

City of Boroondara

Annual Report 2019-20





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Welcome to the Annual Report 2019-20

The City of Boroondara is constituted under the *Local Government Act 1989* to provide leadership and good governance to the municipal district and the local community.

Council's roles include:

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

The City of Boroondara is committed to effective and sustainable forms of democratic and corporate governance to ensure Council and its administration meet community priorities. Our community has many opportunities to provide input into Council decisions, including community consultation programs, public forums and submissions to Special Committees of Council.

About this report

Purpose

On 11 December 2017, Council adopted the Boroondara Community Plan 2017-27. The new Plan reflects our community's values, aspirations and priorities for the next 10 years. The Council Plan 2017-21 outlines seven Themes supported by seven Strategic Objectives as identified in the Boroondara Community Plan. Each Strategic Objective includes a number of strategies, which contain annual commitments detailed in the Budget 2019-20 adopted in June 2019.

The Annual Report 2019-20 documents the performance against the strategic indicators and commitments identified in the Council Plan 2017-21 and the Budget 2019-20.

The diagram below depicts the structure of the Council Plan 2017-21.



The table below lists the Themes and Strategic Objectives in the Council Plan 2017-21.

Theme	Strategic Objectives
 Your Community, Services and Facilities	Community services and facilities are high quality, inclusive and meet a variety of needs now and into the future.
 Your Parks and Green Spaces	Inviting and well-utilised community parks and green spaces.
 The Environment	Our natural environment is healthy and sustainable for future generations.
 Neighbourhood Character and Heritage	Protect the heritage and respect the character of the City to maintain amenity and liveability whilst recognising the need for appropriate, well-designed development for future generations.
 Getting Around Boroondara	Travel options that are connected, safe, accessible, environmentally sustainable and well-designed.
 Your Local Shops and Businesses	A vibrant local economy and shops that are accessible, attractive and a centre of community life.
 Civic Leadership and Governance	Ensure that ethical, financial and socially responsible decision making reflect community needs and are based on principles of accountability, transparency, responsiveness and consultation.

The Budget 2019-20 defines actions that contribute to the successful delivery of the Council Plan 2017-21 during the financial year.

This Annual Report is divided into four parts:

1. Report of Operations
2. Financial statements
3. Performance statement
4. Indexes.

The Report of Operations contains information about our community, our councillors, our organisation, and most importantly, how we performed throughout the year. The section on our performance is divided into the seven themes of the Council Plan 2017-21.

The financial statements and performance statement provide detailed information that fulfils Council's financial reporting requirements.

Indexes are included for ease of reference to the content of this report.

Symbols in this report

Directorate

The following symbols identify the directorate or executive management team that has responsibility for delivery of each commitment.



CEO's office



City Planning



Environment and
Infrastructure



Customer
Experience and
Business
Transformation



Community
Development



People, Culture
and Development

Status

Council's progress against each commitment is illustrated by the following symbols:



Completed



Commenced



Deferred

Outcome

The outcome of the progress against each strategic indicator is illustrated as a percentage depicted by the following symbol:



Percentage indicators

Report of Operations

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The Report of Operations is our primary means of advising the Boroondara community about our operations and performance during the financial year.

Council snapshot

Vision

A vibrant and inclusive City, meeting the needs and aspirations of its community.

Purpose

We work together to deliver the community priorities and place our customers at the centre of everything we do.

Values

We will create a collaborative and customer-centric culture which connects our people to our purpose, inspires them to be their best, and provides a great place to work.

The six organisational values are outlined below:

Our values	What it means
Think customer experience	Always working with our customers' experience in mind and taking pride in supporting our community.
Act with integrity	Doing the right thing, speaking up when it's important and striving to live our values every day.
Treat people with respect	Valuing each person for who they are by listening, understanding and showing that we care.
Work together as 'one'	Working together constructively to break down silos, putting our shared needs first and moving forward in a unified way.
Explore better ways	Challenging the status quo to improve things through curiosity, courage and learning.
Own it, follow through	Taking responsibility for what is ours and following through to ensure great results.

City profile

- The City of Boroondara includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.
- Boroondara has an estimated residential population of **183,199 people** (as at 30 June 2019).
- **25%** of the population is aged between 0 and 19 years, and **34%** 50 years and over.
- Boroondara has the **fifth largest** population in Victoria of people aged 85 years and over.
- **31%** of Boroondara residents were born overseas.
- Boroondara residents were born in more than **145 countries** and speak more than **120 languages**.
- A **quarter** of Boroondara's employed residents work within the City of Boroondara and just **under a quarter** work in the City of Melbourne.
- The median household income in Boroondara was **\$2,083** per week, compared to **\$1,542** for Greater Melbourne.
- **14%** of Boroondara households live on less than **\$650** a week.

Fast facts



163 groups

received Council community grants



1,923

Indigenous trees, shrubs, grasses and groundcovers planted during the year



161,284

phone calls and 115,835 online requests responded to



1.85 million

library items borrowed



1,338

planning applications receive



78,312

rateable properties



71,669

tonnes of waste collected from kerbside bins



1.89 million

visits to Boroondara's leisure and aquatic centres



567 kilometres

of local roads

Highlights of the year

A summary of our achievements divided into the seven themes of our Council Plan:

Theme 1: Your Community, Services and Facilities

Strategic objective:

- Community services and facilities are high quality, inclusive and meet a variety of needs now and into the future.

Achievements:

- Council adopted an Asset Management Strategy which outlines the objectives and supporting actions that will be carried out over a five year period to advance asset management practices across the organisation.
- Following the adoption of the Flood Mapping Study in 2019-20, approximately 6,000 properties have been identified as liable to flooding. This allows residents and Council to plan and reduce any potential impacts.
- Launched the new Boroondara Families section of our website, designed for families to discover local services and activities for children from birth to eight years of age.
- Introduced a new Boroondara Volunteer Resource Centre (BVRC) portal 'VIKTOR/VIRA' to enable the BVRC to centralise volunteer recruitment, registration and records management, promote volunteer opportunities and manage the Boroondara Volunteer Skills Banks.
- Greythorn Community Hub won the 2020 Award for Excellence in the 'Community Assets and Infrastructure Initiatives (projects over \$2 million)' category at the LGPro Awards.
- Council adopted the new healthy ageing plan, 'Add life to your years - Healthy Ageing in Boroondara' to support the City's ageing population to remain healthy, engaged and connected to their community.
- Delivered the Boroondara Eisteddfod via an online digital model during the lockdown in March 2020 enabling an opportunity for musicians to perform and celebrate incredible talent from musicians of all ages.
- Council adopted the revised Community Strengthening Grants Policy to set out Council's framework for delivering grant funding and to provide information for Council and the community on the principles guiding the Boroondara Community Strengthening Grants.
- Council adopted the updated Amenity Local Law on 9 December 2019 after a comprehensive review. The review and adoption of the Amenity Local Law 2019 resulted in a series of changes designed to protect and enhance amenity and neighbourhood streetscapes.
- Council has activated various relief and recovery responses to assist our communities during the COVID-19 pandemic. More information on Council's response to the COVID-19 pandemic is included on page 30.

Theme 2: Your Parks and Green Spaces

Strategic objective:

- Inviting and well-utilised community parks and green spaces.

Achievements:

- Implemented priority actions from the Shade Policy Implementation Plan to improve the provision of shade at key sites across Boroondara.
- Sought feedback from the local community to help inform the design of the Victoria Park Regional Playground.
- Consulted with the local community, sporting club representatives and users as part of the Diversity, Inclusion and Participation (DIP) Program which aims to ensure sporting club pavilions provide a more inclusive environment and greater participation opportunities for diverse sectors of the community.

Theme 3: The Environment

Strategic objective:

- Our natural environment is healthy and sustainable for future generations.

Achievements:

- Introduced a new weekly Food Organics and Garden Organics (FOGO) kerbside collection service to enable residents to put both food and garden waste in the same bin, reducing the quantity of waste going to landfill.
- Carried out major water harvesting and treatment works at Boroondara Sports Complex.
- Delivered Council's award winning Living for our Future community engagement program to support the community in living well and sustainably.
- Progressed the implementation of the Tree Strategy action plan to introduce the proactive renewal of ageing street and park trees. This included analysis of suburb by suburb data, identifying species and locations of concern, and the planning for the first batch of tree replacements.
- Works underway to implement lighting upgrades using sustainable and energy efficient solutions to install lighting along the Gardiners Creek Trail between Patterson Reserve and Burke Road.
- Council resolved to prepare a Climate Action Plan to replace its existing Our Low Carbon Future Strategy which expires in December 2020.
- Solar panels have been installed as part of Council's new building projects.

Theme 4: Neighbourhood Character and Heritage

Strategic objective:

- Protect the heritage and respect the character of the City to maintain amenity and liveability whilst recognising the need for appropriate, well-designed development for future generations.

Achievements:

- During the year, Council has made significant progress in finalising the Municipal Wide Heritage Gap Study and identified additional properties for inclusion in the Heritage Overlay.
- Continued to work with the community and stakeholders on a review of the Camberwell Junction Structure Plan.
- Implemented the Statutory Planning Paperless Office project which enabled Council to identify and implement more streamlined online and electronic processes, thus reducing timeframes and providing greater convenience to customers.

Theme 5: Getting Around Boroondara

Strategic objective:

- Travel options that are connected, safe, accessible, environmentally sustainable and well-designed.

Achievements:

- Ongoing advocacy regarding the North East Link Project to ensure the needs of our community are considered in the planning, design and delivery of the North East Link.
- Implementation of actions from the Road Safety Strategy to improve road safety for all road users.
- Improvements made to traffic counter data collection, to allow for easy storage in Council's corporate systems, which has resulted in significant time savings.

Theme 6: Your Local Shops and Businesses

Strategic objective:

- A vibrant local economy and shops that are accessible, attractive and a centre of community life.

Achievements:

- Supported local businesses through the Business in Boroondara Program by providing a range of engaging and industry leading business support services.
- Explored new ways of improving Boroondara's public spaces through placemaking projects to encourage the community and key stakeholders to partner with us on the journey by collaborating and co-designing places that meet their needs.

- Completed several shopping centre improvement works including Church Street, Fordham and Hartwell Shopping Centres.

Theme 7: Civic Leadership and Governance

Strategic objective:

- Ensure that ethical, financial and socially responsible decision making reflects community needs and is based on principles of accountability, transparency, responsiveness and consultation.

Achievements:

- Hosted a delegation of 30 members from the Bangladesh government visiting Melbourne for a one week management training program with Swinburne University of Technology.
- Updated the Councillor Support and Resources Policy, Election Period Policy and Public Interest Disclosure Procedures. These policies and procedures form part of Council's good governance framework.
- Conducted four pop-up Councils at festivals and farmers markets, allowing for increased community interactions with Council.
- Developed an Information Asset Register to record the sets of information that Council holds. This will support needs analysis and decision making in consideration of information security and risk assessments, as well as improved business processes, systems and information management.
- Developed and adopted the Budget 2020-21 document in accordance with the Victorian Local Government Model Budget, aligning its structure to the Boroondara Community Plan 2017-27.

Challenges and future outlook

Challenges:

- Due to the COVID-19 restrictions, libraries across Boroondara have temporarily closed and are now delivering services, collections and programs online. Despite the success of the online services, many library members miss the social connection provided by the library services.
- Three new accounting standards were introduced in 2019-20 that affected Council's financial reporting. These were AASB 16, AASB 15 and AASB 1058. These standards effected the way Council accounts for its 280 vehicle and equipment lease payments, and how grant income from other levels of government is recognised.
- According to the Hawthorn rainfall station, the start of 2020 has been the wettest since the station was commissioned in 1972. This has resulted in a significant increase in drainage requests from residents.
- During the State restrictions in response to the COVID-19 pandemic, Council experienced a 25% increase in workload responding to customer concerns and requests related to safety and amenity issues around building sites, inadequate public authority reinstatement work, asset conditions and the flooding of roads, reserves and properties.
- As a result of the State restrictions in response to the COVID-19 pandemic, sporting clubs and the Boroondara Leisure and Aquatic Facilities (BLAF) closed down. Impacts were also felt in other areas including early years services, Maternal and Child Health (MCH) and Boroondara Youth. Officers faced significant challenges working closely with key stakeholders to provide support to impacted facilities and operators, as well as ensuring service provision continued where possible and in accordance with changing restrictions.
- The Victorian Building Authority (VBA) introduced a new legislation, whereby owners are required to register their pool or spa with their local council. In response to the changes, Council developed a new communications strategy, website content and registration form for pool and spa owners. As a result of the new legislation, Council experienced a significant increase in requests for building permit information, which saw 1,659 requests made in quarter four compared to the 298 requests in quarter one.
- The COVID-19 pandemic saw an initial deferral of Victorian Civil and Administrative Tribunal (VCAT) hearings, which are now proceeding through tele or video conferencing. Boroondara was chosen by VCAT to pilot video conferencing.
- A significant increase in customer enquiries relating to the rollout of the Food Organics and Garden Organics (FOGO) collection service.

- The ongoing challenge responding to the newly proposed Electricity Safety (Electric Line Clearance) Regulations set out by Energy Safe Victoria (ESV) and the changes in how ESV monitor and manage the statutory requirements that impact the City's street trees.
- One of the biggest challenges this year was responding and adapting to the COVID-19 restrictions which disrupted planned works and day-to-day work practices. Many staff members have transitioned to remote working and have adopted new ways of working to continue providing services and support to the community.
- Council continues to play a major role in dealing with public and multistorey residential buildings comprising of combustible cladding in Boroondara. It has been a challenge to enforce and seek resolutions with multiple Owners Corporation managers, the State Government and the Victorian Building Authority (VBA).

The Future:

- Implement an integrated strategic asset management planning process across the organisation to improve and better align long term capital works programs with Council's strategic objectives.
- Prepare for any changes to planning controls or processes that State Government may introduce to support the construction industry as a result of the pandemic.
- Build on the success of the online offering of the Boroondara Library Service adopted during the isolation periods so that more community members can virtually connect with the library.
- Focus on reviewing and refreshing the 10 year Boroondara Community Plan, and support the community in its recovery from COVID-19. This will involve exploring new ways to engage with the community and adapt the support we provide to groups and organisations based on emerging needs and broader social challenges.
- Structuring Council's tree services officers to respond to changing needs and demands, including electric line clearance requirements.
- The ongoing State-wide Cladding Audit being carried out by the Victorian Building Authority (VBA) will continue to have implications on Council with additional enforcement for low and moderate risk rated buildings.
- The introduction of the swimming pool and spa regulations will continue to have an impact as Council is required to maintain a Pool and Spa Register and carry out inspections for enforcement purposes with regards to non-compliant pool and spa barriers, when referred by Private Building Surveyors and Inspectors.
- Continue to identify and deliver service improvements that improve the customer experience and to measure these improvements to ensure they meet our customers' expectations.
- Prepare the Boroondara Climate Action Plan to replace the Our Low Carbon Future Strategy which expires at the end of 2020.
- Continue to include environmentally sustainable design initiatives in new building projects.
- Improve the quality of Council's open space and waterways by implementing wetlands and water capture opportunities across our open space network.
- Maintain Council's commitment to the purchase of renewable energy.
- Continue to protect the heritage and neighbourhood character of Boroondara through pursuit of planning scheme amendments, planning application decisions and advocacy for planning system reform.
- Restore Council's budget to a surplus position.
- Deliver both the financial savings and outcomes described in the business case for the Boroondara Customer First program.



The year in review

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A message from the Mayor



It is with great pleasure I present the Annual Report 2019-20 for Boroondara. This report marks the final year of the current Council's term, which commenced in October 2016.

The 2019-20 reporting year has been a significant one. Our work has focused on delivering projects that reflect your priorities as outlined in the Boroondara Community Plan, our 10-year vision for the future of Boroondara, while responding to the global COVID-19 pandemic.

Residents, local business and community organisations are facing difficult circumstances as a result of COVID-19, and it has been our responsibility to provide support during these times of crisis. To this end, Council announced a \$4.5 million relief package in April 2020.

Despite the challenges we've faced due to COVID-19, we have continued to deliver projects which respond to each of the seven priority themes outlined in the Boroondara Community Plan.

We have continued to invest in community assets, with more than \$63.95 million committed to infrastructure projects throughout our municipality. Of this, we invested \$9.08 million on our much loved parks, open spaces and streetscapes and \$27.64 million in enhancing community buildings so they meet the needs of our residents, now and into the future.

In 2020, upgrades to the Balwyn Community Centre were completed. The centre was upgraded to meet the needs of the growing and increasingly diverse population and include enhanced functional spaces for community programs and groups, an expanded Balwyn Maternal and Child Health Centre, and enhanced parklands and community gardens.

The Kew Recreation Centre is undergoing a major transformation to better meet the current and future needs of our community. It will provide opportunity for people of all abilities and stages of life to pursue a wide range of health and wellbeing needs. The innovative design responds to feedback received from over 2,000 people and will include an underground car park and be built to be energy efficient and environmentally friendly. The \$68 million project is expected to be completed in 2022.

The Ashburton Seniors Centre and Camberwell Community Centre have also undergone major redevelopments to better meet the needs of our community. The Ashburton Seniors Centre is now complete and the Camberwell Community Centre to be completed in 2020-21.

In May, Council introduced a new Food Organics and Garden Organics (FOGO) kerbside collection service. The service enables residents to put both food and garden waste in the same bin, reducing the quantity of waste going to landfill. Residents are now diverting more than 200 tonnes of food waste from landfill per week by putting it into their FOGO bin. This amount is only expected to increase as more residents adjust to the new system and properties, which includes residential blocks that have between 4 to 15 units on them, commence the service.

Council continued to advocate for the needs of the Boroondara community in relation to the North East Link project - the proposed freeway linking the Metropolitan Ring Road (M80) to the Eastern Freeway at Bulleen Road. We will continue to advocate on behalf of our community to minimise the adverse impacts on our community as a result of this project.

It is important as well to highlight the many vital services that we deliver for our whole community. These include:

- \$8.40 million spent on library services providing a seven day per week service across the City, with more than 79,000 visits and nearly 1.85 million loans last year.
- \$4.62 million spent on aged, disability and health services, including the delivery of 59,823 hours of in-home care for the elderly and those with a disability, and 20,972 immunisations to infants and children across Boroondara.

- \$4.50 million spent on family and youth services, with 38 buildings also leased to community organisations providing long day care, occasional care and kindergarten services at little or no cost.
- Collecting 71,669 tonnes of waste from kerbside bins.

All of these great achievements and everyday service delivery cannot occur without our staff, and the support and partnership of our residents, community groups and local businesses.

On behalf of my fellow Councillors, I would like to thank everyone in the Boroondara, our wonderful volunteers, community and business leaders, friends and neighbours, for your ongoing contributions, be they big or small, to ensuring Boroondara continues to thrive as the City of Harmony.



Cr Cynthia Watson
Mayor

Message from the CEO



I am proud to present the 2019-20 Annual Report to the City of Boroondara community.

This year has presented us with ongoing challenges due to the COVID-19 pandemic. To support and protect the health and wellbeing of our community, we activated various relief and recovery responses in line with our Municipal Emergency Management Plan and Pandemic Plan.

A \$4.5 million financial assistance package was developed to provide tangible support to residents, businesses and community groups experiencing the impacts of COVID-19. This package contains a range of initiatives, including the waiver of food premises registration fees, footpath trading fees and trader parking permit fees. Ratepayers are also able to seek assistance through Boroondara's existing Financial Hardship Policy.

Council established various other support initiatives like our COVID-19 hotline, a dedicated hub on Council's website to inform the community about support and changes to our services, and more.

Even during challenging times, we've continued to work hard on delivering what you told us was important to you through the Boroondara Community Plan.

Annual commitments are developed each year for delivery, underpinned by the priority themes you identified in the Boroondara Community Plan. I can report we met 84 per cent of our Annual Commitments this year, with a number of planned initiatives impacted by the COVID-19 restrictions, and our financial position continues to remain sound.

Council achieved a surplus of \$12.25 million in 2019-20. This surplus compares unfavourably to the original budget surplus of \$15.76 million, however the difference can be attributed to revenue reductions and some expense impacts associated with COVID-19.

The adjusted underlying surplus of Council – after removing non-recurrent capital grant income, monetary contributions and non-monetary asset contributions – is \$5.05 million. This helps us fund the renewal, upgrade and new asset programs for the \$3.56 billion net community assets under our control.

The annual state-wide Local Government Community Satisfaction Survey rated Boroondara as one of the top performing Councils across the state. I am pleased to share that City of Boroondara outperformed both state-wide and metropolitan group averages on overall Council performance.

We have continued to focus on delivering the Boroondara Customer First program to ensure your interactions with us are as easy and accessible as possible. Achievements to date include expanded payment options for Council services and infringements, making it easier and more convenient for customers to pay 24/7 on the device of their choice. We have also built new online service forms making it easier for you to make payments and applications, and to contact Council to report issues and request various services.

To maintain our ongoing commitment to supporting our ageing population, we have developed a new healthy ageing plan, 'Add life to your years'. The Plan was developed to contribute positively towards physical and social environments that support older people's health, wellbeing and capacity, as well as to connect them with the broader community.

To ensure our sporting pavilions provide a more inclusive environment enabling increased participation in sport, Council has allocated \$9.40 million to upgrade these facilities over a three year implementation period. By June 2022, we are aiming to upgrade 15 of Council's 39 sporting pavilions to be accessible and welcoming to all. Remaining sporting pavilions will be prioritised annually in line with Council's Pavilion Policy for renewals or upgrades based on building condition, functionality and service assessments.

We are embarking on a new way of improving our public places in Boroondara through a placemaking approach. This approach will help us to design public spaces and shopping centres in a way that increases social interaction, improves economic viability and enhances liveability.

Throughout this report you will see number of other achievements and community infrastructure initiatives undertaken during the year. These achievements would not be possible without the help of our engaged, enthusiastic community. On behalf of Council, I'd like to thank you for your ongoing support and feedback which shapes the important work we do every day.

I'd also like to thank our dedicated Council staff whose contributions and continued hard work allow us to deliver the services and infrastructure our community needs and deserves.

I look forward to another year of working together to deliver for Boroondara.



Phillip Storer
Chief Executive Officer

Financial summary

Financial summary

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

Operating position

Council achieved a surplus of \$12.25 million in 2019-20. This surplus compares unfavourably to the original budget surplus of \$15.76 million. The unfavourable variance is primarily due to revenue reductions and some expense impacts associated with COVID-19.

The adjusted underlying surplus of Council – after removing non-recurrent capital grant income, monetary contributions and non-monetary asset contributions – is \$5.05 million. Sustaining a surplus underlying result is a necessary financial strategy in order to fund the renewal, upgrade and new asset programs for the \$3.56 billion net community assets under our control.



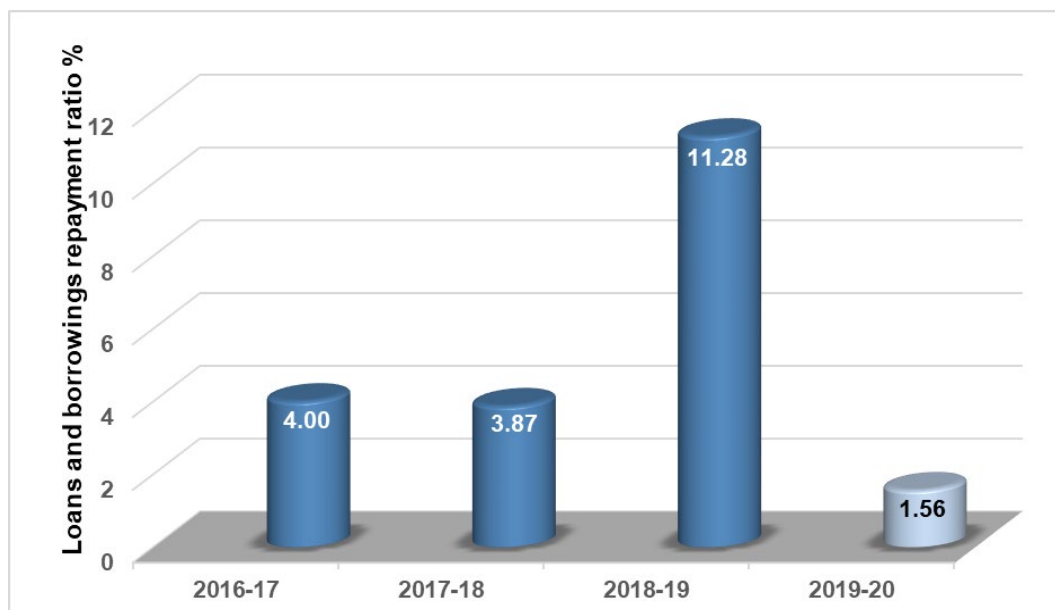
Liquidity

The working capital ratio, which assesses Council's ability to meet current commitments, is calculated by measuring our current assets as a percentage of current liabilities. Our result of 272.44% indicates a satisfactory financial position.

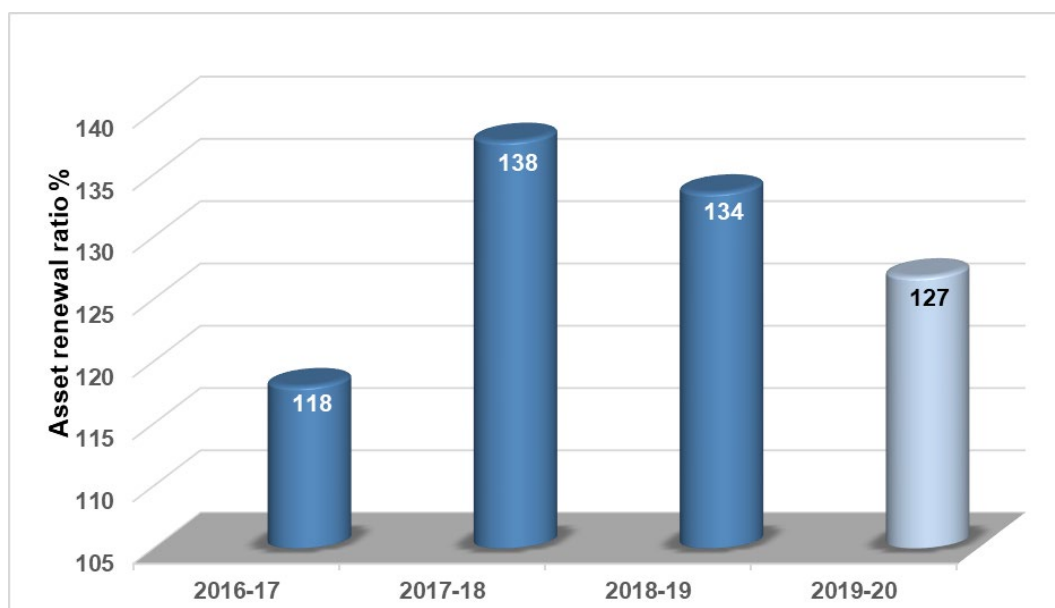


Obligations

Council ensures it maintains infrastructure assets at expected levels while continuing to deliver the services needed by the community. We invested \$35.62 million including the renewal of buildings (\$10.15 million), roads (\$11.74 million) and drainage (\$4.30 million) in renewal works during 2019-20. This was funded from capital grants of \$1.18 million and cash flow from operations of \$34.44 million. At the end of 2019-20, Council's loans and borrowings repayment ratio – measured by comparing interest-bearing loans and borrowing repayments to rate revenue – was 1.56%. This was higher in 2018-19 due to full repayment of the outstanding principal of a loan in that financial year.

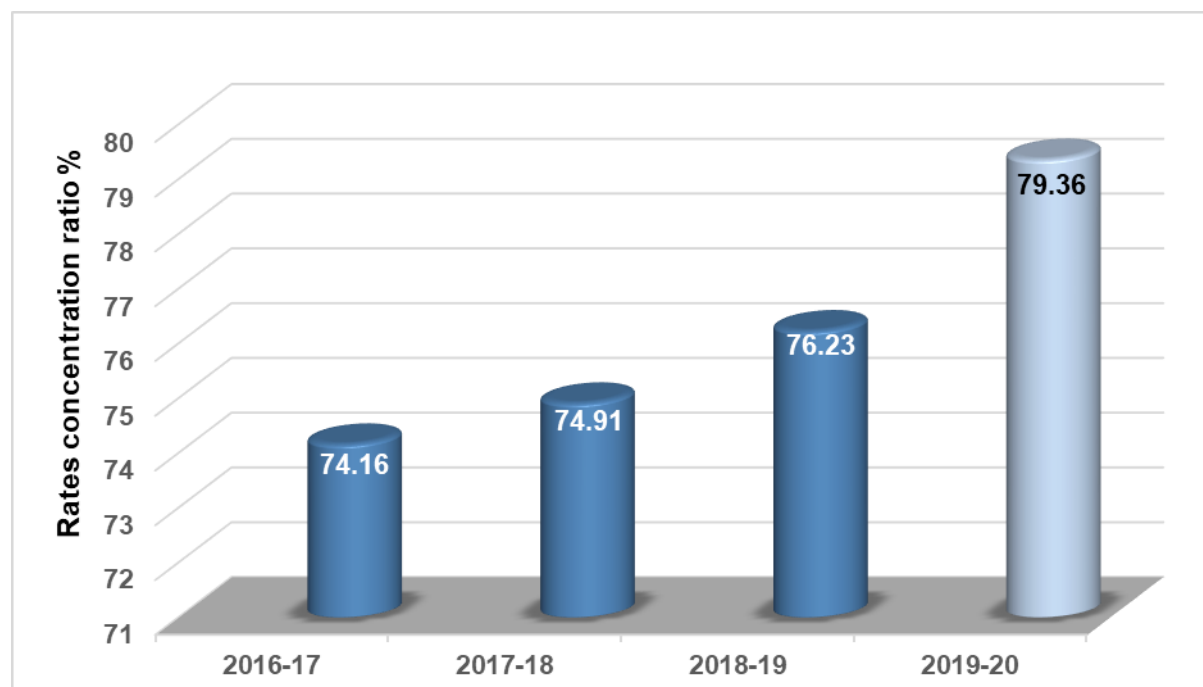


Asset renewal ratio is measured by comparing asset renewal expenditure to depreciation and was 127% in 2019-20. This is due to major renewal projects at Balwyn Community Centre, Camberwell Sports Ground and Balwyn Shopping Centre streetscape improvements.



Stability and efficiency

Council raises revenue from rates, user fees, fines, grants and contributions. Council's rates concentration, which compares rate revenue to adjusted underlying revenue, was 79.36% for 2019-20. Council is very reliant on rates as a source of revenue because of statutory restrictions on many fees and charges and the inadequate increase in the payments from the Victorian Government to adequately fund services. The movement for 2019-20 was due to reductions in non-rate revenue caused by decreased demand for some services and Council's support package to the community due to COVID-19 which waived fees for some services to community groups and local businesses. The average rate per property assessment is \$2,006.



Operations summary

Council delivers a broad range of services ranging from libraries, family and children's services, traffic regulation, open space, youth facilities, waste management and community building; to business development, planning for appropriate development and ensuring accountability of Council's budget. These services and community infrastructure support the wellbeing and prosperity of our community. More details about our services are in the Our Performance section on page 45.

Economic factors

The Australian economy due to the COVID-19 pandemic is experiencing an economic downturn more significant than any other since the Great Depression almost 100 years ago. The Australian government in attempting to ameliorate the worst aspects of the crisis has announced budget deficits that will take the better part of the generation to repay.

Boroondara's profitability has been impacted through reduced revenue caused by the forced closure of Council facilities and services which attract fees and fines and through increased expenses in supporting the community and local businesses through the COVID-19 outbreak. Council has also responded to calls from other levels of government to continue its capital works program to ensure that local government does its part in stimulating the economy post COVID-19.

Local businesses and community organisations are facing difficult circumstances due to ongoing lockdowns and Council has responded rapidly to assist. Council released a \$4.5 million relief package in April 2020. More information on Council's response to the COVID-19 pandemic is included on page 30.

Low interest rates and low inflation have led to reduced investment income returns for Council's cash holdings while Council's fixed interest rate loans are still at pre-downturn levels.

Council's budget predicts an operating deficit for the 2020-21 year as the continuing effects of COVID-19 impact our community and its economic activity. Council's long term financial strategy does predict a return to budget surpluses in 2021-22 however these are contingent upon the assumption that COVID-19 has been contained by December 2020.

Underlying factors such as demand for Council services by residents is also increasing markedly because of population growth, as Boroondara welcomes more residents due to construction of medium to high density residential developments. An associated issue is the reduction of the traditional backyard across areas of the municipality, created by Victorian Government Planning rules for higher density, which has increased the demand by residents on Council's open space, parks and sporting facilities. The cost of land in the municipality to acquire and convert residential land to open space is prohibitive. Other solutions, such as undergrounding of car parking facilities, are also expensive and require careful analysis to maximise community benefit against limited Council resources.

Traffic and parking demands on local infrastructure are increasing as is being experienced by all inner metropolitan councils.

In summary, Boroondara is facing external factors which are increasing demand on Council services and facilities while facing the need to maintain assets appropriately. Council's capacity to meet these obligations is challenged by the state government imposed cap on revenue; a cap the state does not apply to itself.

Major projects

Kew Recreation Centre

The Kew Recreation Centre (KRC) is undergoing a major transformation to become an important facility which will cater to a wide range of health and wellbeing needs for users of all stages of life.

Following consultations and endorsement by the steering committee and over 2,000 internal and external stakeholders, the design and tender documentation for the KRC were finalised. The new facility will deliver a range of additional services for the community including a two court stadium, dedicated learn to swim and warm water pools, increased changing facilities, underground parking and a new home for the Boroondara Stroke Support Group. The \$68.0 million project is expected to be completed in 2022.

Ashburton Seniors Centre

The Ashburton Seniors Centre is undergoing a major redevelopment with the aim of creating a space that is easily accessible and better suited to deliver activities and services for seniors in our community. The \$7.7 million upgrade is expected to be completed in August 2020.

The new age-friendly centre will be a contemporary and accessible facility that will provide opportunities for senior residents to form social connections and participate in life-long learning, both of which are beneficial to their health and wellbeing.

Balwyn Community Centre

The \$9.3 million Balwyn Community Centre upgrade is now complete. The construction commenced in January 2019 following analysis of local needs and in-depth community consultations. The centre has been upgraded to meet the needs of the growing and increasingly diverse population. The improvements have created functional spaces for community programs and groups, relocated and expanded the Balwyn Maternal and Child Health Centre, upgraded the 20-place occasional childcare centre, introduced a new recreational facility for all ages and enhanced the parklands and community gardens.

Camberwell Community Centre

A new \$7.6 million Camberwell Community Centre is being redeveloped in response to the needs of the community. A new purpose-built facility is being designed to meet the demand for the centre's popular programs and activities.

The new two-storey building will house all of the neighbourhood activities at the one location, including health and wellbeing, arts and craft, languages and computing. The South Camberwell Maternal and Child Health Centre will also be co-located in the new building, providing a Maternal and Child Health Centre in the middle of Camberwell for the first time. The Maternal and Child Health Centre will also operate a sleep and settling clinic in this facility. The design of the new centre was based on feedback received during community consultation, including suggestions and ideas from centre users and staff, local residents and traders. The project is scheduled for completion in January 2021.

Canterbury Community Hub

Council is restoring existing buildings adjacent to the Canterbury Gardens to create an \$11.3 million precinct that meets the current and future health, wellbeing and educational needs of our community. These important community services currently operate in various locations in Canterbury. Relocating and combining them in one convenient precinct will ensure the ongoing delivery of high quality and easily accessible services to the community.

The new precinct will include a kindergarten, occasional care, Maternal and Child Health and disability services as well as a permanent home for the Canterbury Neighbourhood Centre, an improved space for the community garden, additional space for storage and amenities, above and underground parking and a dedicated space in the precinct for the three historical societies, providing an opportunity for them to securely store and preserve important items for future generations to enjoy.

Major achievements

Asset Management Strategy 2019-24

On 26 August 2019, Council adopted the Asset Management Strategy. The Strategy outlines the objectives and supporting actions that will be carried out over a five year period to advance asset management practices across the organisation. The Strategy is focused on ensuring that our asset management planning and practices explicitly acknowledge, respond to and support the service and delivery needs of the community. Further information on the Asset Management Strategy can be found via the Council website.

Flood Mapping Study

Council adopted the Flood Mapping Study in June 2019. The Study identifies properties that may be affected by floods and the risks associated with stormwater runoff from a 1% Annual Exceedance Probability (AEP) rainfall event. Following the Study, approximately 6,000 properties were identified as liable to flooding. In response to the Study, residents are able to request a free flood assessment report from Council. The report includes a map showing the extent of the flooding forecast and the details of the potential impacts on existing buildings and on the future development of the properties. So far, 430 free flood assessment reports have been produced and provided to residents regarding their properties.

Boroondara Sports Awards

The inaugural Boroondara Sports Awards took place with over 40 nominations received across six categories. The six categories include: Inclusive Club of the Year, Innovation Club of the Year, Collaboration Club of the Year, Club Person of the Year, Young Club Person of the Year and Lifetime Achievement. The new awards support Council's vision that everyone in Boroondara, regardless of their circumstances, should have opportunity to actively participate in sport and recreation activities. The awards recognise the significant role sporting clubs play in enhancing the community's health and wellbeing, increasing participation in physical activity and fostering social connections.

Boroondara Families

Developed in collaboration with the community, the new online resource for families. Boroondara Families is the result of comprehensive research around what is most important to local parents and care givers when it comes to raising babies, toddlers and young children.

This resource enables users to view information about how kindergarten works, use our custom-built tool to find out what immunisations their child needs and when they need them, and browse our searchable database of local children's activities that can be filtered by age range and activity type. Access www.boroondara.vic.gov.au/growing-together to find out more.

New BVRC database

The new Boroondara Volunteer Resource Centre (BVRC) database is an integrated volunteering portal on Council's website that offers a streamlined, convenient and user-friendly experience for volunteers and community organisations. The new portal 'VIKTOR/VIRA', enables the BVRC to centralise volunteer recruitment, registration and records management, promote volunteer opportunities and manage the Boroondara Volunteer Skills Banks. Prospective volunteers can find roles aligned to their interests and skills, while community organisations can promote and manage their volunteer roles and find skilled professionals for projects and board/committee roles. The success of the new portal is evidenced in the four fold increase in expressions of interest to volunteer up from 1,440 in 2018-19 to 4,257 in 2019-20.

Excellence award for Greythorn Community

During the year, Greythorn Community Hub won the 2020 Award for Excellence in the 'Community Assets and Infrastructure Initiatives (projects over \$2 million)' category at the Local Government Professionals (LGPro) Awards. The award recognises council initiatives which maximise benefits to the community and showcase partnerships in the development and management of new community assets.

Boroondara was recognised through this award for sector leadership and innovation demonstrated, including partnering with the North Balwyn RSL and trader associations, tenant governance and

economic and social benefits. Council greatly values the input and partnership from the North Balwyn RSL, community, traders, community agencies which has made this facility successful.

Add life to your years - Healthy Ageing

The new healthy ageing plan, Add life to your years - Healthy Ageing in Boroondara was adopted by Council in December 2019. In addition, Council endorsed the 2020 actions for delivery. The Plan has been developed to contribute positively towards physical and social environments that support older people's health, wellbeing, capacity and to connect them with the broader community. Find more information from the plan online via our website.

Boroondara Eisteddfod

The Boroondara Eisteddfod was the only Eisteddfod in Australia to proceed during the pandemic lockdown in March 2020. With COVID-19 restrictions in place, the Eisteddfod was unable to be delivered in the planned format. A new online digital Eisteddfod model was developed and all stakeholders were engaged. The objective was to continue to provide an opportunity for musicians to perform and receive feedback, showcase and celebrate incredible talent from musicians of all ages, and create a meaningful focus for the community, particularly school-aged entrants, during an otherwise uncertain time.

Over the course of 10 weeks, the Boroondara Eisteddfod team received, processed and adjudicated 441 digitally submitted entries, as well as creating a world-first category, the Virtual Ensemble Competition. An online Winners' Gallery was created to celebrate the success of all performers with over 6,300 views at the time of this report.

Revised Community Strengthening Grants Policy

In December 2019, Council adopted the revised Community Strengthening Grants Policy. The purpose of this policy is to set out Council's framework for delivering grant funding and to provide information for Council and the community on the principles guiding the Boroondara Community Strengthening Grants.

Research and consultation informed the policy revision, and in response to community feedback, a new category of small grants has been created to provide a simpler and quicker turnaround process for community organisations. Response to the new category has been strong and was further adapted to provide COVID Community Response Grants to help community organisations mitigate the effects of COVID-19 pandemic.

Updated Amenity Local Law

Due to the sun setting of the 2009 Amenity Local Law a comprehensive review of the Amenity Local Law that included community consultation was undertaken. The review identified changes that would better protect the community and enhance amenity. Council adopted the updated Amenity Local Law on 9 December 2019.

Victoria Park Regional Playground

In November 2019, Council held a community consultation seeking ideas to help inform the design of the Victoria Park Regional Playground. After reviewing over 220 responses, a draft concept design was developed which includes the community's most popular themes.

Various improvements have recently been made at Victoria Park, the next stage involves upgrading the northern playgrounds to a new regional playground which is currently underway. The new playground will be a space where locals and visitors can gather and enjoy with family and friends. The project will enhance park amenities, improve accessibility and create a place for the community to enjoy. Construction is scheduled to commence in 2021.

Power Purchase Agreement for Renewable Energy

In August 2019, Councillors endorsed Boroondara's participation in the Power Purchase Agreement for 100% renewable energy.

As of 4 May 2020, Council has made the long-term commitment by signing up to the agreement. Under this agreement, more than 11,000 street lights and 16 major Council buildings will be 100% powered by energy from a Gippsland windfarm until 2030. This will ensure that our greenhouse gas emissions will be reduced by more than 70% compared to a decade ago.

Municipal wide heritage assessments

Council continued the municipal wide heritage assessment, the project aimed at protecting the City's heritage. During the year, Council has made significant progress in finalising the Municipal Wide Heritage Gap Study. Assessments of all suburbs to be considered in the study have now been completed. Implementation of the study recommendations are at various stages of completion.

Statutory Planning Paperless Office Project

On 19 August 2019, the planning application process in Boroondara officially switched from paper-based to paperless. This was the culmination of two years of work, which saw the new paperless process eliminate 152 steps from the previous process. The tailored 'traffic light' dashboards show each stage of the applications, enabling workloads to be better managed and resulting in the delivery of a more seamless and convenient experience for our customers. This new process has also proven to be more environmentally friendly and cost effective, as there has been a reduction in printing from 125,000 pages per month to just over 5,000.

The Statutory Planning Paperless Office Project was delivered on time and within budget. The success of the project has enabled Council to identify and implement more streamlined online and electronic processes, thus reducing timeframes and providing greater convenience to customers.

Cladding Safety

Council played a major role in lobbying the State Government and the Victorian Building Authority (VBA) to take over buildings comprising of combustible cladding. As a result, the Minister of Planning appointed VBA as the Municipal Building Surveyor (MBS) to handle the enforcement process for 20 'Extreme' and 'High' risk rated buildings in Boroondara affected by combustible cladding.

Alamein Shopping Centre Streetscape Improvements

As part of Council's Shopping Centre Improvement Plan, streetscape improvement works were undertaken at Ashburton's Alamein Shopping Centre. The streetscape improvement project has transformed the area into one that is vibrant and inviting by adding more greenery and public gathering spaces for locals to enjoy. Improvements to the Alamein Shopping Centre streetscape include widening the existing footpath to create a new public seating area, decorative paving, addition of public bins, newly asphalted parking bays and footpath and an edible garden for café owners to grow and harvest herbs.

Support for local businesses

Business in Boroondara Program provides a range of engaging and industry leading business support services to promote a thriving, connected and robust local economy and community. 46 business workshops were held in the first three quarters of the year. During the last quarter, due to COVID-19 social distancing directives and predicting increased need for business support services, Council officers pivoted business workshops online. 36 highly subscribed events were presented during this time on a broad range of topics. The free business mentoring service provided businesses access to 84 sessions across the year.

Completion of shopping centre improvement works

As part of the Shopping Centre Improvement Plan developed in 2010, Council is committed to delivering a range of streetscape improvements to our small and medium sized shopping centres. Throughout the year, Council has completed improvement works across a number of shopping centres within the municipality. These centres include, but are not limited to the Church Street, Fordham and Hartwell Shopping Centres. The streetscape improvement projects involved beautification and greening of the areas, creating a more attractive and pedestrian-friendly environment and increasing safety and access while making better use of the public space. The completion of works has added more character and vibrancy to the shopping centres and encourages the community to shop local.

Civic Reception

In January 2020, Council hosted a delegation of 30 members from the Bangladesh government who were visiting Melbourne for a one week management training program with Swinburne University of Technology. The delegation was keen to understand more about how our local government works and to take these learnings back to their own organisations. Senior delegation members have expressed their gratitude at how relevant the information provided by Council has assisted in shaping their work within the Bangladeshi cabinet.

Good governance policy and procedure reviews

During the year Council updated the Councillor Support and Resources Policy, Election Period Policy and Public Interest Disclosure Procedures. These policies and procedures form part of Council's good governance framework.

Online payment portal

Council has implemented an online payment portal, making it easier and more convenient for customers to pay their rates, infringement notices, permits and pet registrations, as payments are now accepted via credit card, BPAY and Interactive Voice Response (IVR).

Adoption of the 2020-21 Budget

Developing Council's budget is a significant task that extends from December through April each year prior to releasing it for public notice. Just as this work was completing in March the advent of COVID-19 required the Finance department to consult with all areas of Council as the extent of the pandemic was emerging. The budget was recast in its entirety in a short one month period taking into account the concerns of residents and business groups as directed by Council.

Creation of Information Asset Register

An Information Asset Register (IAR) has been developed to record the sets of information that Council holds. This will support Council in managing its information securely and will enable improved business processes, systems and information management practices.

New e-forms to improve customer access to services online

Team members from across the organisation played a major role in the design and build of new online services forms. This involved utilising customer and employee research and feedback to create user-friendly e-Forms, replacing time consuming manual business processes, and ensuring customer requests reach Council quickly. Customer Support team members were supported with training and information to communicate the new service delivery methods to the community. Customer satisfaction ratings for these new forms are consistently very high.

More achievements are included in the Boroondara Community Plan section on page 23.

Boroondara Community Plan

On 11 December 2017, Council adopted the Boroondara Community Plan 2017-27. The new Plan reflects our community's values, aspirations and priorities for the next 10 years. It was decided for the first time to integrate the Municipal Public Health and Wellbeing Plan into the Community Plan, and make the Plan Council's key strategic document. This was to ensure the community's health and wellbeing priorities are at the centre of everything we do.

Community consultation was undertaken during 2016-17 and 11,845 responses were received from people who live, work, study or play in the municipality. Based on the feedback from the community, the Community Plan is structured around seven priority themes:

- Your Community, Services and Facilities
- Your Parks and Green Spaces
- The Environment
- Neighbourhood Character and Heritage
- Getting Around Boroondara
- Your Local Shops and Businesses
- Civic Leadership and Governance

As shown in the below diagram, the Boroondara Community Plan directly informs the Council Plan including the Long Term Financial Strategy, annual commitments and strategic indicators, and the Municipal Strategic Statement and Council strategies, plans and actions.



2019-20 Highlights

The Boroondara Community Plan is implemented through annual commitments set out in Council's budget which are developed to address the strategic objectives identified under each of the seven priority themes. This section highlights the performance against these strategic objectives during the financial year.

Theme 1: Your Community, Services and Facilities

Strategic objective 1: Community services and facilities are high quality, inclusive and meet a variety of needs now and into the future.

Commitment: Develop and implement a campaign to promote volunteering across the Boroondara community to raise awareness of the benefits and impacts of volunteering, and encourage local residents to volunteer.

Project overview: 'Volunteers of Boroondara' is a celebration of Boroondara's outstanding community of volunteers. The campaign is a collection of 12 stories and portraits of volunteers making a positive impact in Boroondara. Each story highlights the participants' motivations for volunteering, explains why volunteering is important to them, and encourages readers to consider a volunteer opportunity for themselves.

Launched online in May 2020, the stories are housed on a dedicated campaign page on Council's website, and have been promoted through Council's flagship publication (the Boroondara Bulletin) and via social media.

The Boroondara Volunteer Resource Centre invited organisations to nominate a volunteer for inclusion in the campaign. Ten organisations were selected to be a part of the campaign, including:

- Boroondara Neighbourhood Watch
- Solve Disability Solutions
- The Koala Kids Foundation
- Uniting AgeWell, Hawthorn Men's Shed
- Villa Alba Museum
- Canterbury Neighbourhood Centre
- Epilepsy Foundation
- Blind Sports Australia
- The Fathering Project
- Friends of South Surrey Park

Project aims: The campaign aims to celebrate Boroondara's diverse volunteer community and drive residents to consider how their time, skills and interests could make a positive impact in their own community.

As a unique campaign which highlights and brings to light the unsung heroes who generously give their time to support the work of local community organisations and the broader community, it is hoped that these stories will inspire the community and contribute to an increase the amount of volunteer enquiries received by the Boroondara Volunteer Resource Centre.

Volunteers of Boroondara also aims to drive traffic to Council's dedicated volunteering portal: volunteer.boroondara.vic.gov.au

Project outcomes: The success of the campaign is a credit to the involvement of local community organisations and volunteers interviewed as part of the project; sharing their stories and taking photos and video as part of the campaign collateral.

Ongoing promotion of Volunteers of Boroondara through Council's flagship publication, the Boroondara Bulletin, and online via Council's social media channels is underway to drive awareness of the campaign among the community.

Theme 2: Your Parks and Green Spaces

Strategic objective 2: Inviting and well-utilised community parks and green spaces.

Commitment: Implement year one program actions to deliver accessible facilities enabling increased participation in sport.

Project overview: Female participation in sport has been increasing in Boroondara. This increase has been seen by an improvement in player numbers and a rise in seasonal allocation ground requests from sporting clubs.

Through our Diversity, Inclusion and Participation (DIP) Program, Council will upgrade seasonal sporting pavilions across Boroondara to support participation for all.

Council has allocated a budget of \$9.40 million to upgrade these facilities over a three year implementation program, commencing in 2019-20.

Project aims: The DIP Program aims to ensure pavilions provide a more inclusive environment and greater participation opportunities for diverse sectors of the community.

Improvements will be made to wet area amenities based on universal design features, including:

- Lockable showers and toilets in change rooms and umpires rooms.
- Dedicated (non-shared) wet areas for each change room.
- Construction of additional change rooms at some locations.
- Construction of a first aid room at some locations.
- Safety park lighting in high foot traffic areas around the pavilion.

The pavilion improvements aim to improve accessibility and ensure women and girls in particular feel safe and welcomed when participating in sport.

Project outcomes: Feedback received from sporting club representatives and users during consultation has been considered as part of a case by case assessment and has informed the project's implementation program.

Further consultation will be conducted for pavilions scheduled in the final year of the program, as well as during the design phase.

By June 2022, at the conclusion of the implementation program, 15 of Council's 39 sporting pavilions will be upgraded to be accessible and welcoming to all.

Remaining sporting pavilions will be prioritised annually in line with Council's Pavilion Policy for renewals or upgrades based on building condition, functionality and service assessments.

Theme 3: The Environment

Strategic objective 3: Our natural environment is healthy and sustainable for future generations.

Commitment: Progress actions associated with the introduction of a Food Organics and Garden Organics (FOGO) kerbside collection service to reduce the volume of waste going into landfill.

Project overview: In May 2020, Council introduced a new FOGO kerbside collection service. The service enables residents to put both food and garden waste in the same bin, reducing the quantity of waste going to landfill.

This material is taken to a processing facility, where it is composted and turned into soil conditioning products for use in agriculture and horticulture.

To ensure an effective and successful FOGO service, Council implemented the best practice FOGO system model which includes:

- A weekly FOGO bin collection.
- A fortnightly landfill waste bin collection.
- Provision of kitchen caddies and compostable caddy liners to help residents collect and separate their food waste in their kitchens.
- A comprehensive FOGO education program, inclusive of food waste avoidance, home composting support and a FOGO education pack.

The FOGO service is being implemented in two phases. Phase one commenced in May for standalone houses and blocks of up to three units. Phase two, which includes blocks of 4 to 15 units, is currently being implemented in the 2020-21 financial year.

Project aims: During the consultation for the Boroondara Community Plan, and the Waste Minimisation and Recycling Strategy, Council received significant community feedback that it should do more to divert waste from landfill, and that diversion of food waste should be a priority.

From bin audits, it was found that the average Boroondara landfill waste bin contained 46 per cent food waste and 6 per cent garden waste. By enabling residents to divert this waste to the new FOGO service, Council will reduce its landfill waste by up to 19,000 tonnes per year and avoid thousands of tonnes of harmful greenhouse gas emissions in the process.

Diverting waste into the FOGO system will also enable Council to reduce its waste management costs, as landfill levies increase significantly year on year.

Project outcomes: After two months of FOGO, Council's diversion from landfill increased from 49 per cent to almost 70 per cent. For the last 16 years, the amount of waste Boroondara has diverted from landfill has consistently measured around 50 per cent with weekly recycling and fortnightly green waste collections. The rapid 20 per cent increase is a direct result of FOGO.

Residents are now diverting more than 200 tonnes of food waste from landfill per week by putting it into their lime-green lidded FOGO bin. This amount is expected to increase as more residents adjust to the new system and properties in phase two commence with the service.

Theme 4: Neighbourhood Character and Heritage

Strategic objective 4: Protect the heritage and respect the character of the City to maintain amenity and liveability whilst recognising the need for appropriate, well-designed development for future generations.

Commitment: Review the Camberwell Junction Structure Plan (CJSP) and investigate the introduction of planning controls to ensure appropriate development in the centre.

Project overview: The review of the CJSP when completed, would introduce statutory built form controls into the Boroondara Planning Scheme to guide appropriate development in the area. Community and stakeholder engagement forms a key part of the review.

An updated CJSP also provides the opportunity to align with Council's Placemaking Framework, which enhances our community's quality of life.

Project aims: A key aim of the CJSP review is to implement planning controls that are informed by an analysis of preferred built form and land use, spaces and access requirements that meet the current and future needs of the community.

Project outcomes: Scoping of the CJSP has commenced and some early community consultation has occurred.

There will be further opportunities for the community and stakeholders to share their feedback on the recommendations contained in the updated CJSP.

The updated CJSP is expected to provide benefits to the community such as:

- Planning controls that give certainty and ensure appropriate development.
- Promoting sustainable transport.
- Improvements to public places and community facilities.
- Improvements to the character and amenity of the centre.

Theme 5: Getting Around Boroondara

Strategic objective 5: Travel options that are connected, safe, accessible, environmentally sustainable and well-designed.

Commitment: Advocate for the needs of the Boroondara community in relation to the North East Link Project.

Project overview: The North East Link is a proposed freeway standard road linking the Metropolitan Ring Road (M80) to the Eastern Freeway at Bulleen Road.

The North East Link is the largest construction project in the history of Victoria, with an estimated cost of \$16 billion.

The Victorian Government's preferred option for the North East Link is corridor Option A, which has a direct impact on the Boroondara community.

We will continue to advocate on behalf of our community to minimise and remove the adverse impacts on our community as a result of the North East Link.

Project aims: Our aim is to continue to advocate to the Victorian Government and North East Link Project to ensure the needs of our community are considered in the planning, design and delivery of the North East Link.

These needs include, but are not limited to:

- Reducing the loss of public open space.
- Reducing the width of the Eastern Freeway expansion.
- Reducing the bulk and height of the Eastern Freeway, Bulleen Road and North East Link interchange.
- Reducing to zero (if possible) the tree and vegetation loss caused by the North East Link.

We have worked closely with residents and organised community groups, with the aim of hearing their concerns in order to advocate on their behalf, and keeping them informed about the project.

Project outcomes: Feedback received from the community has informed our advocacy focus and legal efforts.

Our activities to date include:

- Forming an alliance with Banyule and Whitehorse councils to share a legal team and information about the North East Link.
- Attendance and representation at the Inquiry and Advisory Committee Panel Hearing held in July, August and September 2019.
- Following the Panel Hearing, commencement of legal proceedings in the Supreme Court to challenge the Minister for Planning's decisions about the North East Link.

We will continue to advocate for the best outcomes for the Boroondara community in relation to the North East Link Project.

Theme 6: Your Local Shops and Businesses

Strategic objective 6: A vibrant local economy and shops that are accessible, attractive and a centre of community life.

Commitment: Explore opportunities to undertake a placemaking approach in shaping and designing our public spaces and shopping centres, to increase social interaction, economic viability and enhancing the liveability of our community.

Project overview: We are exploring a new way of improving Boroondara's public spaces. The approach is called placemaking, and it involves:

- creating places that improve social connection
- creating thriving local economies
- contributing positively the environment
- enhancing the community's quality of life.

Council adopted a Placemaking Framework in late-2019 that outlines the process involved in enhancing our public spaces in partnership with local communities.

By listening to those who regularly spend time in a place, we can respond to the community's ideas by implementing projects and initiatives to enhance these spaces, encouraging people to spend more time there.

We have commenced our first two placemaking projects to revitalise Maling Road in Canterbury, and the Glenferrie Precinct in Hawthorn.

Project aims: The Maling Road and Glenferrie Precinct placemaking projects aim to increase the community's sense of place, belonging and ownership to their local precincts.

A key aim of these placemaking projects has been to encourage the community and key stakeholders to partner with us on the journey by collaborating and co-designing places that meet their needs.

Extensive community engagement conducted in late-2019 and early-2020 for both precincts aimed to define the community's vision for these places by asking them to share their big ideas for the future, and then to prioritise various opportunities that were identified for improvements.

Project outcomes: After extensive community feedback, analysis and research, the Maling Road and Glenferrie Precinct placemaking projects are in the planning and design phase. We developed a *Place Vision and Place Plan* for the Maling Road area and are currently consulting on the Glenferrie Precinct Place Vision, which outlines various projects and initiatives to be implemented over the next 5+ years.

As a result, the community will benefit from:

- higher quality public realm
- greater engagement in cultural and social life
- a stronger local identity and character
- economic benefits stemming from greater foot traffic and visitor numbers.

Theme 7: Civic Leadership and Governance

Strategic Objective 7: Ensure that ethical, financial and socially responsible decision making reflect community needs and are based on principles of accountability, transparency, responsiveness and consultation.

Commitment: Provide opportunities for the community to interact with Council at events and specific locations through the Pop-Up Council program.

Project overview: Pop-up Council provides an opportunity for our community to engage with Council on a variety of key issues in a unique and meaningful way. An eye-catching, mobile van, Pop-up Council brings consultation opportunities to the community at local festivals and events, ensuring we hear from a diverse range of people from various age groups and backgrounds on topics that are important to them.

During the 2019-20 financial year, Pop-up Council was utilised to inform and gather community insights about the following projects:

- Maling Road placemaking project (November 2019)
- Victoria Park Playground consultation (November 2019)
- Food Organics and Green Organics (FOGO) at Ashburton Festival (February 2020)
- Food Organics and Green Organics (FOGO) at Glenferrie Festival (March 2020).

Project aims: Utilising Pop-up Council aims to give City of Boroondara a presence and encourage feedback from a wide sample of the community. It serves as an engagement platform with a difference, supporting Council in our implementation of a multi-channel communication and engagement strategy that increases awareness of Council facilities and services in Boroondara. It also allows us to seek input from the Boroondara community at locations convenient to them, as well as encouraging partnership opportunities and positive relationships between Council and local organisations.

Project outcomes: Pop-up Council assisted in eliciting rich feedback from the community in the 2019-20 financial year about a number of important projects.

For the Maling Road placemaking project, we collaborated with St Paul's Anglican Church in facilitating Pop-up Council at their fete where the community were invited to share their vision for the future of Maling Road in Canterbury.

For the Victoria Park Playground consultation, we hosted Pop-up Council and partnered with YMCA to run learn to scoot/skate sessions where the community had their say about opportunities to improve Victoria Park Playground.

For FOGO, we partnered with the Ashburton Shopping Centre Traders Association and the Glenferrie Traders Association to host Pop-up Council at their respective annual festivals, allowing us to inform and educate the community about the new program.

Our response to COVID-19 pandemic

To help our communities prepare for, respond to and recover from COVID-19, Council activated various relief and recovery responses in line with our Municipal Emergency Management Plan and Pandemic Plan.

- 640 calls were received through the COVID support hotline. 33 of these were cases where people had more complex issues and were provided with further support.
- 9,000 meals were provided by local community organisations between March 2020 to the end of June.

Coronavirus support hotline

A dedicated support hotline was quickly activated to provide emergency relief and referral services to residents wanting advice and support during COVID-19. There were 640 calls to the hotline by the end of June. Psychological First Aid training was provided to call centre staff enabling them to better respond to callers and to support their own well-being.

Coronavirus hub on website

A dedicated COVID-19 hub was established on the website, providing timely and clear information for residents and businesses on closures and changes to Council services and Council's response to the pandemic. Links to information on key health messages, testing sites and key contact details for various support services were also provided.

A Relief and Recovery Community Services Directory was developed to provide guidance and contact details on where residents can get assistance for a wide range of issues such as food and shopping, counselling, accommodation, finances and legal issues. A fact sheet with important COVID-19 related information was translated into the five main languages spoken in Boroondara.

Financial Relief package and parking modifications

A \$4.5 million financial assistance package was developed to provide tangible support to residents, businesses and community groups during COVID-19. This package contains a range of initiatives, including the waiver of food premises registration fees, footpath trading fees and trader parking permit fees. Ratepayers are able to seek assistance through Boroondara's existing Financial Hardship Policy.

Council modified its parking enforcement approach, including improved access to parking resources, longer parking times at key locations impacting community members and traders (e.g. shopping strips). Another initiative was no enforcement of time restrictions in and around hospitals and Centrelink Offices.

Council also suspended ticket parking machine fees in paid parking areas, assisting traders, shoppers and visitors by improving access, easing financial burden and reducing the likelihood of COVID-19 transmission through contact with machines.

Support for local businesses

Small Business Resilience grants were released to support local businesses to look at how they can develop or improve online and e-commerce capabilities.

To support local cafes and restaurants, businesses with a food registration permit could apply for an extension of their footpath trading area to facilitate social distancing, enabling them to keep trading when possible and comply with requirements.

A flyer was developed for food businesses on hygiene and social distancing to reduce the spread of COVID-19. A series of posters and a floor decal on social distancing, hygiene, and symptoms were developed for local businesses and was promoted and made available free online.

Support for community groups

To support community groups and sporting clubs, Council implemented a range of initiatives. This included waiving lease and licence fees for some community groups and sporting clubs, including winter season sportsground tenancy fees and utilities charges. Both community and commercial tenants of Kew Court House and Hawthorn Arts Centre tenants had their rent reduced.

When there was capacity for some community organisations and sporting clubs to re-open, COVID Safe Plans were developed to ensure that requirements relating to social distancing and hygiene were planned for and implemented.

Forums have been held with sporting clubs to discuss COVID-related issues and a COVID resource guide was developed.

Activities and events move online

A home library book delivery service was expanded so that people can order library materials to be delivered to them at home. Most library activities moved online including children's story times, book clubs, local and family history workshops and the Boroondara Photograph Competition.

Exhibitions, events and art and historical collections were made available online, enabling people to continue being socially engaged. The Boroondara creative network stayed connected through online meetings.

Intergenerational cooking classes have been conducted online for grandparents and grandchildren to increase the ability to stay connected during COVID-19. Smalltalk playgroup participants had a pack of crayons, playdough, books and bubbles delivered to their homes and were linked to weekly singing and story time sessions and individual home support consultations. Free exercise classes have been made available online for Boroondara Leisure and Aquatic facility members.

Coordination with community organisations providing support

Weekly meetings have been held with local community organisations providing food and material aid to share experiences, resolve issues and ensure that there is sufficient resources to meet demand. Around 9,000 meals were provided between March and June. A contingency plan for food and material aid was developed in the event that one of the key providers had to close due to COVID infection.

Service mapping of 60 community organisations was conducted to document what services were being provided to residents as part of the development of the Community Services Directory that is available on the website. A survey was also undertaken with 41 community service providers to better understand the impact COVID-19 had on them in order to assist Council to develop further support and responses.

Some Neighbourhood Houses and Council's aged services team have continued to run errands and provide shopping support to those residents without any other support.

Community connections

An Agreement has been entered for Council to manage the Community Activation and Social Isolation Initiative (CASI) with the Department of Health and Human Services. Residents who need social, practical and emotional support are provided with advice and support, including those who are referred through the State COVID hotline, managed by the Australian Red Cross.

The importance of community connectedness was promoted online and Connection Cards were created to encourage people to get to know and provide support to their neighbours. Information was also provided on how Council services were modified so that people could stay connected in different ways.

Social support calls were made to elderly people experiencing social isolation due to being house-bound.

Enabling volunteers

There has been an increase in the number of people seeking volunteering opportunities, as people were keen to assist the community. Around 40 volunteering roles related to COVID-19, including home delivery drivers and sewing of personal protective equipment were promoted on behalf of community organisations. Resources have been developed and distributed to support organisations with volunteers and workshops conducted online to assist volunteers and volunteer managers to respond effectively to COVID-19.

COVID community response grants

Quick-response grants of up to \$1,000 were provided to assist organisations and groups to continue to provide services and to re-open closed services in a safe way when that was possible. This grant program closed in July 2020.

Our Council

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Our Council

City profile – Boroondara

The City of Boroondara includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.

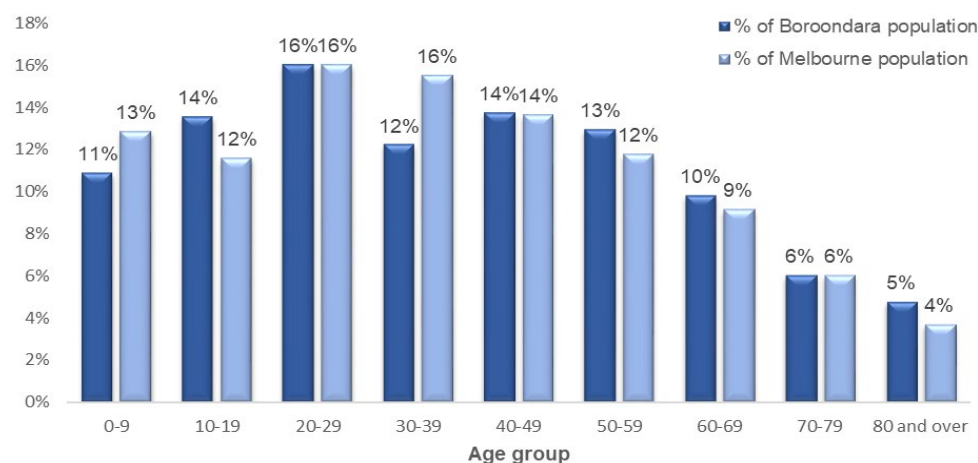
History

This area is the traditional land of the people of the Eastern Kulin Language Group. After surveying the area in 1837, Robert Hoddle declared it the 'Parish of Boroondara' and because the area was densely wooded, he took the word from the Woiwurrung language, translating it as 'where the ground is thickly shaded'.

The first local government body was the Boroondara District Road Board, formed in 1854, which encompassed the areas that were to become Hawthorn, Kew and Camberwell. With the amalgamation of these cities in June 1994, the City of Boroondara was created.

Population

Boroondara has an estimated residential population of 183,199 people (at 30 June 2019). Compared with Greater Melbourne, we have a smaller proportion of young children and people aged 30 to 39, but a larger proportion of 10 to 19 year olds and people over 50 years. Of all 79 Victorian local government areas, Boroondara has the fifth largest population of people aged 85 years and over. At the 2016 Census 3.8% of the population needed assistance with daily living tasks.



Where are we from?

Boroondara is culturally and linguistically diverse with residents coming from over 145 countries and speaking more than 120 languages. The proportion of Boroondara residents who were born overseas increased from 25.5% in 2006 to 30.9% in 2016.

At the 2016 Census, the majority of overseas born Boroondara residents had been born in a country where English is not a main language. Between 2006 and 2016 there was a large increase in the number of residents born in China and India in particular, and 45% of Boroondara residents who first arrived in Australia to live between 2006 to 2016 were born in one of these two countries.

Education hub

By area, Boroondara has one of the highest concentrations of schools of all Victorian local government areas, with 58 secondary, primary and special education schools, including 12 combined primary and secondary schools, as well as Swinburne University, Swinburne TAFE, the Hawthorn-Melbourne English Language Centre, and two Universities of the Third Age. Currently, 74 organisations offer a kindergarten program in Boroondara spanning across standalone kindergartens, long day care centres and independent schools.

The City also has 11 neighbourhood and community centres where residents can participate in programs focussing on health and wellbeing, languages, creative pursuits, the arts, cooking and technology.

Work and income

A quarter of Boroondara's employed residents work within the City of Boroondara and just under a quarter work in the City of Melbourne. Household income levels in Boroondara are higher than the Greater Melbourne average. At the 2016 Census, the median household income in Boroondara was \$2,083 per week, compared to \$1,542 for Greater Melbourne. Nonetheless, 14% of all Boroondara households are living on less than \$650 a week.

Where do we shop?

Boroondara has a strong retail/commercial sector. Boroondara has 53 shopping centres and strips, with the main shopping strips located at Camberwell Junction, Glenferrie Road, Hawthorn and Kew Junctions.

How do we live?

At the 2016 Census, Boroondara had 69,282 dwellings, ranging from separate houses (55% of all dwellings) to medium and high density dwellings, which are more commonly found in Hawthorn and Hawthorn East. Boroondara's housing market is one of the most expensive in Victoria. About 1.1% of Boroondara's housing is social housing (provided for non-profit purposes), which includes community-based and public housing.

Transport

The City has extensive train, tram and bus transport routes, but still has areas without easy access to public transport. Our sustainable transport network continues to expand, with over 57km of on-road bicycle lanes on arterial and local roads. The City also has 35km of shared paths across major trails, including the Gardiners Creek, Anniversary/Outer Circle, Main Yarra and Koonung trails.

Open spaces

The City is rich in its biodiversity and array of flora and fauna; it has about 600 hectares of open space. Boroondara has retained its green and leafy streets, parks and gardens and the majority of residents have access to public open space close to their home.

Like other municipalities, a challenge ahead will be to maintain the standard of our current environment, liveability and heritage amidst the impacts of climate change, water shortages, increased pollution, and increasing population densities and development.

For more information and statistics about the City of Boroondara, go to <https://www.boroondara.vic.gov.au/about-council/history-and-demographics>



A detailed map of the City and the ward boundaries is included on page 38.

Council offices

Camberwell office

8 Inglesby Road, Camberwell

Hawthorn Arts Centre

360 Burwood Road, Hawthorn

Kew Library

Corner Cotham Road and Civic Drive, Kew

Postal address

Private Bag 1
Camberwell VIC 3124

Website: www.boroondara.vic.gov.au

Telephone: 9278 4444

Email: boroondara@boroondara.vic.gov.au



Our Councillors

The City of Boroondara's 10 Council wards in 2019-20 are represented by individual councillors, each elected by members of the community for a four-year term of office.

The 10 councillors are the elected representatives of all residents and ratepayers across the City. They are responsible for setting the strategic direction of the municipality, developing policy, identifying service standards and monitoring the performance of the organisation. On 22 October 2016, the Boroondara community elected this Council for a four year term.



Cr Cynthia Watson
Maranoa Ward

First elected: October 2016
Mayor: 2019-20

T 9835 7846
M 0419 488 204
E cynthia.watson@boroondara.vic.gov.au



Cr Jim Parke
Bellevue Ward

First elected: October 2012
Mayor: 2015-16 and 2017-18

T 9278 4457
E jim.parke@boroondara.vic.gov.au



Cr Felicity Sinfield
Cotham Ward

First elected: October 2016

T 9835 7841
M 0418 793 573
E felicity.sinfield@boroondara.vic.gov.au



Cr Coral Ross
Gardiner Ward

First elected: March 2002
Mayor: 2007-08, 2013-14 and 2014-15

T 9835 7842
M 0438 005 225
E coral.ross@boroondara.vic.gov.au



Cr Steve Hurd
Glenferrie Ward

First elected: October 2012

T 9835 7849
M 0417 708 182
E steve.hurd@boroondara.vic.gov.au

Our Councillors (continued)



Cr Jack Wegman
Junction Ward

First elected: March 2002

Mayor: 2004-05, 2005-06, 2008-09, 2009-10 and 2012-13

T 9835 7843

E jack.wegman@boroondara.vic.gov.au



Cr Lisa Hollingsworth
Lynden Ward

First elected: October 2016

T 9835 7844

M 0417 908 485

E lisa.hollingsworth@boroondara.vic.gov.au



Cr Jane Addis, Mayor
Maling Ward

First elected: October 2012

Mayor: 2018-19

T 9835 7845

M 0409 267 902

E jane.addis@boroondara.vic.gov.au



Cr Garry Thompson
Solway Ward

First elected: October 2016

T 9835 7847

M 0417 153 512

E garry.thompson@boroondara.vic.gov.au



Cr Phillip Healey
Studley Ward

First elected: November 2004

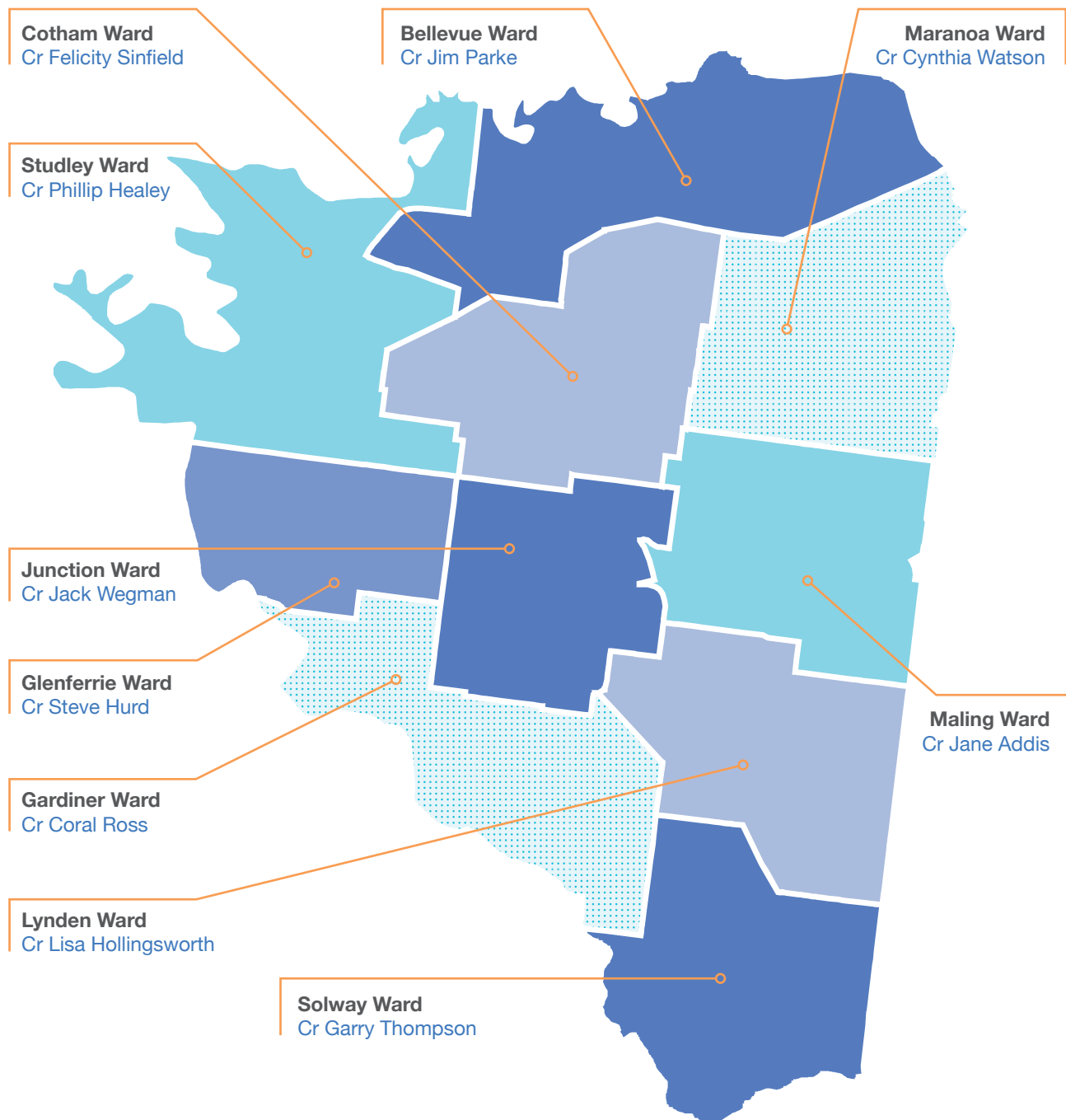
Mayor: 2006-07 and 2016-17

T 9835 7848

M 0437 374 773

E phillip.healey@boroondara.vic.gov.au

Council wards



City of Boroondara's 10 Council wards

The names of the wards were chosen to reflect the communities they represent. Ward names have significance for the areas covered, honouring significant people and landmarks in Boroondara's rich history.





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Organisational structure

Council is the governing body that appoints a Chief Executive Officer (CEO), who has responsibility for the day-to-day leadership of the organisation. The CEO, four directors and an executive manager form an Executive Leadership Team to lead the organisation:



Phillip Storer
Chief Executive Officer

T 9278 4455

Senior officers reporting directly to the Chief Executive Officer:



Shiran Wickramasinghe
Director City Planning

T 9278 4800

Areas of responsibility:

- Building services
- Economic development
- Local laws
- Statutory planning
- Strategic planning



Carolyn McClean
Director Community Development

T 9278 4600

Areas of responsibility:

- Arts and cultural services
- Community planning and development
- Family, youth and recreation
- Finance and corporate planning
- Health, active ageing and disability services
- Library services



Bruce Dobson
Director Customer Experience and Business Transformation

T 9278 4300

Areas of responsibility:

- Customer First Program
- Chief Customer Office
- Chief Information Office
- Commercial and property services
- Internal audit
- Legal Services

Senior officers reporting directly to the Chief Executive Officer:



Daniel Freer
Director Environment and Infrastructure

T 9278 4500

Areas of responsibility:

- Asset management
- Environment and sustainable living
- Parks and Infrastructure
- Projects and strategy
- Traffic and Transport



Carolyn Terry
Executive Manager People, Culture and Development

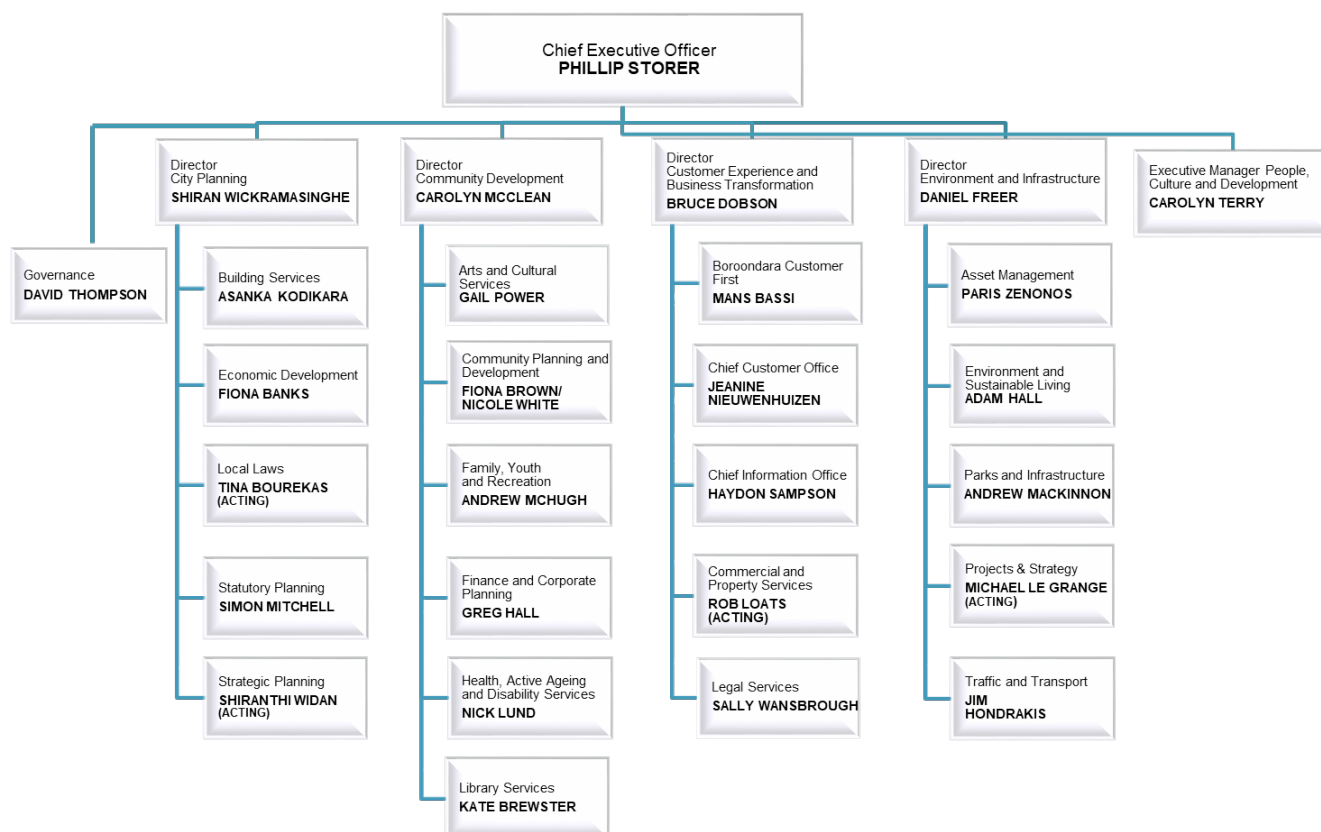
T 9278 4410

Areas of responsibility:

- Recruitment and selection
- Organisational development
- Learning and development
- Occupational Health and Safety (OHS)
- Equal opportunity
- Industrial relations
- Remuneration

The Senior Leadership Team (SLT) includes the Executive Leadership Team and all department managers. SLT has a broad skill set and gender, age, sector and geographical diversity, contributing to the strength of the administration.

The organisational structure as at 30 June 2020:



Council employees

A summary of full time equivalent (FTE) Council employees by organisational structure, employment type and gender:

Employment type/ gender	CEO's Office	City Planning	Community Development	Customer Experience and Business Transformation	Environment and Infrastructure	People, Culture and Development
Permanent FT - F	7.00	47.29	104.08	63.00	39.00	12.00
Permanent FT - M	2.00	52.12	30.76	68.01	170.16	5.00
Permanent PT - F	0.00	24.74	107.31	24.61	14.60	3.11
Permanent PT - M	0.00	11.72	11.49	1.94	3.11	0.84
Casual - Female	1.80	1.33	15.10	0.11	2.26	0.00
Casual - Male	0.18	3.01	2.60	0.43	1.70	0.12
Total	10.98	140.21	271.34	158.10	230.83	21.07

Legend: FT - Full time; PT - Part time; F - Female; M - Male

A summary of full time equivalent (FTE) employees categorised by employment classification and gender:

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	9.94	7.85	17.79
Band 2	0.54	3.32	3.86
Band 3	43.25	35.59	78.84
Band 4	109.25	30.23	139.48
Band 5	78.88	36.51	115.39
Band 6	87.45	52.95	140.40
Band 7	29.31	24.26	53.57
Band 8	28.41	23.84	52.25
Band not applicable	80.32	150.63	230.95
Total	467.35	365.18	832.53

Equal Employment Opportunity Program

Council has a multi-faceted Workplace Diversity and Inclusion Strategy which encompasses equal opportunity.

Informed by consultation with staff, data analysis and best practice benchmarking, the Strategy is about strengthening our culture by creating a more inclusive workplace that empowers all staff to reach their full potential. This in turn will enable better outcomes for customers and the community.

A 'Respectful Workplace' e-learning module is completed by all new starters and by all staff biannually (last completed in 2018-2019 and next due for completion in 2020-2021).

Other employee matters

Culture Change

This year saw the design of a customer-centric Target Operating Model and a roadmap of people, process and technology changes required to achieve the desired future state. Change resourcing was centralised and upscaled to support these changes and an 'Enabling Change' learning module developed to enhance the workforce's readiness and adaptability to change.

Health Safety and Wellbeing

Council recently launched the Health Safety and Wellbeing Strategy 2020 to 2023 which outlines Council's commitment to embedding health, safety and wellbeing into how we think and act. Action arising from the Strategy for the first year include:

- The roll out of the Virgin Pulse GO wellbeing program;
- Investigation of an incident response hotline to streamline access to early intervention programs
- The replacement of Council's hazard and incident management system.

Our Volunteers

Council actively encourages and supports volunteering through its dedicated service, the Boroondara Volunteer Resource Centre (BVRC). The BVRC provides a variety of services for volunteers and community organisations seeking volunteers.

During the year, the BVRC assisted 2,403 prospective volunteers with volunteer support services, including:

- 4,234 role referrals made via the new integrated volunteer portal, phone or face-to face appointments with clients
- 75 face-to-face referral discussions
- 633 skilled volunteers registered their skills as part of the Boroondara Volunteer Skills Bank.

The BVRC engaged 323 volunteer programs across Boroondara and surrounding areas. Refer <https://www.boroondara.vic.gov.au/community-support/volunteering> for more information.

Volunteering with Council

Council operates 16 volunteer programs including:

Add Life to Your Years

A team of volunteer 'Add Life Ambassadors' engage with the community to promote the new Over 55s section of Council's website, called 'Add Life to your years', and educate fellow residents on how to use it. The Add Life Ambassador Program is based on a Peer to Peer model. This means that the person educating is a peer of the person learning. In this way, the Add Life Ambassador empowers their peers with the skills they need to navigate Council's webpage and begin adding life to their years through participation in a variety of activities and accessing relevant health and wellbeing information.

Backyard Biodiversity and Bird Monitoring

Our award-winning Backyard Biodiversity project encourages Boroondara residents to enhance a section of their garden with indigenous plants and other wildlife-friendly features to create valuable stepping stones for our native wildlife.

Boroondara Cooks

Boroondara Cooks is a meal sharing program that connects people who like to cook and who are happy to regularly share an extra portion of their home cooked meal with an older resident in the community. This could be weekly, fortnightly or monthly. Boroondara Cooks is an important part of Council's efforts to create an Age-friendly community. The program aims to support older residents who live in their own home, however find it difficult to prepare a nutritious meal on a daily basis.

Community Transport

Volunteers provide one way or return transport to medical and allied health appointments and social support for residents 65 and over who are registered with council Aged Care Services.

English Conversation Club

English Conversation Club is an hour-long weekly conversation class for adults who speak English as a second language, to help them use English conversationally in a friendly setting.

FReeZA

The FReeZa Committee is a group for young people aged 12-25, who plan and run music, art and cultural events in the City of Boroondara.

L2P Driving Program

The L2P Driving Program is a state-wide program that matches young learner drivers with a supervising driver mentor. The program enables learner drivers to meet the 120 hours of driving practice required to obtain their probationary licence. The program provides an opportunity for young people to interact with a positive adult role model during a critical period in their development. The L2P Driving Program is delivered in partnership with TAC.

Volunteer Award and Celebration

Between August and October 2019, the BVRC called for nominations for the 2020 Boroondara Volunteer of the Year Award. During this period, 11 nominations were received. On Thursday 5 December, coinciding with International Volunteer Day, the BVRC held a volunteer celebration where the winner of the Award was announced. The volunteer celebration was attended by 100 members of the public and community organisations.

Skilled Volunteer Meet

On 23 October 2018, the BVRC held the Skilled Volunteer Meet, connecting skilled professionals with skilled volunteer roles, offered by local community organisations. 100 skilled professionals and 25 community organisations attended the event. 100% of surveyed community organisations said they would attend the event again and 85% surveyed skilled professionals left the event having identified a skilled volunteer project they were interested in.

Volunteer research

The BVRC recently undertook research to understand the role volunteering plays in strengthening the Boroondara community. In consultation with local volunteers and volunteer-involving organisations, the research found:

- volunteering contributes to social connectedness and, hence, to community resilience
- volunteering has a positive impact on volunteer health, including mental health, and overall wellbeing
- volunteering provides enhanced opportunities for those seeking work and positively impacts the health and wellbeing of job seekers
- volunteering substantially increases the reach of community organisations with many totally or partially volunteer dependent
- the BVRC plays a critical role in supporting these outcomes for volunteering in Boroondara.



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Our performance

Planning and accountability

Council's short, medium and long term plans are influenced by community feedback, research and government policy.

Our ongoing monitoring and reporting of performance through monthly, quarterly, and annual reports ensures we are accountable, transparent and comply with legislation.

The structure of Council's Planning Framework highlights the relationship between the Council Plan, the Annual Budget and service delivery.

Council Plan

Boroondara's Council Plan 2017-21 outlines our vision and strategic plan for the Council term. The Plan commits to long-term planning in building capacity in many areas, continuing to revitalise our City, focusing on our community services and delivering needed infrastructure and asset renewal projects.

The Budget 2019-20 outlines Council's commitments in support of the Strategic Objectives and other adopted strategies and plans.

The Council Plan 2017-21 was revised in June 2018 to align with the community priorities identified through extensive consultation in the Boroondara Community Plan 2017-27, Council's key strategic document that sets out the 10-year vision for the City's future.

This annual report documents the delivery of Council's seven Themes and seven Strategic Objectives in the Council Plan 2017-21 supported by commitments detailed in the Budget 2019-20 adopted by Council in June 2019.

Themes	Strategic Objective
Your Community, Services and Facilities	Community services and facilities are high quality, inclusive and meet a variety of needs now and into the future.
Your Parks and Green Spaces	Inviting and well-utilised community parks and green spaces.
The Environment	Our natural environment is healthy and sustainable for future generations.
Neighbourhood Character and Heritage	Protect the heritage and respect the character of the City to maintain amenity and liveability whilst recognising the need for appropriate, well-designed development for future generations.
Getting Around Boroondara	Travel options that are connected, safe, accessible, environmentally sustainable and well-designed.
Your Local Shops and Businesses	A vibrant local economy and shops that are accessible, attractive and a centre of community life.
Civic Leadership and Governance	Ensure that ethical, financial and socially responsible decision making reflects community needs and is based on principles of accountability, transparency, responsiveness and consultation.

How we are measured










Our performance is reported against each theme in four ways:



1. Results of strategic indicators in the Council Plan.
2. Progress of major initiatives and commitments in the Budget.
3. Performance of services funded in the Budget.
4. Results of prescribed service performance indicators and measures.

Theme 1:

Your Community, Services and Facilities











Results of Strategic Indicators in the Council Plan:

















Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective Community services and facilities are high quality, inclusive and meet a variety of needs now and into the future.				
Overall participation in library services (includes loans, returns, visits, program attendances, e-books and audio loans, enquiries, reservations, Wi-Fi and virtual visits).	10,144,240	10,000,000	7,256,257 	7,600,000
<i>Comment: All libraries were closed in April and May, re-opening with significantly reduced services in June 2020 due to COVID-19. Therefore the result has been impacted by significantly reduced visitation, loans, returns and library catalogue usage.</i>				
Participation in first MCH home visit (percentage of infants enrolled in the MCH service who receive the first MCH home visit).	100%	95%	99% 	90%
Satisfaction with recreational facilities.	79*	78	79 	79
Number of community organisations funded through the Community Strengthening Grants Program which includes, individual, annual and triennial grants.	186	155	163 	175
Numbers of community groups using council facilities directly under a lease or licence agreement.	188	189	189 	190
Food safety assessments (percentage of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment).	100%	100%	100% 	100%
Proportion of infants born who receive primary immunisations.	96%	95%	95% 	N/A
Percentage of graffiti removed from Council owned assets within one business day of notification.	97%	95%	100% 	97%
Number of arts and cultural community events delivered by Council.	157	150	141 	100

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
<i>Comment: Due to COVID-19 restrictions, all scheduled delivery of arts and cultural community events were cancelled or postponed. A new and innovative program of online and digital experiences and events was developed and delivered to the community during the last quarter, engaging the community with creative activity.</i>				
Number of attendances by young people at Youth Services programs or services.	4,990	4,200	6,338 	4,000
Number of people participating in active ageing programs and events.	2,774	1,200	2,151 	1,000

**Note: This figure was incorrectly reported in last year's Annual Report.*

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
1.2 Finalise the redevelopment of the Ashburton Seniors' Centre to create a space that is easily accessible, and better suited to deliver activities and services to seniors in the community.		
<i>Comment: Construction work is approximately 90% complete. The project is expected to be completed in August 2020.</i>		
Commitments		
1.1 Review and update the Roads, Footpaths, Drainage and Building Asset Management Plans to ensure Council is continuing to provide assets that meet the needs of the community.		
<i>Comment: A new program for the review and development of Asset Management Plans using up to date condition audit data has been established. The Building Audit is 90% complete with data ready for analysis. Roads and footpaths audits will be completed in 2020-21. The existing Asset Management Plans for Buildings, Roads and Paths will be reviewed in 2020-21.</i>		
1.3 Commence the development of a new Creating an Age-friendly Boroondara Plan for 2019-24 to identify and respond to the environmental and social factors that contribute to age-friendliness and active ageing in the City.		
1.4 Develop and implement a campaign to promote volunteering across the Boroondara community to raise awareness of the benefits and impacts of volunteering, and encourage local residents to volunteer.		
1.5 Commence a review of the Library Services Plan to ensure it aligns with current demands and trends across the municipality.		

Our Major Initiatives/Commitments	Responsible Directorate	Status
1.6 Undertake consultation with children and young people to identify their health and wellbeing needs, in preparation to renew the Children and Young People's strategy in 2020-21.		
1.7 Promote and support breastfeeding so babies in Boroondara get the best start to life.		
1.8 Progress detailed design of the Kew Recreation Centre concept plan based on the community feedback provided in stage two of the consultation.		
1.9 Produce a florilegium publication of the Maranoa Gardens flora in collaboration with the Balwyn Community Centre Botanical Art Group, to showcase the indigenous, local flora in the Maranoa Botanic Gardens, with hard copies and digital formats available.		
1.10 Commence the development of the concept plan for the renewal of the Alamein Neighbourhood and Learning Centre to meet the demand for programs for people of all ages and backgrounds.		
1.11 Implement public safety and security measures in response to the Australian Government strategy for Protecting Crowded Places from Terrorism.		
1.12 Monitor the Australian Government aged care reforms and their impact on Council and the Boroondara community, and respond accordingly.		
1.13 Complete the redevelopment at the Balwyn Community Centre to provide increased community access to maternal child health, occasional care, recreational activities and learning programs for all ages.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Arts and Cultural Services	<ul style="list-style-type: none"> arts and cultural initiatives and programs, such as exhibitions, festivals and events programs and manages Council's art facilities at the Town Hall Gallery, Kew Court House, Hawthorn Arts Centre and other community spaces provides flexible spaces for community hire, including meetings, community events, private bookings and conference facilities oversees the management and care of Town Hall Gallery Collection provides support for community arts and culture groups through funding, partnerships, advice and advocacy. 	\$2,343 \$2,757 (\$414)
Asset Management	<ul style="list-style-type: none"> provides proactive inspections of Council assets to ensure service standards are maintained manages an integrated asset management system to support the ongoing management and renewal of the community's assets develops and updates the five-year renewal program develops the financial forecast for assets for Council's long-term financial strategy promotes occupational health & safety on Council worksites manages Council's street lighting provides specialist knowledge for planning and subdivision permit referrals and development approvals undertakes proactive asset inspections of road infrastructure, maintains data quality in the corporate asset management system and develops/updates relevant Asset Management Plans. 	\$3,943 \$3,665 \$278
Community Planning and Development	<ul style="list-style-type: none"> aims to enhance the health, wellbeing and safety of residents facilitates community connectedness, strengthens community capacity and responds to identified needs through the delivery of a range of programs, partnerships and networking opportunities for Boroondara's community works actively within the community on key community development activities, including major community infrastructure projects and community events provides support, advice and assistance to neighbourhood houses and men's sheds develops policies, strategies and plans that address community priorities monitors, forecasts and analyses community change and wellbeing undertakes extensive community research on behalf of Council departments and the community manages the Boroondara Community Grants Program of annual and triennial operational grants and the registered rooming house subsidy promotes, supports and assists the development of volunteering and civic participation through the Boroondara Volunteer Resource Centre Advocacy and project work to support community safety. 	\$3,335 \$3,371 (\$36)

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Family, Youth and Recreation	<ul style="list-style-type: none"> operates the Boroondara Maternal and Child Health support programs and services, Kindergarten Central Enrolment Scheme, Kew Traffic School, and the Boroondara 360 Youth Resource Centre undertakes strategic planning and policy development to facilitate access to active participation opportunities for the Boroondara community facilitates training and support for service providers and voluntary committees of management for early years and youth services and sport and recreation provides support and information, services and programs to young people and their families, sport and recreation groups and organisations to enhance health and wellbeing facilitates the development of integrated and coordinated services for children, young people and their families, sport and recreation clubs and organisations supports the inclusion of children into four-year old kindergarten programs through the provision of the Preschool Field Officer Program facilitates long day care, occasional care and kindergarten services through the provision of 43 buildings leased to early years management operators and volunteer committees of management facilitates participation opportunities by the community in physical activity through the provision of facilities and contract management of the Boroondara Leisure and Aquatic Facilities, the Boroondara Tennis Centre and Junction Skate and BMX Park manages leases for 87 facilities to sport and recreation groups, early years management operators and early years committees of management. 	\$4,496 <u>\$1,868</u> \$2,628
Health and Active Ageing Services	<ul style="list-style-type: none"> coordinates public health services including immunisation and environmental health provides home support services via the Wellness and Reablement approach including home, personal and respite care, food services and property maintenance provides volunteer and community transport, and social support (including events and planned activity groups) coordinates emergency management (recovery) across the municipality undertakes strategy and development with a focus on positive ageing. 	\$4,623 <u>\$3,968</u> \$655
Infrastructure Services	<ul style="list-style-type: none"> maintains the City's infrastructure including buildings, drainage, footpaths and roads, shopping centres, park/street furniture and signs. 	\$10,496 <u>\$9,599</u> \$897

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Library Services	<ul style="list-style-type: none"> provides a large range of relevant, contemporary library collections and services: across five libraries and one library lounge, online and via home library services provides welcoming community spaces for individual and group study, reflection, activity and discovery promotes, advocates for and supports literacy development, reader development, lifelong learning, creative and intellectual development provides family, children and adult library programs and activities creates enthusiasm for local and family history research and discovery, creating connections with our local heritage provides opportunities to explore, learn and use new and emerging technology. 	\$8,400 <u>\$8,245</u> \$155
Local Laws	<ul style="list-style-type: none"> delivers proactive patrol programs to maintain and promote safety and harmony within the community delivers administrative and field services in amenity and animal management delivers educational programs in responsible pet ownership, road safety, amenity regulation and fire prevention develops, implements and reviews appropriate local laws to achieve a safe and liveable environment processes and issues permits relating to traders, tradespersons, disabled parking, residential parking, animal registrations, excess animals, commercial waste bins, street furniture and other uses of Council controlled land. 	\$1,410 <u>\$1,449</u> (\$39)
Sportsgrounds services	<ul style="list-style-type: none"> works with over 300 sports clubs, across 23 sports codes at over 100 sports facilities/grounds. 	\$2,338 <u>\$1,887</u> \$451
Projects and Strategy	<ul style="list-style-type: none"> develops, manages, reports and delivers the approved Environment and Infrastructure Capital Works and Building Renewal programs ensuring best value for money provides project management and technical advice on Council's projects and infrastructure assets manages the capital works programs and reporting to successfully deliver projects on time and within budget investigates and develops strategic solutions for major stormwater issues, Council buildings and infrastructure assets encourages and develops innovative design into quality outcomes. 	\$3,242 <u>\$3,445</u> (\$203)

Results of other service performance indicators and measures including explanation of material variation:

Service/indicator/measure	Results				Comments/Material variations
	2017	2018	2019	2020	
Animal management					
Timeliness Time taken to action animal management requests (Number of days between receipt and first response action for all management related requests / Number of animal management requests)	3.86	2.43	1.42	1.58	
Service standard Animals reclaimed (Number of animals reclaimed / Number of animals collected) x 100	64%	44%	51%	59%	2019-20 figure excludes feral animals
Service standard Animals rehomed (Number of animals rehomed / Number of animals collected) x 100	N/A	N/A	N/A	10.4%	New measure in 2019-20.
Service cost Cost of animal management service per population (Direct cost of the animal management service / Municipal population)	\$6.86	\$6.88	\$7.67	\$7.73	Measure changed in 2019-20. Historic figures have been updated.
Health and safety Animal management prosecutions (Number of successful animal management prosecutions / Number of successful animal management prosecutions).x 100	N/A	N/A	N/A	100%	New measure in 2019-20.
Aquatic Facilities					
Satisfaction User satisfaction with aquatic facilities. (Defined as the satisfaction of users with the aquatic facility)	87%	87%	85%	N/A	CERM surveying was not carried out in early 2020 due to the facilities being closed because of the COVID-19 pandemic.

Service/indicator/measure	Results				Comments/Material variations
	2017	2018	2019	2020	
Service standard Health inspections of aquatic facilities (Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities)	2	1.75	2	2	
Service cost Cost of indoor aquatic facilities (Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities)	-\$1.01	-\$0.82	-\$0.88	-\$0.03	The COVID-19 pandemic meant that facilities were fully closed for the majority of the June quarter, with Council responsible for ongoing operating costs.
Utilisation Utilisation of aquatic facilities (Number of visits to aquatic facilities / Municipal population)	14	14	15	10	Visitations heavily impacted by COVID-19 pandemic.
Food safety					
Timeliness Time taken to action food complaints (Number of days between receipt and first response action for all food complaints / Number of food complaints)	1.6*	1.7**	1.7***	1.7	
Service standard Food safety assessments (Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>) x 100	100%*	100%**	100%***	100%	

Service/indicator/measure	Results				Comments/Material variations
	2017	2018	2019	2020	
Service cost	\$444	\$398	\$351	\$366	
Cost of food safety service (Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>)					
Health and safety	98%*	99%**	99%***	99%	
Critical and major non-compliance outcome notifications (Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises) x 100					
Maternal and Child Health					
Service standard	102%	101%	101%	102%	
Infant enrolments in MCH service (Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received) x 100					
Service cost	\$71	\$72	\$71	\$72	
Cost of the MCH service (Cost of the MCH service / Hours worked by MCH nurses)					
Participation	79%	80%	83%	82%	
Participation in the MCH service (Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service) x 100					

Service/indicator/measure	Results				Comments/Material variations
	2017	2018	2019	2020	
Participation in the MCH service by Aboriginal children (Number of Aboriginal children who attend the MCH service at least once (in a year) / Number of Aboriginal children enrolled in the MCH service) x 100	100%	96%	88%	100%	All children who identify as Aboriginal have attended all required key age and stage visits.
Satisfaction Participation in 4-week Key Age and Stage visit [Number of 4-week key age and stage visits / Number of birth notifications received] x100	N/A	N/A	N/A	99%	New measure in 2019-20. Data not available for previous periods.
Libraries					
Utilisation Library collection usage (Number of library collection item loans / Number of library collection items)	5	5	5	4	
Resource standard Standard of library collection (Number of library collection items purchased in the last 5 years / Number of library collection items) x 100	49%	51%	51%	48%	
Service cost Cost of library service (Direct cost of the library service / Municipal population)	\$45	\$46	\$50	\$50	Measure changed in 2019-20. Historic data have been updated.
Participation Active library members (Number of active library members / Municipal population) x 100	26%	25%	27%	25%	Measure changed in 2019-20 from 'Active library members' to 'Active library borrowers' with changes to the numerator and the denominator to extend the calculation to the last three years.

* 2016 calendar year result




** 2017 calendar year result

*** 2018 calendar year result







Theme 2:

Your Parks and Green Spaces

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective Inviting and well-utilised community parks and green spaces.				
Customer Satisfaction survey, measures user satisfaction with a range of parks in Boroondara, benchmarked with participating councils	82%	80%	84% 	80%
Satisfaction with appearance of public areas	80	78	80 	80
Cost to maintain park turf per hectare	\$4,720	\$4,754	\$4,822 	\$4,850
<i>Comment: Result is slightly above the forecast.</i>				

Progress of commitments in the Budget:






Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
2.2 Implement year one program actions to deliver accessible facilities enabling increased participation in sport.		
Commitments		
2.1 Implement priority actions from the Shade Policy Implementation Plan to improve the provision of shade at key sites across Boroondara.		
2.3 Undertake the design of the Regional Playground at Victoria Park to improve recreational use opportunities.		
2.4 Undertake research and generate a discussion paper providing information regarding the sports in the City facing the most significant shortfall in access to playing fields with a particular focus on those sporting codes experiencing challenges due to increased participation by girls and women.		

Performance of services funded in the Budget:

















Service category	Description	Net Cost Actual Budget Variance \$'000
Infrastructure Services	<ul style="list-style-type: none"> manages and maintains built assets including playgrounds, barbeques, drinking fountains, park furniture, bins, fences and signs. 	\$1,970 <u>\$2,026</u> (\$56)
Open Space	<ul style="list-style-type: none"> manages and maintains Boroondara's parks, gardens, sportsgrounds and biodiversity sites manages bookings, events and applications associated with Boroondara's parks, gardens, reserves, sportsgrounds and pavilions manages and maintains the Freeway Golf Course maintains a significant and highly valued urban forest of street and park trees. 	\$14,271 <u>\$12,378</u> \$1,893
Environment and Sustainable Living	<ul style="list-style-type: none"> Promotes environmental sustainability and provides landscape and urban design services to encourage use, function and enjoyment of our outdoor spaces by the community. 	\$574 <u>\$606</u> (\$32)

Theme 3: The Environment

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective Our natural environment is healthy and sustainable for future generations.				
Satisfaction with waste management	73	77	71 	70
<i>Comment: There was significant disruption in the recycling sector in 2019 with the temporary closure of a processing facility in February 2019, and the permanent closure of a facility in July 2019 impacting community confidence in the recycling industry broadly.</i>				
Satisfaction with environmental sustainability	64	65	61 	65
<i>Comment: The result of 61 is within margin of error (+/- 4.4%) of the survey. The result may also reflect general sentiment of parts of the community relating to the response of all levels of government in relation to climate change and the impact of the campaign for Council to declare a climate emergency in particular.</i>				
Volume of harvested water (rain and stormwater) re-used within Council buildings and open space irrigation.	3ML	6ML	N/A	7ML
<i>Comment: Data not available due to a failure of the water metering system.</i>				
Tonnes of CO2 emissions from energy used in all Council-owned and operated buildings, street lighting, Council fleet, taxi and air travel. <i>Note: Information reported with a one year lag.</i>	22,826 tCO2e	Less than 22,000 tCO2e	21,788 tCO2e 	Less than 22,000 tCO2e
Kerbside collection waste diverted from landfill (percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill)	49%	48%	53% 	58%
Area of land managed for biodiversity (hectares)	43ha	43.1ha	44.2ha 	44.2ha

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
3.2 Reduce greenhouse gas emissions from Council's buildings by implementing cost effective energy efficiency upgrades/retrofits and installing solar photovoltaics (PV).		
Commitments		
3.1 Implement identified priority works at Council facilities (water harvesting, water recovery and water efficiency) to reduce tap water use and stormwater pollution.		
3.3 Enhance and maintain urban biodiversity across the municipality by implementing initiatives including the Backyard Biodiversity project, Wildlife not Weeds program and rollout of interpretive signage at biodiversity sites.		
3.4 Deliver the Boroondara Sustainable Living Festival so that the community can learn new skills and be inspired to live more sustainably.		
<i>Comment: Festival cancelled on Monday 16 March due to COVID-19.</i>		
3.5 Deliver Council's award winning Living for our Future community engagement program to support the community to live well and sustainably.		
3.6 Progress actions associated with the introduction of a Food Organics and Garden Organics (FOGO) kerbside collection service to reduce the volume of waste going into landfill.		
3.7 Progress the Tree Strategy action to introduce proactive renewal of ageing street and park trees.		
3.8 Implement lighting upgrades using sustainable and energy efficient solutions wherever possible.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Environment and Sustainable Living	<ul style="list-style-type: none"> strategically plan and develop open space improvements to our parks, gardens, shopping centres and streetscapes helps the Boroondara community to live more sustainably in response to emerging environmental challenges (eg climate change, water shortage, biodiversity conservation) promotes sustainability within built and natural environments in Boroondara develops and implements policies and strategies that set direction in environmental management, public space improvements, conservation of natural resources and sustainable development builds the capacity of Council to integrate environmental and sustainability issues into our buildings and public space improvements, daily operations and decision-making processes. 	\$1,153 <u>\$1,140</u> \$13
Waste and Recycling	<ul style="list-style-type: none"> manages waste services, including kerbside bin based waste, green and recycling collections and hard waste collection service operates the Boroondara Recycling and Waste Centre. 	\$22,235 <u>\$21,840</u> (\$395)
Open Space	<ul style="list-style-type: none"> maintain and manage the City's biodiversity manage and maintain all trees on Council managed land including tree planting/establishment, maintenance and renewal programs. 	\$1,569 <u>\$1,727</u> (\$158)
Drainage Management	<ul style="list-style-type: none"> implements strategies and engineering solutions for drainage issues manages permits relating to the asset protection local law and storm water drainage. 	\$290 <u>\$330</u> (\$40)
Statutory Planning	<ul style="list-style-type: none"> administers Council's Tree Protection Local Law and assesses applications for tree removal. 	\$222 <u>\$315</u> (\$93)




Results of other service performance indicators and measures including explanation of material variation:

Service/indicator/measure	Results				Comments/Material variations
	2017	2018	2019	2020	
Waste Collection					
Satisfaction Kerbside bin collection requests (Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households) x 1,000	168	197	211	329	The introduction of the new FOGO service including a change to the collection frequency of garbage bins. This resulted in elevated customer requests for missed bins during the changeover period.
Service standard Kerbside collection bins missed (Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts)	4	6	6	15	
Service cost Cost of kerbside garbage bin collection service (Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins)	\$120	\$122	\$124	\$140	
Cost of kerbside recyclables bin collection service (Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins)	\$33	\$47	\$75	\$84	
Waste diversion Kerbside collection waste diverted from landfill (Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins) x 100	49%	49%	49%	53%	







Theme 4:

Neighbourhood Character and Heritage

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective Protect the heritage and respect the character of the City to maintain amenity and liveability whilst recognising the need for appropriate, well-designed development for future generations.				
Number of complaints regarding Neighbourhood Character and Heritage (excluding objections to planning permit applications and submissions to strategic planning projects)	55	50	16 	55
Percentage of 'Demolition Consents' under Section 29A of the <i>Building Act</i> by Building Services checked within 15 business days	100%	100%	100% 	100%
Proportion of suburbs investigated by the Municipal Wide Heritage Gap Study	50%	100%	100% 	100%

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
4.2 Protect the City's heritage by continuing a municipal wide heritage assessment of all properties not currently subject to a heritage overlay in the Boroondara Planning Scheme.		
<i>Comment: Progress on the project has slowed due to the impact of COVID-19 and the restriction on community members being able to attend public Council meetings. However the Directions Hearing for Amendment 308 Hawthorn East Heritage Gap Study was held in April.</i>		
Commitments		
4.1 Review the Camberwell Junction Structure Plan and investigate the introduction of planning controls to ensure appropriate development in the centre.		
<i>Comment: Progress has been delayed due to the impacts of COVID-19. A revised project scope is being prepared to align the project with Council's Placemaking Strategy. This has involved a review of Council's Placemaking Strategy and a review of previous technical reports prepared for the structure plan study area.</i>		
4.3 Conduct the Boroondara Urban Design Awards and implement a communications strategy to recognise and promote high-quality urban design that complements Boroondara's neighbourhood character and heritage and enhances its public realm.		
<i>Comment: Given State Government restrictions to combat COVID-19, the Urban Design Awards have been deferred.</i>		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Building Services	<ul style="list-style-type: none"> encourages desirable building design outcomes for amenity protection and to maintain consistent streetscapes assesses building permit applications, conducts mandatory inspections and issues occupancy permits/final certificates for buildings and structures provides property hazard and building permit history information to designers, solicitors, private building surveyors and ratepayers conducts property safety inspections including fire safety audits on high risk buildings and pool and spa safety barrier compliance inspections to ensure a safer built environment administers and enforces the <i>Building Act 1993</i> and Regulations including investigation of illegal and dangerous buildings to ensure public and occupant safety provides building regulatory and technical advice to residents and ratepayers. 	\$326 <u>\$542</u> (\$216)
Statutory Planning	<ul style="list-style-type: none"> processes and assesses planning applications in accordance with the <i>Planning and Environment Act 1987</i>, the Boroondara Planning Scheme and Council policies provides advice about development and land use proposals as well as providing information to assist the community in its understanding of these proposals investigates non-compliances with planning permits and the Boroondara Planning Scheme and takes appropriate enforcement action when necessary assesses applications to subdivide land or buildings under the <i>Subdivision Act 1988</i> defends Council planning decisions at the Victorian Civil and Administrative Tribunal. 	\$3,687 <u>\$3,640</u> \$47
Strategic Planning	<ul style="list-style-type: none"> advocates for and prepares land use policy and standards within the context of Victorian state policy promotes sustainable design and development and heritage conservation manages the Municipal Strategic Statement develops policies and plans to guide land use and development. 	\$1,733 <u>\$1,851</u> (\$118)







Results of other service performance indicators and measures including explanation of material variation:

Service/indicator/measure	Results				Comments/Material variations
	2017	2018	2019	2020	
Statutory Planning					
Timeliness Time taken to decide planning applications (The median number of days between receipt of a planning application and a decision on the application)	89	105	119	98	The reduction in median time compared to 2018-19 is a reflection of process improvement driven average processing times achieved for the year. Further, the slowing of the housing and commercial property markets as well as the COVID-19 pandemic, has also contributed to the outcome through reduction in applications for larger scale developments during the year.
Service standard Planning applications decided within required timeframes (Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made) x 100	64%	60%	65%	76%	The increase in the percentage of applications processed within the specified time frames has been achieved through the implementation of measures to improve the assessment of minor VicSmart planning applications.
Service cost Cost of statutory planning service (Direct cost of the statutory planning service / Number of planning applications received)	\$3,247	\$3,472	\$4,019	\$3,740	Measure changed in 2019-20 to include total applications in the denominator.
Decision making Council planning decisions upheld at VCAT (Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications) x 100	52%	52%	41%	49%	The majority of decisions set aside relate to appeals against refusal of applications. The number of refusals is entirely dependent on the types of applications received, whether VCAT determines to hold mediation hearings for these and the individual merits of cases. This will vary from year to year.

Theme 5:

Getting Around Boroondara

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective Travel options that are connected, safe, accessible, environmentally sustainable and well-designed.				
Satisfaction with sealed local roads	71	73	72 	71
<i>Comment: The result of 72 is within the margin of error (+/- 4.4%) of the survey.</i>				
Satisfaction with local shared paths for cycling and walking as a way to get around Boroondara	67%	67%	58% 	67%
<i>Comment: Use of our shared paths is increasing leading to a greater focus on improving and expanding our shared path network. Delays in the delivery of key projects in the replacement of the Walmer Street Bridge and the realignment of the Anniversary Trail at Riversdale Park may have contributed to the result. Replacement of the Walmer Street land bridge is subject to negotiations with the state government as it is a regional path and Council is awaiting the state government's next budget to ascertain whether funds have been allocated. Council has included funds in its 2020-21 program for reinstatement of the current bridge. Realignment of the Anniversary Trail at Riversdale Park is well progressed and will be completed in 2020. A greater focus will also be spent on maintaining our shared path network in 2020-21.</i>				
Sealed local roads maintained to condition standards (percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal)	98%	98%	95% 	95%
<i>Comment: The result is due to the change in intervention level to treat poor assets and very poor assets. This change will allow for earlier intervention and better addressing of asset risk issues into the future</i>				
Percentage completion of six-monthly defect inspections on Council roads and footpaths in higher risk locations	100%	99%	100% 	99%
Percentage of footpath defects remediated within the timeframes specified in the Road Management Plan	96%	95%	92% 	95%
<i>Comment: This target was not met due to one panel contractor not available to carry out works due to COVID-19 impacts later in the financial year.</i>				
Number of traffic counts and surveys	196	150	229 	170

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
5.1 Advocate for the needs of the Boroondara community in relation to the North East Link project.		
Commitments		
5.2 Review the provision of disability parking to ensure current design standards and community needs are met.		
5.3 Implement actions from the Road Safety Strategy to improve road safety for all road users.		
5.4 Explore opportunities and implement actions to enhance lighting on paths and shared paths to increase use and improve safety.		
5.5 Implement actions from adopted access plans and parking studies to improve safety, access and the effective management of parking.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Road Maintenance and Repair	<ul style="list-style-type: none"> road reinstatements following works and developments undertake road micro-surfacing and associated line marking. 	\$1,088 <u>\$1,318</u> (\$230)
Local Laws	<ul style="list-style-type: none"> delivery of the School Crossing Supervision program through the provision of supervision at school crossings and the overall management and administration of the program delivers administrative and field services in parking management. 	(\$5,206) <u>(\$8,612)</u> \$3,406

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Traffic and Transport	<ul style="list-style-type: none"> develops, assesses and implements engineering solutions that address the amenity of residential and commercial areas implements parking and traffic management strategies assesses traffic and parking implications of planning permit and rezoning applications assesses footpath and parking bay occupation applications, street party applications and full and part road closure applications investigates black spot accident locations and develops remedial treatments coordinates and implements sustainable transport initiatives including car share, green travel plans and a variety of active transport programs designs, consults and implements transport projects including on road bicycle lanes, shared paths, road safety initiatives, pedestrian and bicycle improvements, disability access and traffic treatments advocates for improvements to public transport and sustainable transport initiatives develops feasibility studies and grant applications to state and federal authorities for accident black spot locations and pedestrian and bicycle improvement projects provides strategic transport planning advice and develops associated studies assesses high and heavy vehicle route applications. 	\$700 <u>\$866</u> (\$166)

Results of other service performance indicators and measures including explanation of material variation:





Service/indicator/measure	Result				Comments/Material variations
	2017	2018	2019	2020	
Roads					
Satisfaction Sealed local road requests (Number of sealed local road requests / Kilometres of sealed local roads) x 100	92	91	63	67%	
Condition Sealed local roads below the intervention level (Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads) x 100	98%	97%	98%	96%	

Service/indicator/measure	Result				Comments/Material variations
	2017	2018	2019	2020	
Service cost					
Cost of sealed local road reconstruction (Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed)	\$86	\$93	\$91	\$92	
Cost of sealed local road resealing (Direct cost of sealed local road resealing / Square metres of sealed local roads resealed)	\$20	\$24	\$20	\$20	
Satisfaction					
Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads).	71	73	71	72	

Theme 6:











Your Local Shops and Businesses

Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective A vibrant local economy and shops that are accessible, attractive and a centre of community life.				
Community satisfaction with the quality of streetscapes in shopping centres, as a key means of attracting and retaining shops and businesses	55%	55%	53% 	55%
<i>Comment: Streetscape improvement projects were completed at Rathmines/Burke Roads and Alamein shopping centres in 2019-20, including the provision of new seating areas and greenery. Positive feedback has been received from the local community and traders about the works. A placemaking program is underway which will help to improve the community's experience of our shopping centres in Maling Road and Glenferrie Road Hawthorn. The result of 53 is within the maximum margin of error (+/- 4.4%) of the survey.</i>				
Number of proactive strip shopping centre maintenance inspections completed	1,041	1,000	1,295 	1,000
Number of members of the Boroondara Business Network	1,238	1,200	1,323 	1,250
Number of participants in Council's business training activities	1,543	1,500	1,040 	1,300
<i>Comment: Due to COVID-19 and associated State Government directives, five events were cancelled during Quarter 3. The Future's So Bright Conference scheduled for 17 March 2020 was cancelled. This was a keynote event for 2019-20, funded by a State Government Small Business Victoria Grant.</i>				

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
6.7 Explore opportunities to undertake a placemaking approach in shaping and designing our public spaces and shopping centres, to increase social interaction, economic viability and enhancing the liveability of our community.		
Commitments		
6.1 Implement the Christmas in Boroondara program to promote the vitality of the City's shopping centres and support a festive community spirit.		

Our Major Initiatives/Commitments	Responsible Directorate	Status
6.2 Promote and provide support to deliver the Camberwell Sunday Market, Hawthorn Makers Market, Camberwell Fresh Food Market and Boroondara Farmers Market.		
6.3 Continue to implement and promote the 'Buy Local' initiative to encourage Boroondara residents to shop within the municipality.		
6.4 Deliver the Business in Boroondara program by providing a range of engaging and industry leading business support services that promote a thriving, connected and robust local economy and community.		
6.5 We will continue to revitalise our local strip shopping centres by implementing streetscape improvements at Greythorn, Bellevue, Rathmines/Burke Road and Alamein/Victory Boulevard shopping centres.		
<i>Comment: Alamein/Victory Boulevard and Rathmines/ Burke Road shopping centres' streetscape improvement works have been completed and Auburn Villager's streetscape implementation is underway. Bellevue Shopping Centre's design drawing package has been completed however its implementation has been delayed until the outcomes of the North East Link Project and its impact on the shopping centre are known. All traders and Have Your Say respondents have been notified of the delay.</i>		
6.6 Continue to service the City's retail area through the new Service Crew program.		







Performance of services funded in the Budget:











Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Economic Development	<ul style="list-style-type: none"> strengthens the viability of local businesses, including strip shopping centres and facilitates a special rates scheme for eight shopping centres manages the implementation of the Economic Development and Tourism Strategy for Council facilitates the Boroondara Business Network, the Boroondara Farmers Market, the Hawthorn Makers Market and supports the marketing for the Camberwell Fresh Food Market and the Camberwell Sunday Market supports new and established businesses, through training and mentor services facilitates regular networking opportunities for the local business community supports and promotes tourism opportunities across the municipality delivers the City-wide Christmas in Boroondara Program. 	\$1,115 <u>\$913</u> \$202
Minor shopping centre maintenance	<ul style="list-style-type: none"> implements the Shopping Centre Improvement Program. 	\$261 <u>\$324</u> (\$63)

Theme 7:






Civic Leadership and Governance



Results of Strategic Indicators in the Council Plan:

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Strategic Objective Ensure that ethical, financial and socially responsible decision making reflect community needs and are based on principles of accountability, transparency, responsiveness and consultation.				
Satisfaction with community consultation and engagement	61	62	59 	61
<i>Comment: The result of 59 is within the margin of error (+/- 4.4%) of the survey. There remain opportunities to improve how we engage our community and this will be a focus for the coming year.</i>				
Satisfaction with making community decisions	62	60	59 	62
<i>Comment: The result of 59 is within the margin of error (+/- 4.4%) of the survey. This is always a challenging indicator because the community presents Council with competing and conflicting expectations.</i>				
Satisfaction with advocacy (Lobbying on behalf of the community)	58	57	57 	58
Satisfaction with informing the community	63	65	61 	63
<i>Comment: The result of 61 is within the margin of error (+/- 4.4%) of the survey. There are opportunities to improve the use of the different channels available to Council for the purposes of communication. Unfortunately, it is a common experience that some members of the community choose not to read information sent to them and will then raise concerns about not being consulted. We have to overcome this challenge.</i>				
Satisfaction with customer service	77	75	71 	77
<i>Comment: The result of 71 is within the margin of error (+/- 4.4%) of the survey. While there was a reduction in the satisfaction with customer service across the state, there is a need to improve this result and a redesign of Council's organisation structure is underway to remove some of the factors which inhibit the provision of the higher standards of customer service to which we aspire.</i>				
Satisfaction with the overall performance of Council	71	72	71 	71
<i>Comment: The result of 71 is within the margin of error (+/- 4.4%) of the survey and the same result as the previous year. Given there has been a reduction in the overall performance rating for the sector generally and in the metropolitan cohort, maintenance of our overall performance rating is a good result. There have been a number of negative reports regarding issues which have arisen in the sector and it is perhaps not surprising the results more generally have fallen.</i>				

Strategic Indicator	2018-19 Result	2019-20 Forecast	2019-20 Result	2020-21 Forecast
Current assets compared to current liabilities (current assets as a percentage of current liabilities)	300.8%	252.6%	272.4% 	151.2%
Asset renewal and upgrade compared to depreciation (asset renewal and upgrade expense as a percentage of depreciation)	130.7%	124.5%	126.8% 	148.1%
Loans and borrowings compared to rates (interest bearing loans and borrowings as a percentage of rate revenue)	14.7%	13.2%	13.2% 	12.2%
Percentage of Freedom of Information Requests responded to within prescribed timeframes	100%	100%	100% 	100%
Average time callers wait before their call is answered	68 seconds	=< 45 seconds	59 	=<45 seconds
<i>Comment: Call waiting time was significantly impacted by the disruption caused by the transition of the team from office to home due to COVID-19 and the rollout of Food Organics and Garden Organics (FOGO) due to the unprecedented volume of customer contacts.</i>				
Percentage of capital projects completed at the conclusion of the financial year (based on number of projects)	93%	90%	88% 	90%
<i>Comment: This result is due to delays in commencing works due to obtaining required permits, along with design, budget and stakeholder changes as well as the delays due to COVID-19 pandemic.</i>				
Percentage of adopted capital projects completed at the conclusion of the financial year (based on the most recent amended budget)	90%	90%	81% 	90%
<i>Comment: This result is due to delays in commencing works due to obtaining required permits, along with design, budget and stakeholder changes as well as the delays due to COVID-19 pandemic.</i>				
WorkCover Employer performance rating	0.73	Less than 1 (better than industry average)	0.85 	Less than 1
Percentage of nominated Information Technology Projects initiated with a Privacy Impact Assessments completed	N/A	N/A	0 	0
Number of cyber security incidents that have a Risk Consequence Rating of ≥ Moderate	0	0	100% 	100%

Progress of commitments in the Budget:

Our Major Initiatives/Commitments	Responsible Directorate	Status
Major Initiative		
7.4 Improve the way we deliver services to the community to enable a better customer experience and increase business efficiency.		
Commitments		
7.1 Conduct audits of Essential Safety Measures (fire safety audits) in buildings containing combustible cladding when brought to Council's attention.		
7.2 Improve community safety by educating pool and spa owners of their responsibilities under the new legislative requirements to register pools and spas with Council and maintain safety barriers.		
7.3 Manage the transition of the Annual Property Revaluation from the City of Boroondara to the Valuer General to comply with State Government legislation.		
7.5 Investigate development of an online permit and registration portal to enhance the customer experience when applying for and being issued permits and registrations.		
7.6 Ensure Council operates within a financially sustainable framework through preparation of the Annual Budget 2020-21 and the Strategic Resource Plan in-line with statutory requirements, and submit for consideration by Council by 30 June 2020.		
<i>Comment: Preparation of the budget was on schedule but required significant review and additional consultation with Councillors due to the financial impacts to Council caused by the COVID-19 pandemic. The hearing of public submissions occurred on 13 July 2020 and adoption of the budget is scheduled for 20 July.</i>		
7.7 Provide opportunities for the community to interact with Council at events and specific locations through the Pop-Up Council program.		
7.8 Develop a Digital Signage strategy to strategically guide the use of Council's digital signage throughout the municipality.		
7.9 Explore opportunities to further develop mobile device management to provide efficient service delivery to our customers.		
7.10 Maintain and implement an integrated change plan that incorporates engagement, communication and training for all Customer First projects to ensure Council maintains seamless service delivery to the community.		

Our Major Initiatives/Commitments	Responsible Directorate	Status
7.11 Conduct an evaluation of communication channels to ensure Council is communicating to the community via their preferred channels.		

Performance of services funded in the Budget:

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Commercial and Property Services	<ul style="list-style-type: none"> coordinates Audit Committee manages procurement and conduct of all public tenders manages rates and property services, including Council databases and communication of the rate payment options available to residents administers the purchasing system and purchasing card systems including training coordinates fleet management coordinates the Building and Property Working Group handles the administration and leasing of Council's property holdings including the Camberwell Fresh Food Market manages all acquisitions and disposals of land for Council manages the discontinuance and sales of the right of way's throughout Boroondara manages internal audit services to Council coordinates enterprise business risk for the organisation including Council's Crisis Management Plan and department Business Continuity Plans manages public liability, professional indemnity, motor vehicle and property claims. 	\$3,565 <u>\$3,554</u> \$11
Corporate Solicitor	<ul style="list-style-type: none"> monitors and reports on legislative changes and impacts for Council operations provides advice on legal and regulatory matters and ad hoc legal advice within the organisation delivers training programs to develop Council officers' knowledge of relevant legal issues. 	\$223 <u>\$219</u> \$4
Council Operations	<ul style="list-style-type: none"> Costs associated with the operations of Camberwell and Hawthorn office locations, including maintenance and utilities. 	\$436 <u>\$610</u> (\$174)
Councillors, Chief Executive Officer, Executive Management and support staff	<ul style="list-style-type: none"> This area includes the Mayor, Councillors, Chief Executive Officer and Executive Leadership team and associated support. 	\$2,808 <u>\$2,745</u> \$63

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Communications	<ul style="list-style-type: none"> manages the Boroondara brand and corporate communications channels and content delivers advocacy campaigns in collaboration with the responsible Director, CEO and Councillors provides a broad range of engagement tools to facilitate the capture of external feedback media relations and issues management develops strategic integrated communication, marketing and engagement plans for key initiatives linked to the Council Plan Responsible for the Customer Channel Strategy. 	\$3,473 <u>\$3,532</u> (\$59)
Customer Support & Information Management	<ul style="list-style-type: none"> provides an in-house advisory service to improve the quality of customer service in all areas of Council business owner of the Customer Relationship Management System, and the custodian of the Electronic Document Record Management System manages the archiving function leads customer service and call centre functions of council coordinates improvement to service delivery to the community and within Council through the use of technology and process change provides professional guidance and direction to ensure Council is compliant with <i>Public Records Act 1973</i>. 	\$4,048 <u>\$3,964</u> \$84
Finance and Corporate Planning	<ul style="list-style-type: none"> develops and delivers the annual planning cycle for the Council Plan and Budget develops the Annual business planning structure and templates and assists departments across Council to complete their Business Plans provides financial accounting services including accounts payable and receivable and treasury produces the annual Budget and Long Term Financial Strategy and manages Council's budgeting/forecasting and financial reporting systems manages Council's reporting system and conducts performance reporting, including the Quarterly Performance Report, Monthly Performance Report, and the Annual Report provides external grant application support for significant project funding opportunities coordinates financial analysis and business cases for projects and provides advice on the pricing of services coordinates the external audit. 	\$2,721 <u>\$2,833</u> (\$206)

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
Governance	<ul style="list-style-type: none"> provides counsel to Council, Councillors, the Chief Executive Officer and the Executive Leadership Team develops and implements strategies and policies manages Freedom of Information, Information Privacy, protected disclosures and internal ombudsman functions maintains statutory registers, authorisations and delegations administers the conduct of Council elections provides administrative and secretarial support to the elected Councillors and Council committees provides stewarding and catering services to the Camberwell function rooms coordinates civic events, citizenship ceremonies and Citizens of the Year Awards. 	\$1,857 <u>\$2,040</u> (\$183)
Information Technology	<ul style="list-style-type: none"> ensures effectiveness and reliability of computing and communication systems oversees and manages information security related risks to ensure sensitive customer and Council data remains secure and available only to those it is intended for through defined governance practices, recommends and leads the selection of technology products and services that best align to organisational and/or customer needs leads and supports the implementation of technology related initiatives that enable the required customer and organisational outcomes to be achieved facilitates data governance activities that improve data integrity and availability of information to enable more efficient and effective decision making. 	\$10,093 <u>\$9,834</u> \$259
Digital Services	<ul style="list-style-type: none"> develops public facing digital services and information based on customer requirements research and best practice user experience design to enable Council to significantly expand and ensure consistency of services offered online, such as online payments, e-forms and service requests responsible for key elements of Council's ongoing long-term digital strategy, governance model and the development and management of Council's public facing digital presence - to continuously improve our customer information, services and engagement in line with the goals of the Customer Experience Improvement Strategy (CEIS). In flight projects include: digital signage strategy, development of an Improving Community Access to Services (ICATS) strategy, implementation of approved ICATS projects, and the evolution of the digital Bulletin and electronic direct mail (EDM) design. supports the delivery of the Boroondara Customer First Program to improve our customers' experiences online provides an in-house online content development and publishing function involving content QA and accessibility. 	\$1,615 <u>\$2,167</u> (\$552)

Service category	Description	Net Cost Actual <u>Budget</u> Variance \$'000
People, Culture and Development	<ul style="list-style-type: none"> delivers the functions of health, safety and well-being, human resources, payroll and organisational development and change provides specialist advice, service and policy development related to all aspects of the portfolio coordinates recruitment, industrial relations, remuneration, award/agreement interpretation and work-force planning facilitates and coordinates professional, leadership and cultural development programs coordinates Council's employee performance management system. 	\$3,223 <u>\$3,346</u> (\$123)

Results of other service performance indicators and measures including explanation of material variation:

Service/indicator/measure	Result				Comments/Material variations
	2017	2018	2019	2020	
Governance					
Transparency Council decisions made at meetings closed to the public (Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors) x 100	3%	1%	2%	4%	Council made eight decisions in 2019-20 compared to five decisions in 2018-19 at meetings closed to the public. The Minutes of the meeting recorded the ground or grounds for determining to close the meeting to the public. The grounds for closing the meeting to the public included but were not limited to consideration and discussion of contractual matters of which the premature disclosure of information could be prejudicial to the interests of Council and other persons.
Consultation and engagement Satisfaction with community consultation and engagement (Community satisfaction rating out of 100 with how council has performed on community consultation and engagement)	60	62	62	59	

Service/indicator/measure	Result				Comments/Material variations
	2017	2018	2019	2020	
Attendance Councillor attendance at council meetings (The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election) x 100	99%	98%	97%	98%	
Service cost Cost of governance (Direct cost of the governance service / Number of councillors elected at the last council general election)	\$53,607	\$57,642	\$55,884	\$52,684	
Satisfaction Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community).	60	60	62	59	



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Corporate Governance

Governance

Council provides leadership and good governance to the municipal district and the local community.

Council's role includes:

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

We have strong relationships with other tiers of government, neighbouring councils and organisations such as electricity and water distributors.

Formal decision-making processes are conducted through Council meetings and Special Committees. Council delegates the majority of its decision-making to employees, in accordance with adopted Council policies.

In April 2020 the *Local Government Act 2020* was enacted. The provisions with respect to the role, power and constitution of Council came into force including the overarching and supporting governance principles.

The Act has a focus on good governance and the principles of community engagement, strategic planning, financial management, public transparency and service performance. In May 2020 provisions commenced in relation to specific elements which make up a Council's good governance framework such as the requirement for Council to make Governance Rules, adopt a Public Transparency Policy and establish an Audit and Risk Committee. These are required to be adopted by Council on or before 1 September 2020.

The *Local Government Act 2020* is progressively being implemented across the 2019-20, 2020-21 and 2021-22 financial years in four stages. During these financial years the majority of the provisions in the *Local Government Act 1989* are progressively being repealed.

Council meetings

Council meetings are open to the public and usually held on the fourth Monday of each month. Members of the community are welcome to attend and observe these meetings, and submit a question to the Council. In 2019-20, Council held 12 Council meetings and 11 Special Council meetings.

Councillor attendance at Council meetings and Special Council meetings during 2019-20:

Councillors	Special Council Meeting	Council Meeting	Total
Cr Cynthia Watson (Mayor)	11	12	23
Cr Jane Addis	9	12	21
Cr Phillip Healey	11	9	20
Cr Lisa Hollingsworth	11	12	23
Cr Steve Hurd	10	11	21
Cr Jim Parke	10	12	22
Cr Coral Ross	5	11	16
Cr Felicity Sinfield	10	11	21
Cr Garry Thompson	11	10	21
Cr Jack Wegman	11	12	23

Section 66B of the *Local Government Act 1989* provides councillors the opportunity to seek from Council a leave of absence. The below table reflects the Council meetings in which councillors had Council-approved leave of absence and therefore were not present at the meeting.

Councillors	Council or Special Council Meeting dates where a councillor was granted a leave of absence
Cr Cynthia Watson (Mayor)	Nil
Cr Jane Addis	16.12.2019
Cr Phillip Healey	26.08.2019, 23.09.2019, 09.12.2019
Cr Lisa Hollingsworth	Nil
Cr Steve Hurd	28.10.2019
Cr Jim Parke	Nil
Cr Coral Ross	03.02.2020, 10.02.2020, 24.02.2020, 05.03.2020, 23.03.2020
Cr Felicity Sinfield	Nil
Cr Garry Thompson	28.10.2019
Cr Jack Wegman	Nil

Note: Council held two Special Council Meetings on 16.12.2019 and three Special Council Meetings on 23.03.2020.

Special committees

Special committees established by Council and their purpose:

Special Committee	Councillors	Purpose
Urban Planning Special Committee	10	To consider matters in relation to land use and development in Boroondara
Services Special Committee	10	To consider matters that relate to the provision of services to the community of Boroondara
Management Performance Review Committee	4	To consider functions and powers in relation to the management of the Chief Executive Officer's Contract of Employment

Code of Conduct

The Local Government Act 1989 (the Act) requires Council to review its Councillor Code of Conduct within the period of four months at a special meeting solely for that purpose. The revised Councillor Code of Conduct 2017 was adopted at a Special Council Meeting on 13 February 2017 in accordance with the requirements of the Act.

Council's Code of Conduct 2017:

- sets out the standards of conduct expected of elected representatives
- endeavours to foster good working relations between councillors, the community and the Council administration to enable councillors to work constructively together in the best interests of the local community
- mandates councillor conduct designed to build public confidence in the integrity of local government.

Conflict of interest

Council requires conflicts of interest to be disclosed by councillors, members of special committees, Council officers and contractors. A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest.

While the procedures for making disclosures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interest in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty.

During 2019-20, 12 conflicts of interest were declared at Council and Special Committee meetings.

Councillor allowances

Councillors are entitled to receive an allowance while performing their duties. The mayor is also entitled to receive an allowance.

The State Government sets the upper and lower limits of all allowances paid to councillors and mayors. Councils are divided into three categories based on the income and population of each Council. Boroondara is recognised as a category three council.

Allowances paid to each councillor during the year:

Councillors	Allowance \$
Cr Cynthia Watson (Mayor) ¹	82,892
Cr Jane Addis ¹	60,072
Cr Phillip Healey	34,150
Cr Lisa Hollingsworth	34,150
Cr Steve Hurd	34,150
Cr Jim Parke	34,150
Cr Coral Ross	34,150
Cr Felicity Sinfield	34,150
Cr Garry Thompson	34,150
Cr Jack Wegman	34,150

At the Ordinary Council meeting on 26 June 2017, Council resolved to fix the allowances for the 2017-18 to 2020-21 financial years at \$29,630 per annum for Councillors and \$94,641 per annum for the Mayor, plus the equivalent of the superannuation guarantee contribution (9.5%). The Minister for Local Government approved annual adjustments of 2% to take effect from 1 December 2017, 1 December 2018 and 1 December 2019.

¹ Councillor Jane Addis - Mayor up to 6 November 2019, Councillor Cynthia Watson - Mayor from 6 November 2019 to present.

Councillor expenses

Councillors are reimbursed for expenses incurred while performing their duties.

Expenses for 2019-20 year are set out below:

Councillors	Information & Communication \$	Travel \$	Car Mileage \$	Other expenses \$	Child Care \$	Conference & Training \$	Total \$
Cr Cynthia Watson (Mayor)	757	1,379	10,930	281	0	73	13,420
Cr Jane Addis	821	1,115	0	(5)	0	50	1,981
Cr Phillip Healey	848	155	0	0	0	119	1,122
Cr Lisa Hollingsworth	827	156	0	0	0	198	1,181
Cr Steve Hurd ¹	949	3,845	0	8,001	0	0	12,795
Cr Jim Parke	853	108	0	0	0	4,035	4,996
Cr Coral Ross	1,139	54	0	0	0	658	1,851
Cr Felicity Sinfield	757	928	0	0	1,803	35	3,523
Cr Garry Thompson	757	553	0	0	0	0	1,310
Cr Jack Wegman	757	0	0	0	0	0	757

Other expenses

Other expenses include levies and charges, memberships and general administration.

Fleet charges and fuel

The Councillor Support and Resources Policy provides that a fully maintained vehicle shall be available to the Mayor and relevant fleet and fuel expenses are attributed to the Mayor of the day. Total fleet charges and fuel costs for Councillor Jane Addis, the previous Mayor, were \$0, and for Councillor Cynthia Watson, the current Mayor, were \$10,930.

¹ Expenses include support for visual impairment.

Management

Council has implemented statutory and better practice items to strengthen its management framework. Strong governance and management frameworks lead to better decision-making by Council. The Act requires Council to undertake an assessment against a Governance and Management Checklist. Council's Governance and Management Checklist results are set out in the following pages. The below items have been highlighted as important components of the management framework:

Audit Committee

The Audit Committee oversees and monitors the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management, and fostering an ethical environment.

Memberships during 2019-20:

Independent members	
Mr Alex Klos	November 2014 – November 2019
Mr Andrew Dix (Chair)	May 2015 – current
Ms Claire Filson	May 2015 – current
Ms Freya Marsden	March 2020 – current
Councillor members	
Cr Jim Parke	November 2016 – November 2019
Cr Lisa Hollingsworth	November 2017 – Current
Cr Cynthia Watson	November 2017 – Current
Cr Felicity Sinfield	November 2019 – Current

The Committee has three independent members and three councillors. Independent members are Mr Andrew Dix (Chair), Ms Freya Marsden and Ms Claire Filson. Independent members are appointed for a three year term, with a maximum of two terms. The chair is elected from the independent members.

The Audit Committee meets four times a year. The internal auditors, Chief Executive Officer, Director Customer Experience and Business Transformation and Manager Commercial and Property Services attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors attend in May and August each year to present the audit plan and independent audit report. Recommendations from each Audit Committee meeting are subsequently reported to and considered by Council.

In 2020-21, Council will establish a new Audit and Risk Committee in accordance with the requirements of the *Local Government Act 2020*.

Internal audit

Council's internal audit provides independent and objective assurance that appropriate processes and controls are in place across Council. Pitcher Partners is the company appointed as Council's Internal Auditor. A risk based three-year Strategic Internal Audit Plan (SIAP) is prepared which considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment, prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditor attends each Audit Committee meeting to report on the status of the internal audit plan, provide an update on the implementation of audit recommendations and to present findings of completed reviews. The responsible director and manager for each area reviewed are required to attend the Audit Committee meeting to respond to questions in relation to the review.

All audit issues identified in internal audit reports are risk rated. Recommendations are assigned to the responsible manager and tracked in Council's performance management system. Managers provide status updates quarterly which are reviewed by the Internal Auditor and reported to the Executive Leadership Team and the Audit Committee. The Audit Committee monitors all recommendations until completion.

Quality assurance is measured through client satisfaction surveys for each review, the annual Audit Committee self-assessment, completion of the internal audit plan and benchmarking against other internal audit functions.

The following internal audit reviews were commissioned as part of the internal audit plan for 2019-20:

- Local Laws Enforcement Review
- Environmental Health (Food Premises) Review
- Statutory Planning Review
- Capital Works Planning Review
- Asset Protection Review
- Follow-Up Review
- Safety Incident Handling

External audit

Council is audited externally by the Victorian Auditor-General's Office (VAGO). VAGO may appoint a representative to conduct the annual external audit. For 2019-20, the annual external audit of Council's Financial and Standard Statements, and Performance Statement was conducted by HLB Mann Judd, the VAGO representative.

Risk management

Council has a Risk Management Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS ISO 31000:2009 guidelines.

The Risk Management Framework and Policy addresses:

- risk management culture and branding
- communication and training
- best practice in risk management
- responsibilities of and to internal and external stakeholders
- risk registers and risk management software development
- the Council planning cycle, budget cycle and annual audit cycle
- a performance measurement system to determine the effectiveness of the framework.

Governance and Management Checklist

Results of Council's assessment against the prescribed governance and management checklist:

Governance and Management Items	Assessment	Outcome
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy	YES 10/12/2015
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines	YES 10/12/2015
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act Date of adoption	YES 20/07/2020
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act Date of adoption	YES 20/07/2020
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Date of operation of current plans Roads Asset Management Plan Buildings Asset Management Plan Paths Asset Management Plan Drainage Asset Management Plan Open Space Asset Management Plan	YES February 2016 August 2017 September 2016 September 2017 June 2016
6 Rating strategy (strategy setting out the rating structure of council to levy rates and charges)	Strategy Date of operation of current strategy	YES 26/06/2017
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy	YES 25/02/2019

Governance and Management Items		Assessment	Outcome
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy	YES
		Date of operation of current policy	02/01/2020
9	Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i>	YES
		Date of preparation	29/05/2020
10	Procurement policy (policy under section 186A the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the Act	YES
		Date of approval	22/06/2020

Governance and Management Items	Assessment	Outcome
11 Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan	Yes
	Date of operation of current plan	
	People Culture & Development	November 2019
	Governance	November 2019
	Health, Active Aging and Disability	November 2019
	Family, Youth and Recreation	November 2019
	Arts and Culture	November 2019
	Finance and Corporate Planning	November 2019
	Library Services	November 2019
	Community Planning and Development	September 2018
	Chief Customer Office and Strategic Communications	November 2019
	Change Management, Project Management Office and Business Process Optimisation	September 2018
	Building Services	November 2019
	Local Laws	November 2019
	Statutory Planning	September 2018
	Commercial and Property Services	November 2019
	Parks and Infrastructure - Riversdale Depot and Kew Depot	January 2020
	Asset Management	September 2018
	Traffic and Transport	May 2019
	Projects and Strategy	May 2019
	Environment and Sustainable Living	May 2019
<i>Note: All business continuity plans were reviewed at the beginning of March to ensure adequate responsiveness to COVID-19.</i>		

Governance and Management Items	Assessment	Outcome
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan	YES 08/11/2019
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework	YES 25/02/2019
14 Audit committee (Advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment <i>Note: Boroondara has had an Audit Committee from the date of its establishment.</i> <i>The Audit Committee Charter is reviewed annually. Councillor Committee members are nominated by Council on an annual basis. The current Audit Committee Charter was adopted by Council on 11 June 2019.</i>	YES 11/06/2019
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider	YES 01/10/2017
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance including the performance indicators referred to in section 131 of the act)	Framework Date of operation of current framework	YES 23/06/2015
17 Council plan reporting (report reviewing the performance of the Council against the Council Plan including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of operation of current report	YES 24/02/2020
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented	YES 25/05/2020 24/02/2020 25/11/2019 26/08/2019

Governance and Management Items	Assessment	Outcome
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports	YES 13/11/2019 12/05/2020
20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Reports Date of reports	YES 25/05/2020 24/02/2020 25/11/2019 26/08/2019
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Date of consideration	YES 28/10/2019
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution process to be followed by all councillors)	Reviewed in accordance with section 76C of the Act Date reviewed	YES 13/02/2017
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date reviewed Council to CEO Council to Staff Council to Committees	YES 01/06/2020 23/09/2019 27/02/2017
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made	YES 27/03/2017

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



Cr Cynthia Watson
Mayor

Dated: 2 September 2020



Phillip Storer
Chief Executive Officer

Dated: 2 September 2020

Statutory information

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

The following documents are available for inspection as required by the *Local Government Act 1989* (Act) and Regulation 12 of the *Local Government (General) Regulations 2015*:

Available for inspection at Council offices

- the certified voters' roll for a Council election – for the period beginning on the certification date and ending 30 days after Election Day under section 24B of the Act
Note: The certified voters' roll for the 22 October 2016 General Election was available for public inspection from 17 September 2016 until 21 November 2016.
- information about any proposed special rate, special charge or combination of both under section 163 of the Act
Note: Any proposed declaration also requires a minimum 28 days of public notice. Proposals are available for inspection during the public notice period. See public notices or contact Council's Economic Development Department for information about existing or proposed Special Rate Schemes.
- copies of any quality or cost standards which have been adopted by Council under section 208F of the Act.
- register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6) of the Act (Reg 12)
- document containing details of all leases involving land which were entered into by the Council as lessor (Reg 12)
- register maintained under section 224(1A) of the Act of authorised officers appointed under that section (Reg 12)
- list of donations and grants made by the Council within the previous 12 months. (Reg 12)
- details of overseas or interstate travel undertaken in an official capacity by councillors or Council staff in the previous 12 months (Reg 12)
- public agendas and minutes of ordinary and special Council meetings and minutes of special committee meetings held in the previous 12 months (Reg 12).

Available from Council's website

- Council's election period policy (section 93B)
- copies of election campaign donation returns (section 62A)
- Council's policy in relation to the reimbursement of expenses for councillors and members of Council committees (section 75B)
- Councillor Code of Conduct (section 76C)
- copies of Boroondara's Local Laws (section 120)
Note: Any proposed local law also requires a minimum 28 days public notice and is available for inspection during the public notice period (section 119). See public notices or contact Council for information about any proposed local laws.
- the Council Plan (section 125)
Note: The proposed Council Plan also requires a minimum 28 days of public notice and is available for inspection during the public notice period. See public notices or contact Council for information about any proposed Council Plan.
- Strategic Resource Plan (section 126)
Note: The Strategic Resource Plan is summarised in the Council Plan, and incorporated into Council's Budget.

- the Council Budget or revised budget (section 130)
Note: The proposed Budget also requires a minimum 28 days of public notice and is available for inspection during the public notice period. See public notices or contact Council for information about any proposed budget.
- the Annual Report and the associated Auditors Report on the Financial Statements (sections 131, 132 and 133) *Note: Includes Council report on Best Value Principles compliance (section 208G).*
- information about any declared differential rates (section 161)
Note: Council does not have any declared differential rates. More information is available in Council's Rating Strategy 2017-21, adopted by Council on 26 June 2017.
- Council's Procurement Policy (section 186A)
- copies of the Preliminary and Final Reports from the last Electoral Representation Review (s219F).

Best Value

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

Council incorporates Best Value Principles through regular business planning and performance monitoring processes.

Continuous improvement

Our commitment to continuous improvement and innovation is supported by our Boroondara Customer First Program. The program focusses on three areas: people, projects and process improvement. The people stream includes a culture change program - involving employees in new ways of working. The project stream involves improving document and records systems, customer relationship systems and online services. The process improvement stream examines work processes with a view to improve them.

During the year the most significant continuous improvement activities included:

Theme 1: Your Community, Services and Facilities

- Council has developed a set of standard operating procedures (SOPs) to streamline the management of complex needs related to people experiencing homelessness. These SOPs have resulted in timely responses to the community and improved organisational workflow in managing cases.
- New library technology including returns screens, self-serve kiosks, book sorters and security gates were installed and associated building works were completed across all six library sites by late November 2019. This has upgraded all library technology to provide the most up-to-date experience for library users.
- Work was undertaken with Youth Services to provide access to youth counsellors in a non-threatening environment during study cram sessions at the library. The youth who attended appreciated access to additional support in a comfortable, relaxed atmosphere during what is typically a stressful time of the year.
- Due to COVID-19, the 29th Boroondara Eisteddfod was delivered in a new online format. Each performer was emailed a formal adjudicator's report on their performance. This improvement allowed increased time for the adjudicator to write the report, prevented impact to scheduling and event delivery, and was an effective means to provide the performer with their report.
- A new maintenance reporting process was introduced for tenants of the arts cultural facilities. This amended process assisted the prioritisation of maintenance requirements. A further enhancement to this process will be provided to the community tenants which will allow online registration of a facility maintenance requirement via an app which will notify the facilities maintenance team within Council.
- To help improve the efficiency of dealing with maintenance issues, new online forms were launched allowing sports clubs and early childhood education and care services to submit maintenance requests.

- Changes were made to the Boroondara Kindergarten Central Enrolment Scheme and the Kew Traffic School system to align to the new one-stop payment gateway. In time, this will enable customers to see a record of their financial transactions with Council.
- Through the Better Approvals Project streamlining of processing applications and payment of Commercial Street Furniture was enhanced, this has meant the time taken for approval of these permits has been reduced from approximately 80 days to 5 days.
- Implemented an alternative payment option for all Parking Ticket machines by installing Tap and Go application, offering a third alternative payment option to Coin Payment or Payment via credit card.

Theme 2: Your Parks and Green Spaces

- A Climate Change Risk assessment was undertaken so that Council can understand risks to operations, services and buildings. This will support planning for the management and control of risks so that the impact of climate change on Council's activities can be reduced or avoided.

Theme 3: The Environment

- Council improved its kerbside waste collection services by introducing a new Food Organics and Garden Organics (FOGO) service. This resulted in an increase in landfill diversion from 49% to approximately 70%, and was the first change in service improvement in 16 years.
- Launched a new online e-form for waste requests. The new waste e-form reduced missed bin collection times from 98% collected in three days, down to 98% collected in one day.
- Council resolved to prepare a Climate Action Plan to replace its existing Our Low Carbon Future Strategy.

Theme 4: Neighbourhood Character and Heritage

- Council has undertaken a project to improve the processing times for more straightforward planning applications designated "VicSmart" applications in the Boroondara Planning Scheme.
- Dashboards were introduced and upgraded to include referral information as part of the Statutory Planning Paperless Project to enable better workflow management. Officers can now monitor critical milestones for referrals.
- A new set of process maps are being created for the proposed e-form which will allow the Certificate of Compliance and Non-Compliance to be received electronically, eliminating the need for residents coming into Council offices for the registrations and lodgement of documents.
- The internal application processes for the Report and Consent, Building Permit and Hoarding Permit were updated, thus allowing assessment to become a paperless process.

Theme 5: Getting Around Boroondara

- The outsourcing of traffic data collection has resulted in significant time savings for the Traffic Engineers who were previously involved in uploading and downloading data. It has also provided the opportunity for their skills to be used in more value adding activities.
- The outsourcing of Operation of Advisory Speed Trailers has allowed the Council officers to devote their time to more value adding activities.
- Utilised Council's Geographic Information System (GIS) Weave to capture all of the Public Authorities works that Council were notified of. This provided greater visibility to works that were occurring within the municipality so that Council could better inform the community and schedule capital works around the Public Authorities works.

Theme 6: Your Local Shops and Businesses

- During quarter four, Business Boroondara workshops moved to an online format. The topics delivered focussed on digital literacy and marketing, making the most of your mobile device for business, coping with change and building resilience. Many new topics were added in direct response to feedback from attendees and the number of workshops delivered, along with attendances, exceeded past periods.

Theme 7: Civic Leadership and Governance

- Customer Relationship Management (CRM) training was undertaken across the organisation to educate and train staff in the creation of dashboards for respective departments to improve process efficiencies, generate accurate data and improve customer experience through faster resolutions.

- Council developed a Program Governance and Management Framework to enable the Boroondara Customer First program to operate effectively and efficiently with appropriate governance oversight.
- Conducted data governance improvements and established governance forums to highlight, discuss and resolve data issues enabling better driven decisions.
- Council removed the manual cash handling and reconciliation process and reduced administrative tasks by transitioning from the processing of petty cash to EFTPOS transfer.
- Work undertaken to ensure that Council's processes conform with the professional standards issued by the Office of the Victoria Information Commissioner (OVIC) in regard to freedom of information. The standards are a legislative instrument that outline obligations that agencies, including councils, subject to the *Freedom of Information Act (Act)* must comply with. The standards are intended to clarify, build on and modernise how agencies, including Councils, administer the Act.
- Council introduced a Scholarship Program in partnership with Swinburne University of Technology. The program provides opportunities for Council staff to develop new expertise via university style study and assessment.
- Council continues to provide professional development opportunities to staff members working from home by converting the courses to an online format.

Consultation

All departments are required to undertake internal and external consultation. Our Community Engagement Policy 2015 ensures we communicate openly and actively in response to community concerns. Meaningful community engagement is essential for Council to represent the community and provide high standards of leadership.

Engagement and consultation programs included:

Theme 1: Your Community, Services and Facilities

- Council conducted two surveys and four focus groups with volunteer managers and volunteers to collect information about the perceived impact of volunteering in Boroondara and the types of activities undertaken. The findings from 244 participants concluded that volunteering increased community connections, improved health and wellbeing and readiness for employment. As for organisations, many could not deliver services without the help of volunteers.
- A pulse-check survey was conducted with a sample of 41 community organisations in late May 2020 to understand the barriers they are facing due to COVID-19 and gauge community service providers' capacity to recover. The community organisations included Neighbourhood Houses, faith-based groups, kindergartens, day care centres, arts and cultural groups and groups supporting seniors. The insights gathered will be used to inform Council's ongoing support to meet the diverse recovery needs of the community.
- A strategic review of the Boroondara Arts Plans was undertaken through the use of an online survey and Interactive Voice Response (IVR) with the community. The feedback will help guide the redrafting of the Boroondara Arts Plan.
- New streamlined self-serve kiosks were introduced to all libraries in response to community feedback. Since their introduction, the new self-serve kiosks has received positive community feedback.
- During COVID-19, book bundles were introduced in response to feedback from the community about how best to facilitate borrowing of librarian selected material based upon borrower preferences. Since their introduction, book bundles have proved to be very popular with our borrowers.
- Consultation was undertaken with Local Traders and Businesses, staff across all departments in Council and a number of other councils in regards to improving the business processes for approval of permits. The initial result of this has been the creation of a streamlined process for Commercial Street Furniture.

Theme 2: Your Parks and Green Spaces

- During the year, two phases of community and stakeholder consultation were undertaken for the design of the Victoria Park Regional playground. An onsite community consultation session was included for phase one of consultation. This was well received by the community and provided Council with ideas to develop a draft concept plan. The draft concept plan was tested with the

community in June/July, the majority of feedback has been positive. All responses received are currently being reviewed and outcomes are yet to be determined

- Feedback sought from the local community as part of the Playground Replacement Program. Council received over 100 responses from customers that helped inform the development of the playground designs. Four new playgrounds, including shade structures, were delivered throughout the year with a focus on enhancing the lives of children and their families by providing additional and enriched opportunities for children to engage with the natural environment through play.

Theme 3: The Environment

- Meetings held with Melbourne Water and their subcontractors on a consistent basis to work through the challenges of completing sewerage works within Hawthorn and discuss ways to reduce the impact to residents and businesses whilst works are being completed.
- Consultation was undertaken on the Dorothy Laver Reserve West Landscape Plan.
- A significant engagement was undertaken regarding the new Food Organics and Garden Organics (FOGO) service in early 2020.

Theme 4: Neighbourhood Character and Heritage

- Preliminary consultation was completed on the draft Ashburton Heritage Gap Study in November - December 2019. Consultation involved a mail out to all property owners residing in Ashburton, distribution of a 'Frequently Asked Question' sheet, a dedicated project webpage on Council's website and an invitation for property owners affected by the study recommendations to meet with Council officers and heritage consultant via an online booking system. A total of 56 submissions received through the engagement process.
- Public exhibition of Amendment C318 Balwyn Heritage Peer Review Stage 2 was undertaken from 4 November - 13 December 2019. This involved a mail out to all affected and adjoining property owners, distribution of a 'Frequently Asked Question' sheet and a dedicated project webpage. A total of nine submissions were received through the engagement process.
- Council held 238 pre-application planning meetings, provided advice to prospective applicants on land use and development proposals. An additional 257 meetings were held with owners and prospective purchasers of properties affected by heritage controls.
- Council directed public notice to be given in relation to 574 planning applications in 2019-20. A total of 1,089 submissions were received and considered during the year.

Theme 5: Getting Around Boroondara

- Internal and external stakeholder consultation including residents and property owners was undertaken on the road design of Athol Place with 80% in agreement of the final concept and design.
- Communicated with stakeholders and the community on the design of the Anniversary Trail at Riversdale Park and commencement of the project delivery.
- Community consultation and input into the design of Wattle Road extending between Power Street and Glenferrie Road was undertaken. The challenges with a number of connecting streets, limited road width and both underground and overhead services was also discussed.

Theme 6: Your Local Shops and Businesses

- A business outreach service was developed which included a Council officer taking a pack of information on Council business related services and programs and visiting individual businesses in smaller shopping centres that may not otherwise have access to information. This resulted in a number of business newsletter sign ups and participation in a range of Council business workshops by businesses.
- The Business Support Service (BSS) was the outcome of the Better Approvals Project, a funded initiative of the Department of Jobs, Precincts and Regions and Small Business Victoria. This cross-department project has resulted in making the Council permit approvals process simpler for small business customers.

Theme 7: Civic Leadership and Governance

- Internal consultation was undertaken regarding the availability of resources to assist in the delivery of e-forms for their respective areas.
- Ten internal departments were consulted with in relation to data quality in order to decrease customer duplication, validate the data source, define data standards, monitoring and management and historical data cleansing.

- Customer research was conducted to support the development, placement and function of future digital signage projects resulting in a strategy that will inform the usage of digital signage in existing locations and future capital projects.
- Governance worked with Local Government Victoria and colleagues from other Councils in a sector-led approach of co-design and consultation to develop products and materials that are customisable and scalable for individual Council's needs to meet the requirements of the new *Local Government Act 2020*.
- Council hosted an Australian National Flag Day, flag raising ceremony on Tuesday 3 September 2019, to celebrate the anniversary of the Australian National Flag first being flown, on 3 September 1901, at the Royal Exhibition Building. All schools in Boroondara were invited to send some representatives of their student leadership group to the ceremony. Local elected members of parliament were also invited. An open invitation was extended to the Boroondara community.
- Council consulted with a range of stakeholders in regards to the business requirements to inform the tender documentation for the Modernising Payroll Project.
- A widespread internal consultation was conducted regarding the proposed three year Health, Safety and Wellbeing strategy.

Benchmarking

Benchmarking is the practice of measuring Boroondara's performance and practices in key areas and comparing them with similar organisations to find ways of achieving better results. Comparison could be with other local governments or private sector organisations. Benchmarking our services often reveals performance gaps that need to be closed, helps find the best practices in a particular area and ultimately helps Council to be more accountable to the community.

Benchmarking activities included:

Theme 1: Your Community, Services and Facilities

- Benchmarking was undertaken across the six Councils in the Eastern Metropolitan Region on healthy food and drink policies and contract inclusions for healthy eating within sports and recreational facilities. The City of Boroondara is leading in the sports and recreational space having the Healthy Choices requirements in our current contracts with the YMCA.
- Benchmarking was undertaken with Councils in the Eastern Metropolitan Region along with the Cities of Melbourne, Yarra and Port Phillip, to understand how each Council responds to homelessness in relation to: managing the removal and storage of belongings, cleaning, maintenance and enforcement, and responding to hazards and conducting site inspections. This resulted in the development of new work tools, including a collection notice that can be left on site when removing belongings that are suspected to have been abandoned.
- A review was undertaken with surrounding municipalities to understand different service models for the provision of virtual library programs and services. The best models were implemented for the Boroondara Library Service.
- Benchmarking of the COVID-19 responses from other local government areas was undertaken in relation to online youth programming. The City of Boroondara was an early adopter of transitioning to online programming, including one-on-one support and drop-in sessions during COVID-19.
- Function venues, equipment and staffing charges were compared with similar service providers including Leonda by the Yarra Reception Centre and Cities of Whitehorse, Stonnington, Darebin and Greater Dandenong. The benchmark exercise informed the development of next year's proposed fees and charges.
- Information gathered from other similar Councils to inform the review of the Amenity Local Law. The Local Laws of other Councils that had been recently updated were reviewed. A number of Councils were consulted, including the City of Melbourne, City of Yarra, City of Stonnington, Port Phillip and Glen Eira specifically in relation to the development of the newly introduced provision for filming and photography on Council Controlled Land and the costs applied to such permits.

Theme 2: Your Parks and Green Spaces

- The park asset and playground maintenance service was benchmarked in a review of the service area structure.
- Regional playgrounds were reviewed with Cities of Glen Eira, Melbourne and Nillumbik for their design outcomes as part of the Victoria Park Regional playground project.

Theme 3: The Environment

- In planning for the delivery of the Climate Action Plan, environmental plans and consultations from Local Government Areas (LGAs) across Melbourne were benchmarked to identify tested methodologies which could be applied in the City of Boroondara.

Theme 4: Neighbourhood Character and Heritage

- Participation in a regular working group with the Cities of Melbourne, Yarra, Stonnington, Port Phillip, Moreland and Maribyrnong to discuss matters related to heritage protection across Melbourne has continued. The purpose was to share learnings and identify advocacy opportunities to address matters pertaining to protecting local cultural heritage protection within planning schemes.
- In preparing a scoping paper on Developer Contributions, the Cities of Yarra and Moonee Valley contributions schemes have been assessed.
- Council reviewed the statutory planning strategic and key performance indicators with Manningham, Yarra, Stonnington, Moreland, Glen Eira and Monash Councils during the year to ensure appropriate targets are in place for the Department.
- Council benchmarked with the City of Greater Dandenong and City of Yarra in relation to the processes being undertaken when conducting audits on buildings containing combustible cladding.
- Council benchmarked with Cities of Dandenong, Kingston, Port Phillip in relation to the new Swimming Pool and Spa safety Regulations and the register.

Theme 5: Getting Around Boroondara

- Council undertook service level benchmarking in preparation for the next street sweeping contract.

Theme 6: Your Local Shops and Businesses

- A review of the responses to the COVID-19 pandemic from other Local Government areas assisted in developing relief responses for traders such as the delivery of small grants, the suspension of fees, the production of key information booklets and the delivery of forums.

Theme 7: Civic Leadership and Governance

- Council measured customer satisfaction and the number of interactions customers have with e-forms by monitoring the level of traffic to our website and the qualitative feedback provided by customers. This information can be found in the quarterly reporting section of our website.
- Local government areas (LGAs) approaches to sustainable procurement were benchmarked to identify effective and proven approaches to better embed sustainable purchasing into Council's procurement processes.
- As a member of the LGPRO Governance Special Interest Group, Council participated in a range of benchmarking activities. These activities related to Gifts, Benefits and Hospitality policies and procedures, councillor resources and support policies and procedures, and the remuneration for external Audit Committee members.
- Council also collated and provided input to the Local Government Inspectorate's review of Councillor-submitted Interest Returns. The aim of the review is to ensure councillors put the right details in their interest returns.
- Council's WorkCover performance rating is 15% better than the industry average.

Contracts

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

Carers recognition

Council has taken all practicable measures to comply with its responsibilities described in the *Carers Recognition Act 2012* by:

- promoting the principles of the Act to people (and families) in a caring relationship
- informing staff of the requirements of the Act at staff meetings
- defining the carer role and relationship to all staff including Home Support Staff
- undertaking necessary changes to the Assessment and Care Planning process to include the carer
- reviewing all necessary policies and practice instructions to include the recognition of the carer and the care relationship
- where required, collecting individual information about the carers to meet their own needs
- ensuring that intake and information about services is delivered in a timely manner, taking carer stress and fatigue into account, when looking at priority of access to services
- involving carers in all review processes with the clients, as well as seeking their specific feedback through Council surveys
- Recognising the special knowledge that carers have of the person in their care.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council has a Disability Action Plan 2018-22.

Actions implemented in 2019-20 include:

- working with the Australian Government's Job Access Program to undertake an assessment of Council's recruitment and retention processes to ensure they are accessible and inclusive of people with a disability
- holding a described tour of the Sounds Like exhibition at the Hawthorn Arts Centre for people who are vision impaired
- undertaking an audit of the Boroondara Arts exhibition spaces and programs to identify ways to make exhibitions more accessible for people with disability
- funding projects through the Community Strengthening Grants 2019-20 that aim to improve the participation of people with disability and improve their health and wellbeing
- auditing the accessibility of communication channels at Council's Customer Service Centres
- celebrating International Day of People with Disability on 3 December at the Inclusion through Art Exhibition at the Hawthorn Arts Centre
- holding an information session for early years educators on how to support children and young people with disability
- continuing to advocate for the roll out of accessible tram super stops and the review of pedestrian crossing times at selected locations where safety is identified as a concern
- consulting people with disability and local disability services on the redevelopment of the Kew Recreation Centre to provide a state of the art facility catering to all ages and abilities
- providing training for staff from across the organisation on Universal Design and inclusive recruitment practices.

Domestic Animal Management Plan

Council's Domestic Animal Management Plan 2017-21 was adopted by Council on 23 October 2017 and is a legislative requirement under the *Domestic Animals Act 1994*. The actions for 2019-20 have been completed, with the final action involving the review and amendment of Council's Order, presently underway.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report. Council did not receive any Ministerial Directions during the financial year.

Road Management Act Ministerial Direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial direction in its annual report. Council did not receive any Ministerial Directions during the financial year.

Freedom of Information

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- it should be in writing
- it should identify as clearly as possible what document(s) is/are being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged via post or by email to Boroondara@boroondara.vic.gov.au. Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

In 2019-20 Council received 58 Freedom of Information applications.

Public Interest Disclosures

The *Public Interest Disclosures Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are available on Council's website.

During 2019-20, there were no disclosures under section 13 notified by Council to the Independent Broad-based Anti-corruption Commission (IBAC).

Charter of Human Rights and Responsibilities commitment

The Victorian Charter of *Human Rights and Responsibilities Act 2006* is a law that protects the human rights of all people in Victoria. The Charter requires all public authorities and their employees to act compatibly with human rights in the delivery of services and when making decisions.

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

The Charter complements other laws such as Equal Opportunity legislation and protects basic rights such as freedom of speech, freedom from forced work and freedom from degrading treatment which previously had no legal protection. The Charter lists 20 rights that help all people to live with freedom, respect, equality and dignity.

Council has developed a Human Rights Compatibility Assessment Tool to assist employees reviewing decisions or policies. It specifies that Council must observe the rights set out in the Charter when making decisions, creating local laws, setting policies or providing services. The assessment tool is designed to help employees undertake a thorough and methodical assessment of any proposed policy, plan, procedure or decision and to identify whether it has an impact on any of the rights protected in the Charter.

During 2019-20, no Charter of Human Rights-related complaint was made to Council.

Information on privacy commitment and complaints received

Council is committed to protecting the personal privacy of residents and ratepayers. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where authorised or required by law. Council has an Information Privacy Policy that is available on our website.

During 2019-20, there were no formal complaints made to the Office of the Victorian Information Commissioner (OVIC) by Boroondara residents.

Legislation impacting Council

Council has responsibilities under a wide range of Victorian and Commonwealth legislation. Some of the key Acts and Regulations that affect Council are:

- *Building Act 1993*
- *Domestic Animals Act 1994*
- *Environment Protection Act 2017*
- *Equal Opportunity Act 2010*
- *Food Act 1984*
- *Freedom of Information Act 1982*
- *Human Rights and Responsibilities Act 2006*
- *Privacy and Data Protection Act 2014*
- *Infringements Act 2006*
- *Land Acquisition and Compensation Act 1986*
- *Local Government Act 1989*
- *Local Government Act 2020*
- *Local Government Amendment (Improved Governance) Act 2015*
- *Occupational Health and Safety Act 2004*
- *Planning and Environment Act 1987*
- *Public Interest Disclosures Act 2012*
- *Public Health and Wellbeing Act 2008*
- *Road Management Act 2004*
- *Road Safety Act 1986*
- *Sentencing Act 1991*
- *Subdivision Act 1988*
- *Valuation of Land Act 1960.*

Local Laws

Council's local laws are listed below. More information can be found on our website.

- Amenity Local Law (Resolved 9 December 2019, commenced 20 December 2019)
- Protection of Council Assets and Control of Building Sites Local Law 2011
- Smoke Free Areas Local Law 2012
- Street Numbering Local Law (incorporating amendments gazetted in September 2011)
- Tree Protection Local Law 2016 (adopted 22 August 2016 and gazetted in November 2016)
- Meeting Procedure Local Law 2017 (adopted 27 March 2017 and gazetted in April 2017)

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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*, the Australian Accounting Standards and other mandatory professional reporting requirements.



Callista Clarke, CPA
Principal Accounting Officer

Date: 2 September 2020
Camberwell

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

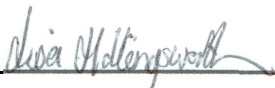
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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 Cynthia Watson
Mayor

Date: 2 September 2020
Camberwell



Cr Lisa Hollingsworth
Councillor

Date: 2 September 2020
Camberwell



Phillip Storer
Chief Executive Officer

Date: 2 September 2020
Camberwell

Independent Auditor's Report

To the Councillors of the City of Boroondara

Opinion	<p>I have audited the financial report of the City of Boroondara (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors's responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
9 September 2020



Sarichu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	189,426	179,994
Statutory fees and fines	3.2	13,005	15,897
User fees	3.3	12,220	13,685
Grants - operating	3.4	13,566	14,917
Grants - capital	3.4	1,179	1,963
Contributions - monetary	3.5	6,919	5,959
Contributions - non-monetary assets	3.5	-	840
Other income	3.7	7,663	8,987
Total income		<u>243,978</u>	<u>242,242</u>
Expenses			
Employee costs	4.1	(98,699)	(92,288)
Materials and services	4.2	(79,149)	(68,846)
Depreciation	4.3	(33,902)	(32,934)
Amortisation - intangible assets	4.4	(631)	(735)
Amortisation - right of use assets	4.5	(3,059)	-
Bad and doubtful debts	4.6	(1,516)	(1,643)
Borrowing costs	4.7	(1,428)	(1,652)
Finance costs - leases	4.8	(270)	-
Other expenses	4.9	(8,045)	(10,811)
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(4,625)	(2,288)
Share of net (losses) of joint ventures	6.3	(395)	(326)
Total expenses		<u>(231,719)</u>	<u>(211,523)</u>
Surplus for the year		<u>12,259</u>	<u>30,719</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	135,133	(420,735)
Total comprehensive result		<u>147,392</u>	<u>(390,016)</u>

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

Balance Sheet

As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	99,259	98,935
Trade and other receivables	5.1 (c)	21,316	17,790
Other financial assets	5.1 (b)	15,078	26,593
Inventories	5.2 (a)	31	31
Other assets	5.2 (b)	1,956	1,652
Total current assets		<u>137,640</u>	<u>145,001</u>
Non-current assets			
Other financial assets	5.1 (b)	4	4
Property, infrastructure, plant and equipment	6.2	3,555,629	3,402,127
Right-of-use assets	5.8	10,269	-
Investment property	6.4	8,915	9,045
Intangible assets	5.2 (c)	348	880
Total non-current assets		<u>3,575,165</u>	<u>3,412,056</u>
Total assets		<u>3,712,805</u>	<u>3,557,057</u>
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	19,125	25,495
Trust funds and deposits	5.3 (b)	5,752	4,036
Unearned income	5.3 (c)	1,569	110
Provisions	5.5	19,364	17,067
Interest-bearing liabilities	5.4	1,573	1,495
Lease liabilities	5.8	3,139	-
Total current liabilities		<u>50,522</u>	<u>48,203</u>
Non-current liabilities			
Provisions	5.5	2,042	1,987
Provision for investments in joint ventures	6.3	2,974	2,579
Interest-bearing liabilities	5.4	23,213	24,785
Lease liabilities	5.8	7,159	-
Total non-current liabilities		<u>35,388</u>	<u>29,351</u>
Total liabilities		<u>85,910</u>	<u>77,554</u>
Net assets		<u>3,626,895</u>	<u>3,479,503</u>
Equity			
Accumulated surplus		939,324	927,776
Reserves	9.1	2,687,571	2,551,727
Total equity		<u>3,626,895</u>	<u>3,479,503</u>

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

Statement of Changes in Equity

For the year ended 30 June 2020

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2020	Note	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		3,479,503	927,776	2,534,824	16,903
Adjusted Opening balance		3,479,503	927,776	2,534,824	16,903
Surplus for the year		12,259	12,259	-	-
Net asset revaluation increment/ (decrement)	6.2	135,133	-	135,133	-
Transfers to other reserves	9.1	-	(1,800)	-	1,800
Transfers from other reserves	9.1	-	1,089	(1,089)	-
Balance at end of the financial year		3,626,895	939,324	2,668,868	18,703

		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
2019		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		3,869,347	898,046	2,956,198	15,103
Surplus for the year		30,719	30,719	-	-
Net asset revaluation increment/ (decrement)	9.1	(420,735)	-	(420,735)	-
Transfers to other reserves	9.1	-	(1,800)	-	1,800
Transfers from other reserves	9.1	-	639	(639)	-
Adjustment directly to equity		172	172	-	-
Balance at end of the financial year		3,479,503	927,776	2,534,824	16,903

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

Statement of Cash Flows

For the year ended 30 June 2020

		2020	2019
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and charges		186,246	178,468
Statutory fees and fines		12,089	13,643
User charges		12,282	14,342
Grants - operating		15,388	15,338
Grants - capital		1,179	2,064
Contributions - monetary		7,167	6,203
Interest received		2,296	2,952
Trust funds and deposits taken		22,139	20,366
Other receipts		5,751	6,014
Net GST refund		12,993	11,579
Employee costs		(95,511)	(91,276)
Materials and services		(92,664)	(77,594)
Short-term, low value and variable lease payments		(1,476)	-
Trust funds and deposits repaid		(20,423)	(19,574)
Other payments		(7,336)	(11,866)
Net cash provided by operating activities	9.2	60,120	70,659
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(65,108)	(54,777)
Proceeds from sale of property, infrastructure, plant and equipment		31	37
Payments for investments		(15,000)	(26,500)
Proceeds from sale of investments		26,515	115,216
Payments of loans and advances		-	12
Net cash provided by/(used in) investing activities		(53,562)	33,988
Cash flows from financing activities			
Finance costs		(1,440)	(1,696)
Repayments of borrowings		(1,494)	(18,432)
Interest paid - lease liability		(270)	-
Repayment of lease liabilities		(3,030)	-
Net cash used in financing activities		(6,234)	(20,128)
Net increase in cash and cash equivalents		324	84,519
Cash and cash equivalents at the beginning of the financial year		98,935	14,416
Cash and cash equivalents at the end of the financial year	5.1 (a)	99,259	98,935
Financing arrangements	5.6		
Restrictions on cash assets	5.1		

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

Statement of Capital Works

For the year ended 30 June 2020

	2020 \$'000	2019 \$'000
Property		
Land improvements	-	-
Total land	-	-
Buildings	27,289	20,730
Building improvements	349	1,247
Total buildings	27,638	21,977
Total property	27,638	21,977
 Plant and equipment		
Plant, machinery and equipment	2,033	2,061
Fixtures, fittings and furniture	1,554	1,324
Computers and telecommunications	1,834	1,588
Library books	902	1,005
Total plant and equipment	6,323	5,978
 Infrastructure		
Roads	11,736	11,538
Bridges	27	82
Footpaths and cycleways	2,539	2,999
Drainage	4,298	4,979
Recreational, leisure and community facilities	1,903	2,683
Parks, open space and streetscapes	9,081	6,655
Off street car parks	404	431
Total infrastructure	29,988	29,367
 Total capital works expenditure	63,949	57,322
 Represented by:		
New asset expenditure	14,889	11,017
Asset renewal expenditure	35,617	43,985
Asset expansion expenditure	6,068	490
Asset upgrade expenditure	7,375	1,830
Total capital works expenditure	63,949	57,322

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

Notes to the Financial Statements

OVERVIEW

Introduction

The City of Boroondara was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate. The Council's main office is located at 8 Inglesby Road, Camberwell.

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 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to Note 3)
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgments

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

Notes to the Financial Statements

Note 1 - Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 percent or \$1,000,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 24 June 2019. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan 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	Variance
		2020	2020	2020	2020
	Ref	\$'000	\$'000	\$'000	%
Income					
Rates and charges		188,807	189,426	619	0.3
Statutory fees and fines	1	16,448	13,005	(3,443)	(20.9)
User fees	2	14,324	12,220	(2,104)	(14.7)
Grants - operating	3	12,244	13,566	1,322	10.8
Grants - capital	4	1,354	1,179	(175)	(12.9)
Contributions - monetary	5	5,269	6,919	1,650	31.3
Other income		8,200	7,663	(537)	(6.5)
Total income		246,646	243,978	- 2,668	(1.1)
Expenses					
Employee costs	6	95,517	98,699	3,182	3.3
Materials and services	7	80,993	79,149	(1,844)	(2.3)
Depreciation	8	35,549	33,902	(1,647)	(4.6)
Amortisation - Intangible assets	9	-	631	631	100.0
Amortisation - Right of use assets	10	-	3,059	3,059	100.0
Bad and doubtful debts	11	1,226	1,516	290	23.7
Borrowing costs		1,424	1,428	4	0.3
Finance costs - Leases	12	-	270	270	100.0
Other expenses	13	12,176	8,045	(4,131)	(33.9)
Net loss on disposal of property, infrastructure, plant and equipment	14	4,000	4,625	625	15.6
Share of net losses of joint ventures	15	-	395	395	100.0
Total expenses		230,885	231,719	834	0.4
Surplus for the year		15,761	12,259	(3,502)	

Notes to the Financial Statements

Note 1 - Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines are lower than budget due to COVID 19 relief provided to the community via various measures including waiving some types of parking infringements (\$2.70M), street furniture permit refunds and a reduction in lodgements fees income of \$300,000.
2	User fees	User fees are lower than budget due to COVID 19 and the closure of Council's Leisure and Aquatic centres, Boroondara Tennis Centre and Kew Traffic School.
3	Grants - operating	Grants - operating variance is due to receiving part of the Financial Assistance Grant funding for 2020-21 of \$2.53M in the current financial year and offset by the adoption of AASB 15 <i>Revenue from Contracts with Customers</i> which reallocated \$1.08M of funding to unearned income.
4	Grants - capital	Grants - capital variance is due to the adoption of AASB 15 <i>Revenue from Contracts with Customers</i> which reallocated \$432,000 of funding to unearned income. Offset by funding received for Vic Roads Safe Infrastructure program \$456K and \$800K grant budgeted but not received for Canterbury Community Precinct.
5	Contributions - monetary	Developer open space contributions are difficult to predict as they are based upon building activity reaching completion. The 2019-20 contributions were higher than expected due to an increase in the number of multi-dwelling developments completed and hence higher contributions were received. The annual budget is based on estimated completion of private sector development.
6	Employee costs	Employee costs are higher than budget primarily due to reclassification from materials and services to employee costs for planned priority projects.
7	Materials and services	Materials and services are lower than budget due to carry forwards for planned priority projects, reclassification from employee costs and partly offset by capital works in progress write-offs of \$2.50M above budget.
8	Depreciation	Depreciation variance is due to Amortisation - intangible assets being budgeted under Depreciation and now being disclosed separately.
9	Amortisation - Intangible assets	Amortisation - intangible assets variance is due to being budgeted under Depreciation and is now disclosed separately.
10	Amortisation - Right of use assets	Amortisation - Right of use assets variance is due to the adoption of AASB 16 <i>Leases</i> using the modified retrospective approach adopted by the Council.
11	Bad and doubtful debts	Bad and doubtful debts is slightly higher than budget due to an increase in the provision calculations.
12	Finance costs - Leases	Finance costs - Leases variance is due to the adoption of AASB 16 <i>Leases</i> using the modified retrospective approach adopted by the Council.
13	Other expenses	Other expenses is lower than budget due to AASB 16 <i>Leases</i> and is primarily offset by Amortisation - Right of use assets.
14	Net loss on disposal of property, infrastructure, plant and equipment	Net loss on disposal of property, infrastructure, plant and equipment is higher than budget due to the timing of the delivery of capital works.
15	Share of net losses of associates and joint ventures	The timing of budget information received for the landfill does not allow for its inclusion in Council's budget document.

Notes to the Financial Statements

Note 1 - Performance against budget (cont.)

1.2 Capital works

		Budget	Actual	Variance	Variance
		2020	2020	2020	2020
Ref		\$'000	\$'000	\$'000	%
Property					
	Land improvements	-	-	-	-
	Total land	-	-	-	-
1	Buildings	35,643	27,289	(8,354)	(23.4)
2	Building improvements	304	349	45	14.8
	Total buildings	35,947	27,638	(8,309)	(23.1)
	Total property	35,947	27,638	(8,309)	(23.1)
Plant and equipment					
3	Plant, machinery and equipment	2,731	2,033	(698)	(25.6)
4	Fixtures, fittings and furniture	1,059	1,554	495	46.7
5	Computers and telecommunications	2,581	1,834	(747)	(28.9)
	Library books	985	902	(83)	(8.4)
	Total Plant and equipment	7,356	6,323	(1,033)	(14.0)
Infrastructure					
	Roads	11,299	11,736	437	3.9
6	Bridges	62	27	(35)	(56.5)
7	Footpaths and cycleways	3,819	2,539	(1,280)	(33.5)
8	Drainage	5,132	4,298	(834)	(16.3)
9	Recreational, leisure and community facilities	3,238	1,903	(1,335)	(41.2)
10	Parks, open space and streetscapes	8,116	9,081	965	11.9
11	Off street car parks	648	404	(244)	(37.7)
	Total infrastructure	32,314	29,988	(2,326)	(7.2)
	Total capital works expenditure	75,617	63,949	(11,668)	(15.4)
	New asset expenditure	15,493	14,889	(604)	(3.9)
	Asset renewal expenditure	39,247	35,617	(3,630)	(9.2)
	Asset expansion expenditure	11,985	6,068	(5,917)	(49.4)
	Asset upgrade expenditure	8,892	7,375	(1,517)	(17.1)
	Total capital works expenditure	75,617	63,949	(11,668)	(15.4)

Notes to the Financial Statements

Note 1 - Performance against budget (cont.)

(i) Explanation of material variations

Variance Item Ref	Explanation
1 Buildings	The buildings variance is primarily due to project timing of multi year projects including Camberwell Community Centre, Ashburton Seniors Centre, Canterbury Community Precinct, Victoria Road Reserve, Diversity Inclusion and Participation (DIP) Pavilion Program and 605-609 Glenferrie Road Community Facility. Some of these projects are expected to be completed in 2020-21.
2 Building improvements	Building improvements expenditure is slightly higher than budget due to forward commitment expenditure for the upgrade of Councils Building Access Security System, endorsed by Council as part of the amended budget review.
3 Plant, machinery and equipment	Plant, machinery and equipment is lower than budget due to the Ashburton Pool and Recreation Centre mechanical air handling project and Council Chamber Audio-visual (AV) uplift projects being carried forward to 2020-21.
4 Fixtures, fittings and furniture	Fixtures, fittings and furniture is higher than budget due to office refurbishment works endorsed by Council as part of the amended budget review.
5 Computers and telecommunications	Computers and telecommunications is lower than budget due to the payroll system upgrade, applications renewal and upgrade program and improve the Council's Network Service Diversity projects being carried forward to 2020-21.
6 Bridges	Minor bridge rehabilitation works program completed during 2019-20 and is lower than anticipated.
7 Footpaths and cycleways	Footpaths and cycleways expenditure was lower than budget primarily due to the Bicycle Strategy Implementation, Anniversary Trail missing link through Riversdale Park and Balwyn Shopping Centre streetscape improvements being carried forward to 2020-21. The lower than budget result was also due to Condition 4 Footpaths renewal program and Boroondara Laneway Strategy, and Camberwell Junction Laneway Pilot expenditure all being lower than anticipated.
8 Drainage	Drainage expenditure was lower than budget primarily due to Riversdale Road, Camberwell and Fortuna & Sunburst Avenues (easement), Balwyn North Drain Work projects being carried forward to 2020-21 and savings in Aquila Street Floodway, Balwyn North project.
9 Recreational, leisure and community facilities	Recreational, leisure and community facilities variance is due to the Hawthorn Rowing Ramp and Sportsground Reconstruction Program being carried forward to 2020-21 and savings across various projects including Field Sports Strategy Implementation.
10 Parks, open space and streetscapes	Parks, open spaces and streetscapes variance is due to forward commitment expenditure from 2018-19 for Gordon Barnard Reserve Raingarden & Stormwater Harvesting project included as part of the amended budget.
11 Off street car parks	Capital expenditure relating to off street car parks was lower than budget due to savings primarily in the resurfacing of Condition 4 Car Parks program.

Notes to the Financial Statements

Note 2 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Environment and Infrastructure

The Environment and Infrastructure directorate is responsible for managing, maintaining and enhancing the public assets under the control of Council to maximise their value to the community. The directorate includes the following departments:

- Asset Management
- Parks & Infrastructure
- Projects & Strategy
- Traffic & Transport
- Environment & Sustainable Living

City Planning

The City Planning directorate is responsible for strategic planning to protect and enhance the environment and liveability of the city. It also facilitates and promotes a high standard of community safety, health and amenity. The directorate includes the following departments:

- Local Laws
- Strategic Planning
- Statutory Planning
- Economic Development
- Building Services

Community Development

The Community Development directorate is responsible for enhancing community, family and cultural life, and facilitating or providing services that respond to community needs. The directorate includes the following departments:

- Health, Active Ageing & Disability Services
- Family, Youth & Recreation
- Community Planning & Development
- Library Services
- Finance & Corporate Planning
- Arts & Cultural Services

Customer Experience and Business Transformation

The Customer Experience and Business Transformation directorate leads the implementation of our business transformation by leading and embedding the Customer Experience Improvement Strategy into our organisation. The directorate includes the following departments:

- Chief Information Office
- Legal Services
- Customer First Program
- Chief Customer Office
- Commercial and Property Services

Chief Executive Office and Governance

Includes the Chief Executive Office and Governance department. The Governance department is responsible for providing open and transparent processes and strong accountability to the community, ensuring a high standard of democratic and corporate governance.

People, Culture and Development

The People, Culture and Development department makes sure Council has the right number of staff with the right skills and attitudes to provide excellent service to the community.

Notes to the Financial Statements

Note 2 Analysis of Council results by program

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

2020

Environment and Infrastructure
City Planning
Community Development
Customer Experience and Business Transformation
Chief Executive Office and Governance
People, Culture and Development

Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
\$'000	\$'000	\$'000	\$'000	\$'000
7,294	75,922	(68,628)	1,781	2,904,772
19,267	23,536	(4,269)	708	19,456
26,615	90,600	(63,985)	12,256	752,469
190,770	35,610	155,161	-	33,827
31	2,564	(2,533)	-	863
1	3,487	(3,487)	-	1,418
243,978	231,719	12,259	14,745	3,712,805

2019

Environment and Infrastructure
City Planning
Community Development
Customer Experience and Business Transformation
Chief Executive Office and Governance
People, Culture and Development

Income	Expenses	Surplus / (Deficit)	Grants included in income	Total assets
\$'000	\$'000	\$'000	\$'000	\$'000
8,738	66,672	(57,935)	2,646	2,761,546
22,406	23,483	(1,077)	698	22,656
29,601	82,076	(52,474)	13,536	737,819
181,445	33,132	148,313	-	31,937
47	2,656	(2,609)	-	1,258
5	3,504	(3,499)	-	1,841
242,242	211,523	30,719	16,880	3,557,057

Notes to the Financial Statements

2020
\$'000

2019
\$'000

Note 3 - Funding for the delivery of our services

3.1 - Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements. The valuation base used to calculate general rates for 2019-20 was \$112.93 billion (2018-19: \$124.80 billion). The 2019-20 rate in the CIV dollar was 0.001404 (2018-19: 0.001219).

General rates	156,106	151,396
Cultural and recreational	-	67
Supplementary rates and rate adjustments	1,417	788
Waste management charge	29,883	25,679
Special rates and charges	1,515	1,512
Interest on rates and charges	505	552
Total rates and charges	189,426	179,994

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

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.

Impact of COVID 19 on rates and charges are presented in Note 11.

3.2 - Statutory fees and fines

Infringements and costs	8,082	10,250
Court recoveries	1,135	1,252
Town planning fees	2,564	3,097
Land information certificates	168	166
Swimming pool registrations	255	-
Permits	801	1,132
Total statutory fees and fines	13,005	15,897

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.

Impact of COVID 19 on statutory fees and fines are presented in Note 11.

3.3 - User fees

Aged and health services	1,699	1,880
Building services	1,365	1,224
Road occupancy, traffic and drainage	749	732
Child care/children's program	131	228
Parking	1,454	1,924
Leisure centre and recreation	3,418	4,232
Registrations and other permits	1,308	1,204
Waste management services	1,336	1,329
Other fees and charges	760	932
Total user fees	12,220	13,685

User fees by timing of revenue recognition

User fees recognised over time	110	81
User fees recognised at a point in time	12,110	13,604
Total user fees	12,220	13,685

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

Impact of COVID 19 on user fees are presented in Note 11.

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
3.4 - Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	9,541	10,912
State funded grants	5,204	5,968
Total grants received	14,745	16,880
(a) Operating Grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	4,885	4,619
Aged care	3,238	4,158
Community safety	22	175
Community transport	457	-
Senior citizen centres	145	166
Volunteer services	144	96
<i>Recurrent - State Government</i>		
Aged care	632	1,542
Libraries	1,092	1,067
Maternal and child health	1,122	1,072
School crossing supervisors	704	683
Family and children	255	237
Volunteer services	-	60
Community safety	168	24
Senior citizen centres	3	12
Total recurrent operating grants	12,867	13,911
<i>Non-recurrent - Commonwealth Government</i>		
Environmental planning	45	14
Other	1	9
<i>Non-recurrent - State Government</i>		
Recycling	48	149
Community health	47	15
Community safety	53	78
Community transport	224	481
Family and children	44	68
Maternal and child health	88	56
Environmental planning	100	69
Libraries	44	46
Sports and recreation	-	6
Other	5	15
Total non-recurrent operating grants	699	1,006
Total operating grants	13,566	14,917
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	594	395
Total recurrent capital grants	594	395

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
3.4 - Funding from other levels of government (cont.)		
<i>Non-recurrent - Commonwealth Government</i>		
Community health	-	1,280
Buildings	10	-
<i>Non-recurrent - State Government</i>		
Roads	506	250
Community safety	-	16
Environment planning	55	(2)
Sport and recreation	14	24
Total non-recurrent capital grants	585	1,568
Total capital grants	1,179	1,963

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

Operating

Balance at start of year	101	25
Received during the financial year and remained unspent at balance date	1,080	101
Received in prior years and spent during the financial year	(101)	(25)
Balance at year end	1,080	101

Capital

Balance at start of year	48	86
Received during the financial year and remained unspent at balance date	432	48
Received in prior years and spent during the financial year	(48)	(86)
Balance at year end	432	48

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

3.5 - Contributions

Monetary	6,919	5,959
Non-monetary	-	840
Total contributions	6,919	6,799

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

Drains	-	522
Other	-	318
Total non-monetary contributions	-	840

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

3.6 - Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	31	37
Written down value of assets sold, replaced and disposed	(4,656)	(2,325)
Total net loss on disposal of property, infrastructure, plant and equipment	(4,625)	(2,288)

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

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
3.7 - Other income		
Interest	2,111	3,209
Other rental income	2,169	2,581
Reimbursements	1,520	1,222
Right-of-way sales	444	406
Traffic and drainage	1,136	1,220
Other income	283	349
Total other income	7,663	8,987

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.

Impact of COVID 19 on other income are presented in Note 11.

Note 4 - The cost of delivering services

4.1 - (a) Employee Costs

Wages and salaries	76,691	70,880
WorkCover	947	609
Casual staff	5,325	5,992
Annual leave and long service leave	7,349	7,052
Superannuation	7,483	6,970
Fringe benefits tax	400	432
Other	504	353
Total employee costs	98,699	92,288

(b) Superannuation

Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	514	502
Employer contributions - other funds	-	-
	514	502

Employer contributions payable at reporting date.

-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	3,647	3,571
Employer contributions - other funds	3,250	2,921
	6,897	6,492

Employer contributions payable at reporting date.

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

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
4.2 - Materials and services		
Contract payments and trade services:		
-Waste Collection	10,721	9,154
-Open Space	10,436	8,618
-Minor Projects	4,573	1,798
-Parking Management	1,197	1,247
-Leisure and Aquatic Centre	1,677	-
-Other*	14,893	12,422
Building maintenance	4,043	3,985
General maintenance	4,169	3,397
Plant and equipment maintenance	2,286	2,243
Utilities	4,518	4,838
Consultants	6,137	8,421
Office and administration	4,745	4,501
Financial and legal	2,797	2,036
Information technology	4,927	4,319
Insurance	1,893	1,744
Other	137	123
Total materials and services	79,149	68,846

*This includes amounts individually under \$1.00 million where Council engages contractors to deliver services to the community.

4.3 - Depreciation

Property	13,268	12,664
Plant and equipment	3,824	3,967
Infrastructure	16,621	16,117
Investment property	189	186
Total depreciation	33,902	32,934

Refer to note 6.2 and 6.4 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 - Amortisation - Intangible assets

Software	631	735
Total Amortisation - Intangible assets	631	735

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

4.5 - Amortisation - Right of use assets

Vehicles	3,057	-
Other	2	-
Total Amortisation - Right of use assets	3,059	-

Refer to note 5.8 for a more detailed breakdown of amortisation charges and accounting policy.

4.6 - Bad and doubtful debts

Parking fines and local laws debtors	1,434	1,479
Other debtors	82	164
Total bad and doubtful debts	1,516	1,643

Movement in provisions for doubtful debts

Balance at the beginning of the year	2,067	1,559
New provisions recognised during the year	1,516	1,643
Amounts already provided for and written off as uncollectible	(1,121)	(1,135)
Balance at end of year	2,462	2,067

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment. Bad debts are written off when identified.

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
4.7 - Borrowing costs		
Interest on borrowings	1,428	1,652
Total borrowing costs	1,428	1,652

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

4.8 - Finance Costs - Leases

Interest - Lease Liabilities	270	-
Total finance costs	270	-

4.9 - Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	69	73
Auditors' remuneration - internal	156	157
Councillors' allowances	416	408
Operating lease rentals	1,346	4,066
Community grants and contributions	2,918	2,921
Training and professional development	1,116	1,351
Special rate scheme expenditure	1,492	1,518
Other expenditure	532	317
Total other expenses	8,045	10,811

Note 5 - Our financial position

5.1 - Financial assets

(a) Cash and cash equivalents

Cash on hand	8	8
Cash at bank	22,885	10,594
Term deposits	76,366	88,333
Total cash and cash equivalents	99,259	98,935

(b) Other financial assets

Term deposits - current	15,078	26,593
Unlisted shares	4	4
Total other financial assets	15,082	26,597
Total financial assets	114,341	125,532

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

- Trust funds and deposits (Note 5.3)	5,752	4,036
Total restricted funds	5,752	4,036
Total unrestricted cash and cash equivalents	93,507	94,899

Notes to the Financial Statements

2020
\$'000

2019
\$'000

5.1 - Financial assets (cont.)

Intended allocations

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

- Cash held to fund carried forward capital works	14,095	6,852
- Cash held to fund carried forward priority projects	7,852	3,565
- Reserves	18,703	16,903
Total funds subject to intended allocations	40,650	27,320

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

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

The unlisted shares are held with Procurement Australasia Limited.

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	10,558	6,886
Parking infringement debtors	8,062	8,268
Provision for doubtful debts - parking infringements	(2,327)	(1,972)

Non statutory receivables

Other debtors	3,204	3,332
Provision for doubtful debts - other debtors	(135)	(96)
Net GST receivable	1,954	1,372
	21,316	17,790

Total trade and other receivables

21,316 **17,790**

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

(d) Ageing of receivables

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

Current (not yet due)	2,082	2,039
Past due by up to 30 days	199	420
Past due between 31 and 180 days	336	493
Past due between 181 and 365 days	121	106
Past due by more than 1 year	466	274
Total trade and other receivables	3,204	3,332

(e) Ageing of individually impaired receivables

At balance date there were no other debtors representing financial assets that were impaired (2018-19 Nil).

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
5.2 - Non - financial assets		
(a) Inventories		
Inventories held for distribution	16	16
Inventories held for sale	15	15
Total inventories	31	31

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including inventories held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	1,956	1,652
Total other assets	1,956	1,652

(c) Intangible assets

Software	348	880
Total intangible assets	348	880

Software

Gross carrying amount

Balance at 1 July 2019	3,755
Additions from internal developments	99
Balance at 30 June 2020	3,854

Accumulated amortisation and impairment

Balance at 1 July 2019	(2,875)
Amortisation expense	(631)
Accumulated amortisation for disposals	-
Balance at 30 June 2020	(3,506)

Net book value at 30 June 2019

Net book value at 30 June 2019	880
Net book value at 30 June 2020	348

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.

5.3 - Payables

	2020 \$'000	2019 \$'000
(a) Trade and other payables		
Trade and other payables	13,494	21,053
Accrued expenses	5,631	4,442
Total trade and other payables	19,125	25,495

(b) Trust funds and deposits

Refundable deposits	4,849	3,333
Fire services levy	671	512
Refundable contract deposits and retention monies	4	7
Balwyn Rotary Sunday Market trust funds	228	184
Total trust funds and deposits	5,752	4,036

(c) Unearned income

Grants received in advance - operating	1,080	-
Grants received in advance - capital	432	-
Other	57	110
Total unearned income	1,569	110

Notes to the Financial Statements

5.3 - Payables (cont.)

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 quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to 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.

Trust funds held on behalf of the operation of the Balwyn Rotary Sunday Market - Profits and losses are transferred each month when they exceed \$5,000.

5.4 - Interest-bearing liabilities

	2020 \$'000	2019 \$'000
Current		
Borrowings - secured	1,573	1,495
Non-current		
Borrowings - secured	23,213	24,785
Total	24,786	26,280

Borrowings are secured over the General Rates of Council as per section 148 of the *Local Government Act 1989*.

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

Not later than one year	1,573	1,495
Later than one year and not later than five years	7,281	6,879
Later than five years	15,932	17,906
	24,786	26,280

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

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

Notes to the Financial Statements

5.5 - Provisions

	Annual leave	Long service leave	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2020				
Balance at beginning of the financial year	5,625	13,028	401	19,054
Additional provisions	6,845	3,135	1,971	11,951
Amounts used	(5,545)	(2,239)	(1,830)	(9,614)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	5	10	-	15
Balance at the end of the financial year	6,930	13,934	542	21,406
2019				
Balance at beginning of the financial year	5,357	12,441	328	18,126
Additional provisions	6,467	3,247	1,805	11,519
Amounts used	(6,213)	(2,723)	(1,732)	(10,668)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	14	63	-	77
Balance at the end of the financial year	5,625	13,028	401	19,054

	2020 \$'000	2019 \$'000
(a) Employee provisions		
Current provisions expected to be settled within 12 months		
Annual leave	5,299	4,485
Long service leave	1,508	1,446
Other	542	401
	7,349	6,332
Current provisions expected to be settled after 12 months		
Annual leave	1,631	1,140
Long service leave	10,384	9,595
	12,015	10,735
Total current employee provisions	19,364	17,067
Non-current		
Long service leave	2,042	1,987
Total non-current employee provisions	2,042	1,987
Aggregate carrying amount of employee provisions:		
Current	19,364	17,067
Non-current	2,042	1,987
Total aggregate carrying amount of employee provisions	21,406	19,054
(b) Other		
Provision for rostered days off		
Current	542	401
	542	401

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

Long service leave

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

- discount rate	0.87%	1.32%
- inflation rate	2.30%	2.80%
- settlement rate (years)	7	7

Notes to the Financial Statements

	2020	2019
5.6 - Financing arrangements	\$'000	\$'000
Council has the following funding arrangements in place as at 30 June 2020:		
Credit card facilities	300	300
Borrowing facilities	24,786	26,280
Total facilities	25,086	26,580
Used facilities	24,890	26,408
Unused facilities	196	172

5.7 - 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.

	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
30 June 2020					
<i>Operating</i>					
Cleaning contracts for council buildings	919	116	78	-	1,113
Consultancies	1,875	467	163	-	2,505
Garbage Collection	183	-	-	-	183
Home care services	179	179	61	-	419
Information systems and technology	1,722	1,545	1,441	-	4,708
Maintenance	2,040	1,246	235	-	3,521
Open space management	12,705	7,325	5,776	-	25,806
Other	8,479	7,094	11,562	729	27,864
Recycling	3,106	3,089	3,085	-	9,280
Total operating commitments	31,208	21,061	22,401	729	75,399
<i>Capital</i>					
Buildings	6,684	2,327	2,277	-	11,288
Computers and telecommunications	2,108	1,159	487	-	3,754
Drainage	6,841	4,858	971	-	12,670
Footpaths, shopping centre improvements, laneways, car parks	8,641	8,641	2,900	-	20,182
Information systems and technology	30	-	-	-	30
Library materials - Books and furnishings	2,242	68	-	-	2,310
Open Space Management	110	110	330	135	685
Other capital related	754	647	1,577	-	2,978
Recreational, leisure and community facilities	1,213	909	1,079	-	3,201
Roads	6,648	6,336	555	-	13,539
Total capital commitments	35,271	25,055	10,176	135	70,637
Total commitments after 30 June 2020	66,479	46,116	32,577	864	146,036

Notes to the Financial Statements

5.7 - Commitments (cont.)

	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
30 June 2019					
<u>Operating</u>					
Recycling	2,128	2,122	2,791	-	7,041
Garbage Collection	381	227	114	-	722
Open space management	10,322	5,372	5,340	-	21,034
Consultancies	2,268	1,735	630	-	4,633
Home care services	190	-	-	-	190
Cleaning contracts for Council buildings	931	919	194	-	2,044
Information systems and technology	1,766	1,267	2,420	-	5,453
Maintenance	1,725	1,720	1,058	-	4,503
Other	6,074	4,431	6,455	1,098	18,058
Total operating commitments	25,785	17,793	19,002	1,098	63,678
<u>Capital</u>					
Buildings	16,538	2,570	4,556	49	23,713
Roads	6,810	6,648	6,891	-	20,349
Footpaths, laneways and car parks	8,489	8,465	11,341	-	28,295
Drainage	7,418	6,841	5,829	-	20,088
Recreational, leisure and community facilities	1,216	1,213	1,988	-	4,417
Computers and telecommunications	2,327	2,108	1,645	-	6,080
Library materials	2,249	2,242	68	-	4,559
Other	195	-	-	-	195
Total capital commitments	45,242	30,087	32,318	49	107,696
Total commitments after 30 June 2019	71,027	47,880	51,320	1,147	171,374

Notes to the Financial Statements

5.8 - Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

5.8 - Leases (cont.)

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

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

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

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

Peppercorn Leases that Council has entered into include leasing of land, car parks and footpaths. Due to the temporary relief granted under AASB 2018-8, peppercorn leases have not been recognised in the balance sheet.

Right-of-Use Assets	Property \$'000	Vehicles \$'000	Other \$'000	Total \$'000
Balance at 1 July 2019	-	9,504	-	9,504
Additions	-	3,770	54	3,824
Amortisation charge	-	(3,057)	(2)	(3,059)
Balance at 30 June 2020	-	10,217	52	10,269

Lease Liabilities	2020
Maturity analysis - contractual undiscounted cash flows	\$'000
Less than one year	3,397
One to five years	6,956
More than five years	606
Total undiscounted lease liabilities as at 30 June:	10,959

Lease liabilities included in the Balance Sheet at 30 June:

Current	3,139
Non-current	7,159
Total lease liabilities	10,298

Short-term and low value leases

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

Expenses relating to:	2020
	\$'000
Short-term leases	724
Leases of low value assets	622
Total	1,346
Variable lease payments (not included in measurement of lease liabilities)	-

Notes to the Financial Statements

5.8 - Leases (cont.)

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:

Within one year	666
Later than one year but not later than five years	706
Total lease commitments	<u>1,372</u>

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

ii. Leases previously classified as finance leases

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

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

Impact on financial statements

On transition to AASB 16 Leases, Council recognised an additional \$9,504,290 of right-of-use assets and \$9,504,290 of lease liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 3%.

	2019 \$'000
Operating lease commitment at 30 June 2019 as disclosed in Council's financial statements	12,157
Discounted using the incremental borrowing rate at 1 July 2019	11,803
Finance lease liability recognised as at 30 June 2019	-
- Recognition exemption for:	
short-term leases	(1,576)
leases of low-value assets	(723)
- Extension and termination options reasonably certain to be exercised	-
- Residual value guarantees	-
- Lease liabilities recognised as at 1 July 2019	<u>9,504</u>

Note 6 - Assets we manage

6.1 - Non current assets classified as held for sale

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and 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. Council has no non-current assets held for sale at reporting date.

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Revaluations \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Impairment Reversals \$'000	**Transfers \$'000	At Fair Value 30 June 2020 \$'000
Land	2,536,954			120,432					-	2,657,386
Buildings	296,324			13,319	(13,268)	(681)			14,510	310,204
Plant and Equipment	18,822		-		(3,824)	(666)		-	7,307	21,639
Infrastructure	523,873		-	1,382	(16,621)	(3,309)			28,525	533,850
Work in progress	26,154	63,436					(6,539)		(50,501)	32,550
	3,402,127	63,436	-	135,133	(33,713)	(4,656)	(6,539)	-	* (159)	3,555,629

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	**Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Buildings	8,934	27,126	(15,225)	(2,565)	18,270
Plant and Equipment	2,344	6,686	(5,770)	(1,645)	1,615
Infrastructure	14,876	29,624	(29,506)	(2,329)	12,665
Total	26,154	63,436	(50,501)	(6,539)	32,550

* The \$0.16M is additions for Investment Property and Intangibles shown in Note 6.3 and Note 5.2 respectively.

** The differences between the two transfer totals relate to the classification of each project as budgeted, which appears in the WIP disclosure, compared to the actual classification of the asset determined at the time of capitalisation which appears in the summary of property, infrastructure, plant and equipment table.

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment (cont.)

(a) Property

	Land - specialised \$'000	Land - non specialised \$'000	Total Land \$'000	Buildings - non specialised \$'000	Total Buildings \$'000	Work in Progress \$'000	TOTAL PROPERTY \$'000
At fair value 1 July 2019	2,207,330	329,624	2,536,954	465,303	465,303	8,934	3,011,191
Accumulated depreciation at 1 July 2019	-	-	-	(168,979)	(168,979)	-	(168,979)
	2,207,330	329,624	2,536,954	296,324	296,324	8,934	2,842,212
Movements in fair value							
Additions	-	-	-	14,510	14,510	27,126	41,636
Revaluation	89,337	31,095	120,432	20,111	20,111	-	140,543
Disposals	-	-	-	(3,231)	(3,231)	-	(3,231)
Write-offs	-	-	-	-	-	(2,565)	(2,565)
Transfers in (out)	-	-	-	-	-	(15,225)	(15,225)
	89,337	31,095	120,432	31,390	31,390	9,336	161,158
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(13,268)	(13,268)	-	(13,268)
Accumulated depreciation of disposals	-	-	-	2,550	2,550	-	2,550
Revaluation	-	-	-	(6,792)	(6,792)	-	(6,792)
	-	-	-	(17,510)	(17,510)	-	(17,510)
At fair value 30 June 2020	2,296,667	360,719	2,657,386	496,693	496,693	18,270	3,172,349
Accumulated depreciation at 30 June 2020	-	-	-	(186,489)	(186,489)	-	(186,489)
	2,296,667	360,719	2,657,386	310,204	310,204	18,270	2,985,860

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment

	Plant, machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecommunication \$'000	Library books \$'000	Work in Progress \$'000	TOTAL PLANT AND EQUIPMENT \$'000
At fair value 1 July 2019	36,542	9,445	4,739	2,601	2,344	55,671
Accumulated depreciation at 1 July 2019	(23,590)	(6,220)	(3,340)	(1,355)	-	(34,505)
	12,952	3,225	1,399	1,246	2,344	21,166
Movements in fair value						
Additions	4,460	238	1,724	885	6,686	13,993
Contributions	-	-	-	-	-	-
Disposals	(478)	(163)	(174)	(1,148)	-	(1,963)
Write-offs	-	-	-	-	(1,645)	(1,645)
Transfers in (out)	-	-	-	-	(5,770)	(5,770)
Impairment losses reversed in operating result	-	-	-	-	-	-
	3,982	75	1,550	(263)	(729)	4,615
Movements in accumulated depreciation						
Depreciation and amortisation	(2,159)	(594)	(681)	(390)	-	(3,824)
Accumulated depreciation of disposals	424	101	174	598	-	1,297
	(1,735)	(493)	(507)	208	-	(2,527)
At fair value 30 June 2020	40,524	9,520	6,289	2,338	1,615	60,286
Accumulated depreciation at 30 June 2020	(25,325)	(6,713)	(3,847)	(1,147)	-	(37,032)
	15,199	2,807	2,442	1,191	1,615	23,254

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment (cont.)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and Community	Parks open spaces and streetscapes	Off street car parks	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2019	584,953	14,211	142,473	215,531	51,649	28,959	39,184	14,876	1,091,836
Accumulated depreciation at 1 July 2019	(329,431)	(8,656)	(79,749)	(90,652)	(19,239)	(11,324)	(14,036)	-	(553,087)
	255,522	5,555	62,724	124,879	32,410	17,635	25,148	14,876	538,749
Movements in fair value									
Additions	12,291	-	3,037	5,117	1,706	5,361	1,013	29,624	58,149
Revaluation	27,435	1,132	7,705	(4,438)	-	-	(77)	-	31,757
Disposals	(5,137)	-	(1,785)	(166)	(103)	(183)	-	-	(7,374)
Write-offs	-	-	-	-	-	-	-	(2,329)	(2,329)
Transfers in (out)	-	-	-	-	-	-	-	(29,506)	(29,506)
	34,589	1,132	8,957	513	1,603	5,178	936	(2,211)	50,697
Movements in accumulated depreciation									-
Depreciation and amortisation	(7,710)	(152)	(2,021)	(2,591)	(2,223)	(1,361)	(563)	-	(16,621)
Revaluation	(20,609)	(636)	(6,376)	(2,683)	-	-	(71)	-	(30,375)
Accumulated depreciation of disposals	2,904	-	836	154	73	98	-	-	4,065
	(25,415)	(788)	(7,561)	(5,120)	(2,150)	(1,263)	(634)	-	(42,931)
At fair value 30 June 2020	619,542	15,343	151,430	216,044	53,252	34,137	40,120	12,665	1,142,533
Accumulated depreciation at 30 June 2020	(354,846)	(9,444)	(87,310)	(95,772)	(21,389)	(12,587)	(14,670)	-	(596,018)
	264,696	5,899	64,120	120,272	31,863	21,550	25,450	12,665	546,515
Total property, infrastructure, plant and equipment									3,555,629

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment (cont.)

Acquisition

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

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

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

Asset recognition thresholds and depreciation periods	Depreciate Period	Threshold Limit
	Years	\$'000
Property		
Land	N/A	-
Buildings		
Buildings	2-55	5
Plant and Equipment		
Plant, machinery and equipment	5-30	2
Arts and heritage	100	0
Fixtures, fittings and furniture	10	2
Computers and telecommunications	3-5	2
Library books	6	0
Infrastructure		
Road pavements and seals	30-100	7
Road substructure	100-150	7
Road kerb, channel and minor culverts	75	7
Bridges deck	50-130	7
Bridges substructure	50-130	7
Footpaths and cycle ways	20-85	7
Drainage	20-100	7
Recreational, leisure and community facilities	15-80	2
Parks, open space and streetscapes	15-100	2
Off street car parks	30-100	7
Intangible assets	3	5

Land under roads

Council recognises land under roads it controls on a **cost basis**.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other 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.

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment (cont.)

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

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

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

Repairs and maintenance

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

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. Council does not have any leasehold improvements at reporting date.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Matheson Stephen Valuations Property Consultants. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

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

	Level 1	Level 2	Level 3	DoV
Land		360,719		Jan-20
Specialised land			2,296,667	Jan-20
Buildings			310,204	Jan-20
Total		360,719	2,606,871	

Matheson Stephen Valuations Property Consultants undertook a review of 'Annual Material Change' in the fair value of the land and building asset classes in the City of Boroondara portfolio for the period 1 January 2020 to 30 June 2020. No material change was identified based on data available.

The state of the property market within the review period is at present most influenced by the recent COVID-19 pandemic and resulting declaration of State of Emergency. Market conditions are changing daily at present.

The full extent of the effect of these conditions upon the property market and broader economic environment is unclear at best. Initial falls in auction and inspection attendance rates prior to the State of Emergency, the evolution and ensuing shift to online auctions only, and recent return of on-site auctions, albeit limited in attendance numbers, have at varying times all conspired to result in a period of limited transaction volumes from which to base a meaningful and thorough analysis process.

For the period of the annual material change review, we consider that there is a market uncertainty resulting in significant valuation uncertainty.

Valuation of infrastructure

Valuation of infrastructure assets has been determined by Paris Zenonos, Manager Asset Management, Bachelor of Civil Engineering (Honours).

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

Notes to the Financial Statements

6.2 - Property, infrastructure, plant and equipment (cont.)

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

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

	Level 1	Level 2	Level 3	DoV
Roads			264,696	Jun-20
Bridges			5,899	Jun-20
Footpaths and cycleways			64,120	Jun-20
Drainage			120,272	Jun-20
Recreational, leisure and community facilities			31,863	Jun-20
Parks, open space and streetscapes			21,550	Jun-20
Off Street Car Parks			25,450	Jun-20
Total			533,850	

The market that the assets are transacted in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Data to the extent to which Covid-19 has impacted fair value measurements is not available to the Council. Market conditions are changing daily at present. As at the date of valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$32 and \$10,667 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. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 25 years to 55 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 from 5 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2020 \$'000	2019 \$'000
Reconciliation of specialised land		
Land under roads	1,896	1,650
Parks and reserves	995,303	953,975
Sports Grounds	803,894	776,704
Other	495,574	475,001
Total specialised land	2,296,667	2,207,330

Notes to the Financial Statements

2020	2019
\$'000	\$'000

6.3 - Investments in joint arrangements

Background

The City of Boroondara has entered into a joint venture arrangement called Regional Landfill Clayton South, which has developed a refuse tip for a number of municipalities. The Council has a 35.22% interest in the assets, liabilities, revenues and expenses of the joint venture. The remaining joint venture partners include City of Glen Eira, City of Monash, City of Whitehorse and City of Stonnington.

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	(4,219)	(3,893)
Reported surplus/(deficit) for year	(395)	(326)
Council's share of accumulated deficit at end of year	<u>(4,614)</u>	<u>(4,219)</u>

Movement in carrying value of specific investment

Carrying value of investment at start of year	(2,579)	(2,253)
Share of surplus/(deficit) for year	(395)	(326)
Carrying value of investment at end of year	<u>(2,974)</u>	<u>(2,579)</u>

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint

For joint operations, Council recognises its direct right to its share of jointly held assets, liabilities, revenues and expenses of joint operations.

Council continues to account for Clayton Landfill under the equity method on the basis that Clayton Landfill operating results, assets and liabilities are not material individually or in aggregate. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

The landfill closed on the 29 January 2016. At balance date the landfill itself retains sufficient liquidity to fund the post closure capital works and the post closure after care expenses for the medium term. It is however likely that Council funds will be required to be expended in support of the entity in the longer term.

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
6.4 - Investment property		
Gross carrying amount		
Balance at beginning of financial year	10,474	10,407
Additions	59	67
Balance at end of financial year	<u>10,533</u>	<u>10,474</u>
Accumulated amortisation and impairment		
Balance at beginning of the year	(1,429)	(1,243)
Depreciation expense	(189)	(186)
Balance at end of financial year	<u>(1,618)</u>	<u>(1,429)</u>
Net book value	<u>8,915</u>	<u>9,045</u>

Investment property is carried at cost and is depreciated on a straight line basis.

Investment property, comprising fresh food market stalls and a commercial shop is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is measured at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term. *AASB 140 Investment Property*, paragraph 53 states that if an entity determines that the fair value of an investment property is not reliably determinable on a continuing basis, the entity shall measure that investment property using the cost model in *AASB 116 Property, Plant and Equipment*.

Notes to the Financial Statements

Note 7 - People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

City of Boroondara is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key management personnel

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

Councillors	Councillor Cynthia Watson (Mayor from 8 Nov 2019 to current) Councillor Jane Addis (Mayor from 8 Nov 2018 to 7 Nov 2019) Councillor Jim Parke Councillor Phillip Healey Councillor Lisa Hollingsworth Councillor Steve Hurd Councillor Coral Ross Councillor Felicity Sinfield Councillor Garry Thompson Councillor Jack Wegman
Chief Executive Officer	Phillip Storer
Other KMPs	Director Customer Experience and Business Transformation - Bruce Dobson Director Environment and Infrastructure - Daniel Freer (from 11 Nov 2019) Director Community Development - Carolyn McClean Director City Planning - Shiran Wickramasinghe Executive Manager People Culture and Development - Carolyn Terry

	2020	2019
	No.	No.
Total Number of Councillors	10	10
Chief Executive Officer and other Key Management Personnel	6	6
Total Key Management Personnel	16	16

(c) Remuneration of key management personnel

Total remuneration of key management personnel was as follows:

	2020	2019
	\$'000	\$'000
Short-term benefits	2,147	2,173
Post-employment benefits	166	170
Long-term benefits	48	40
Total	2,361	2,383

Notes to the Financial Statements

7.1 Council and key management remuneration (cont.)

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

	2020 No.	2019 No.
\$30,000 - \$39,999	8	8
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	-
\$80,000 - \$89,999	1	1
\$210,000 - \$219,999	1	-
\$250,000 - \$259,999	-	1
\$260,000 - \$269,999	-	-
\$270,000 - \$279,999	1	-
\$310,000 - \$319,999	-	-
\$320,000 - \$329,999	-	4
\$330,000 - \$339,999	3	-
\$430,000 - \$439,999	-	1
\$450,000 - \$459,999	1	-
	16	16

(d) Senior Officer Remuneration

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

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

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

Income range:	2020 No.	2019 No.
\$151,000 - \$159,999	7	10
\$160,000 - \$169,999	14	7
\$170,000 - \$179,999	4	4
\$180,000 - \$189,999	4	6
\$190,000 - \$199,999	4	6
\$200,000 - \$209,999	5	6
\$210,000 - \$219,999	1	4
\$220,000 - \$229,999	5	4
\$230,000 - \$239,999	3	-
\$250,000 - \$259,999	-	1
\$270,000 - \$279,999	3	1
	50	49

Total remuneration for the reporting year for Senior Officers included above, amounted to:

\$'000	\$'000
9,548	9,203

Notes to the Financial Statements

7.2 Related party disclosure

(a) Transactions with related parties

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

(a) Roadside Services and Solutions Pty Ltd

Councillor Jim Parke acquired a thirty percent share in Roadside Services and Solutions Pty Ltd on the 30 April 2018. For the year ended 30 June 2020, Council transactions with Roadside Services and Solutions Pty Ltd were valued at \$213,599 (2018-19 \$229,702) for road line-marking.

(b) Municipal Association of Victoria (MAV)

Councillor Coral Ross was elected President of Municipal Association of Victoria on the 1 March 2019. For the year ended 30 June 2020, Council transactions with MAV were valued at \$156,697 (2018-19 \$154,256) for a membership subscription, insurance and other professional services .

(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 aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a responsible person of the Council, or a related party of a responsible person.

(d) Commitments to/from related parties

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

Notes to the Financial Statements

Note 8 - Managing uncertainties

8.1 - Contingent assets and liabilities

(a) Contingent assets

As of 30 June 2020, there are no potential contingent assets.

(b) Contingent liabilities

- (a) Council is a party to an agreement signed under Section 173 of the *Planning and Environmental Act* in relation to proposed developments in Station Street Camberwell. This agreement was signed on 5 March 1996 pursuant to Planning Permit BOR/9941 and originally imposed certain planning conditions upon the owners of the land, including a limit on future floor area. The agreement also provided that Council would undertake the demolition, removal and relocation of the Public Transport Corporation substation and equipment situated in the Council car park to the west of the subject site and to construct car parking on this land. In the 2013-14 financial year, the Victorian Civil and Administrative Tribunal (VCAT) ruled that the originally proposed developments can proceed. There have been several previous VCAT and Supreme Court proceedings (to which Council was a party) in relation to the developments in Station Street Camberwell and the Section 173 Agreement. All previous VCAT and Supreme Court Cases have been finalised, however, Council will likely be liable for costs associated with these proceedings. As of 30 June 2020, the nature timing and quantum of costs associated with these proceedings have not been reliably determined. The nature, timing and costs associated with honouring the terms of the Section 173 Agreement have also not been reliably determined.
- (b) Council is presently involved in a number of confidential legal matters, which are being conducted through Council's solicitors. The estimated potential financial effect of these matters is unknown at reporting date. The estimate of the financial liability at reporting date representing Council's maximum exposure under its public liability insurance policy for trips and falls on road reserves and footpaths total \$228,992 (2018-19 \$140,000). This amount is contingent on the outcome of the resolution of these claims.
- (c) 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, City of Boroondara has paid unfunded liability payments to Vision Super totalling \$0 (2018-19 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$508,000 (2018-19 \$517,000).

Notes to the Financial Statements

8.2 - Change in accounting standards

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements

8.3 - Financial instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

Notes to the Financial Statements

8.3 - Financial instruments (cont.)

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. Council have exposure to credit risk on all financial assets included in our balance sheet. To help manage this risk:

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

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

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

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

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or 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:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 0.91%.

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

Notes to the Financial Statements

8.4 - Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, 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 5 years. The valuation is performed either by experienced Council officers or independent experts.

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

Land under roads

Council recognises land under roads it controls on a cost basis.

Impairment of assets

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

Notes to the Financial Statements

8.5 - Events occurring after balance date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the City of Boroondara at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the City of Boroondara, its operations, its future results and financial position.

The Victorian Government announced a State of Disaster on the 2 August 2020 and "Stage 4" restrictions were applied to Metro Melbourne, which includes the City of Boroondara. This event does not affect amounts recognised in the 2019-20 financial statements. The introduction of Stage 4 restrictions has had further implications for Council services and facilities beyond those already affected by the previous Stage 3 restrictions. Several of Council's services have now been or continued to be closed including Council's leisure centre facilities, libraries, community centres and the Hawthorn Arts Centre.

Council's 2020-21 Adopted Budget includes estimated impacts on revenue and expenditure streams under Stage 3 restrictions for the first quarter of 2020-21. An estimated \$8.35 million reduction in revenue is expected primarily in User Fees and Statutory Fees and Charges and unexpected cost increases mainly due to the temporary closure of Council's Leisure and Aquatic Facilities.

As part of Stage 3 restrictions Council developed a \$4.5 million financial assistance package which commenced in April 2020 and has effect over both the 2019-20 and 2020-21 financial years. The relief package includes a range of initiatives designed to ease the financial burden on residents, local businesses and community groups and is reflected in the 2020-21 budget.

Council continues to monitor and review the financial impacts of COVID-19 on Council's operating budget.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the City of Boroondara, the results of the operations or the state of affairs of the City of Boroondara in the future financial years.

Note 9 - Other matters

9.1 - Reserves

	Balance at beginning of reporting period	Increment (decrement)	Reversal of previous revaluations for assets disposed	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(a) Asset revaluation reserves				
2020				
Property				
Land	2,221,056	120,432	-	2,341,488
Buildings and other structures	57,629	13,319	(1,089)	69,859
	2,278,685	133,751	(1,089)	2,411,347
Infrastructure				
Roads	163,661	6,826	-	170,487
Bridges	4,757	496	-	5,253
Footpaths and cycleways	37,086	1,329	-	38,415
Drainage	36,937	(7,121)	-	29,816
Carparks and access roads	13,698	(148)	-	13,550
	256,139	1,382	-	257,521
Sub-total property and infrastructure	2,534,824	135,133	(1,089)	2,668,868
Total asset revaluation reserves	2,534,824	135,133	(1,089)	2,668,868
2019				
Property				
Land	2,642,103	(420,735)	(312)	2,221,056
Buildings and other structures	57,956	-	(327)	57,629
	2,700,059	(420,735)	(639)	2,278,685
Infrastructure				
Roads	163,661	-	-	163,661
Bridges	4,757	-	-	4,757
Footpaths and cycleways	37,086	-	-	37,086
Drainage	36,937	-	-	36,937
Carparks and access roads	13,698	-	-	13,698
	256,139	-	-	256,139
Sub-total property and infrastructure	2,956,198	(420,735)	(639)	2,534,824
Total asset revaluation reserves	2,956,198	(420,735)	(639)	2,534,824

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

Notes to the Financial Statements

9.1 - Reserves (cont.)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2020				
Strategic Acquisition fund	434	-	-	434
Defined Benefit future call up fund	6,000	1,000	-	7,000
Open Space development fund	10,469	800	-	11,269
Total other reserves	16,903	1,800	-	18,703
2019				
Strategic Acquisition fund	434	-	-	434
Defined Benefit future call up fund	5,000	1,000	-	6,000
Open Space development fund	9,669	800	-	10,469
Total other reserves	15,103	1,800	-	16,903

The Strategic Acquisition fund will be available for the purpose of acquiring new strategic assets where they are required for the provision of community services or for additional public open space.

The Open Space development fund allows for the acquisition of land within the municipality for conversion to public open space as it becomes available.

The Defined Benefit future call up fund has been created for use should a shortfall in the defined benefit superannuation fund be called by the Local Government Defined Benefit Superannuation Fund trustee.

Notes to the Financial Statements

	2020 \$'000	2019 \$'000
9.2 - Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus for the period	12,259	30,719
Depreciation and amortisation	37,592	33,669
(Profit) /loss on disposal of property, infrastructure, plant and equipment	4,625	2,288
Share of joint venture (profits) / losses net of distributions	395	326
Works in progress not capitalised (expensed)	6,539	4,712
Contributions of non-monetary assets	-	(840)
Borrowing costs	1,428	1,652
Finance costs leases	270	-
Change in assets and liabilities:		
increase in trade and other receivables	(3,340)	(2,013)
(Increase)/decrease in prepayments	(304)	(514)
(Increase)/decrease in inventories	-	(5)
Increase/(decrease) in trust funds and deposits	1,717	792
Increase/(decrease) in trade and other payables	(4,850)	(1,084)
Increase in other liabilities	1,459	28
Increase/(decrease) in provisions	2,330	929
Net cash provided by operating activities	60,120	70,659

9.3 - Superannuation

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 Comprehensive Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined Benefit

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 Boroondara City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

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.

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

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Boroondara City Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

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

Notes to the Financial Statements

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

Notes to the Financial Statements

9.3 - Superannuation (cont.)

Employer contributions

Regular contributions

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

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

Funding Calls

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

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

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

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

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

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

The 2019 interim actuarial investigation surplus amounts

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

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

	2019 \$m	2017 \$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

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

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

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

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

Notes to the Financial Statements

9.3 - Superannuation (cont.)

The 2020 triennial actuarial investigation

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

	2020 Triennial Investigation	2017 Triennial Investigation
Net investment return	5.60% pa	6.50% pa
Salary Inflation	2.50 %pa for the first two years and 2.75%pa thereafter	3.50% pa
Price Inflation	2.00% pa	2.50% pa

Superannuation contributions

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

Scheme	Type of Scheme	Rate	2020 \$'000	2019 \$'000
Vision Super	Defined benefit	9.5%	514	502
Vision Super	Accumulation fund	9.5%	3,647	3,571
Other scheme	Accumulation fund	9.5%	3,250	2,921

In addition to the above contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 paid during the 2019-20 year (2018-19 \$0).

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$508,000.

Notes to the Financial Statements

10 - Change in accounting policy

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

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

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

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

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

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

b) AASB 16 Leases

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

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

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

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

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

d) Transition impacts

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

	2019
	\$'000
Retained earnings at 30 June 2019	927,776
Revenue adjustment - impact of <i>AASB 15 Revenue from Contracts with Customers</i>	-
Income Adjustment - impact of <i>AASB 1058 Income of Not-for-Profit Entities</i>	-
Retained earnings at 1 July 2019	<u>927,776</u>

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

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

	As reported 30 June 2019	Adjustments	Post adoption
	\$'000	\$'000	\$'000
Assets			
Right of use assets	-	9,504	9,504
Grants receivable	-	-	-
	-	<u>9,504</u>	<u>9,504</u>
Liabilities			
Unearned income - operating grants	-	-	-
Unearned income - capital grants	-	-	-
Lease liability - current	-	(2,780)	(2,780)
Lease liability - non-current	-	(6,724)	(6,724)
	-	<u>(9,504)</u>	<u>(9,504)</u>

Notes to the Financial Statements

11 - Impact of COVID 19 on Council operations and 2019-20 Financial Report

On 11 March 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Various measures were taken by all three levels of Government in Australia to reduce the spread of COVID-19.

To ease the financial burden on Boroondara residents, local businesses and community groups Council introduced a series of measures effective April 2020. The measures combined with other costs has impacted Council's operations for the financial year end 2020 in the following areas:

- Council has extended its Financial hardship policy in response to COVID-19 from April 2020. Deferral of rates revenue received has resulted in the debtor balance as at 30 June 2020 to increase by \$3.60M compared to last year. No interest is being charged on late rate payments.
- Application fees have been waived for 3-year-old and 4-year-old kindergarten enrolments and charges for parent information sessions were also waived.
- In response to COVID-19 restrictions and government directives the leisure centre facilities, libraries, community centres and the Hawthorn Arts Centre were closed. These closures resulted in a decrease in the council user fee revenue by \$1.36M and an increase in associated expenses by \$1.29M.
- Council waived winter season sportsground tenancy fees and utilities charges for sporting clubs.
- Statutory fees and fines and user fees were impacted by COVID-19 impacting Council revenue by \$6.97M. This included:
 - Suspended enforcement of time restrictions for parking in and around hospitals, Centrelink offices and under-utilised car parks.
 - Suspended ticket parking machine fees in paid parking areas to assist traders, shoppers and visitors.
 - Waived waste management traders fees for the Maling Road, Greythorn and Camberwell shopping districts.
 - Waived trader parking permits fees (quarterly and annual).
 - All footpath trading fees including permits for outdoor dining on Council land were waived and rebated.
 - Waived food premises registration fees to assist local traders.
 - Reduced hire fee for users of the Anderson Park Meeting Room for 2020.
- The below resulted in a decrease in rent revenue of \$662,000:
 - Rental reduction for store holders at Camberwell Fresh Food Market.
 - Kew Court House and Hawthorn Arts Centre tenants, both community and commercial, received reduced rent for their lease/licences to match the period they have been unable to access the venues.
 - Council waived lease and licence fees for some community groups.
 - Council waived all fees under the Camberwell Sunday Market licence, including licence fee, stallholder levy and monthly instalments. Council also offered Boroondara Farmers Market and Hawthorn Makers Market stallholders the opportunity to have their own online ordering and delivery information promoted on Council's website and the relevant market's social media pages.
- The state of the property market within the review period is at present most influenced by the recent COVID-19 pandemic and resulting declaration of State of Emergency. Market conditions are changing daily at present. The full extent of the effect of these conditions upon the property market and broader economic environment is unclear at best. Initial falls in auction and inspection attendance rates prior to the State of Emergency, the evolution and ensuing shift to online auctions only, and recent return of on-site auctions, albeit limited in attendance numbers, have at varying times all conspired to result in a period of limited transaction volumes from which to base a meaningful and thorough analysis process. For the period of the annual material change review, we consider that there is a market uncertainty resulting insignificant valuation uncertainty.
- The market that the infrastructure assets are transacted in is being impacted by the uncertainty that the COVID-19 outbreak has caused. Data to the extent to which Covid-19 has impacted fair value measurements is not available to the Council. Market conditions are changing daily at present. As at the date of valuation we consider that there is a market uncertainty resulting in significant valuation uncertainty.

Council continues to monitor the situation, work with the business community and review the initiatives over the coming months.





Performance Statement



Artist's impression

Performance Statement

For the year ended 30 June 2020

Description of municipality

The City of Boroondara (the Council) is located in the inner eastern suburbs of Melbourne, between 5 and 10 kilometres east of the Melbourne Central Business District and covers an area of 60 square kilometres. The Council includes the suburbs of Ashburton, Balwyn, Balwyn North, Camberwell, Canterbury, Deepdene, Hawthorn, Hawthorn East, Kew and Kew East, and parts of Glen Iris, Surrey Hills and Mont Albert.

Boroondara has an estimated residential population of 183,199 people (at 30 June 2019). Compared with greater Melbourne, we have a smaller proportion of young children and people aged 30 to 39, but a larger proportion of 10 to 19 year olds and people over 50 years. Of all 79 Victorian local government areas, Boroondara has the fifth largest population of people aged 85 years and over. At the 2016 Census 3.8% of the population needed assistance with daily living tasks.

Boroondara is culturally and linguistically diverse. The proportion of Boroondara residents who were born overseas increased from 25.5% in 2006 to 30.9% in 2016. Residents were born in more than 145 countries and spoke more than 120 languages.

By area, Boroondara has one of the highest concentrations of schools of all Victorian local government areas, with 58 secondary, primary and special education schools, including 12 combined primary and secondary schools, as well as Swinburne University, Swinburne TAFE, the Hawthorn-Melbourne English Language Centre and two Universities of the Third Age. Currently, 74 organisations offer a kindergarten program in Boroondara spanning across standalone kindergartens, long day care centres and independent schools. The City also has 11 neighbourhood and community centres where residents can participate in programs focussing on health and wellbeing, languages, creative pursuits, the arts, cooking and technology.

On 11 March 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Various measures were taken by all three levels of Government in Australia to reduce the spread of COVID-19.

To ease the financial burden on Boroondara residents, local businesses and community groups Council introduced a series of measures effective April 2020 and include:

- Council has extended its financial hardship policy in response to COVID-19 from April 2020. No interest is being charged on late rate payments.
- Support for families - application fees have been waived for 3-year-old and 4-year-old kindergarten enrolments and charges for parent information sessions were also waived
- Public Parking - suspended enforcement of time restrictions for parking in and around hospitals, Centrelink offices and under-utilised car parks and ticket parking machine fees in paid parking areas until September 2020 to assist traders, shoppers and visitors
- Support for Community Groups - waived lease and licence fees for some community groups, including sporting clubs
- Relief for local businesses - waived fees for footpath trading fees, food premises registration, trader parking permits and waste management traders fees for Maling Road, Greythorn and Camberwell shopping districts
- Our markets - waived all fees under the Camberwell Sunday Market licence, including licence fee, stallholder levy and monthly instalments.

Council's revenue and expenditure streams has been impacted by COVID-19 primarily in in User Fees and Statutory Fees and Charges totalling \$6.97 million.

In response to COVID-19 restrictions and government directives the leisure centre facilities, libraries, community centres and the Hawthorn Arts Centre were closed. These closures resulted in a decrease in the council user fee revenue by \$1.36 million and an increase in associated expenses by \$1.29 million. These restrictions also resulted in decreased visitations to council facilities and also decreased participation in Council programs.

Council continues to monitor the situation, work with the business community and review the initiatives over the coming months.

Refer to the Annual Financial Statements for further information.

Sustainable Capacity Indicators
For the year ended 30 June 2020

Results					
Indicator/measure	2017	2018	2019	2020	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal population</i> (Own-source revenue/Municipal population)	\$1,160.91	\$1,180.03	\$1,205.61	\$1,213.68	
Recurrent grants <i>Recurrent grants per head of municipal population</i> (Recurrent grants/Municipal population)	\$98.97	\$86.40	\$78.91	\$73.48	
Population <i>Expenses per head of municipal population</i> (Total expenses/Municipal population)	\$1,120.37	\$1,109.28	\$1,166.77	\$1,265.02	Council continues to deliver services in accordance with its long term financial plan. Expenditure has increased primarily due to an increase in materials and services costs.
Infrastructure per head of municipal population (Value of infrastructure/Municipal population)	\$4,775.59	\$4,720.19	\$4,772.34	\$4,903.10	
Population density per length of road (Municipal population/Kilometres of local roads)	314.50	318.59	321.86	323.22	
Disadvantage <i>Relative Socio-Economic disadvantage</i> (Index of Relative Socio-Economic Disadvantage by decile)	10	10	10	10	
Workforce turnover Percentage of staff turnover [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	12.1%	11.4%	8.1%	9.5%	The variance is partially attributable to changes in operating models arising from service review as well as normal variances in departures.

Definitions

"adjusted underlying revenue" means total income other than -

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators
For the year ended 30 June 2020

Results

Indicator/measure	2017	2018	2019	2020	Material Variations
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> (Number of visits to aquatic facilities/Municipal population)	14	14	15	10	Visitations heavily impacted by COVID-19 pandemic.
Animal management Health and safety <i>Animal management prosecutions</i> (Number of successful animal management prosecutions / Total number of animal management prosecutions) x 100	New in 2020	New in 2020	New in 2020	100%	New measure in 2019-20.
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 notifications about a food premises followed up/Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises) x 100	99%	99%	99%	99%	
Governance Satisfaction <i>Satisfaction with council decisions</i> (Community satisfaction rating out of 100 with how council has performance in making decisions in the interest of the community)	60	60	62	59	
Libraries Participation <i>Active library borrowers in municipality</i> (Number of active library borrowers in the last three years/The sum of the population for the last three years)x100	26%	25%	27%	25%	Measure changed in 2019-20 from 'Active library members' to 'Active library borrowers' with changes to the numerator and the denominator to extend the calculation to the last three years.
Maternal and child health 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 who enrolled in the MCH service) x 100	79%	80%	83%	82%	
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) x 100	100%	96%	88%	100%	All children who identify as Aboriginal have attended all required Key Age and Stage visits.
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)	71	73	71	72	

Service Performance Indicators

For the year ended 30 June 2020

Results

Indicator/measure	2017	2018	2019	2020	Material Variations
Statutory Planning Decision making <i>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	52%	52%	41%	49%	
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) x 100	49%	49%	49%	53%	
RETIRED					
Indicator/measure	2017	2018	2019	2020	Comments
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	3	17	6	Retired in 2020	From 1 July 2019, this measure was replaced by Animal management prosecutions calculated as a percentage of successful animal management prosecutions.

Definitions

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

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

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/Indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> <i>(Adjusted underlying surplus (deficit) / Adjusted underlying revenue) x 100</i>	11.19%	12.66%	9.66%	2.13%	-6.42%	-0.09%	4.24%	6.09%	<p>An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. The adjusted underlying result in 2019-20 and 2020-21 are due the impacts of COVID-19 and the 2020-21 Financial Assistance grants of \$2.43 million or 50% brought forward to the 2019-20 financial year, with the operating result returning to normal surplus levels in future years of the Strategic Resource Plan.</p>
Liquidity Working capital <i>Current assets compared to current liabilities</i> <i>(Current assets / Current liabilities) x 100</i>	284.19%	235.51%	300.81%	272.44%	151.22%	131.53%	143.26%	147.73%	<p>The reduction in working capital in 2021-22 is due to the movement of Council's loans to current liabilities due to full loan payment scheduled for 2022-23 and Council's continued investment in planned priority projects.</p>
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> <i>(Unrestricted cash / Current liabilities) x 100</i>	31.51%	-7.36%	160.63%	131.89%	83.08%	84.68%	83.07%	87.91%	<p>The reduction in unrestricted cash is due to higher levels of funding held in investments with a term of greater than 90 days maturity in order to maximise interest income. At the end of 30 June 2020 Council held \$15.08 million in investments with a maturity date greater than three months. During 2020-21, term deposits will be redeemed and transferred to cash and cash equivalents. Council does not forecast the level of funds held in greater than 90 day maturity term deposits. Hence prior years actual are not comparable with forecast years.</p>
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> <i>(Interest bearing loans and borrowings / Rate revenue) x100</i>	29.61%	26.19%	14.72%	13.19%	12.15%	46.44%	32.20%	28.12%	<p>The decrease over years 2018-19 to 2019-20 is due to a combination of higher rate revenue (2.5% rate cap in 2019-20) and lower principal repayments as Council continues to reduce existing debt. Council proposes to borrow \$70 million in 2021-22 to fund significant infrastructure projects.</p> <p>The increase in 2018-19 and 2022-23 is due to Council retiring existing debt. A 20 year loan refinanced in 2014-15 was repaid in full in 2018-19. In 2012-13, Council continued with substantial investment in major building redevelopment works and borrowed \$29 million. This loan balance is scheduled to be repaid in full in 2022-23.</p>
Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> <i>(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue) x100</i>	3.99%	3.87%	11.28%	1.56%	1.53%	1.95%	14.41%	3.62%	

Financial Performance Indicators

For the year ended 30 June 2020

Dimension/Indicator/measure	Results				Forecasts				Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Indebtedness <i>Non-current liabilities compared to own source revenue</i> (Non-current liabilities / Own source revenue) x 100	23.34%	14.28%	13.43%	15.92%	13.81%	31.36%	28.06%	24.28%	During the 2019-20 financial year the implementation of the new Accounting standard, Australian Accounting Standards Board 16 Leases (AASB 16 Leases) has taken effect and requires Council to bring the majority of operating leases (primarily fleet charges and leased assets) on-balance sheet. Council also proposes to borrow \$70 million in 2021-22 to fund significant infrastructure projects. In 2019-20 and 2020-21 Council's own source revenue has decreased and reflects Council's immediate and short term response to COVID-19 and resulting impacts on revenue primarily in in User Fees and Statutory Fees and Charges. The reduction also includes Council's \$4.50 million support and relief package to assist local residents, businesses and community groups due to the impacts of COVID-19 and has an effect over both 2019-20 and 2020-21.
Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> (Asset renewal and asset upgrade expense / Asset depreciation) x100	New in 2020	New in 2020	New in 2020	126.81%	148.13%	172.67%	110.46%	113.49%	Based on Asset Renewal budgets and the timing of major projects. Increase in 2020-21 & 2021-22 due to planned major project expenditure demonstrates Council's ongoing commitment to invest in the renewal of its existing community infrastructure.

Financial Performance Indicators

For the year ended 30 June 2020

	Results				Forecasts				
Dimension/Indicator/measure	2017	2018	2019	2020	2021	2022	2023	2024	Material Variations
Stability									
Rates concentration <i>Rates compared to adjusted underlying revenue</i> (Rate revenue / Adjusted underlying revenue) x 100	74.16%	74.91%	76.23%	79.36%	80.51%	78.00%	77.89%	77.92%	Boroondara receives a very low level of financial assistance from the State Government hence rate revenue will continue to be a key source of funding for the delivery of high quality services and infrastructure to the community.
Rates effort <i>Rates compared to property values</i> (Rate revenue / Capital improved value of rateable properties in the municipality) x 100	0.16%	0.16%	0.14%	0.17%	0.16%	0.17%	0.17%	0.17%	The result is due to a 13% decrease in 2019-20 property values compared to rate revenue only increasing by the rate cap of 2.50%.
Efficiency									
Expenditure level <i>Expenses per property assessment</i> (Total expenses / Number of property assessments)	\$2,601	\$2,578	\$2,723	\$2,952	\$3,215	\$3,203	\$3,132	\$3,128	Council continues to deliver services in accordance with its long term financial plan. Expenditure has increased primarily due to an increase in materials and services costs.
Revenue level <i>Average rate per property assessment</i> (General rates and Municipal charges / Number of property assessments)	New in 2020	New in 2020	New in 2020	\$2,006	\$2,061	\$2,104	\$2,146	\$2,189	Council's budgeted rate increase in 2019-20 was capped at 2.50%. Council is delivering services in accordance with its long term financial strategy.
RETIRED									
Dimension/Indicator/measure	2017	2018	2019	2020					Comments
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$2,200	\$2,234	\$2,314	Retired in 2020					As of 1 July 2019, this measure was replaced by Average rate per property assessment.
Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100]	117.56%	137.69%	133.55%	Retired in 2020					As of 1 July 2019, this measure was replaced by Asset renewal and upgrade expense compared to depreciation.

Definitions

"adjusted underlying revenue" means total income other than -

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

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"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.

Other Information

For the year ended 30 June 2020

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are based on those adopted by council in its strategic resource plan on 20 July 2020 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of Performance Statement

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



Callista Clarke, CPA
Principal Accounting Officer

Date: 2 September 2020
Camberwell

In our opinion, the accompanying performance statement of the City of Boroondara for the year ended 30 June 2020 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



Cr Cynthia Watson
Mayor

Date: 2 September 2020
Camberwell



Cr Lisa Hollingsworth
Councillor

Date: 2 September 2020
Camberwell



Phillip Storer
Chief Executive Officer

Date: 2 September 2020
Camberwell

Independent Auditor's Report

To the Councillors of the City of Boroondara

Opinion	<p>I have audited the accompanying performance statement of the City of Boroondara (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2020 • sustainable capacity indicators for the year ended 30 June 2020 • service performance indicators for the year ended 30 June 2020 • financial performance indicators for the year ended 30 June 2020 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of the City of Boroondara in respect of the year ended 30 June 2020 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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

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

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

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

MELBOURNE
9 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

References



Glossary of terms	
Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Accumulated surplus	The value of all net assets accumulated over time.
Act	Refers to the <i>Local Government Act 1989</i> .
Advocacy	Proactively trying to influence a decision to be made through support and recommendation, for such things as causes, programs and policies.
Annual report	A report of the Council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement.
Appropriateness	Indicators or measures that provide users with sufficient information to assess the extent to which an entity has achieved a pre-determined target, goal or outcome.
Asset management	Proactively manage the ongoing maintenance and development of Council's assets and facilities to meet the community's current and future needs.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Balance sheet	A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity.
Biodiversity	The variety of all life forms including animals, plants, micro-organisms and the ecosystems which they are a part of.
Budget	A plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the Council Plan.
Capital works	The expansion, renewal, upgrade and establishment of Council's assets.
Cash flow statement	Shows the expected net cash inflows and outflows in the form of reconciliation between opening and closing balances of total cash and investments for a year.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether the Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the moment in net assets or total equity from the prior year.

Glossary of terms	
Council Plan	This document sets out the medium term goals and objectives for the next four years as part of the overall strategic planning framework and strategic resource plan and is prepared under section 125 of the <i>Local Government Act 1989</i> .
Current assets	Assets where Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities where Council expects to fulfil its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation and amortisation	An expense which recognises the value of a fixed asset as it is used up over time.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Expense	An outgoing payment made by Council.
Financial performance indicators	A prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency.
Financial statements	The financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report.
Financial year	The period of 12 months ending on 30 June each year.
Governance	Policies and protocols associated with both the functions of Council and of Council officers to ensure Council is open, transparent, inclusive and accountable to the community.
Grants – non-recurrent income	Grant income received for a ‘one off’ specific purpose, generally for a particular project.
Grants – recurrent income	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.
Indicator	What will be measured to assess performance.
Infrastructure	Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services.
Infringement Court	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the <i>Magistrates Court Act 1989 (Vic)</i> to deal with unpaid fines.

Glossary of terms	
Initiatives	Actions that are one-off in nature and/or lead to improvements in service.
Innovation	Process of working out new ways of doing things or doing something better than before.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Major initiative	Significant initiatives that will directly contribute to the achievement of the Council Plan during the current year and have a major focus in the budget.
Measure	How an indicator will be measured and takes the form of a computation, typically including a numerator and denominator.
Minister	The Minister for Local Government.
Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least twelve months after reporting date.
Performance statement	A statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the Annual Report.
Planning and accountability framework	The key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act.
Property, infrastructure, plant and equipment assets	Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Regulations	The Local Government (Planning and Reporting) Regulations 2014
Relative Socio-Economic Disadvantage	Relative Socio-Economic Disadvantage is a general socio-economic index that summarises a range of information about the economic and social conditions of people and households within an area. The index includes only measures of relative disadvantage and is expressed as a decile for the relevant financial year of the area in which the municipality is located according to the Victorian Index of Relative Socio-Economic Disadvantage (Australian Bureau of Statistics Catalogue Number 2033.0.55.001).
Relevance	Indicators or measures that have a logical and consistent relationship to an entity's objectives and are linked to the outcomes to be achieved.

Glossary of terms	
Report of operations	A report containing a description of the operations of the council during the financial year and included in the Annual Report.
Revenue	Revenue is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Right-of-way	Former laneway no longer required for access to surrounding properties.
Risk management	A logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will enable organisations to achieve objectives and maximise business opportunities. Risk management is as much about identifying opportunities as avoiding or mitigating losses.
Services	Assistance, support, advice and other action undertaken by a council for the benefit of the local community.
Service outcome indicators	The prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved.
Service performance indicators	A prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes.
Statement of changes in equity	Summarises the movement in equity accounts during the year.
Strategic objectives	The outcomes a council is seeking to achieve over the next four years and included in the Council Plan.
Strategic Resource Plan	A plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the Council Plan. It is also referred to as a long term financial plan.
Strategies	High level actions directed at achieving the strategic objectives in the Council Plan.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainability	Meeting present day needs without compromising future generations ability to meet their needs.
Sustainable capacity indicators	A prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management
Ward	Subdivision of the Council area into sections with an elected Councillor to represent the different sections.

Abbreviations

AAS	Australian Accounting Standards	GST	Goods and Services Tax
AASB	Australian Accounting Standards Board	ha	Hectares
AEP	Annual Exceedance Probability	IBAC	Independent Broad-based Anti-corruption Commission
BLAF	Boroondara Leisure and Aquatic Facilities	IT	Information Technology
BMX	Bicycle Motocross	LG	Local Government
BPAY	Bill Payment	LGAs	Local Government Areas
BVRC	Boroondara Volunteer Resource Centre	LGPro	Local Government Professionals
CEIS	Customer Experience Improvement Strategy	LGV	Local Government Victoria
CERM	Customer Experience Research Metrics	MAV	Municipal Association of Victoria
CEO	Chief Executive Officer	MBS	Municipal Building Surveyor
CIV	Capital Improved Value	MCH	Maternal and Child Health
CJSP	Camberwell Junction Structure Plan	ML	Megalitres
CO₂	Carbon Dioxide	N/A	Not Applicable
COVID-19	Coronavirus disease 2019	OHS	Occupational Health and Safety
Cr	Councillor	OVIC	Office of the Victorian Information Commissioner
CRM	Customer Relationship Management	PV	Photovoltaics
DIP	Diversity, Inclusion and Participation	QA	Quality Assurance
EAP	Employee Assistance Program	SIAP	Strategic Internal Audit plan
		SLT	Senior Leadership Team
EDM	Electronic Direct Mail	SOPs	Standard Operating Procedures
EFTPOS	Electronic Funds Transfer at Point of Sale	VBA	Victorian Building Authority
ESV	Energy Safe Victoria	VCAT	Victorian Civil and Administrative Tribunal
FOGO	Food Organics and Garden Organics	tCO₂e	Tonnes of Carbon Dioxide equivalent
FTE	Full Time Equivalent	VAGO	Victorian Auditor- General's Office

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Feedback

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Acknowledgments

Council would like to thank all those who contributed to the development of the 2019-20 Annual Report.

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Greek

Αν θέλετε τη μετάφραση κάποιου τμήματος αυτού του εγγράφου παρακαλούμε καλέστε την δωρεάν υπηρεσία διερμηνείας στο 8692 2943.

Italian

Se desiderate che vi venga tradotta una parte di questo documento, siete pregati di chiamare gratis il servizio telefonico di interpretariato del Comune al 8692 2944.

Vietnamese

Nếu quý vị muốn một phần nào đó của tài liệu này được biên dịch, xin hãy gọi đến dịch vụ thông dịch miễn phí của Hội đồng ở số 8692 2946.