives on recyclable packaging, to ensure packaging and products are designed for minimal packaging, re-use, recycling and repair, with the disposal costs included in the purchase or disposal price;
- Ensure the goals and objectives set out in the Australian Packaging Covenant Strategic Plan 2017-2022 are prioritised and achieved as a matter of urgency;
- Financially support regional waste management solutions for advanced alternative waste treatment and processing;
- Ensure government and industry procurement and tenders specify the use of products with recycled content, minimal packaging and repair;
- Develop a national Circular Economy Strategy to develop markets for recyclable products.

7.3 City of Adelaide, SA

Carried

The National General Assembly calls on the Australian government to collaborate with State and Local Governments and the recycling industry sector to investigate alternatives to exporting recyclable waste materials to China, including increased government and public procurement of products with Australian recycled content; investing in local recycling infrastructure that maximises the economic value of recovered materials; and/or changes to packaging regulation.

7.4 City of Adelaide, SA

Carried

The National General Assembly calls on the Australian Government to develop an Australian Standard for compostable takeaway food and beverage containers and a nationwide labelling standard for recyclable and compostable takeaway food and beverage containers by 2020.

7.5 Macedon Ranges Shire Council, VIC

Carried

That the National General Assembly advocate the following:

- 1) That the Federal Government commence an enquiry into the future of the waste and recycling sector in Australia, to review the current practices of waste to landfill and recyclables being sent overseas which are no longer sustainable or viable.
- 2) That the Federal Government implement policy settings that support a philosophy that views waste as a resource and resets the waste and recycling industry to move towards establishing a sustainable and viable waste and recycling resource recovery industry.
- 3) That the Federal Government invest in supporting market development, technologies and the associated local industries in creating and expanding potential end market uses of recovered resources.

8 City of Ryde, NSW

Carried

Councils are required by the State and Federal Government to manage terror and security related risks at events and in crowded places. The National General Assembly seeks the following commitment from Federal and State Governments, that:

- The Federal Government funds councils to enact their roles and responsibilities as listed in the new 'National Counter-Terrorism Plan' (October 2017).

- The Federal Government funds councils and community groups to implement steps for protecting their sites from terror threats, as listed in ‘Australia’s Strategy for Protecting Crowded Places from Terrorism’ (August 2017).
- When security measures are for not-for-profit community events, the Federal Government has the primary responsibility of funding the design and installation of measures against vehicle attacks as outlined in the ‘Hostile Vehicle Guidelines for Crowded Places’ (2017), and the State Government funds the costs of Traffic Management Plans for traffic control and vehicle risks.
- That the Federal and State Governments will fully fund all terror and security measures for events run by the State and Federal Government and not place this cost impost on Councils.

9 Tenterfield Shire Council, NSW

Carried

That the National General Assembly lobby the State Governments to apply local government rates to National Parks, Nature Reserves, State Conservation Areas and State Forests. Any ratings applied should be differential depending on impact and level of use.

10 Darebin City Council, VIC

Carried

That the National General Assembly call on ALGA to:

- 1) Explore all the potential impacts that the Trans Pacific Partnership (TPP) agreement may have which could limit the ability of councils to enter into a range of strategies and policies such as environmental initiatives, local procurement, jobs programs and insourcing.
- 2) Develop an advocacy strategy as required to protect the role of local government now and in the future.
- 3) Communicate information to all councils on the impacts that TPP may have on their operations.

11 Wyndham City Council, VIC

Carried

That the National General Assembly congratulates the ALGA Secretariat for their thorough submission of September 2017 to the National Freight and Supply Chain Priorities Discussion Paper. The Assembly particularly notes recommendations that encourage more collaboration and planning between regional groupings of Councils on regional freight plans for local connector and arterial roads. The NGA therefore requests the Secretariat provide all Councils through their state associations with:

- An assessment of the alignment of the Strategy when it is released this year with its submission, and
- Case studies and options for regional groupings of Councils (metropolitan, rural, regional and a mix thereof) to collaborate and advocate for support from both State and Federal Governments for regional freight plans for local connector and arterial roads.

12 Leeton Shire Council, NSW**Carried**

That the National General Assembly:

- 1) Requests the Federal Government to expand the traffic safety measure of Tactile Line Treatments (audible warning devices, rumble strips) as a mechanism for inclusion in the current and future National Road Safety Strategies.
- 2) Advocates for additional funding allocations to be incorporated into future Federal Assistance Grants (FAG) roads component to support the infrastructure costs associated with the inclusion of Tactile Line Treatments or Audible Warning Devices in road construction to improve road safety outcomes within regional communities.

13 Glen Innes Severn Council, NSW**Carried**

That the National General Assembly expresses its concern regarding the Federal Minister for Roads' intention to require Roads to Recovery funding to be directed toward safety initiatives, noting that this may not achieve the desired outcome of a reduction in the road toll, but will divert much needed resources from Council's already inadequate roads renewal budget.

14 Brisbane City Council, QLD**Carried**

The National General Assembly calls on the Australian Government to ensure organisations capturing data about transport networks, openly share this data with local governments to assist with planning, delivery and operation of transport infrastructure.

15 Brisbane City Council, QLD**Carried**

The National General Assembly calls on the Australian Government to require all state and territory governments to commit to conducting regular, consistent and comprehensive household travel surveys.

16 Isaac Regional Council, QLD**Carried**

That this National General Assembly strongly condemns pricing exploitation and discrimination by any airline in rural, regional and remote regions, and calls for the Commonwealth Government Senate Standing Committee on Rural and Regional Affairs and Transport to address concerns raised by member Councils in its Inquiry into the operation, regulation and funding of air route service delivery to rural, regional and remote communities.

17 Tamworth Regional Council, NSW**Carried**

That this National General Assembly calls on the Australian Government to guarantee the preservation of landing slots at major metropolitan airports assigned to Regular Public Transport (RPT) Services from regional centres. Further, that the Australian Government provides every assistance to regional airline carriers to overcome the current pilot shortage which is impacting on the frequency of RPT Service schedules to and from regional centres.

18 Randwick City Council, NSW**Carried**

That the National General Assembly:

- 1) Notes that each year many hundreds of people nationwide are forced to move from their homes to allow for the construction of public and private infrastructure and other projects including motorways, railways and hospitals, and that this process causes great distress, emotional and financial hardship, and the irretrievable fracturing of local communities.
- 2) Notes that the compulsory acquisition process is governed under the following acts: Commonwealth (Lands Acquisition Act 1989), New South Wales (Land Acquisition (Just Terms Compensation) Act 1991), Tasmania (Land Acquisition Act 1993), Queensland (Acquisition of Land Act 1967), South Australia (Land Acquisition Act 1969), Western Australia (Land Administration Act 1997), Victoria (Land Acquisition Act and Compensation Act 1986).
- 3) Acknowledges that while some states, including NSW and Victoria, have in recent years reviewed and amended their respective acts, many households who have and still remain in the process of having their homes forcibly acquired, remain distressed and deeply unsatisfied with the both the process and financial compensation they have been offered.
- 4) Calls on the Federal government to conduct a national review, with public hearings, into land acquisition procedures across all states and territories, and to harmonise all state provisions for compensation of land acquisitions in response to the review.

19 Boroondara City Council, VIC**Carried**

That the National General Assembly calls on the Australian Government to adequately resource State and Local Governments to address and rectify the highly dangerous combustible cladding which has been used in construction of high rise residential and public buildings in order to avoid a potential loss of life and property across Australia.

20 Cessnock City Council, NSW**Carried**

That the National General Assembly call on the Federal Government to endorse regulation and a licensing scheme for short term holiday letting of properties through businesses like Air BnB and Stayz.

21 City of Norwood Payneham and St Peters, SA**Carried**

That the National General Assembly calls on the Australian Local Government Association to investigate options for a more sustainable management of street tree canopies under high voltage power lines in order to assist councils to negotiate with State government legislators and electricity suppliers, so as to minimise the damaging impacts on street trees now being caused by the excessive clearance of tree foliage away from high voltage wires, which takes no account of the health, aesthetic appearance, wildlife habitat and shade-giving values of street trees.

22 Newcastle City Council, NSW**Carried**

That the National General Assembly:

- 1) Notes the continued uncertainty surrounding the status of second and third tier Cities, where those Cities can be classified as either as a 'regional' or 'metropolitan'.
- 2) Calls on the ALGA to write to the Premier of each state, seeking clarification about regional and metropolitan boundaries in that state emphasising the importance of recognising the importance of second and third tier cities to the Australia Economy.

- 3) Calls on the ALGA to write to the Prime Minister, Malcolm Turnbull seeking clarification about regional and metropolitan boundaries in Australia, recognising the importance of second and third tier cities to the Australian Economy.

23 Central Coast Council, NSW

Carried

That the National General Assembly call on the State Governments to return to the councils all waste levy revenues collected to fund their councils' waste and recycling initiatives.

- For example, in 2016/17 the NSW State Government raised \$659m from local councils through their waste levy returning only 18% (\$118m) to local communities for waste management initiatives.
- Furthermore, the States undertake a thorough review of the classification of councils for the purpose of raising the levy.

24 Blue Mountains City Council, NSW

Carried

That this National General Assembly calls on the Commonwealth Government to provide more support to Local Government for the collection and disposal of hazardous wastes.

25 Tenterfield Shire Council, NSW

Carried

That the National General Assembly call for a ban be placed on wet wipes incorrectly marketed as "flushable toilet wipes" due to their negative impact on sewer lines and sewerage processing facilities.

26 Leeton Shire Council, NSW

Carried

That the National General Assembly:

- 1) Requests the Federal Government to investigate options for the implementation of a National Container Deposit Scheme to ensure consistency of operation in all states and territories.
- 2) Supports the implementation of a National Container Deposit Scheme to increase recycling of beverage containers.

27 Wentworth Shire Council, NSW

Carried

That the National General Assembly lobby the Federal Minister and Shadow Minister to institute a National Water Registry, to monitor and report on all rainfall, surface and ground water storage, evaporation and capacity or movement, including flow rate and interstate or intervalley trade, extraction, unaccounted activity, licences and allocation in real-time, and inform the public in relation to foreign ownership of water assets and infrastructure.

28 Wentworth Shire Council, NSW

Carried

That the National General Assembly calls on the Federal Government to create a National Water Ombudsman with Federal jurisdiction to inquire, arbitrate, enforce, impose punitive measures and oversee amendments to State water legislation.

29 Alexandrina Council, SA **Carried**

That the National General Assembly:

- 1) Notes the importance of fit-for-purpose water availability for regional prosperity;
- 2) Calls on all levels of government to recommit to full and timely implementation of the Basin Plan; and
- 3) Calls for a formal role for local government in Basin Plan decision making via a permanent seat at the Murray-Darling Basin Ministerial Council.

30 Broken Hill City Council, NSW **Carried**

That the National General Assembly of Local Government 2018 call upon the Federal Government to strengthen the role of the Murray Darling Basin Authority with regard to enforcement of compliance regarding water retention and extraction limits to guarantee that agreed flows are allowed to pass downstream for the length of the Barwon/Darling river.

31 Lockyer Valley Regional Council, QLD **Carried**

That the National General Assembly call on the Australian Government to replenish the National Water Infrastructure Development Fund to ensure sufficient funds are available to both assess the feasibility of projects and to deliver this critical water infrastructure.

32 Liverpool City Council, NSW **Carried**

That the National General Assembly advocates that Councils show commitment to energy efficiency, solar and other renewable technologies by:

- Seeking all available avenues of funding, including State and Federal governments, to reduce energy use across existing and future Council assets through the use of solar and other renewable energy sources;
- Ensuring all future development, consider, the impact on existing renewable energy production by ensuring any shadowing assessments take into account the impact on neighbouring building's solar panels; and
- Advocating robust renewable energy targets, along the lines of those in the ACT

33 Break O'Day Council, TAS **Carried**

That the National General Assembly lobby for the establishment of a national Natural Resource Management Program which is focussed on the delivery of on-ground land management activities which protect and restore the environment and result in improved environmental outcomes through greater community engagement and participation.

34 Lockyer Valley Regional Council, QLD **Carried**

That the National General Assembly call on the Australian Government to ensure that in any reform of the National Disaster Relief and Recovery Arrangements (NDRRA), the Australian Government will continue to fund up to 75% of the assistance available to individuals and communities and to not consider cost shifting to States and/or Local Governments.

35 Lockyer Valley Regional Council, QLD Carried

That the National General Assembly call on the Australian Government to revise the NDRRA Guidelines to consider parks and recreational facilities as essential public assets for the purposes of Category B assistance.

36 North Burnett Regional Council, QLD Carried

That this National General Assembly call on the Australian Government to maintain Water and Sewerage essential public infrastructure and recreational areas funding in the 2018 Disaster Relief Funding Arrangements (DRFA).

37 Shoalhaven City Council, NSW Carried

That the National General Assembly call on the Federal Government to provide funding to ensure that Local Government information technology is strong, secure, affordable and resilient.

37.1 City of Adelaide, SA Carried

The National General Assembly calls on the Australian Government to work with the local government sector to develop and implement a National Information Security Management Framework.

38 Central Highlands Regional Council, QLD Carried

That the National General Assembly engage with the Federal Government to establish National Data Collection Standards to enable the more efficient and effective reporting of local government data and to ensure that comparisons can be made on the same data assumptions across all States and Local Governments.

38.1 City of Adelaide, SA Carried

The National General Assembly calls on the Australian Local Government Association to coordinate with interested local government parties to develop a national information management framework, with a focus on harmonisation of standards and structure across the local government sector.

39 West Wimmera Shire Council, VIC Carried

- 1) That the National General Assembly call on the Australian Local Government Association to write to the Minister for Communications, to convey the ongoing discontent with telecommunications blackspots and erratic internet services in Rural Australia.
- 2) That the correspondence clearly state that the lack of telecommunications and internet service is acting as an inhibitor to economic development, growth in existing business, the provision of modern education programs and creates difficulties for emergency service management during emergency events.
- 3) That the Federal Government fund the closing of the telecommunications gap that exists between rural and urban residents.

39.1 Frankston City Council, VIC**Carried**

That the National General Assembly expresses concern with the continued delay in the rollout of the National Broadband Network (NBN). Concern is to be raised regarding outstanding locations without NBN connection/coverage. Moreover, concern relating to the reliability of connected services – where substandard performance in some locations has been well documented – must also be expressed.

39.2 East Gippsland Shire Council, VIC**Carried**

That the National General Assembly advocate to the Australian Government in respect to the importance of ensuring that all communities have timely access to effective mobile phone services and reiterate the importance of acting promptly on recommendations made by Infrastructure Australia and the Productivity Commission to:

- Review the current Mobile Black Spot Funding Program prior to announcing any further funding rounds;
- Revise the current Telecommunications Universal Service Obligation to reflect changes to the telecommunications needs of communities by creating a new baseline for universal access to mobile voice and data requirements; and
- Focus appropriate resources to ensure that a baseline of service can be provided in non-commercially viable areas and to special service users in regional and remote areas.

40 Macedon Ranges Shire Council, VIC**Carried**

That the National General Assembly advocate the following:

- 1) That the Federal Government demand and require greater coordination in the planning and location of infrastructure required for NBN and telecommunications by requiring all carriers ensure that planned new infrastructure applications are supported by an integrated approach for black spot locations covering NBN and all telecommunications carriers.
- 2) That the Codes of Practice for Telecommunications Facilities be reviewed and updated reflecting advancement in technology, alternatives to towers and requiring that all carriers demonstrate the merit of any new tower proposal having regard to an integrated strategic placement and merited multi co-location ability for any new tower. Alternatives to towers should also be proposed in any new tower application.

41 North Burnett Regional Council, QLD**WITHDRAWN**

That this National General Assembly calls on the Commonwealth to develop a 3-5 year strategic and asset management plan to ensure the delivery of equitable TV services allowing Australian Local Governments to withdraw from being a self-help re-transmission of television services provider for rural, remote communities and small regional communities.

42 Manningham City Council, VIC**Carried**

The National General Assembly call on the Australian Government to commit to action and resources to address the growing problem of housing affordability in Australia, impacting significantly on infrastructure and essential service provision. Specifically the NGA calls for:

- a) An economically sustainable approach under the National Affordable Housing Agreement to deliver significant assistance to states and territories to support people on low to moderate incomes with limited housing options to secure appropriate public/social housing or affordable housing.

- b) Research into new models for facilitating financing and investment of affordable housing development, including developer collaborations with industry and philanthropic organisations and use of government land to build local housing that is affordable, well-located, diverse and well designed;
- c) Working collaboratively with the States to develop a comprehensive, long term set of integrated policy measures to address housing affordability to align with migration and population changes.
- d) Additional funding or incentives to address severe shortage of affordable and appropriate housing options available to key workers including nurses, teachers and police across the States and Territories.

42.2 Latrobe City Council, VIC

Carried

That the National General Assembly calls upon all State Governments requesting relevant Ministers:

- Instructs the relevant Departments to cease relocating housing clients with complex and challenging needs (drug and alcohol addiction) from urban and metropolitan communities to rural and regional areas, in particular Latrobe City.
- Or immediately increases funding to rural and regional support sectors in the areas of family violence, mental health and drug and alcohol addiction services in recognition of the impact of ice on these communities.
- Coordinate a targeted community based approach to minimise the harmful effects of ice on rural and regional communities.
- Establish new initiatives to support and strengthen local communities at risk.

42.3 Mitchell Shire Council, VIC

Carried

That National General Assembly call on the Federal Government to lead a national discussion through the Coalition of Australian Government (COAG) to develop affordable housing standards that include measures for sustainability.

42.5 Victoria Daly Regional Council, NT

Carried

That this National General Assembly calls on the Federal Government to make provision for housing for councils in remote areas that:

- Are performing services such as aged care, child care, Centrelink , night patrol and sport and recreation which are funded by the Federal Government;
- Do not have access to social or private housing; and
- Are having to find funds to construct new housing and as well as pay for essential services infrastructure to connect to it to accommodate employees.

43 Hobsons Bay City Council, VIC

Carried

That the National General Assembly advocate to the Federal Government to require State and Territory Governments to include an inclusionary requirement for the delivery of affordable housing (including social housing) within residential developments.

44 Frankston City Council, VIC Carried

Given the establishment of the Federal Ministry for Cities and Built Environment in 2015, and the long absence of federal funding for urbanised and regional cities, the National General Assembly formally advocates for the availability of federal funds for urban and regional cities designated as ‘activity centres’.

45 Bega Valley Shire Council, NSW Carried

That the National General Assembly advocate to the Federal Government through the Minister for Regional Development, that a decentralisation policy will assist regional and rural areas in terms of population growth, investment and job creation.

45.1 Gwydir Shire Council, NSW Carried

That the National General Assembly calls upon the Federal Government to develop programs, that facilitate and encourage the relocation of both urban residents and newly arrived migrants to regional and rural areas, through constructive engagement with local authorities that creates investment outcomes that produce the increased potential for employment and economic prosperity in these communities.

46 Isaac Regional Council, QLD Carried

That this National General Assembly calls on the Commonwealth Government to demonstrate commitment to and to fully implement Recommendation 2 of the 2013 Inquiry by the Commonwealth Government House of Representatives Standing Committee on Regional Australia titled “Cancer of the bush or salvation for our cities? Fly-in, fly-out and drive-in, drive-out workforce practices in Regional Australia” as follows: “The Committee recommends that the Commonwealth Government, in consultation with state and territory governments, review allocation of funding for communities that receive fly-in, fly-out/drive-in, drive-out workforces so that funding is based on both resident and service populations.”

47 Central Highlands Regional Council, QLD Carried

That the National General Assembly seek dialogue with the Commonwealth, States and Territories through COAG or another appropriate forum to explore the development of a national framework for addressing the emerging issue of native title compensation and the implications for all levels of government including:

- a) Local government implications in relation to compensation for “invalid future acts”;
- b) Any compensation flow through for “valid future acts”;
- c) The need to set off compensation liability against the price charged to local governments purchasing State/Territory land; and
- d) Local government involvement in alternative compensation settlement outcomes.

47.1 Gwydir Shire Council, NSW Carried

That the National General Assembly seek a review of the existing Federal Native Title provisions relating to the approval processes required regarding public infrastructure projects in order to develop a timely resolution process that does not unreasonably delay important projects.

48 Logan City Council, QLD**Carried**

That the National General Assembly call on the Federal Government to undertake extensive consultation with local governments, the community sector, medical experts and other relevant stakeholders prior to proposing further income management measures, such as drug testing and trials for cashless debit cards for welfare recipients.

49 Break O'Day Council, TAS**Carried**

That the National General Assembly call for a review of the national guidelines to AS1428 – Access for Design and Mobility relating to Disability Access in building design be undertaken to address the changing needs from powered wheelchair usage.

50 Darebin City Council, VIC**Carried**

That the National General Assembly seek funding from federal government to produce a report on the profile of Local Government similar to the existing “State of Public Service” report.

51 Frankston City Council, VIC**Carried**

That the National General Assembly call on Federal Parliament to hasten the release of aged care funding packages to eligible clients to enable them to access appropriate services for their complex needs.

52 Darebin City Council, VIC**Carried**

That the National General Assembly:

- 1) Writes to the Prime Minister, leader of the opposition, leaders of minor parties and independent members of parliament requesting that bulk funding from the Commonwealth for aged care services be maintained for local councils that want to continue delivering quality aged and home care services to their vulnerable and ageing communities.
- 2) Advocates for an analysis of impact on the gender pay gap of the introduction of My Aged Care, and the shift in service delivery away from local government.

52.1 Central Highlands Regional Council, QLD**Carried**

That the National General Assembly call on the Federal Government to engage with Local Government to collaboratively develop relevant models of aged care for rural and remote communities.

52.2 Boroondara City Council, VIC**Carried**

That the National General Assembly calls on the Australian Government to provide clear detail and timing of the next stage of the aged care reforms and their impact on local government Commonwealth Home Support Programme providers.

53 Wyndham City Council, VIC**Carried**

The NGA join with State and Territory Governments to call on the Federal Government to provide adequate and permanent funding to help educate our youngest children, especially their share of 15 hours of kindergarten.

54 Mitchell Shire Council, VIC**Carried**

That the National General Assembly call on the Federal Government to increase funding into mental health services and supporting mental health infrastructure, to reduce the rising mental health issues in growth and rural areas.

55 Hay Shire Council, NSW**Carried**

That the National General Assembly call for the Federal Health Minister urgently to form a joint task force representing Local, State and Federal spheres of government, to formulate model financial packages for the engagement of doctors in rural towns, and contribute to those financial packages. In addition, call for the Federal Health Minister to ensure that safeguards are in place to prevent GP practices from appropriating patients' medical records and making a profit out of transferring them to incoming practitioners, and to advise councils on best practice legal agreements to secure the services needed and secure the patients' records.

56 Southern Downs Regional Council, QLD**Carried**

Southern Downs Regional Council is seeking to obtain equity in funding for regional local governments that experience high levels of seasonal workers that are not reflected in the ABS data, and as a result do not reflect the real pressures placed on community, economic and social infrastructure, Council request that consideration be given to the following:

- 1) The date of the Census, currently conducted in August every 5 years, in the future held in February to reflect the seasonal population; or
- 2) That a weighting be placed on regions that experience seasonal population changes that are not reflected in the Census data.
- 3) That any such weighting be reflected in the level of financial assistance grants provided to local government authorities.

57 Wingecarribee Shire Council, NSW**Carried**

- 1) That the National General Assembly call to advocate for inclusion of issues surrounding exploitation of children, women and animals as a consideration in Council's Procurement Policies.
- 2) That where goods and services are proven to have a negative social or environmental impact or exploits Indigenous Cultures, children, women or animals or negative social impact due to manufacture or production, that these be avoided.

58 Tenterfield Shire Council, NSW**Carried**

That the National General Assembly call on the Federal Government to stop further bank closures in small rural towns, in particular those towns that only have one bank, and further Council calls on the Federal Government to establish a bank to fill in the gaps where banks have closed, especially in those small rural towns where bank customers have to travel great distances to another town to access banks.

59 Moonee Valley City Council, VIC Carried

That the National General Assembly advocates for change in local government bee management practices and encourages other Councils to commit to becoming bee-friendly states by:

- Investigating opportunities for Shared Services or consultancy between Councils to embed policies around bee management and advocacy; and
- Seeking funding through relevant Government Grants; and
- Providing food resources in the form of large floral plantings, reduce or cease pesticide use and preserve or provide nesting space.

60 Bega Valley Shire Council, NSW Carried

That the National General Assembly advocate to the Federal Government, through the Minister for Transport and Infrastructure and also the Minister for Regional Development, for appropriate funding for the National Transport Network and that a review of significant transport corridors in all States and Territories be undertaken.

60.1 Shoalhaven City Council, NSW Carried

That the National General Assembly call on the Federal Government to officially recognise the Princes Highway as a Highway of National Importance as a major freight and tourist route.

61 Blue Mountains City Council, NSW Carried

That this National General Assembly calls on the Commonwealth Government to support State and Territory freight and port plans, including Draft NSW Freight and Port Plan, to provide a broad framework proposed to deliver improved network efficiencies, capacity and sustainability for the network.

62 Tenterfield Shire Council, NSW Carried

That the National General Assembly ask the Federal Government to fund a feasibility study and a full and comprehensive ecological assessment undertaken to determine which of the streams along the Great Dividing Range are suitable for the generation of hydro electricity/pump hydro and if feasible, allocate funds in the next budget for this work.

63 Shoalhaven City Council, NSW Carried

That the National General Assembly calls for new National Codes of Accounting Practice for Councils and set standards to achieve auditable information as indicators for Infrastructure Assets.

64 Moreland City Council, VIC Carried

In light of the burden placed on local governments across Australia to respond to the needs and challenges of people living in poverty and homeless, that the National General Assembly calls on Federal Government to raise the Newstart Allowance to the level of the Henderson Poverty Line to increase the wellbeing and life chances of many in our community.

65 Griffith City Council, NSW**Carried**

The National General Assembly encourages all options be explored by Federal and State governments to put downward pressure on retail electricity and gas charges.

66 Hume City Council, VIC**Carried**

That the National General Assembly writes to the Australian Leisure and Hospitality Group (ALH Group) and Woolworths to determine:

- a) Whether it has engaged in the unconscionable conduct alleged in the House of Representatives on 28 February 2018 by Mr Andrew Wilkie MP,
- b) Whether it monitors and probes customers who use its Australian venues for personal information, and if so:
- c) Whether it compiles, stores and/or distributes the private personal information of these customers to other venues; and
- d) Referring to regular gamblers, whether it directs staff at its Australian venues to “be there as much as possible...do whatever you have to do to keep them in the room”.

67 Leeton Shire Council, NSW**Carried**

That the National General Assembly:

- 1) Requests the Federal Government to address the procedural and staffing issues affecting citizenship applications and process all applications from refugees within a reasonable time, as required by law.
- 2) Strongly urge the Federal Government to allocate sufficient resources to clear the existing backlog of citizenship applications.

68 Wentworth Shire Council, NSW**Carried**

That this National General Assembly requests both the Federal Government and Opposition immediately enact legislation banning all overseas political donations to individuals or parties and disclose, for public scrutiny, all such offers received from overseas agencies, or representatives thereof, along with the identity of such contact.

69 Darebin City Council, VIC**Carried**

That the Australian Local Government Association establishes a Multicultural Advisory Committee to provide strategic and policy advice to the ALGA Board on national immigration, settlement and multicultural issues that impacts on local governments across Australia.

70 Isaac Regional Council, QLD**Carried**

That this National General Assembly acknowledges the passing of the Strong and Sustainable Resource Communities Act by the Queensland State Government in 2018 and calls on the Federal Government to bring the Commonwealth Government’s policies and laws in line with the Queensland State Government’s anti-discrimination laws.

71 North Burnett Regional Council, QLD**WITHDRAWN**

That this National General Assembly continue to lobby policy reform with State Government via COAG that local governments still suffer greatly from significant devolution of responsibilities from the state governments with little or no additional funding. Being the government closest to the people, it is becoming more and more difficult to provide sustainable services into the future and the constant population erosion from bush to city.

72 Wyndham City Council, VIC**Carried**

That National General Assembly notes previous NGA resolutions calling on the Federal Government to fund key Public Transport Projects. The NGA notes two key recent developments that add impetus to these NGA resolutions, namely:

- The release by Infrastructure Australia and other state-based infrastructure bodies' priorities, including public transport projects;
- Submissions to the House of Representatives Standing Committee on Infrastructure, Transport and Cities' Inquiry into the Australian Government's role in the development of cities.

NGA therefore write to the Prime Minister, Minister for Transport, Opposition Leader and relevant Ministers as well as the House of Representatives Standing Committee to reconfirm NGA resolutions that the Federal Government fund key Public Transport Projects, and highlight the increasingly unsustainable growth of Australia's cities and the lack of connections of rural regions and towns which could both be improved through significant Federal Government funding of public transport projects.

73 Penrith City Council, NSW**Carried**

That the National General Assembly call on ALGA to advocate for a change to the Australia Building Standards to increase the minimum height of balustrades.

74 Eurobodalla Shire Council, NSW**Lost**

That the National General Assembly call on all local governments to give preference to financial institutions that do not invest in, or finance, the fossil fuel industry where council's investment is compliant with its Investment Policy and the investment rate of interest is equivalent to other similar investments that may be on offer to council at the time of investment.

75 Brisbane City Council, QLD**Carried**

The National General Assembly calls on the Australian Government, to ensure adequate and equitable funding for local government, to deliver and maintain transport infrastructure.

76 Hume City Council, VIC**Carried**

That the National General Assembly calls upon the Federal and State Governments to ensure adequate road infrastructure is provided to growth areas, particularly on our metropolitan fringes, to support Local Councils in the delivery of the duplication of growth area roads to ensure safe and timely passage of vehicles.

78 Blue Mountains City Council, NSW **Carried**

That this National General Assembly calls on the Commonwealth Government to support the key objectives of Cycling and Walking Australia and New Zealand in the national interest to implement strategies and actions that will rapidly improve the conditions for, and the uptake of walking and cycling on transport and recreation networks across Australia and New Zealand.

79 City of Adelaide, SA **Carried**

The National General Assembly calls on the Australian Government to explore alternative funding models to offset the lost income from the take-up of high-efficiency/non-combustible powered vehicles (electric, hydrogen).

80 Penrith City Council, NSW **Carried**

That the National General Assembly call on the Australian Government to commit to co-design with state and local governments an urban reform agenda framed around the 9 findings and the 15 recommendations of Infrastructure Australia's Future Cities paper.

80.1 Mitchell Shire Council, VIC **Carried**

That the National General Assembly call on the Federal Government to increase funding for enabling infrastructure in growth areas, and recognise the need for infrastructure to be established in a timely manner to services for new communities to prevent the corresponding issues that occur as a result from lack of timely access. That this issue be placed on the COAG agenda given the need for all of Federal, State and local governments to work together.

81 Logan City Council, QLD **Carried**

That the National General Assembly call on the Federal Government to develop a transparent, competitive process and a set criteria for selecting future City Deals.

82 East Gippsland Shire Council, VIC **Carried**

That the National General Assembly call on the Australian Government to support initiatives by councils, working with local businesses and communities, to develop and implement local and regional Climate Change Adaptation Plans, thereby improving the sustainability and resilience of local communities and regions.

83 Blacktown City Council, NSW **Carried**

That the National General Assembly calls for the Commonwealth and State Governments to provide climate change funding to assist local government and communities to implement emission reduction projects.

84 Central Highlands Regional Council, QLD **Carried**

That the National General Assembly lobby for a national, unified and community-minded approach to the solution and management of Flying Foxes.

85 Blue Mountains City Council, NSW **Carried**

That the National General Assembly calls on the Commonwealth Government to develop partnerships with Local Government recognizing Innovation and Digital Transformation – Smart Communities is a necessary next step for Local Government to achieve significant efficiency and effectiveness in the provision of services to communities.

86 City of Adelaide, SA **Carried**

The National General Assembly calls on the Australian Local Government Association to investigate the benefits of developing a unified view of customers across the local government sector in order to support the transformation to Smart Cities.

87 Orange City Council, NSW **Carried**

That the National General Assembly call on the Department of Industry, Innovation and Science develop a program with a suggested title of 'Smart Cities Partnership' to provide councils with expert advice and resources to support their development in line with the Government's Digital Economic Strategy.

88 Blue Mountains City Council, NSW **Carried**

That this National General Assembly calls on the Commonwealth Government to provide all government agencies with licence to reproduce copyright-protected material for the purpose of complying with state and federal statute, in accordance with Recommendation 15-4 of the Australian Law Reform Commission Report on 'Copyright and the Digital Economy'.

89 Shoalhaven City Council, NSW **Carried**

That the National General Assembly call for a review of Regional Development Organisations to ensure geographical alignment with Local Government Joint Association or Regional Organisation boundaries.

90 Moreland City Council, VIC **Carried**

That the National General Assembly calls on the Federal Government to commit to recurrent funding of Universal Access to 15 hours of kindergarten.

91 Randwick City Council, NSW **Carried**

That the National General Assembly request that ALGA write to the Prime Minister, the Hon. Malcolm Turnbull, the Leader of the Opposition, the Hon. Bill Shorten, the Leader of The Australian Greens, Senator Richard Di Natale, the Minister for Women, the Hon. Kelly O'Dwyer, and the Minister for Social Services, the Hon. Dan Tehan, calling for the following measures to be taken to support women and children affected by domestic violence:

- A substantial increase in direct funding for specialist services and crisis accommodation providers;
- Funding for affordable long-term accommodation;
- A substantial increase in direct funding of legal services; and
- Transparent reporting of all spending on domestic and family violence programs.

10.6 Unaudited 2017-18 Annual Financial Statements and Performance Statement

Appendices A-B

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**Financial Report
For the Year Ended
30 June 2018**



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Certification of the Financial Statements

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

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

Date: XX August 2018

Wantirna South

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

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

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

Cr John Mortimore
Mayor

Date: XX August 2018

Wantirna South

Cr Jake Keogh
Deputy Mayor

Date: XX August 2018

Wantirna South

Tony Doyle
Chief Executive Officer

Date: XX August 2018

Wantirna South

Comprehensive Income Statement For the Year Ended 30 June 2018

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

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

61
Balance Sheet
As At 30 June 2018

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

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

Statement of Changes in Equity For the Year Ended 30 June 2018

2018	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,741,658	629,163	1,072,093	40,402
Surplus for the year		31,195	31,195	-	-
Net asset revaluation increment/(decrement)	8.1(a)	263,892	-	263,892	-
Transfers to other reserves	8.1(b)	-	(11,011)	-	11,011
Transfers from other reserves	8.1(b)	-	8,882	-	(8,882)
Balance at end of the financial year		2,036,745	658,229	1,335,985	42,531

2017	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		1,718,197	615,468	1,067,083	35,646
Surplus for the year		18,451	18,451	-	-
Net asset revaluation increment/(decrement)	8.1(a)	5,010	-	5,010	-
Transfers to other reserves	8.1(b)	-	(12,082)	-	12,082
Transfers from other reserves	8.1(b)	-	7,326	-	(7,326)
Balance at end of the financial year		1,741,658	629,163	1,072,093	40,402

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

Statement of Cash Flows For the Year Ended 30 June 2018

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

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

Statement of Capital Works For the Year Ended 30 June 2018

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

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

Overview

Introduction

Knox City Council was established by an Order of the Governor in Council in 1994 and is a body corporate. The Council's main office is located at 511 Burwood Highway, Wantirna South, Victoria.

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

Note 1 Performance against budget

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

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

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

1.1 Income and expenditure

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

(i) Explanation of material variations

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

1.2 Capital works

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

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Capital expenditure is lower than budget due to the carry forward to 2018-19 of land purchases relating to the Knox Central project. This is partially offset by the unbudgeted purchase of land at 88-100 Station Street, Ferntree Gully (\$2.615 million, after a deposit of \$0.290 million was paid late in 2016-17).

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

	2018	2017
	\$'000	\$'000

Note 2 Funding for the delivery of our services

2.1 Rates and charges

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

The valuation base used to calculate general rates for 2017-18 was \$41,587 million (2016-17 \$41,011 million). The 2017-18 rate in the CIV dollar was \$0.0018917 (2016-17 \$0.0021114) for the residential rate.

General rates	96,792	100,856
Residential garbage charge	8,889	-
Service rates and charges	1,795	3,843
Supplementary rates and rate adjustments	927	1,859
Cultural and recreational	60	43
Interest on rates and charges	561	483
Total rates and charges	109,024	107,084

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

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

2.2 Statutory fees and fines

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

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.

	2018	2017
	\$'000	\$'000
2.3 User fees		
Waste management services	5,217	4,869
Child care/children's programs	3,458	3,445
Registration and other permits	1,856	1,836
Leisure centre and recreation	1,652	1,515
Aged and health services	967	960
Building services	491	552
Other fees and charges	1,131	1,307
Total user fees	14,772	14,484

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

2.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants	16,406	18,641
State funded grants	11,574	11,888
Total grants received	27,980	30,529

(a) Operating grants

Recurrent - Commonwealth Government

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

Recurrent - State Government

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

	2018	2017
	\$'000	\$'000
<i>Non-recurrent - Commonwealth Government</i>		
Family and children - child care	15	-
<i>Non-recurrent - State Government</i>		
Environmental planning	195	23
Recreation	103	22
Family and children - youth services	68	19
Other	36	76
Family and children - preschool	35	-
Community health	19	32
Family and children - early intervention	-	528
Total non-recurrent operating grants	471	700
Total operating grants	23,246	25,957
(b) Capital grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants - local roads	1,104	1,581
Roads to recovery	1,017	1,174
Total recurrent capital grants	2,121	2,755
<i>Non-recurrent - Commonwealth Government</i>		
Recreational, leisure and community facilities	1,912	471
Buildings	-	75
Off street car parks	-	20
<i>Non-recurrent - State Government</i>		
Recreational, leisure and community facilities	479	1,036
Roads	187	65
Buildings	35	150
Total non-recurrent capital grants	2,613	1,817
Total capital grants	4,734	4,572
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,011	143
Received during the financial year and remained unspent at balance date	1,404	1,011
Received in prior years and spent during the financial year	(669)	(143)
Balance at year end	1,746	1,011

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

	2018	2017
	\$'000	\$'000
2.5 Contributions		
Monetary	8,808	6,520
Non-monetary	9,495	-
Total contributions	18,303	6,520

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

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

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

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

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

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

2.7 Other income

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

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.

	2018	2017
	\$'000	\$'000
Note 3 The cost of delivering services		
3.1 Employee costs		
Wages and salaries	48,119	49,127
Annual leave and long service leave	6,315	6,188
Agency staff	4,911	4,261
Superannuation	4,861	4,860
WorkCover	770	993
Fringe benefits tax	310	414
Total employee costs	65,286	65,843

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund

(Vision Super)

436 416

Employer contributions - other funds

- -

436 **416**

Employer contributions payable at reporting date

- -

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund

(Vision Super)

3,055 3,071

Employer contributions - other funds

1,577 1,586

4,632 **4,657**

Employer contributions payable at reporting date

367 359

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

3.2 Materials and services

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

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

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

3.4 Bad and doubtful debts

Parking and animal infringement debtors	101	19
Other debtors	27	22
Total bad and doubtful debts	128	41

Movement in provisions for doubtful debts

Balance at the beginning of the year	20	12
New provisions recognised during the year	15	21
Amounts already provided for and written off as uncollectible	(16)	(13)
Amounts provided for but recovered during the year	-	-
Balance at the end of the year	19	20

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

3.5 Borrowing costs

Interest - borrowings	-	148
Interest - borrowings break fee	-	1,897
Total borrowing costs	-	2,045

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

3.6 Other expenses

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

	2018	2017
	\$'000	\$'000
3.7 Contributions and donations		
Contribution to the Eastern Regional Libraries Corporation	4,004	3,930
Community support payments	2,117	1,636
Total contributions and donations	6,121	5,566

Note 4 Our financial position

4.1 Financial assets

(a) Cash and cash equivalents

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

(b) Other financial assets

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

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

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

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

Intended allocations

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

• Other reserves (Note 8.1 (b))	26,647	28,954
Total funds subject to intended allocations	26,647	28,954

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

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

	2018	2017
	\$'000	\$'000
(c) Trade and other receivables		
Current		
Statutory receivables		
Rates debtors	8,804	7,407
Special rate assessment	52	52
Parking and animal infringement debtors	1,386	1,325
Provision for doubtful debts - parking and animal infringement debtors	(860)	(759)
Non statutory receivables		
Other debtors	3,765	2,538
Provision for doubtful debts - other debtors	(19)	(20)
Total current trade and other receivables	<u>13,128</u>	<u>10,543</u>

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

(a) Ageing of receivables

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

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

(b) Ageing of individually impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$693 (2017: \$4,675) were impaired. The amount of the provision raised against these debtors was \$693 (2017: \$4,675). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with the Council's debt collectors or are on payment arrangements.

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

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	1	-
Past due by more than 1 year	-	5
Total trade and other receivables	<u>1</u>	<u>5</u>

	2018	2017
	\$'000	\$'000
4.2 Non-financial assets		
(a) Other assets		
Prepayments	1,169	802
Accrued income	404	469
Total other assets	1,573	1,271
(b) Intangible assets		
Software	1,442	1,858
Total intangible assets	1,442	1,858
Gross carrying amount		
Balance at beginning of year	4,524	3,530
Additions	92	994
Balance at end of year	4,616	4,524
Accumulated amortisation and impairment		
Balance at beginning of year	2,666	2,218
Amortisation expense	508	448
Balance at end of year	3,174	2,666
Net book value at the end of the year	1,442	1,858

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

4.3 Payables

(a) Trade and other payables

Trade payables	10,124	5,969
Accrued expenses	2,938	3,251
Prepaid income	959	800
Unearned income	669	-
Total trade and other payables	14,690	10,020

	2018	2017
	\$'000	\$'000
(b) Trust funds and deposits		
Refundable deposits	2,987	5,740
Fire services levy	29	902
Retention amounts	304	58
Other	363	464
Total trust funds and deposits	3,683	7,164

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

Purpose and nature of items

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

Fire service levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a four-instalment basis. Amounts disclosed will be remitted to the State Government in line with that process.

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

4.4 Provisions

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

	2018	2017
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	2,266	2,240
Long service leave	974	973
Gratuities	81	97
	<u>3,321</u>	<u>3,310</u>
Current provisions expected to be wholly settled after 12 months		
Annual leave	2,565	2,644
Long service leave	8,553	8,667
Gratuities	811	863
	<u>11,929</u>	<u>12,174</u>
Total current employee provisions	<u>15,250</u>	<u>15,484</u>
Non-current		
Long service leave	772	848
Total non-current employee provisions	<u>772</u>	<u>848</u>
Aggregate carrying amount of employee provisions:		
Current	15,250	15,484
Non-current	772	848
Total aggregate carrying amount of employee provisions	<u>16,022</u>	<u>16,332</u>

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.

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

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

Gratuity retirement allowance

A Gratuity retirement allowance exists for employees who commenced prior to 3 May 1996, with new employees who commenced after that date not being eligible and is recognised in the provision for employee benefits as a current liability. Liabilities expected to be wholly settled within 12 months of the reporting date are measured at their nominal values. Liabilities that are not expected to be wholly settled within 12 months of the reporting date are measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Key assumptions:

• Weighted average discount rate	1.97%	1.96%
• Weighted average index rate	2.64%	2.51%
• Average settlement period (years)	22	22

(b) Landfill rehabilitation

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

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

	2018	2017
Key assumptions – Cathies Lane landfill site:		
• Weighted average discount rate	3.64%	3.54%
• Inflation rate	2.00%	2.00%
• Settlement period (years)	16	17
• Estimated cost to rehabilitate	\$3.873 m	\$4.741 m
Key assumptions – Llewellyn Reserve landfill site:		
• Weighted average discount rate	3.59%	3.34%
• Inflation rate	2.00%	2.00%
• Settlement period (years)	16	17
• Estimated cost to rehabilitate	\$1.330 m	\$2.274 m

Cathies Lane landfill site

Council operated the Cathies Lane landfill site, Wantirna South from 1986 to 2004, under a licence issued by the Environment Protection Authority (EPA). The site is closed as a landfill but a portion of the site is still being used as a transfer station to receive and transport waste to other sites for disposal. In 2015-16 the EPA issued a Post Closure Pollution Abatement notice and Council has surrendered the landfill licence.

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

Llewellyn Reserve landfill site

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

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

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

4.5 Financing arrangements

The Council has the following funding arrangements in place:

Bank overdraft	1,500	1,500
Credit card facilities	200	200
Total facilities	1,700	1,700
Used facilities	20	20
Unused facilities	1,680	1,680

4.6 Commitments

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

	Later than 1 year and not later		Later than 2 years and not later		Later than 5 years	Total
	Not later than 1 year	than 2 years	than 5 years	5 years		
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating						
Garbage collection and recycling	17,567	16,113	2,076	-	-	35,756
Open space management	2,534	-	-	-	-	2,534
Consultancies	1,871	497	716	-	-	3,084
Cleaning contracts for council buildings	1,096	25	-	-	-	1,121
Infrastructure management	895	212	85	-	-	1,192
Home care services	402	-	-	-	-	402
Meals for delivery	661	-	-	-	-	661
Total	25,026	16,847	2,877	-	-	44,750
Capital						
Buildings	13,503	-	-	-	-	13,503
Other infrastructure	600	-	-	-	-	600
Total	14,103	-	-	-	-	14,103

2017	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection and recycling	17,005	16,340	32,241	-	65,586
Open space management	910	607	-	-	1,517
Consultancies	1,177	213	231	-	1,621
Cleaning contracts for council buildings	624	292	20	-	936
Infrastructure management	1,008	29	29	-	1,066
Home care services	403	403	-	-	806
Meals for delivery	513	513	-	-	1,026
Total	21,640	18,397	32,521	-	72,558
Capital					
Buildings	677	-	-	-	677
Roads	1,829	-	-	-	1,829
Other infrastructure	434	-	-	-	434
Total	2,940	-	-	-	2,940

	2018 \$'000	2017 \$'000
Operating lease commitments		

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

Not later than one year	596	638
Later than one year and not later than five years	799	1,123
Later than five years	-	263
	1,395	2,024

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

	2018	2017
	\$'000	\$'000

Note 5 Assets we manage

5.1 Non-current assets classified as held for sale

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

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

5.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At fair value 30 June 2017	At cost 30 June 2017	Additions	Contributions	Revaluation	Depreciation	Disposal	Impairment	Transfers and write offs	At fair value 30 June 2018	At cost 30 June 2018	Written down value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	922,519	8,998	8,661	4,462	264,666	(3,623)	(2,767)	(545)	-	1,195,339	7,032	1,202,371
Plant and equipment	-	8,390	2,266	-	-	(1,476)	(733)	-	-	-	8,447	8,447
Infrastructure	695,815	51,568	22,841	5,033	(229)	(14,317)	(1,495)	-	-	681,962	77,254	759,216
Work in progress	-	8,492	16,818	-	-	-	-	-	(6,250)	-	19,060	19,060
	1,618,334	77,448	50,586	9,495	264,437	(19,416)	(4,995)	(545)	(6,250)	1,877,301	111,793	1,989,094

Summary of work in progress

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

Asset recognition thresholds and depreciation periods

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

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total land \$'000	Buildings - specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2017	650,428	147,020	-	797,448	230,176	230,176	-	1,027,624
At cost 1 July 2017	2,525	178	3,155	5,858	3,175	3,175	3,579	12,612
Accumulated depreciation at 1 July 2017	-	-	-	-	(105,140)	(105,140)	-	(105,140)
	652,953	147,198	3,155	803,306	128,211	128,211	3,579	935,096
Movements								
Additions at cost	-	3,083	-	3,083	5,578	5,578	13,419	22,080
Contributions	1,352	3,110	-	4,462	-	-	-	4,462
Revaluation	220,185	30,889	-	251,074	28,432	28,432	-	279,506
Disposal at fair value	(865)	(561)	-	(1,426)	(1,903)	(1,903)	-	(3,329)
Disposal at cost	-	(300)	-	(300)	-	-	-	(300)
Impairment losses recognised in operating result	-	-	-	-	(546)	(546)	-	(546)
Transfers and write offs	-	-	-	-	-	-	(1,740)	(1,740)
	220,672	36,221	-	256,893	31,561	31,561	11,679	300,133
Movements in accumulated depreciation								
Depreciation and amortisation	-	-	-	-	(3,623)	(3,623)	-	(3,623)
Accumulated depreciation of disposals	-	-	-	-	862	862	-	862
Revaluation	-	-	-	-	(14,839)	(14,839)	-	(14,839)
	-	-	-	-	(17,600)	(17,600)	-	(17,600)
At fair value 30 June 2018	869,748	183,419	-	1,053,167	264,913	264,913	-	1,318,080
At cost 30 June 2018	3,877	-	3,155	7,032	-	-	15,258	22,290
Accumulated depreciation at 30 June 2018	-	-	-	-	(122,741)	(122,741)	-	(122,741)
	873,625	183,419	3,155	1,060,199	142,172	142,172	15,258	1,217,629

(b) Plant and equipment

	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecomms \$'000	Artworks \$'000	Total plant and equipment \$'000
At cost 1 July 2017	11,728	2,247	3,414	346	17,735
Accumulated depreciation at 1 July 2017	(5,206)	(1,637)	(2,502)	-	(9,345)
	6,522	610	912	346	8,390
Movements					
Additions at cost	1,735	64	376	91	2,266
Disposal at cost	(2,017)	-	-	-	(2,017)
	(282)	64	376	91	249
Movements in accumulated depreciation					
Depreciation and amortisation	(1,087)	(136)	(253)	-	(1,476)
Accumulated depreciation of disposals	1,284	-	-	-	1,284
	197	(136)	(253)	-	(192)
At cost 30 June 2018	11,446	2,311	3,790	437	17,984
Accumulated depreciation at 30 June 2018	(5,009)	(1,773)	(2,755)	-	(9,537)
	6,437	538	1,035	437	8,447

(c) Infrastructure

	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community facilities \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total infrastructure \$'000
At fair value 1 July 2017	623,667	13,043	139,617	289,358	-	24,471	5,324	-	1,095,480
At cost 1 July 2017	9,141	-	2,228	-	53,796	635	169	4,913	70,882
Accumulated depreciation at 1 July 2017	(181,463)	(3,429)	(74,935)	(132,745)	(14,362)	(5,374)	(1,758)	-	(414,066)
	451,345	9,614	66,910	156,613	39,434	19,732	3,735	4,913	752,296
Movements									
Additions at cost	9,854	307	3,818	3,175	4,443	1,141	103	3,399	26,240
Contributions	2,087	-	489	2,443	-	15	-	-	5,034
Revaluation	-	-	-	-	-	-	56	-	56
Disposal at fair value	(1,816)	(43)	(3,920)	-	-	-	-	-	(5,779)
Disposal at cost	-	-	-	-	(513)	-	-	-	(513)
Transfers and write offs at cost	-	-	-	-	-	-	-	(4,510)	(4,510)
	10,125	264	387	5,618	3,930	1,156	159	(1,111)	20,528
Movements in accumulated depreciation									
Depreciation and amortisation	(6,010)	(135)	(2,771)	(3,632)	(1,352)	(231)	(186)	-	(14,317)
Accumulated depreciation of disposals	1,434	41	2,963	-	358	-	-	-	4,796
Revaluation	-	-	345	-	-	-	(630)	-	(285)
	(4,576)	(94)	537	(3,632)	(994)	(231)	(816)	-	(9,806)
At fair value 30 June 2018	621,852	13,000	135,697	289,359	-	24,471	5,646	-	1,090,025
At cost 30 June 2018	21,081	307	6,535	5,617	57,726	1,791	6	3,802	96,865
Accumulated depreciation at 30 June 2018	(186,039)	(3,523)	(74,398)	(136,377)	(15,356)	(5,605)	(2,574)	-	(423,872)
	456,894	9,784	67,834	158,599	42,370	20,657	3,078	3,802	763,018

Acquisition

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

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

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

Land under roads

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

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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

Valuation of land and buildings

Valuation of land and buildings were undertaken by Brian Robinson from Westlink Consulting, a qualified independent valuer, registration number 62215. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

Specialised land is valued at fair value using site values adjusted for engloba (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

Any significant movements in the unobservable inputs for land will have a significant impact on the fair value of these assets.

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

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

Valuation of infrastructure

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

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

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

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

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

Description of significant unobservable inputs into level 3 valuations

Specialised land is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 20% and 50%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$9 and \$1,317 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$450 to \$3,800 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary up to 147 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

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

5.3 Investment in associates

Investment in associate accounted for by the equity method is:

Eastern Regional Libraries Corporation (ERLC)	4,422	3,981
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Eastern Regional Libraries Corporation (ERLC)

Background

The principal activity of ERLC is the operation of libraries. Council's ownership interest of ERLC as at 30 June 2018 was 36.39% (2017 - 36.39%) based on Council's contribution of the net assets to the entity on its commencement on 1 July 1996. Council's proportion of voting power as at 30 June 2018 was 33.33% (2017 - 33.33%).

Fair value of Council's investment in Eastern Regional Libraries Corporation

	4,422	3,981
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Council's share of accumulated surplus

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

Movement in carrying value of specific investment

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

	2018	2017
	\$'000	\$'000
Council's share of expenditure commitments		
Operating commitments	429	227
Capital commitments	-	-
Council's share of expenditure commitments	429	227

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

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

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

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

Note 6 People and relationships

6.1 Council and key management remuneration

(a) Related parties

Parent entity

Knox City Council

Associates

Eastern Regional Libraries Corporation (ERLC)

Interests in associates are detailed in Note 5.3.

(b) Key management personnel

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

Councillors

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

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

(c) Remuneration of key management personnel

	2018	2017
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,878	2,115
Long-term benefits	74	13
Termination benefits	-	-
Total	1,952	2,128

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

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

(d) Senior officer remuneration

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

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

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

Income range	2018 No.	2017 No.
< \$145,000	-	1
\$145,000 - \$149,999	5	3
\$150,000 - \$159,999	7	2
\$160,000 - \$169,999	1	4
\$170,000 - \$179,999	9	5
\$180,000 - \$189,999	2	2
\$200,000 - \$209,999	1	-
\$270,000 - \$279,999	1	-
	<u>26</u>	<u>17</u>
	2018 \$'000	2017 \$'000
Total remuneration for the reporting year for senior officers included above amounted to	<u>4,401</u>	<u>2,818</u>

6.2 Related party disclosure**(a) Transactions with related parties**

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

(b) Outstanding balances with related parties

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

(c) Loans to/from related parties

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

(d) Commitments to/from related parties

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

Note 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) Contingent assets

Developer contributions

As a result of development activity within the Knox municipality, Council has identified as a contingent asset the developer contributions of infrastructure assets and open space contributions to be received in respect of subdivisions that are currently under development totalling \$28.734 million (2016-17, \$25.603 million).

Operating lease receivables

Council has a number of leases with external entities where they pay for the use of Council land and buildings. A number of these leases include a CPI based revision of the rental charge annually.

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

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

(b) Contingent liabilities

Superannuation

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

Future superannuation contributions

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

High Court decision in Isbester v Knox City Council (2015)

As a result of the High Court's decision in Isbester v Knox City Council (2015) Case M19/2015, Knox City Council will be liable to pay the applicant's (Isbester) costs. The final quantum and timing of payment is subject to ongoing negotiations.

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

7.2 Change in accounting standards

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

Financial Instruments – Disclosures (AASB 7) (applies 2018-19)

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

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

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

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

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

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

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

Leases (AASB 16) (applies 2019-20)

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

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

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

7.3 Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the Balance Sheet. To help manage this risk Council:

- has adopted a Debt Collection and Management procedure which provides guidelines for the management and collection of outstanding debts
- may require collateral where appropriate
- invests surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

- has an investment policy which specifies the need to meet Council's cash flow requirements
- has readily accessible standby facilities and other funding arrangements in place
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments
- monitors budget to actual performance on a regular basis
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

(e) Sensitivity disclosure analysis

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

- a parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 2.624% which is Council's average 90 day term deposit interest rate.

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

7.4 Fair value measurement***Fair value hierarchy***

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

In addition, Council determines whether transfers have occurred between levels in the hierarchy by 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 land under roads, recreational, leisure and community facilities, plant and equipment, bus shelters, artworks and intangibles are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuations are performed either by experienced Council officers or independent experts. Land, buildings and fire hydrants were formally revalued as at 30 June 2018.

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

Impairment of assets

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

7.5 Events occurring after balance date

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

Note 8 Other matters**8.1 Reserves****(a) Asset revaluation reserve**

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

Nature and purpose of asset revaluation reserve

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

(b) Other reserves

2018	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Restricted reserves				
Open space reserve	10,603	6,721	(2,538)	14,786
Basketball stadium infrastructure reserve	100	24	(24)	100
State Basketball Centre asset renewal fund	289	100	-	389
Football pitch replacement fund	456	153	-	609
Total restricted reserves	11,448	6,998	(2,562)	15,884
Unrestricted reserves				
Mountain Gate reserve	140	-	-	140
City futures fund	2,915	-	-	2,915
Revegetation net gain	182	100	-	282
Revolving energy fund	70	66	-	136
Aged care reserve	5,003	-	(33)	4,970
Unexpended grant reserve (Victoria Grants Commission)	3,611	3,824	(3,611)	3,824
Stamford Park	15,311	-	(1,172)	14,139
Blue Hills	1,403	-	(1,400)	3
Scoresby Recreation Reserve	44	23	-	67
HACC capital reserve	275	-	(104)	171
Total unrestricted reserves	28,954	4,013	(6,320)	26,647
Total other reserves	40,402	11,011	(8,882)	42,531

2017	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
Restricted reserves				
Open space reserve	8,671	5,936	(4,004)	10,603
Basketball stadium infrastructure reserve	100	24	(24)	100
State Basketball Centre asset renewal fund	289	-	-	289
Football pitch replacement fund	304	152	-	456
Total restricted reserves	9,364	6,112	(4,028)	11,448
Unrestricted reserves				
Mountain Gate Reserve	-	140	-	140
City futures fund	3,161	-	(246)	2,915
Revegetation net gain	121	61	-	182
Revolving energy fund	70	-	-	70
Aged care reserve	4,822	250	(69)	5,003
Unexpended grant reserve (Victoria Grants Commission)	-	3,611	-	3,611
Stamford Park	14,158	1,840	(687)	15,311
Blue Hills	3,421	-	(2,018)	1,403
Scoresby Recreation Reserve	21	23	-	44
HACC capital reserve	508	45	(278)	275
Total unrestricted reserves	26,282	5,970	(3,298)	28,954
Total other reserves	35,646	12,082	(7,326)	40,402

Nature and purpose of other reserves

Open space reserve

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

Basketball stadium infrastructure reserve

The purpose of this reserve is to improve basketball stadium facilities within the Knox municipality.

State basketball centre asset renewal fund

The purpose of this reserve is to provide for asset renewal works at the State Basketball Centre (Knox Regional Sports Park).

Football pitch replacement fund

The purpose of this reserve is to provide for future football pitch replacement at Knox Regional Sports Park.

Mountain Gate reserve

The purpose of this reserve is to enhance community facilities within Mountain Gate.

City futures fund

The purpose of this reserve is to construct major facilities within the Knox municipality.

Revegetation net gain

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

Revolving energy fund

The purpose of this reserve is to re-invest savings in energy costs to be invested in further works to minimise energy consumption.

Aged care reserve

The purpose of this reserve is to set aside the proceeds from the divestment of the Amaroo Gardens Aged Care Facility by Council on 2 November 2011 for aged services and infrastructure within the Knox municipality.

Unexpended grant reserve (Victoria Grants Commission)

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

Stamford Park

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

Blue Hills

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

Scoresby Recreation reserve

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

HACC capital reserve

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

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

8.3 Superannuation

Knox City Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation (9.5% in 2016-17)).

Defined Benefit

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

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

Funding arrangements

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

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

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

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

Employer contributions

Regular contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Knox City Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016-17). This rate will increase in line with any increases in the SG contribution rate. In addition, Knox City Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Knox City Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2017 triennial actuarial investigation surplus amounts

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

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

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

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

2018 interim actuarial investigation

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

Performance Statement

Year ending 30 June 2018

Understanding the Performance Statement

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

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures and the results forecast by Council's Strategic Resource Plan. The Regulations require explanation of any material variations in the results contained in the Performance Statement. The materiality thresholds have been set as +/-10% of the 2016-17 results.

The forecast figures included in the statement are those adopted by Council in its Strategic Resource Plan on 26 June 2017, which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and are aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The Strategic Resource Plan is available on Council's website.

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

Description of the municipality

Located approximately 25 kilometres from Melbourne's Central Business District, the Knox municipality is a major hub of cultural, commercial, business and innovative activity in the eastern suburbs of Melbourne. It is a diverse municipality, with residents from 130 different countries who speak 54 languages. The City of Knox has an estimated resident population of 162,116 (as at 30 June 2018) and covers an area of 113.84 square kilometres. The area boasts a green, leafy image extending to the foothills of the picturesque Dandenong Ranges. Knox comprises the following suburbs: The Basin, Bayswater, Boronia, Ferntree Gully, Knoxfield, Lysterfield, Rowville, Sassafras, Scoresby, Upper Ferntree Gully, Wantirna and Wantirna South.

Sustainable Capacity Indicators

For the year ended 30 June 2018

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

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"population" means the resident population estimated by Council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2018

Service/Indicator/Measure	Result				Material Variations and Comments
	2015	2016	2017	2018	
Animal Management					
Health and Safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	15	5	12	12	
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.62	3.67	3.60	3.49	
Food safety					
Health and Safety					
<i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about a food premises followed-up / Number of critical non-compliance outcome notifications and major non-compliance outcome notifications about food premises] x100	94.73%	91.95%	90.50%	90.16%	
Governance					
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	59	62	55	56	
Libraries					
Participation					
<i>Active library members</i> [Number of active library members / Municipal population] x100	18.14%	14.01%	13.01%	13.39%	

Service/Indicator/Measure	Result				Material Variations and Comments
	2015	2016	2017	2018	
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	82.75%	79.07%	80.88%	81.25%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	92.31%	74.24%	87.30%	75.47%	A decrease in participation rates by Aboriginal Children was seen in 2017-18 due to an influx of families from Interstate. There have also been multiple families where contact has not been able to be made. It is assumed that these families have moved out of the area, however, the history remains open in the system.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	70	67	68	69	
Statutory Planning Decision-making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	41.67%	44.83%	52.00%	54.05%	

Service/Indicator/Measure	Result				Material Variations and Comments
	2015	2016	2017	2018	
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>					
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	53.30	52.01%	53.41%	51.97%	

Definitions

'Aboriginal child' means a child who is an Aboriginal person.

'Aboriginal person' has the same meaning as in the *Aboriginal Heritage Act 2006*.

'Active library member' means a member of a library who has borrowed a book from the library.

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

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

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

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

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

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

'Food premises' has the same meaning as in the *Food Act 1984*.

'Local road' means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

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

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

'Population' means the resident population estimated by council

'Target population' has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth.

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

Financial Performance Indicators

For the year ended 30 June 2017

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Comments*
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,266.69	\$1,290.92	\$1,267.96	\$1,326.47	\$1,354.05	\$1,393.97	\$1,406.65	\$1,442.79	
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,196.09	\$2,232.71	\$2,219.18	\$2,237.89	\$2,459.63	\$2,462.51	\$2,405.06	\$2,429.90	
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	7.94%	11.70%	12.77%	13.69%	0.00%	0.00%	0.00%	0.00%	

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Comments*
	2015	2016	2017	2018	2019	2020	2021	2022	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	181.09%	229.86%	235.53%	236.21%	170.92%	152.94%	248.77%	240.78%	At 30 June 2018, Council had \$38.5 million in term deposits due to mature within 90 days. These term deposits are not reflected in this measure.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	45.74%	-11.27%	-4.34%	-11.22%	86.91%	70.18%	166.29%	159.30%	
Obligations									
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expensed / Asset depreciation] x 100	109.72%	101.74%	112.65%	112.57%	133.08%	122.28	121.45%	126.36%	Budgeted borrowings for 2017-18 have been deferred until the 2018-19 financial year. Over the next four year period it is anticipated that Council will use
Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100	15.99%	12.99%	0.00%	0.00%	30.15%	38.38%	40.47%	16.77%	

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Comments*
	2015	2016	2017	2018	2019	2020	2021	2022	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	3.14%	2.94%	14.34%	0.00%	0.00%	2.71%	3.62%	24.43%	loan borrowings to fund several planned major projects in the municipality. All previous outstanding loans were settled in August/September 2016. Budgeted borrowings for 2017-18 have been deferred until the 2018-19 financial year. Over the next four year period it is anticipated that Council will use loan borrowings to fund several planned major projects in the municipality.
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	14.38%	12.36%	4.62%	3.63%	27.37%	34.99%	32.28%	13.73%	Own source revenue has increased by 1.79%, while the only non-current liability - employee provisions - has decreased due to employee resignations

Dimension/ <i>indicator/measure</i>	Results				Forecasts				Comments*
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	63.86%	61.56%	66.59%	66.74%	67.30%	68.81%	60.86%	62.19%	
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.29%	0.30%	0.26%	0.26%	0.22%	0.21%	0.20%	0.19%	

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

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

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

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