

CITY OF PORT PHILLIP

annual report 95/96

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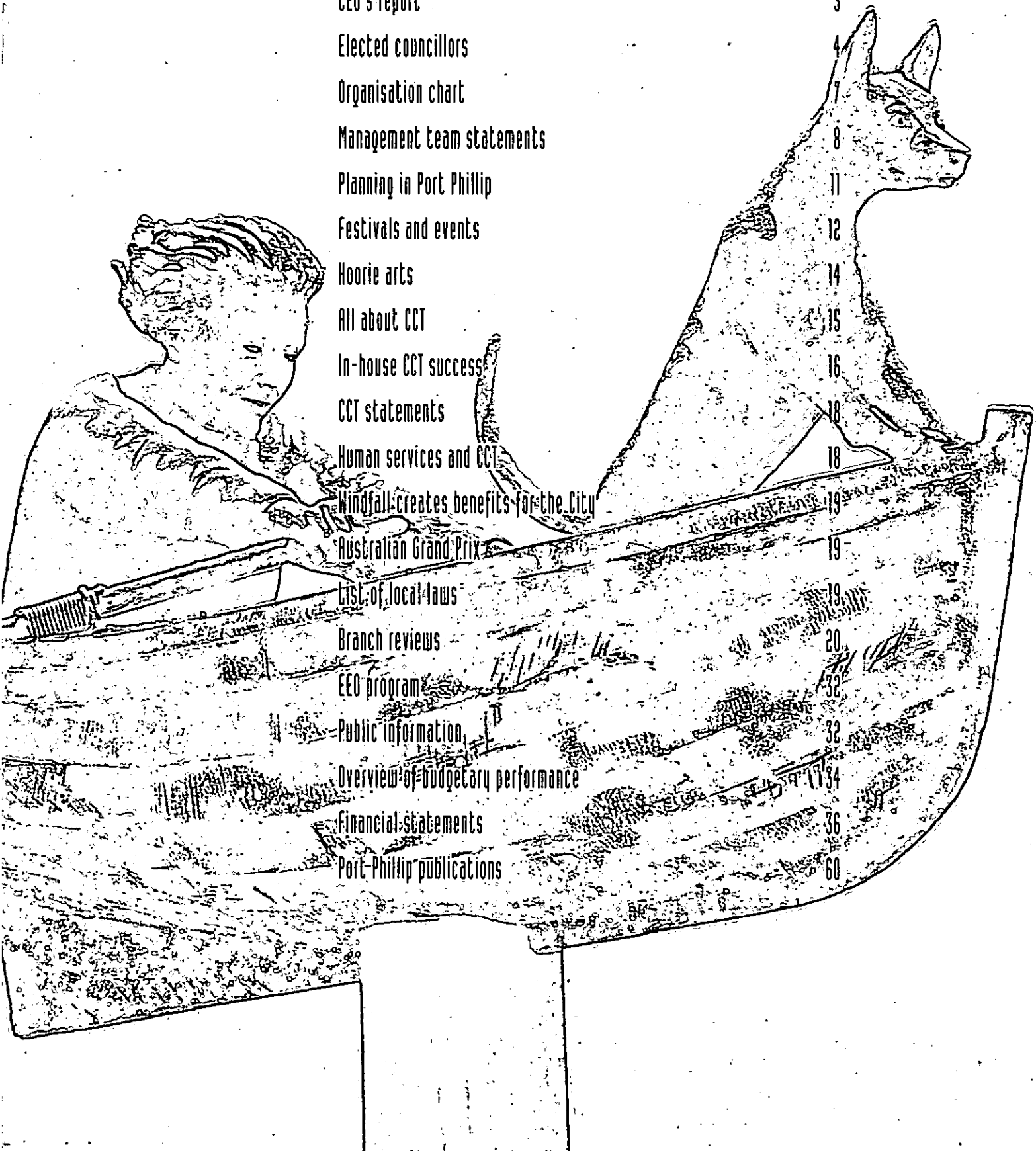
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an open letter to the ratepayers of Port Phillip



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Saturday, 16 March was an historic day for the City of Port Phillip. On that day the people of the former cities of St Kilda, South Melbourne, Port Melbourne and part of Prahran turned out to elect a new Council. Democracy had returned to local government.

Since we were elected, your Council has sought to put the "local" back into government. We have listened carefully and we have endeavoured to allocate resources as equitably as possible, but there are simply not enough funds available. Nevertheless, our philosophy is to put people first. You have elected us to represent you, the people of Port Phillip, to make your neighbourhood a pleasant, enjoyable and safe place in which to live, work and play.

The amalgamation of councils has radically changed the face of local government in Victoria. With far larger municipalities, representation is now more remote than it used to be. In Port Phillip, we have seven councillors representing over 70,000 people. This means

that grassroots democracy is not as easy to achieve as it was in the past.

Ours is a diverse community with widely differing needs. In our first budget, framed in July, 1996 we have recognised the very broad spectrum of needs and endeavoured to cater for them. The budget was severely constrained by the rate freeze imposed on us by the State Government.

By pegging rates to the previous year's levels, we now have less funds in real terms because there is no allowance for full Consumer Price Index increases. This means that it will become progressively harder to provide the levels and quality of services which we have all come to expect.

We have also achieved our Compulsory Competitive Tendering (CCT) targets set by the State Government. We recognise the obligation placed on us even though we query the value of the CCT process, particularly in the delivery of human services.

In its first year, your Council has also been a strident advocate for the community at large. Where we have seen decisions made by State or Federal bodies which are detrimental to our community, we have been prepared to fight for a hearing and a better deal. Sadly, in these days of economic expediency, the rights of local communities are often overlooked.

We have been deeply concerned about the planning process and the way in which it has gradually been taken out of the hands of the community. For example, we see no benefit for you in allowing huge towers to be built on the HMAS Lonsdale site or the Teac site in Bay Street, Port Melbourne. These projects will, if allowed to proceed, cause irreparable harm to the foreshore and one of Melbourne's most pleasant retail strips. The representations I have received from the community indicate that you too are concerned about these issues.

On behalf of the Council, I must also pay tribute to our employees who have endured a period of massive change. Many good people from the previous municipalities are no longer in local government. Much has been demanded of those who remain and they have worked hard to deliver against the expectations.

Although not within the year of this annual report, our Chief Executive Jon Hickman



CEO'S Report

Port Phillip is undoubtedly the most interesting and vibrant city in Victoria.

It offers a unique set of opportunities and challenges for Council and its officers in balancing the needs and aspirations of people who live in the City, people who own property in the City, people who work in the City, people who visit the City, and people who travel through the City.

The debate around restructuring local government was most passionate in St Kilda, South Melbourne and Port Melbourne. Part of our task at Council has been to ensure this community spirit is translated into community commitment to, and involvement with, the new City of Port Phillip.

Enhancing the link between the City and community will proceed more effectively and quickly with elected councillors in place to represent the voice of the people of Port Phillip, and to use their own experience and networks to engage the community.

This is a crucial process. The challenges Council faces in Port Phillip are complex and far-reaching. Council needs to involve its community so that people can understand, and deal with change, whilst protecting the essential character of the former cities.

Council needs to make sure its focus remains on its pre-eminent role as a service provider. It needs to ensure services are targeted to genuine community need, that appropriate mechanisms are in place to measure and monitor performance, and feedback is encouraged from particular service users, and the broader community.

Changes to the urban fabric affect every part of Port Phillip. The continued regeneration of the City's housing stock, and the redevelopment of old commercial or industrial sites will

change the built environment of the City, and bring an influx of new citizens.

At the same time, Council has to manage the foreshore, the City's greatest natural asset, to ensure it is not over-developed. Sites such as HMAS Lonsdale in Port Melbourne will have a vast effect on the neighbouring foreshore areas. Councillors, staff and the community need to work together to ensure change is for the better, not for the worse, and that the natural environment is protected.

Port Phillip is home to a large segment of Melbourne's information services industry, from advertising and public relations companies, to the graphic arts, and the new multimedia sector. Storing, retrieving, transmitting, and presenting information is set to be the major growth industry of the 21st century. The information industry is environmentally clean, and is well suited to a densely populated city like Port Phillip.

Council needs to build upon this base so we are universally accepted as the best location for information and communications businesses in Australia. This will flow through to improved income for the City, regeneration and redevelopment of our business precincts, and local employment opportunities.

Over the next twelve months Council will be working closely with the community in developing a Community Plan, which reflects and articulates the aspirations of the community, and which will provide guidance for the Council and others who serve the needs of residents, ratepayers, and visitors. Preparation of the Community Plan needs to involve the broadest range of interest groups, and is a key task for Council in 1996/97.

Council staff are committed to delivering the best to the community, whom they are employed to serve. They will continue to strive to be the best local government organisation in Victoria, and to be acknowledged as such. The best city in Victoria deserves nothing less.

While this Annual Report was in preparation, I ceased as the City's Chief Executive Officer, a role I have undertaken since amalgamation in June, 1994. It has been a personal and professional privilege to work at the City, with such a committed team of managers and other staff. I am proud to hand over to the new Council a City in sound financial condition, and served by an outstanding management team.

I wish the Council, its staff, and all the residents of Port Phillip all the best for the future.

resigned in August 1996 to accept a senior post with the State Government. Jon came to Port Phillip on its creation and had the difficult task of bringing together three former councils. Council appointed David Graham, our General Manager Corporate, as Interim Chief Executive and, at the time of going to print, a search for a permanent Chief Executive had commenced.

In my term as Mayor, I have set as my objectives, the re-emergence of community participation in the decision-making process and the development of links between the people in the former municipalities which now make up the City of Port Phillip. Both objectives are long-term goals, but I believe a positive start has been made.

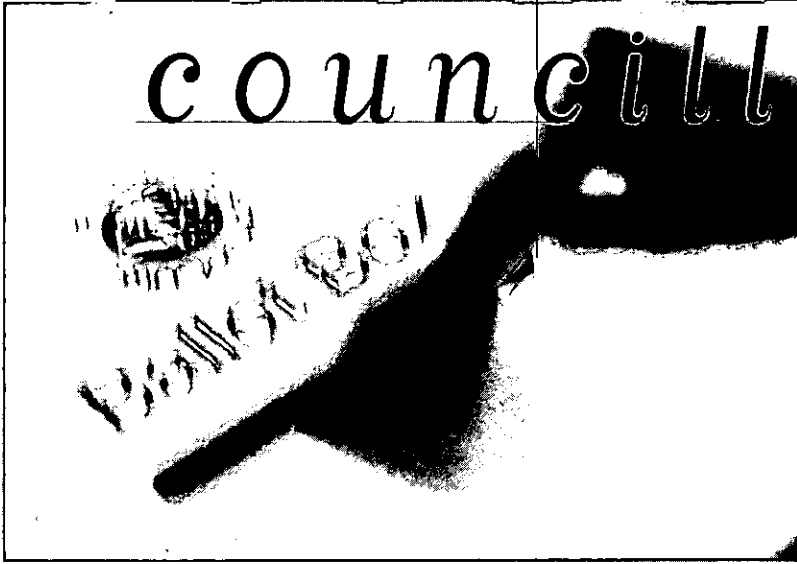
I am deeply honoured to have been elected as Councillor for the Sandridge ward and as the inaugural Mayor. It has been a momentous year and I would like to thank my fellow councillors and the officers for supporting me.

Liana Thompson
Mayor
City of Port Phillip

Jon Hickman
Chief Executive Officer
22 June 1994 - 23 August 1996

ELECTED

councillors



Councillor Patricia Brown, OAM, JP

Councillor Pat Brown represents the Albert Park Ward, which includes the suburbs of Albert Park, Middle Park and West St Kilda.

Pat was a councillor at the City of South Melbourne for 12 years prior to amalgamation and was the Mayor of South Melbourne in 1983/84, the city's centenary year.

She is President of the Claremont Hostel for the Aged and was Chairman of the Fundraising Appeal which raised over \$1 million to establish the South Port Community Nursing Home.

She has fought hard over many years to maintain residential amenity in South Melbourne and has been an active campaigner to keep heavy trucks off Beaconsfield Parade and other beachside routes through the City.

Pat would like to see the diversity of the three former cities – South Melbourne, Port Melbourne and St Kilda – successfully brought together as a vibrant City of Port Phillip.

She will also be focusing on the human service needs of families and the aged, especially through the provision of independent living units for older residents.

Pat will continue a long-standing interest in the foreshore by working to ensure its facilities reflect the needs of a diverse community – such as the enhancement of bicycle and pedestrian paths and playground equipment. Safety standards to protect swimmers will also be an issue, especially enforcement of controls on jet skis.

Pat was awarded the Medal of the Order of Australia in 1989 for her services to local government and the community.



Councillor Freda Erlich

Councillor Freda Erlich represents Alma Ward, which includes East St Kilda and part of Balaclava.

Freda's family were Polish immigrants, who settled in St Kilda after a spell in Carlton. Having lived here since she was a child, Freda can rightly claim "St Kilda is in my blood!"

Freda originally worked as a social worker, before joining the family business – a role which brings her into contact with traders throughout the City.

She is passionate about multicultural issues and would like to see more residents from ethnic communities stand and be elected for Council.

Freda is equally committed to enhancing the quality of life and the sense of community in Port Phillip. She would like to see people interacting more with their neighbours in the streets, parks and open spaces, as this is a key contributor to a sense of community and neighbourhood. With this in mind, Freda would like to see more cultural events in the City.

Her commitment to pursuing alternative modes of transport, has led Freda to urge a broader approach to planning, so that even more attention is paid to how new developments will affect traffic.

Linking development with Port Phillip's arts focus, Freda would like to see developers encouraged to use local artists in decorative treatments, public place art installations and in other aspects of "embedding the City's character" in its buildings.



Councillor Dick Gross

Councillor Dick Gross represents Blessington Ward, which covers the northern half of Elwood and a large part of Balaclava.

He is a member of the Australian Labor Party, although he was not a formally endorsed Labor candidate for his ward.

Dick trained as a lawyer and has a background in consumer and corporate law with the National Companies and Securities Commission (the predecessor of the Australian Competition and Consumer Commission). He served on a number of government committees dealing with consumer and debt recovery issues.

He is also a broadcaster and author. He has written a book on personal money management called *Money for Jam* and is co-author of a book on the Tricontinental disaster.

Dick is now self-employed as a financial consultant.

He has set himself four goals as a Councillor for the City of Port Phillip: preserve and enhance the two main open space areas in his ward of Blessington – the Elwood Canal and Blessington Gardens;

deal with the impact of tourism and visitor traffic on the City as a whole; present the “human face” of Council in its policies and activities; and deal with the planning issues which are emerging now that the foreshore has been rediscovered as the best place to live in Melbourne.



Councillor Christine Haag

Councillor Christine Haag represents St Kilda Ward, which is the heart of the former City of St Kilda.

Christine originally pursued a career in education, as a teacher of politics and literature at secondary school level. She later returned to university to study law.

After completing her law degree, Christine worked in private practice undertaking commercial, property and family law. She is currently specialising in the family law field and is a practitioner of conciliation and alternative dispute resolution methods.

She has a long history of community involvement, including with the Women’s Information and Referral Exchange (WIRE). She was also active in the establishment phase of the Victorian Women’s Trust.

Christine sees the next few years as an opportunity to refocus local government away from the push to mere “municipal management”, to its proper role of governance and community leadership. She feels it is important that councillors, as community representatives, are active in ensuring there is an opportunity for a range of voices and different views to be heard.

Having identified planning as a key issue, Christine sees the real challenge is reconciling the tension between the obligation to preserve and consolidate and the drive to progress. She also sees a need to provide processes and services which respond to all of the different sections of the community, given that there are often competing needs and interests.

Christine has commented that the “details of our specific decisions need to be considered in a strategic and value-based context”.



Councillor Liz Johnstone

Councillor Liz Johnstone represents Ormond Ward, which is named for Point Ormond and includes the southern half of Elwood and part of Balaclava and Ripponlea.

Liz has a background in accounting and small business and is currently working as a consultant, with her own business.

She has lived in her ward for 10 years, and in St Kilda before that, and has been actively involved in local issues. She was the Treasurer for both the Brighton Uniting Church Child Care Association and the Elwood Primary Out of School House Care Program, a founding member of the Elwood Canal Task Force and Chair of the Port Phillip Library Advisory Committee.

Liz’s community interest led her to stand and be elected for the former St Kilda City Council. She was a councillor for three years up until amalgamation.

She is currently on the Board of the YWCA and Melbourne Fringe.

She is passionately committed to safeguarding the essential character of Elwood, which has made it one of the most popular suburbs in Melbourne.

Key issues that she will be pursuing over the next few years include: provision of high standard, accessible services to the community, especially for older residents and families; solving the flooding problems in Elwood; reducing pollution of the bay and surrounding beaches from stormwater run-off; prudent, accountable city management and the ongoing enhancement of municipal infrastructure; preserving residential amenity, whilst catering for increasing tourism, commercial and development demands.

Liz is married with three children.



Councillor Ludwig Stamer

Councillor Ludwig Stamer represents Emerald Hill Ward, which encompasses most of the suburb of South Melbourne and includes St Kilda Road, Queens Road and Albert Park Reserve.

He has lived in South Melbourne for 41 years, where he runs his own business (and has done so for over 30 years). With 20 years as a councillor with the City of South Melbourne, including 11 years as Chairman of the City's Finance, Recreation and Social Services Committee, Ludwig has extensive experience in local government.

As a founding member and former Secretary of the South Melbourne Chamber of Commerce and Industry he also understands business concerns and issues.

He notes with pride that the City of South Melbourne provided high quality services while levying one of the lowest rates in the dollar in Victoria.

Over his time as a South Melbourne councillor, he worked hard to improve traffic management, enhance community services for the elderly and young children and ensure the long-term vitality of local shopping centres. He also promoted tree planting and beautification programs.

Over the next three years, his plans include ensuring a fair and equitable rating system and continuing to address traffic and parking problems. He fought hard to retain the South Melbourne Town Hall as a community asset and intends to continue pursuing this issue. He is also committed to the protection of our unique heritage areas.

"I am totally dedicated to maintaining and enhancing the residential quality of our City and providing those Council services which enhance our homes and our community", said Ludwig.

Ludwig is married to Cheryl and has four children: Karl, Andrea, Paul and Peter.



Councillor Liana Thompson, Mayor

Councillor Liana Thompson is a fourth generation Port Melbourne resident. She served on the City of Port Melbourne Council from 1992 to 1994 and was the last Mayor of Port Melbourne before it became part of the City of Port Phillip.

Liana represents the Sandridge Ward which takes in Port Melbourne and part of South Melbourne. She was elected as inaugural Mayor of Port Phillip in March 1996.

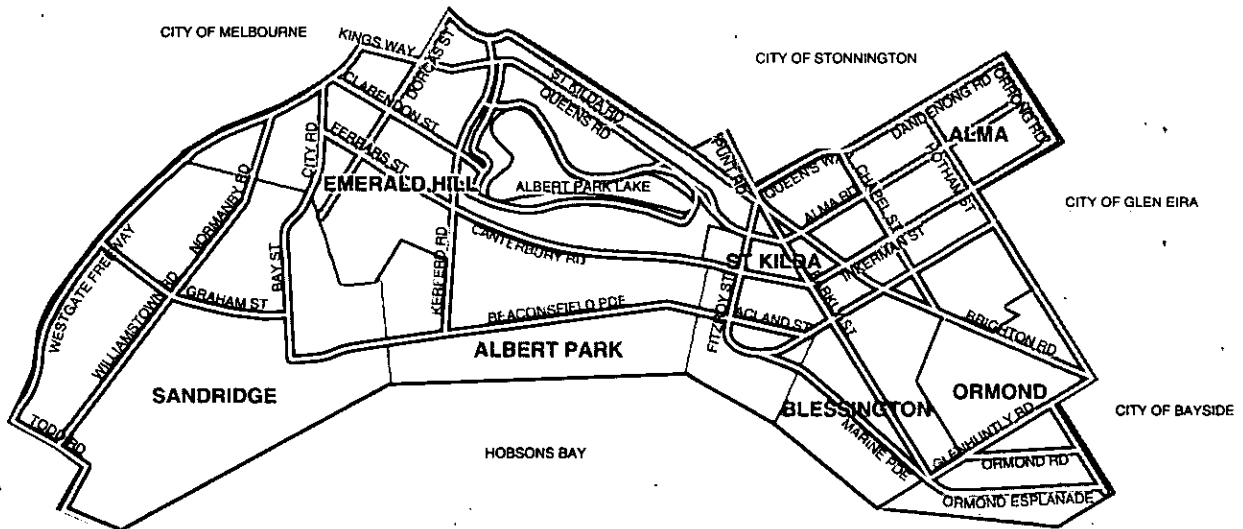
A Training and Development Coordinator with the Red Cross Blood Bank, Liana has a background in community development. She has a strong commitment to participative democracy and wants to bring the "local" back to local government.

Liana sees the Mayor's role as encouraging the communities within Port Phillip to participate in local government and she wants to encourage the establishment of links between the former municipalities of Port Melbourne, South Melbourne and St Kilda.

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Note: All councillors were elected on 16 March 1995 for a three year term.

City of Port Phillip Wards



organisation chart

Chief Executive Officer

Jon Hickman

Personal Assistant

Selma Brown 9209 6464

**General Manager
Community Planning**

David Spokes

**General Manager
Corporate**

David Graham

**General Manager
Operations**

John Cincotta

**Acting Director
Organisation Development &
Communications**

Elizabeth Potter

Senior Secretary

Janette Borcic 9209 6710

Senior Secretary

Marisa Tramontana 9209 6510

Senior Secretary

Janie Rowlands 9209 6713

Senior Secretary

Francesca Gibilisco 9209 6363

**Coordinator Corporate
Support & Development**

Lisel Thomas 9209 6506

Manager Central District

Mandy Press 9209 6519

**Manager Assets &
Valuations**

Bruce McKeon 9209 6509

**Manager Aged & Disability
Services**

Mavis Curwood 9209 6610

Manager Communications

Elizabeth Potter 9209 6516

**Manager Marketing
& Contracts**

Karen Mitchell 9209 6342

Manager Finance

Anna Muszak 9209 6591

**Business/Financial
Analyst**

Ric Martin 9209 6613

**Manager Employee
Relations & Employee
Development**

Michele Campbell 9209 6552

Manager North District

Stephen Dunn 9209 6358

**Manager Information
Systems**

John Kolm 9209 6588

**Manager Family, Children
& Youth Services**

Helen Bell 9209 6461

**Manager Human Resources
Operations**

Leanne Pentland 9209 6330

Manager South District

Peter Fussell 9209 6336

**Manager Urban Design
& Strategic Planning**

Jim Holdsworth 9209 6443

**Manager Health
& Environmental Services**

Michael Dougall 9209 6680

Manager Libraries

Cathy Hunt 9209 6505

**Manager Marketing and
Quality Systems**

Tony Wait 9209 6596

**Manager Parking
& Traffic Management**

Geoff Oulton 9209 6300

Manager Parks

Mark Dornau 9209 6670

**Manager Planning
& Building Services**

Bruce Phillips 9209 6364

**Manager Recreation, Arts
& Events**

Anthony Hewton 9209 6396

Manager Road Services

Peter Graf 9209 6233

Teamwork
Unity
Human Values
Communicati

management team STATEMENTS

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COMMUNITY PLANNING DIVISION

Amalgamations and the Compulsory Competitive Tendering (CCT) process generated changes to the way local government has traditionally planned and delivered its services. Response to these changes took effect in Community Planning during the 1995/96 year, with the division concurrently facing challenges on a number of fronts.

Achievements included the development of work teams following senior appointments in May 1995; the preparation of major contract specifications; the evaluation and monitoring of six contracts; undertaking research into community needs and expectations; taking a lead role in several key planning projects; and the development of relationships and projects in relation to the City's residential, business and tourist communities. Particularly notable was that staff produced quality outcomes in each area whilst in a steep learning environment.

The division is responsible for planning services, assessing community needs and

ensuring that services both meet community expectations and are of a consistently high quality. It aims to develop an integrated approach to planning and to achieve a high level of partnership with the community.

Services

Given Council's need to meet State Government legislative requirements, the focus of the division in 1995/96 has inevitably been on achieving the CCT targets. Contracts undergoing the competitive process were: Parks and Gardens; Libraries; Cleansing; Meter Maintenance; and Building and Planning services. Other contracts being considered by Council include Traffic Management; Construction and Maintenance; Civil Design and Asset Management; Waste Management; and Health and Local Laws. Significant work was undertaken in preparing human services for CCT prior to Council's decision not to expose these services to CCT. A subsequent review of human services built on the initial planning and identification of need that had occurred during the CCT process.

While the 1995/96 targets were successfully

achieved, all Community Planning staff were trained during the year in the application of a rigorous CCT evaluation methodology, to ensure that bids were assessed consistently, rigorously and fairly and to ensure that services provided to Council achieved the desired quality and cost. The division both met legislative requirements and delivered good outcomes for the community.

Significant research was undertaken to identify community needs and expectations, with results impacting on the development of contract specifications. This greater emphasis on the measurement of community satisfaction led to the development of a Community Satisfaction Index (CSI), which as a benchmark for measuring performance will be further progressed by a Market Research Strategy in 1996/97.

As a part of its contract management responsibilities, the division has implemented a partnering program, designed to generate gains for Council in an environment of greater government accountability and competition. Port Phillip is recognised as the industry leader in this area, with its approach to be further developed in the next 12 months.

The division has remained committed to focusing on the needs and expectations of the City's three key communities: residents; business and industry; and tourists and visitors. A number of initiatives have resulted, generating significant partnerships between Council and the community.

Partnerships

Among these are the neighborhood development strategies piloted in Port Melbourne and Elwood; liaison with Mirvac in the continued development of Beacon Cove; a successful series of small business breakfasts; assistance to local traders' groups in developing future direction and business plans; and the establishment of relationships with key industries to promote the benefits of doing business in the City of Port Phillip. Significant planning has occurred in the culture, leisure, recreation, arts and events areas, with the continued delivery of a range of quality programs. The division also managed and delivered the corporate Capital Works Program of over \$8 million, including particular initiatives such as further work along the Port Melbourne foreshore.

The division has been involved in the management of a range of sensitive issues including the Sea Baths development and overhead cabling, has developed wider support for the Koorie Working Party and has continued to support the range of advisory committees which support Council. Staff contributed to the conduct and management of parking, traffic and health issues associated with the Grand Prix. The role of staff in ensuring that Council's objectives and the needs of local residents and businesses were met in a highly politically charged environment was a strong achievement.

Planning

With planning as a key function of the division, staff have completed a detailed brief for an Urban Character Study and a Design and Heritage Study to identify those areas and features within the municipality which require sensitive management. Both studies will be completed over the next 12 months. The division has also been involved in a highly successful Planning Scheme Review Pilot together with four other councils and the State Government. The approach being developed by Port Phillip has been recognised as leading the way in its approach to integrated planning. The results will be apparent in easier access to information for community planners and developers; greater certainty regarding planning policies; and a planning scheme which reflects the City's priorities.

The division reviewed the City's Corporate Plan following the return of councillors. The plan links a range of policy and financial objectives to be pursued by Council over the

next 12 months and has incorporated preparation for the development of a Community Plan which will generate and articulate a vision for the future direction of the Council and which will provide the basis for future corporate and financial planning. Both plans will be clearly focused on achieving councillor priorities.

CORPORATE DIVISION

The preparation of a business plan gave Corporate Division the opportunity in 1995/96 to focus clearly on its role as the provider of corporate information and corporate infrastructure. During the year, the division's four key branches – Assets and Valuations, Corporate Support, Finance and Information Systems – established their strategic direction both for 1995/96 and the future.

Corporate Division closed out 1994/95 with the signing of the Audit Report within the month and began 1995/96 with a new structure and two new third level managers in the Finance and Information Systems branches. A review by all branches led to the finalisation of work teams, providing the basis for the development of the division as a major internal service provider in the Compulsory Competitive Tendering (CCT) environment.

Valuation, Property Management and Revenue services were all out-sourced during the year, assisting Council to meet its CCT targets.

Governance

Improved financial and CCT reporting during the year provided key information regarding the organisation's operations. Major investments in information systems and the development of business unit reporting improved financial control throughout the organisation, providing Council with a strong base to monitor its performance on an ongoing basis. CCT monitoring and forward planning stabilised, and the city achieved its CCT target for the second year.

The establishment of the Audit Committee, with external representation has further enhanced Council's levels of governance and financial control. The Committee has reviewed systems and processes and has advised Council on financial implications of key policies and decisions.

The development of Service Level Agreements (SLAs) has given specific details regarding the corporate overhead and provided certainty about the types and levels of services offered. The SLAs have also provided the division with the opportunity to establish variability within services where required by individual business units.

Quality

As a part of its service review, the division commenced a quality program in early 1996. Working towards quality standard AS/NZS ISO 9002, with certification being sought in December 1996, the division is committed to providing a high and consistent level of service to the organisation. Quality awareness training was undertaken by all Corporate Division staff; a Quality Policy Statement was prepared and adopted; and flowcharts, which will form the basis of Quality Assurance Procedures and continuous improvement, have been prepared for all corporate activities. The development and implementation of a performance tracking system has been followed by process re-engineering, with a view to further improving the division's service to the rest of the organisation.

Infrastructure

The division oversaw the sale of the Acland Market in Barkly Street, St Kilda, for \$3.025 million, with proceeds contributing to Council's Capital Works program. The sale will result in the refurbishment of the original Coles building and the construction of a new Coles supermarket, together with carparking and residential units on the top two floors. The imaginative design is sympathetic to the surrounding streetscape and the facade to Barkly Street will provide display cabinets where local artists can display their works.

Council's computer infrastructure was redesigned, expanded and rebuilt during the year in consultation with service users. Old and unreliable network systems were replaced with modern, powerful systems which will allow staff to provide high levels of service to the community.

Information

The division has developed an extensive range of demographic data relating to the City's resident and business communities. This information, published in monthly editions of *Port Phillip Facts* and the first *State of the City* report, has been widely sought by staff and the wider community.

By focusing on the provision of high quality service to individual branches and business units, the Corporate Division has developed a sound basis from which the organisation can effectively serve the community.

OPERATIONS DIVISION

The Operations Division faced several major challenges in 1995/96 and emerged with a new culture, based even more strongly on providing the best possible service to the Port Phillip community. The upheaval of amalgamating

three cities into the City of Port Phillip in 1994 with around 30 per cent of Operations staff becoming redundant has been followed both by a major re-organisation in 1995 and the prospect of further redundancies should internal business units lose during the Compulsory Competitive Tendering (CCT) process. A new culture has developed as a consequence of the need to be competitive, resulting in an even stronger focus on meeting the needs of the community. Some of the highlights of the division over the past twelve months are listed below.

Quality

Operations staff believe that an essential part of the future is the establishment of a culture which continuously seeks better ways to provide services. Underpinning this philosophy has been the need to manage more by facts than opinions, giving rise to a new complaint handling system; establishment of key performance indicators; more effective budgeting and financial management systems; and increased market research.

A combination of these highlights and others has resulted in our staff having a clearer vision

the development of policy frameworks, including the preparation of the City's first Human Resources Policy Manual and a new City of Port Phillip staff Performance Management and Review System (PMRS). The PMRS will provide the basis for staff to plan performance objectives and work programs which meet corporate and unit goals and to plan staff development programs, designed to maximise the potential of individual staff members.

In line with its commitment to developing staff, the division also provided Equal Employment Opportunity training across the organisation.

A significant achievement for the year was the development of an Enterprise Agreement and a number of Local Area Work Agreements which have been instrumental in providing a basis for management and employees in business units to develop together a committed, flexible, competitive and highly skilled workplace.

Alignment

A major project was undertaken during the year to increase strategic alignment between Council and the community. The project included culture mapping of the organisation; market research leading to the development of the Customer Satisfaction Index; business planning training for all branches and business units; and the development of a model of strategic alignment, which will continue to make an impact on the organisation, both in the development of the Community and Corporate Plans, and the 1996/97 Business Plan. The desired outcome was for the organisation to develop and realise strategies which meet the needs of the Port Phillip community and to further progress the change management process resulting from amalgamation and CCT. The strategic alignment model which resulted is a useful method to ensure that the services Council provides are in line with the needs of the community.

Culture mapping indicated that the process of change was generally well understood and accepted by staff, and provided information on areas of importance to staff. Strategies and programs will need to be developed by individual divisions and units in the 1996/97 year in order to develop areas of strength and to improve areas of weakness.

Providing information to the community on the services provided by Council was a high priority, with the Communications Branch both producing a number of publications including *Update*, the monthly community newsletter, the *City of Port Phillip Annual Report* and *Annual Report Summary*, a *Community Resources Guide* and providing assistance to other departments preparing publications. The development of the corporate identity ensured that the facilities and services provided by Council are readily recognisable throughout the community.



From left to right: General Manager Corporate, John Cincotta; General Manager Operations, Jon Hichman; Chief Executive Officer, David Spokes; General Manager Community Planning, Elizabeth Potter; Acting Director Organisation Development & Communications

Our people

Most of our teams have demonstrated their commitment to letting go of the past, providing better services and improving the quality of services delivered in the future by:

- Establishing Local Area Work Agreements as part of the CCT process;
- Over 95 per cent of employees in the Parks and Libraries teams have volunteered to participate in service improvement teams aimed at improving the way we do things. Other teams will participate in the 1996/97 year.

Business unit support

A small team was recruited in 1995/96 to gain and establish the commercial, marketing, service quality, and financial and management skills required by the Operations Division to survive in the "new world" created by CCT. This team supports the business units to embrace the challenges facing them, to win their tenders and to position themselves as the preferred suppliers at the end of the current contracts.

Business planning

Operations along with the rest of Council has adopted a more rigorous approach to business planning based on the needs of the community.

of the future; our people feeling more encouraged and empowered to make decisions; numerous innovations in service delivery; winning all our internal bids to date, (Libraries, Parks, Cleaning, Building Approvals, Statutory Town Planning, and Parking Meter Maintenance Services) and finally, significant savings in operational costs which as a consequence can be channelled back into other areas of community need.

ORGANISATION DEVELOPMENT AND COMMUNICATIONS DIVISION

The division's key management appointments were finalised in August 1995, leading the way for the establishment of the Human Resources Operations, Employee Relations and Employee Development and Communications teams.

Created to provide assistance to the organisation during a period of intense and rapid change, the division supported both teams and individuals in the management of recruitment, redeployment, redundancy, occupational health and safety, industrial relations, employee development and communications issues.

Personal assistance was complemented by



PLANNING

in Port Phillip

One of the least talked about but most significant changes affecting Victorian local government has been the planning reform process.

For many years, the way land was used and managed in Victoria was controlled by State legislation, and described in detail in local planning schemes which outlined various uses and types of development that could occur on both public and private land. Over time, these planning schemes have been subject to frequent changes and amendments, instigated by State Government, local councils, land owners and developers. Amalgamation of local governments, therefore, provided the opportunity to review these increasingly complex planning schemes.

Port Phillip Council is one of five Victorian municipalities which is developing its planning scheme in a new format, as a pilot project for all other local governments in the State. This places Port Phillip in a pivotal role among its fellow councils in metropolitan Melbourne, as the process currently under way in Port Phillip will significantly influence the format and effectiveness of land use management well beyond our boundaries.

The new Port Phillip Planning Scheme will be developed both from an assessment of the existing environment and from Council's vision for Port Phillip's future urban environment. The first element examines the current spread of land uses and development that exists in our substantially built-up urban environment. The



second will be derived from Council's Corporate Plan and suite of supporting strategic policy documents.

Translating the broad objectives described in the Corporate Plan and policy documents into the Port Phillip Planning Scheme, has led to the preparation of a comprehensive linking document, known as a Municipal Strategic Statement. It describes what is unique about Port Phillip, what its citizens value about the municipality and what Council and the community want to see retained, enhanced and developed in the future. It also discusses how Council aims to manage and achieve its strategic planning objectives through the new planning scheme.

The Port Phillip Planning Scheme is a dynamic document, providing clarity to users and administrators of the scheme about the strategic directions and control of land use, buildings, heritage, urban character, traffic and parking, and open space in Port Phillip.

In today's environment, a balance must be



struck between the need to preserve the best of the past, the need for certainty, the need to satisfy the community's quality of life requirements, and the pressures for new developments.

The planning scheme and its supporting policy documents must reconcile these often competing pressures, providing a straightforward set of planning controls which encourage appropriate development and growth, consistent with the community's objectives and the capacity of the City's services and facilities to support new development.

By preparing and adopting a forward-looking planning scheme, Port Phillip aims to maintain its pre-eminent position as a most desirable place in which to live, work, visit and prosper.

Festivals & Events

Over 400 local traders, together with 50 community groups, were involved in street trading, promotion and fundraising during the 1995/96 season of events. Sixty per cent of the entertainment programs generally consisted of local artists.

Key initiatives

Through a number of key marketing initiatives, Council was able to secure unprecedented levels of corporate financial support for the festivals, particularly from Ideal Dairy which sponsored Acland Alive!, St Kilda and Port Melbourne Festivals. Through a sophisticated publicity and promotions campaign, all events enjoyed excellent pre-publicity and media coverage.

Market research was introduced to determine the festivals' audience and their satisfaction. Results demonstrated broad-based popularity of the festivals and highlighted opportunities for future events. Findings indicated over 80 per cent of respondents rated the St Kilda Festival as "above average" or better when asked to compare it with other festivals. In addition, the findings of the Wallis Consulting Group highlighted opportunities amongst local traders during the festival season.

The future

The St Kilda Festival Evaluation Committee has recommended a major reassessment of the event in the light of community consultation. As a result, an extensive reformatting of the style, programming and marketing of other festivals is also planned for 1996/97. This should ensure further consolidation of each event's profile and in doing so, enable Council to further meet its festival objectives.

IN PORT PHILLIP



Marq Comics, Circus Oz, Port Melbourne Festival



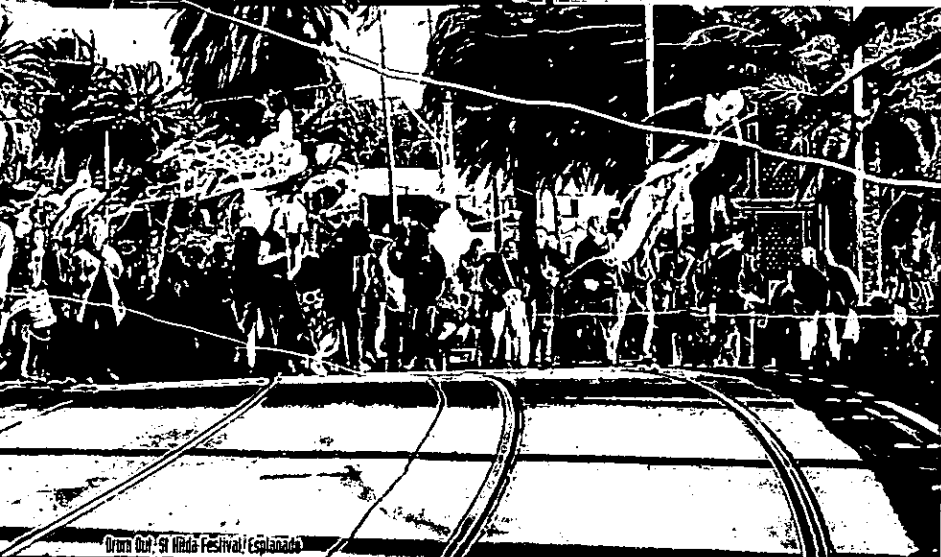
St Kilda Festival, Acland Street



Tom Lewis, St Kilda Writers Festival



'Walks of Life', Trevor Mren - Gasworks Outdoor Sculpture Exhibition 1995



Drum Out, St Hilda Festival, Esplanade

The Gasworks Sculpture Show exhibited its most successful collection to date, with an attendance of 18,500 over two weeks.

The Port Phillip Garden & Multicultural Festival, in addition to the stalls and two stages of local artists, presented an art exhibition "In the Glasshouse" in conjunction with the Migrant Resource Centre.

The St Hilda Festival welcomed families to the first St Kilda Children's Festival, a free day of activities and entertainment. Council's Harm Minimisation Policy was successfully introduced, making large areas alcohol-free and the festival enjoyable for everyone.

The Port Melbourne Festival joined Council with new Port Phillip residents, Circus Oz, to hold Circus workshops culminating in a "Summer Circus Celebration" in Edwards Park.

The South Melbourne Community Day this year celebrated our local artists and performers in Gasworks Park.

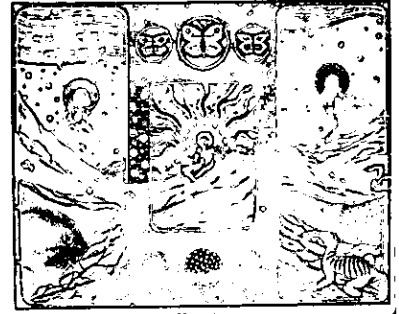
The St Hilda Film Festival forged links with the film and television industry and broadened its audience with a retrospective exhibition at the George Gallery of the work of prominent HIV/AIDS artist, Stephen Cummins.

Clarendon Street Cookout, was co-ordinated on behalf of the South Melbourne Traders Association, and Acland Alive!, organised with the Acland Street Traders Association, celebrated the completion of streetscape works.

These activities raised the profile of the streets, bringing revenue to local businesses and boosting the local economy overall.



KOORIE ARTS



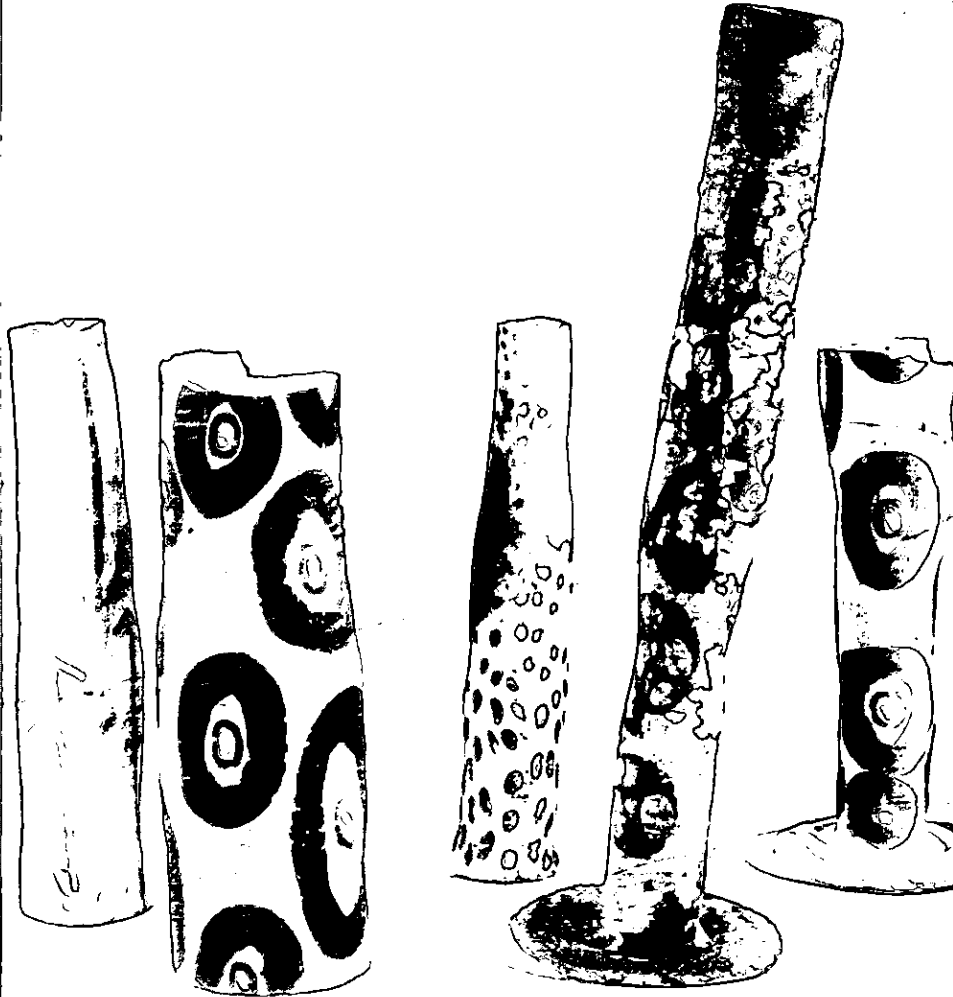
Craig Charles, "Wharraloo Baska-Baska Tongala" Black Crow Dances - Murray River

The Koorie Arts Officer's aim is to link, resource and represent Koorie artists across policy and planning areas in Council. The culmination of this work was *We Iri, We Homeborn*, a series of five exhibitions of the work of over 100 Koorie artists from throughout south-eastern Australia.

The City of Port Phillip was proud to sponsor the exhibitions, which received excellent media coverage, contributing to high attendances at the St Kilda Town Hall, Linden Arts Centre and the National Gallery of Victoria. The works challenged commonly-held stereotypes by celebrating the breadth and quality of contemporary Aboriginal art.

A part of the NAIDOC (National Aboriginal & Islander Day of Celebration) Week Celebration, this was the largest ever concurrently-held series of exhibitions of Aboriginal art, and for many artists, their first exhibition or opportunity to exhibit in a mainstream gallery.

With the help of State and Federal Government funding, Council will continue to support and promote the work of indigenous artists in this city and beyond.



Jenny Mullett, "Installation of Ceramic Poles"



WHAT IS CCT?

Victorian State Government legislation requires Councils to subject a percentage of their expenditure to an open and competitive process. This process is called Compulsory Competitive Tendering (CCT).

CCT does not dictate which services should be openly tendered, but sets a percentage target for councils to meet. This gives councils the discretion to select which services can be tendered and when. It is a process which ensures that councils receive the best value for money for goods, services or works.

CCT at Port Phillip

In the second year of operation of CCT, Council has again exceeded the minimum percentage required. For the financial year 1 July 1995 to 30 June 1996, 35 per cent of the operational expenditure was put through a competitive process, exceeding the 30 per cent target. The target for 1996/97 and subsequent years will be 50 per cent, which Council is confident it can achieve.

Due to the importance that it places on Human Services, Council decided not to put these services through the competitive process in 1995/96. To meet the required target Council has tendered some services that have been traditionally undertaken by Council staff. Of the nine tenders where in-house bids were submitted, staff have been successful six times:

Parks, Library, Rights of Way Administration, Cleansing, Statutory Planning and Building. Whilst Council began negotiating with the in-house Meter Maintenance team during the 1995/96 year, the contract will be finalised in the 1996/97 financial year. Three tenders have been won by external tenderers: Valuations, Revenue Management and Fleet Management. Where staff have been unsuccessful in winning their bid they have been either redeployed or offered a redundancy.

The impact of CCT

Compulsory Competitive Tendering has introduced a new dimension to working for local government.

Council staff have had to compete against private companies, ranging from large multi-

nationals to small local organisations which provide the same services. Entering a competitive environment has required staff to understand what their business is and how it is run. They have had to develop a greater understanding of whom they serve and what kind of service the community wants. Staff have had to learn how much their services cost and how long it takes to provide them.

Parks, Libraries, Planning and Building, Parking and Traffic Management, and Health and Environmental Services teams all underwent a similar process to get in shape. With assistance from the Operations Division's management support group, teams worked through a number of steps to achieve a win: that is, being awarded the contract to provide services to the Port Phillip community.

IN-HOUSE CCT SUC- CESS

Library Services

COUNCIL STATEMENT

"Our in-house tender met all the requirements of the library specification and included service improvements that will give readers greater access to the latest information technology, including the Internet. Their bid also incorporated a comprehensive approach to planning all aspects of the library service, including the implementation of quality service standards. The tender will cut costs through more efficient staffing arrangements, work practice innovations and enhanced use of 'high tech' library management systems. In addition, readers will have greater access to assistance and advice from professionally trained duty librarians."

STAFF COMMENTS

"All of us at the Port Phillip Library Service experienced intense scrutiny during the CCT process. This interest demonstrated an enormous level of support by the community for their library service."

I know staff appreciated this support. It made staff aware of the importance of preparing a first class bid, while continuing to provide very high standards in service delivery.

Since the contract started in February this year, we have had lots of feedback about improvements in services, the appearance of branches and the collections. This has come from library users, councillors, the Contract Manager, external consultants, and even other Council staff.

We are all especially encouraged by Council's ongoing confidence in the success of the CCT process for the library and I am confident that the Port Phillip Library Service will continue to lead the State in the provision of public library services.

I congratulate the library staff on the service they provide and commend them



Library Leaders Staff

on their contribution to such a highly valued part of Council operations."

CATHY HUNT

Library Leaders

Parks

COUNCIL STATEMENT

"An important feature of the bid was the proposal to better match work demands with staff availability. As most of the maintenance work and plantings are seasonal, staff have agreed to take their recreation leave in the quieter winter months and also accumulate rostered days off during the busy summer period, to be taken later in the year. Improved productivity and better use of technology and information management systems also contributed to giving the team the competitive edge. The in-house bid will save the city \$1.3 million per annum, with service improvements including a customer service officer to ensure resident and park user complaints are quickly addressed; effective monitoring of the requirements and satisfaction of park users; a comprehensive quality assurance system to set park maintenance schedules; and promotion of park facilities to the local community."

STAFF COMMENTS

"It was always the understanding of staff that while one or two parks departments from the former cities may survive amalgamations, CCT was another story completely. Whilst our competitors may accept that they will win one out of three bids, we only had that one-in-one chance. We were competing against some pretty sophisticated and big organisations, so it was never going to be a sure thing."

The biggest change which occurred in Parks was that we stopped being an organisation which was inwardly focused and more worried about how we felt about our services than how the community felt about them, and are now becoming an organisation which is focused on our community and what they require from our services and the landscapes we manage.

While we see our initial success as satisfying, the job to win bid 1998 has already begun."

MARH DORNAU,

Palms Inc (Parks and Land Management Services)

Cleansing Services

COUNCIL STATEMENT

"Our in-house team gained the edge through their innovative bid to measure community



PALMS Inc staff



Streetsahead Cleansing staff

satisfaction and incorporate this feedback into regular reviews and improvements in service delivery. Council's team will deliver significant savings over the life of the three-year contract, by implementing more efficient staffing arrangements and work practice innovations and by adopting an outcome focused approach to delivering services to the Port Phillip community. Service improvements will include: benchmarking of service standards and community satisfaction levels to assess and improve the team's performance; extension of cleansing services to include laneways in residential areas; increased cleansing of commercial areas with a high volume of activity; improved standards of beach cleaning; and improved maintenance programs for the City's drainage system."

STAFF COMMENTS

"As a new employee I had heard so many unsettling comments about the CCT process and the bid preparation and how threatening it all was that I approached it with a great degree of nervousness! To my relief I actually found that the close scrutiny of my area for the bid preparation was a healthy experience and not at all threatening. The standard of the professionalism of the team assembled was most impressive. The whole experience was a fascinating learning curve; I wouldn't have missed it for quids!"

ANNIE BRATEMAN

Streetsahead Cleansing Services

Planning and Building Services

COUNCIL STATEMENT

"Council's in-house team has been awarded both tenders as it offered extensive local knowledge; innovative proposals which will enhance service user satisfaction levels; and minimum disruption during the transition to the proposed arrangements. The team demonstrated a good technical understanding of the nature of the required service and a greater level of competence. The bid was simply the best value for money."

STAFF COMMENTS

"The bidding process for the Planning and Building Services was an opportunity to look very sharply at our services and to refocus them to our service users. This involved a better understanding of our service users' needs and then formulating strategies to ensure better approaches.

The process also forced us to look to the appropriate number of people for the service delivery. This required some downsizing to better match the workload in the deregulated Building area. The Planning area generates a great deal of work and it was important that we recognised that it is a publicly scrutinized process and that we needed a certain workforce to cope with the workload.

Our strategies rely on better 'tools' such as electronic workflows for efficiency gains. Our big challenge now is making improvements to systems and to deliver the service as promised."

BRUCE PHILLIPS

CoMPS (Consultative Municipal Permit Services)

Meter Maintenance

COUNCIL STATEMENT

"The contract for Maintenance of Parking Meter Equipment was awarded to the in-house team due to their ability to deliver the service at the required level and standard while delivering

cost savings to the Council. These savings are being delivered in addition to already demonstrated productivity improvements. The proposal by Meter Works will optimise the existing paid parking system while offering a clear and deliverable strategy for reaping the benefits of recent technological developments. They demonstrated an understanding of the complex picture of the traffic and parking management system, namely the provision of an integrated system."

Note: The Meter Works team was recently awarded a like contract for the City of Yarra. The City of Port Phillip contract will be awarded for a period coinciding with the Yarra contract.

STAFF COMMENTS

"CCT provides many challenges, stresses and opportunities. It forces an examination of what you do, how you do it and who you do it for. The element of survival also provides a strong impetus for change.

Involvement of the whole team is essential to delivering improvements through a shared commitment. Concentration on delivering value, rather than just the lowest price, has helped ensure a positive outcome for both Council and the community we serve.

It is also important to recognise CCT as just one step in the longer process of continuous improvement which is necessary for our ongoing development and operation."

GEOFF OULTON

Meter Works (Parking and Traffic Management)



Meter Works staff



CoMPS staff

**CCT STATEMENT OF THE CITY OF PORT PHILLIP
FOR THE PERIOD 1 JULY 1995 TO 30 JUNE 1996**

	\$	No	%
Total expenses			
total cost of operations	\$ 67,267,000		
less abnormal expenses	\$ 3,921,000		
less extraordinary expenses	\$ 0		
value of expenses for CCT base	\$ 63,346,000		100%
Competitive tendering target	\$ 19,003,800		30%
Competitive arrangements			
a) Contracts with external parties	\$ 12,940,712	176	
b) In-house agreements	\$ 3,686,209	6	
c) Income derived from contracted services	\$ 105,408	2	
d) Contracts approved by the Minister (208F)	\$ 3,959,519	234	
e) Contracts with external parties formerly by Council	\$ 1,382,269	4	
Total competitive arrangements	\$ 22,074,117	422	35%
Surplus of competitive arrangements	\$ 3,070,317		5%
Number of In-house tenders received		9	

18

**Comparison of CCT results by category between
1994/95 and 1995/96**

Category	1994/95		1995/96	
	Number of contracts	Value	Number of contracts	Value
A. Public works & services	59	\$ 5,757,827.35	110	\$ 8,511,673.98
B. Recreation facilities & services	10	\$ 287,950.85	20	\$ 3,300,916.23
C. Environmental services	5	\$ 23,295.46	5	\$ 1,010,094.47
D. Health & welfare services	1	\$ 13,675.00	0	\$ 0
E. Administrative, financial & professional	16	\$ 470,720.34	47	\$ 4,216,824.55
F. Statutory services	0	\$ 0	5	\$ 1,051,689.40
G. Economic development activities	0	\$ 0	1	\$ 23,400.00
H. Approved purchasing schemes	118	\$ 3,298,740.28	234	\$ 3,959,518.98
TOTAL	209	\$ 10,252,209.28	422	\$ 22,074,117.61
CCT % achieved	21% (min requirement 20%)		35% (min requirement 30%)	

HUMAN SERVICES AND CCT

Following a moratorium for two months on the Competitive Tendering of Human Services, Council resolved in June 1996 not to subject the following areas to Compulsory Competitive Tendering in the 1996/97 financial year:

- Aged and Disability Services
- Child Care and Education
- Family and Child Health Services
- Culture and Arts
- Leisure and Events Services

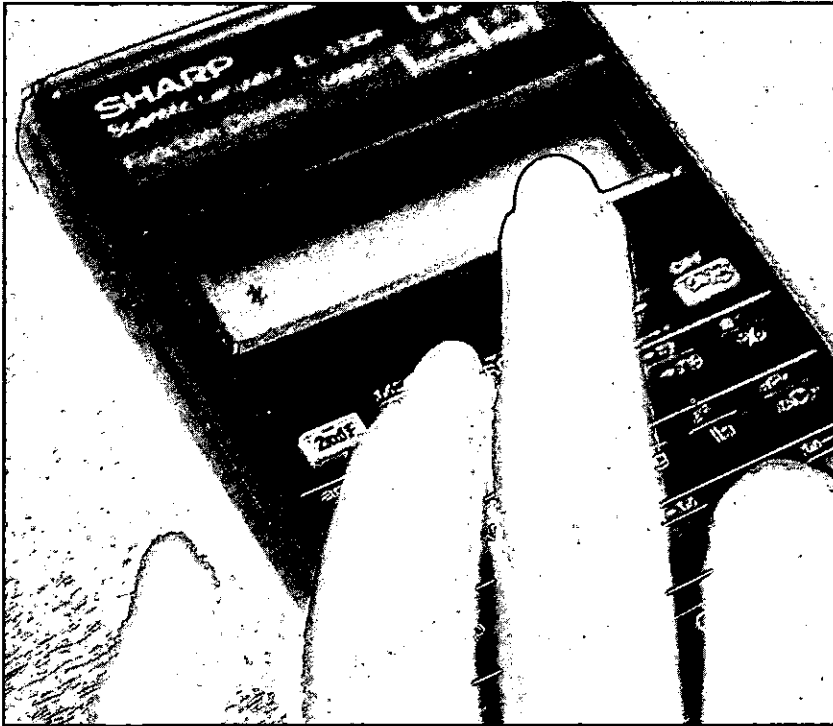
In reaching this decision the Council was very mindful of the significant community concerns about the impact of tendering on such sensitive services where the quality of the relationships between staff and their clients and continuity of service is paramount.

The Council affirms and accepts its responsibility to meet the State Government statutory obligations under the CCT legislation, as is demonstrated by the target achieved this financial year. Council believes that maximum accountability and flexibility to residents and users of Human Services will not be achieved if these services are subjected to CCT.

Whilst these services are not subjected to CCT such services are not immune from normal management practices. These services along with all other services provided by Council are being reviewed in terms of their principles and practice, social equity, sound management, cost effectiveness, efficiency and accountability to local residents and capacity to provide the highest level of quality possible to meet the community's need. Therefore Council will review all of its Human Services in order to determine the most effective and efficient means of service delivery to meet the needs of the community.

Extensive community consultation was undertaken in preparation for the application of competitive tendering to Human Services. This body of material will now underpin the process of developing service agreements. A partnership agreement will be entered into with each Human Services unit and will define the outcomes, standards and volumes of service to be provided, including opportunities for improved performance.

Windfall creates benefits for the city



Australian Grand Prix

The Australian Grand Prix was held in March of this year and was very much an unknown quantity in terms of the effect it was going to have on the local amenity of the area adjacent to Albert Park.

As a consequence of this, officers worked closely with the Australian Grand Prix Corporation, VicRoads, and the Public Transport Corporation to develop a traffic plan to manage both through traffic and local traffic.

Similar planning was also undertaken to manage a number of other Council functions including Local Laws, Health and Cleansing.

The Albert Park Information Centre performed a leading role in answering resident

queries and disseminating information on a wide range of issues up to and during the event.

The key to the successful management of the issues around the Grand Prix and the protection of residential amenity was the consultation, detailed planning and implementation of the Traffic Plan.

Recognising that in the foreseeable future, the Australian Grand Prix is likely to continue to be held in Albert Park, Council will need to have input into the planning process in order to ensure that improvements to the measures and initiatives of this year's plan are included for next year's event.

A windfall of \$18 million was received from the sale of Port Melbourne's electricity business to Citipower. Whilst this improves the financial status of the Council in the short term, it also contributes to the long-term benefits of the City of Port Phillip. The benefits will primarily be realised by non-recurring annual debt servicing costs.

Rate revenue will further reduce by \$2 million to \$32 million. Council has adopted a strategy to move to standardised rates across the City within two years. The rate of increase for approximately 10,000 properties will be capped at 15 per cent. Ratepayers will benefit in the 1996/97 rating year, paying only a nine month rate to the City, in line with the change in the rating year to 30 June. Revaluation of properties has been completed based on the June 1994 level of value and will impact on rates levied this financial year.

The proceeds from surplus asset sales (\$0.5 million) will be committed to the further development of the City's infrastructure.

The overall financial position of the Council has improved substantially. Of the proceeds received from the sale of the electricity business, \$10 million has been used to reduce debt levels and \$4 million in updating Council's infrastructure. The audit of Council's finances was completed early August with an unqualified audit report.

List of Local Laws

as at 30 June 1996 as follows:

- Parking Local Law No. 1**
- Markets Local Law No. 2**
- Environment Local Law No. 3**
- Streets Roads And Other Public Places
Local Law No. 4**
- Streets Roads And Other Public Places
(Amendment No. 1) Local Law**
- Australian Grand Prix Local Access Only
Zone Local Law No. 5**
- Council Meeting Procedure
Local Law No. 6**

BRANCH REVIEWS



C. to R: Mandu Press, Manager Central District and Michelle Marr, Coordinator, Neighborhood Works and Projects, consulting during the Elwood Neighborhood Development Strategy Pilot project.

20 COMMUNITY PLANNING

Central District

Created in July 1995, Central District is part of the Community Planning Division of the City of Port Phillip.

Working as a multi-disciplinary team, district staff are advocates of residents' needs. Using their skills in consultation, coordinated planning and developing strategic partnerships, their overall aim is to ensure the delivery of high quality resident services across the City.

Specific responsibilities include planning and ensuring the provision of human services, in particular:

- identifying service user needs through research and consultation methods
- specifying service levels and quality
- ensuring high quality and responsive services are provided
- ongoing monitoring to ensure adequacy of services and to promote continuous improvement.

Services provided

Human Services for which the Central District is responsible include:

- libraries
- cultural services
- family, youth and children's services

- aged and disability services
- transport
- harm minimisation projects
- cross cultural awareness.

A number of community-based organisations and interest groups provide assistance in various areas. Their work is supported through the Community Grants Program.

Summary of achievements

State Government funding of \$230,000 was approved for the development of an adult day activity centre at the Napier Street hostel. The centre will provide activity and support programs for frail aged and disabled residents.

Significant funding was also received for Harm Reduction projects. This funding was made available to provide community information on injecting drug users and the law, as well as to support the role of local general practitioners in their work with residents and managers of private hotels.

A Neighbourhood Development Strategy Pilot program was introduced in Port Melbourne and Elwood. This program aims to promote collaboration between Council and residents in identifying and addressing critical issues for local areas. Council will consider

whether to extend this program across the City, following an evaluation of the effectiveness of these pilot programs.

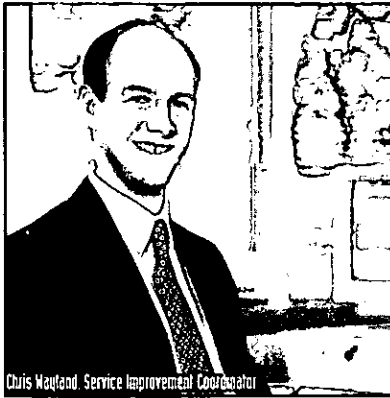
Extensive community and service user consultation was undertaken by Central District staff in order to identify the City's requirements for Human and Cultural services as part of the Compulsory Competitive Tendering (CCT) process. Although Council subsequently resolved to withdraw these services from CCT, we have established a clear direction for these services which will inform subsequent service review and redevelopment.

Service specifications were also prepared for Council's Traffic and Transport services and the tendering process initiated for these services.

A draft Human Services Plan was developed following surveys and focus groups with local organisations and users of Council services.

A framework has been developed for a Council Harm Reduction Policy, which will position the City to work pro-actively in reducing the harm associated with alcohol or drug use.

A three-year strategic partnership agreement was formalised with Library Leaders, the providers of library services.



Chris Woyland, Service Improvement Coordinator

Marketing and Contracts

The Marketing and Contracts team provides support and training in all phases of contracting in areas such as commercial advice, pricing support and evaluation, understanding the needs of residents, and the developing of service outcomes together with evaluation of the quality and effectiveness of service delivery. It has introduced "quality" as a way of thinking: a set of principles as a framework for addressing what we do, why we do it, and who we are doing it for, to enhance the "value for money" standard.

The team includes a social researcher to support the total research strategy; an officer to manage the complaints handling system, policies, reporting and updating across all divisions of Council; a marketing and corporate planning support officer; and a financial analyst (on a contract basis). The emphasis of the team has moved from "one-on-one support" to more "organisation-wide activities".

Services provided

The services are provided primarily to users within Council and include:

- contracts – planning stage, expressions of interest, specification development and management
- financial and commercial advice in service delivery
- complaints handling policy, and systems development and management
- assessment of community needs and expectations, and the measurement of service-user satisfaction
- corporate and strategic planning
- image development and management
- marketing activity policy and systems in the areas of sponsorship, advertising and direct mail.

Summary of achievements

A research program for Port Phillip, which includes assessment of community needs and expectations, and methods of monitoring and determining the satisfaction levels, was developed in 1995/96. Specific research, as an

integral part of this framework, will assess gaps between service-user satisfaction and service delivery.

Major policy initiatives include the development of a coordinated approach to the marketing and communication issues within the City of Port Phillip. These centre around aspects relating to sponsorship, advertising and corporate identity. Community input, corporate and business planning processes and terminology have been aligned across the organisation.

A significant achievement was in the successful implementation, refinement and ongoing management of a state-of-the-art computerised complaint handling system for the City of Port Phillip. Policies for addressing complaints were developed as a part of this system.

The Marketing and Contracts branch developed a training and development program for tender preparation and management. Contract management at Port Phillip entails a commitment between the two parties to work together to maximise effectiveness. This approach is attracting interest from other councils.

North District

Primarily focusing on and servicing the needs of Port Phillip's business community, North District was created in July 1995.

A review of the commercial, industrial and retail land uses in the city was completed during the year, providing a basis for changes to the Port Phillip Planning Scheme which will be exhibited for public comment at the end of 1996. The review of land uses will also assist in the development of an Economic Development Policy for the City.

Services provided

- servicing the specific needs of the business sector
- researching community needs and advising Council on the development and implementation of policy
- preparing service specifications and managing the competitive tendering process for and contract management of:
 - planning and building services
 - animal management, food surveillance and public health
- coordinating liquor licensing and Food Act compliance for the staging of the Australian Formula 1 Grand Prix.

Summary of achievements

Major policy initiatives consisted of the drafting of a reformed planning scheme, the formation of a Municipal Emergency Management Plan, a review of local laws and guidelines for kerbside trading, and the making of local laws relating to markets, environment and streets, roads and other public places.



Business breakfast speaker, Hal Daniels

The Municipal Health Plan and the Municipal Emergency Response Plan were completed, and the development of the 1996/97 Capital Works Plan and a Waste Management Strategy were each finalised and adopted by Council.

A detailed program of shopping centre revitalisation has commenced, under the name of "Streetlife". This has provided support services to the network of trader associations within the municipality to promote our shopping areas as successful, functional areas. Key outcomes have been: election of a Management Committee in Bay Street, Port Melbourne, comprising local business people to promote their centre, and the establishment of a special rate which will fund a Promotions Co-ordinator; five Business Breakfasts held across the municipality, with up to 95 small business people in attendance – these provide network opportunities and information from relevant speakers; an Expo of council-provided services to businesses held in October 1995.

South District

Stretching across the Hobsons Bay foreshore from the Boulevard in Port Melbourne to the Elwood beach, just beyond Point Ormond, South District also takes in the commercial precincts of St Kilda, notably Fitzroy Street and Acland Street. Part of the Community Planning Division, it was formed in July 1995.

A number of State Government decisions have impacted on the operations of South District, including the decision to expand Webb Dock, the construction of the CityLink project and the staging of the Australian Formula 1 Grand Prix at Albert Park. The requirements of adherence to the CCT legislation resulted in a substantial commitment of staff and resources, with all major physical services being subjected to the CCT process.



Services provided

- integrated service delivery to the South District, with particular relevance to the areas of leisure, recreation and tourism
- implementation of matters associated with the running of the Formula 1 Grand Prix
- monitoring the progress of the Webb Dock project
- continuation of the implementation of the Port Melbourne Foreshore Plan
- facilitating the construction of the Beacon Cove development at Port Melbourne.

Summary of achievements

Major policy work was required to address the issues of protection of amenity – parking, traffic noise and support for local business to maximise opportunities – for residents in and around Albert Park, in the conduct of the Australian Grand Prix in March.

A Waste Management Strategy was developed that is intended to set the direction for Council's services in this area for the next seven years. This involved a comprehensive review of all waste management services, with the major thrust coming from the requirement to implement waste minimisation strategies which meet the target of a 50 per cent reduction in waste.

Major works have included the preparation of specifications and acceptance of tenders for parks and gardens, traffic meter maintenance, traffic management, street cleansing, the commencement of waste management processes and the construction and maintenance of infrastructure.

A Tourism Promotions Group was established and an events brochure produced.

Construction commenced of the community aquatic facility – a component of the new Melbourne Sports and Aquatic Centre – and agreement was finalised for the construction of a synthetic hockey pitch in Albert Park.

Urban Design and Strategic Planning

The Urban Design and Strategic Planning Unit's role expanded during the year to include environmental management and sustainable development, and direct housing provision. It now serves all sectors of the community through the policies and advice it provides, but with an emphasis on the development industry, property owners, investors, architects, town planners and other specialist consultants.

The unit was involved in a major pilot project during the year resulting from government initiatives aimed at streamlining the planning process in Victoria. The Port Phillip Planning Scheme Pilot Project is due for completion early in 1997, with the new planning scheme expected to be on exhibition by December 1996.

Services provided

- specific advice to Council and the community relating to land use and development within the City of Port Phillip in the areas of:
 - urban design
 - strategic planning
 - policy formulation
 - environmental management and sustainable development
 - housing research
 - project management, major development sites and projects
- provision of urban design and planning advice to the statutory planning unit, developers, architects and others
- management of design and construction of Council infrastructure projects
- a role as a direct housing provider combined with a housing facilitation role aimed at providing affordable housing for residents with significant "ties" to districts within Port Phillip.

Summary of achievements

A number of major policy initiatives were formulated during the year. Amongst them were the preparation of a Sustainable Development Strategy that was adopted by Council in April and completion of a detailed brief for an Urban Character Study and a Design and Heritage Study.

The unit completed a first draft of the new Port Phillip Planning Scheme. This major initiative is aimed at streamlining the existing planning scheme using the new format for all planning schemes across Victoria. When complete the scheme should better reflect Council policies and objectives in a clearer and more concise format.

A Streetscape Sensitivity Survey was undertaken in connection with the management of issues surrounding overhead telecommunications cabling. Every street in the City of Port Phillip was surveyed and this linked with community consultation (including public meetings), a community information questionnaire and the exhibition of the results of the survey.



As well as a project management role in the St Kilda Sea Baths and the Luna Park developments, the unit dealt with expressions of interest lodged for developments proposed in Lower Esplanade (the "triangle" site), the former St Kilda Railway Station and Ripponlea Railway Station. Other major site management activities were the Acland Courtyard in St Kilda, the Uniting Church site redevelopment in St Kilda and the Beacon Cove project in Port Melbourne.

Landscaping and civil engineering works in Acland Street St Kilda were completed.

Management of amendments in relation to development controls in Marine Parade (in part), Ormond Esplanade and the Uniting Church site on the corner of Fitzroy and Princess Streets were undertaken and substantial inputs were made into Port Melbourne foreshore development controls and the negotiation of development parameters for the HMAS Lonsdale site.

As a part of the preparation for the 1996 Australian Grand Prix, the unit coordinated the Rapid Response and Repair Program to oversee the upgrading of the Albert Park surrounds.

The provision of housing has already been identified as a significant new role. Construction of community housing in Argyle Street and at the St Kilda railway station site has continued in response to the former St Kilda Council and now City of Port Phillip policy to continue that role.

CORPORATE



Peter Tuddin, painter/signwriter

Assets and Valuations

Significant changes in the functions and structure of the branch were overlaid with several notable achievements during the 1995/96 year.

Some of the changes impacting on the branch include the contracting out of Valuations and Property Management services to Municipal Revenue services and the inclusion within the branch of facilities management, insurance management and fleet management services, with insurance and fleet contracted to Jardine Australian Insurance Brokers and JMI Fleet Management respectively.

Services provided

- asset management – management of Council-owned properties including purchase and sale of property on behalf of Council
- valuations and property management (general revaluation, supplementary and insurance valuations, the administration of street numbering, property management and the updating of property data, legislation compliance reports, resort and recreational contributions, and response to service users)
- building maintenance, including emergency works, security services, utilities payment and management (including tariff reviews), scheduled and unscheduled works, new constructions, major renovations and alterations to Council properties
- fleet management, including vehicle replacement and sale, economic management of fleet operations, valuations, repairs, special equipment and divisional reporting
- insurance – claims management, risk management surveys, reporting and court representations as Principal Officer of the municipality
- facilities management – internal and external bookings.

These services are used by each business unit within Council, councillors, the business community, ratepayers and other tiers of government.

Summary of achievements

Assets and valuations has moved quickly to develop a five-year building maintenance plan and moved towards the recording of all assets on digital film. The City of Port Phillip's financial plan called for the disposal of properties no longer required by Council, and the branch has, to that end, completed the sale of the following properties:

- 132-134 Carlisle Street St Kilda
- 156-158 Carlisle Street St Kilda
- 25 Duke Street St Kilda
- 289-291 Coventry Street South Melbourne
- 1-4 Layfield Street St Kilda
- 183-189 Barkly Street St Kilda.

Major refurbishments have been carried out at the Town Hall buildings at St Kilda and South Melbourne, and the installation of a microwave link between each of those facilities has moved closer to completion. Other major works completed include the rooftop restoration at the South Melbourne Market and geotechnical studies undertaken on the St Kilda depot site. An acquisition was the property at 5 Irwell Street St Kilda which is to be utilised for car parking.

The branch's range of activities encompassed the signing of a lease agreement with the Australian National Academy of Music for the South Melbourne Town Hall. A Disaster Recovery Plan has been drafted for the St Kilda and South Melbourne town halls and to complete this work, valuations have been undertaken for all Council plant, equipment and furniture.

Contracts were signed during the year with most trades and services controlled by Building Maintenance; the valuation management software was sold to the City of Hobsons Bay; and an Office Accommodation Policy was drafted.

The Assets and Valuations Branch has adapted readily to the changes, and in a further effort to enhance service delivery, has moved towards obtaining Quality Accreditation ISO9002, with a view to achieving this objective by December 1996.



Corporate Support and Development

Corporate Support and Development underpins Council's activities by providing information, advice and support to other branches and councillors. Much of this work is related to Council's governance responsibilities.

Over 1995/96 the unit experienced a number of changes – the corporate planning and marketing functions were relocated and central records and statutory functions came under its umbrella.

Services provided

- research and information on demographic, community and environmental data relating to the City of Port Phillip
- sister city relations, including management of Sister City Agreements, coordination of sister city events and programs and development of new sister city relationships
- the provision of support and advice on business planning to the Corporate Division
- the provision of support and advice on Service Level Agreements to the Corporate Division
- implementation of quality management practices in the Corporate Division
- monitoring of Council's CCT performance, including reporting, maintenance of a CCT Register and update of contract payments
- statutory functions, including preparation of Council and committee meeting agendas and minutes, processing of Freedom of Information requests and Rights of Way administration
- records management services.

Summary of achievements

The preparation of a Corporate Plan was one of a number of requirements placed on the new City of Port Phillip by the State Government. The Corporate Plan sets out objectives for Council in meeting the needs of the City. The first City of Port Phillip Corporate Plan, *Vision 2001*, was finalised with the unit completing a Corporate Plan Progress Review earlier this year.

Corporate Support and Development undertook extensive preparations for the return to elected councillors, including:

- preparation of a Return of Councillors Strategy
- preparation of Candidates' Information Kit and Councillors' Information Kit.

During the year Corporate Support and Development:

- launched and distributed the Children's Book, *Alfreda the City Penguin*, a joint project with the City of Obu in Japan and Earthcare St Kilda Inc
- hosted five delegations from Obu
- successfully sponsored the Theatreworks tour to Obu
- coordinated the formal signing of the Sister City Friendship and Exchange Relationship with the City of Devonport
- hosted two delegations from Devonport
- organised for the "Dredging, Draining, Dipping & Shipping" Exhibition to go on display in Devonport
- undertook CCT Refresher Training course for staff
- preparation and distribution of CCT Resource Book to managers
- produced first edition of the *State of the City* resource publication which will be updated every six months
- developed *Port Phillip Facts*, a monthly series of fact sheets about the City of Port Phillip.

Finance

The role of the Finance Branch changed substantially during 1995/96, in order to reflect the organisation's changing requirements arising from the Compulsory Competitive Tendering process. During the year, Finance identified and managed a number of issues relating particularly to the changing role of business units as contracted service providers. As custodians of the fiscal assets of the community, the Finance branch provides support to both Council and the in-house teams which

have won Council contracts and raising issues such as business unit reporting and financial confidentiality.

Following an evaluation of services and functions, the branch was restructured, and initiated a number of processes to improve financial reporting and accountability within the organisation.

Services provided

Finance

- cash flow management
- investment appraisal
- working capital management

Reporting

- financial reporting
- management reporting
- statutory reporting

Accounting

- maintaining the general ledger
- processing accounting transactions
- ensuring that internal control procedures are adhered to
- compliance with accounting conventions and standards

Accounting Services

- preparation of payroll
- management of debtors and creditors

Other Services

- managing the purchase of goods and services
- coordinating citizenship ceremonies
- managing the large volume copier for Council use.

Summary of achievements

Alongside other Corporate Division units, the Finance Branch began a quality assurance program, with a view to gaining ISO 9002 Accreditation in December 1996, and establishing a process for continuous improvement.

Monthly business reports were developed, outlining Council's financial performance, including monthly profit and loss statements for each division and business unit.

Implementation of a new Financial Management Information System will commence shortly with the completion of the project expected in the first quarter of 1997. This will provide management with tools to increase productivity in their business.

Information Systems

Information Systems provides computing support to the whole of Council's organisation. This includes a network of 270 workstations, located in some 40 separate sites, four interconnected local area networks and one mainframe computer.

This system directly assists Council in meet-



Maria Innocca, Information Systems Project Officer with contractor Steve Scott

ing the needs of the Port Phillip community through effective communication, information processing and data analysis.

Services provided

- technical support and help services – major requests for advice and assistance number around 2700 per year
- infrastructure installation and network upgrades
- infrastructure maintenance
- advice to Council units on appropriate information processing and data management systems to support their activities
- training coordination services for computer-related issues.

Summary of achievements

The 1995/96 year included a major project to create a single network for Council out of the three slightly different networks it inherited after amalgamation.

This project commenced in June 1995, after extensive consultation with staff. At that time many staff were experiencing up to ten network failures per working day, due to outdated and non-standard systems. This was undermining the productivity of staff and the ability of Council to meet the needs and expectations of the community.

Information Systems has now put in place a modern, powerful computer network.

The new system provides:

- greatly increased reliability
- accessibility at almost all the City's many work sites (some 40 sites in all)
- availability of powerful electronic mail and diary/meeting management tools for all staff
- safer and more industry-standard computer cabling which will last many years
- a more robust and secure system for storing and managing information
- personal workstations which meet performance standards for the nineties.



Anna Muszka, Finance Manager with Barbara Beards, Finance Support Officer

OPERATIONS

Aged and Disability

1995/96 saw the completed amalgamation of aged and disability services from the three former municipalities into one integrated service, with bases in Port Melbourne, South Melbourne and St Kilda. An internal review was followed by organisational restructuring and despite some concerns about the loss of expertise, the unit has retained a team with 775 years of experience.

Services provided

Services available to frail older adults and people with disabilities include:

- general home care – 1450 individuals assisted per month
- personal care – 3500 hours care provided per year
- respite care with both home or centre based options – 65 clients per month attend the centre-based Eroke programme and 19 individuals receive on average 294 hours in home respite care per month
- between 350 and 400 meals are delivered daily totalling 103,548 per year and 3034 meals are provided monthly at three centre-based locations (Betty Day Centre, Cora Graves Centre and South Melbourne Senior Citizens Centre). A number of ethno-specific seniors groups also receive a subsidy to enable the provision of a meal as part of the groups' activities
- home maintenance assistance is provided to 190 plus households a month with approximately 3200 jobs being undertaken during the year
- transport is provided to enable individuals or groups to access centre-based programs as well as local shopping areas and markets. Staff are directly involved in working with community groups to improve availability and access to appropriate transport. This includes advocating for residents with the Met, and Taxi Board as well as

ensuring other service providers such as hospitals recognise and accept responsibility to provide transport

- recreational programs and activities at seven senior citizens' centres
- assistance with short and long-term accommodation needs.

Summary of achievements

An afternoon tea to meet the new councillors was held to celebrate Senior Citizens Week in April. Music and entertainment was provided and the afternoon was enjoyed by over 400 older residents.

An inaugural Port Phillip Community Ball for frail older adults was held in the South Melbourne Town Hall, with over 300 people enjoying food, drinks, dancing and entertainment. The ball was a combined effort of Aged Care service providers from across the municipality as well as both Aged and Disability Services and Recreation Arts and Event's staff internally. Excellent music was provided by Denis Farrington's Band.

Christmas lunch was provided by Council for the first time on 25 December to meals on wheels recipients, with about 60 people taking the opportunity to spend the day with others at the Betty Day Centre. Those who were not able to attend the centre were still able to enjoy a hot meal due to the generosity of a number of volunteers who assisted in the home deliveries.

Family, Children and Youth

Several hundred children use City of Port Phillip services each day. Whether it's day-to-day assistance or help during more difficult times, Council provides a range of services both to the City's 4500 families with dependent children and to those who work in or visit the municipality.

Services provided

- child care to all families with young children who live, work or visit in the City of Port Phillip, with 391 children using the services each day
- foster care, either statutory or voluntary, to all children in need across Melbourne's Southern Region (Port Melbourne to Flinders to Dandenong), with 14 children being placed each day with one of 40 volunteer carers
- family support to families who live in South Melbourne and Port Melbourne, with 70 families being supported this year and others on the waiting list
- emergency relief and crisis counselling to residents of South Melbourne and Port Melbourne, with up to 70 client contacts per week
- family and child health services to all

families with children who live, work or visit the municipality, with 98 per cent of families with young children accessing the service in the child's first year of life, with 2422 active infant record cards

- 334 first time mothers' group sessions
- 583 hearing screenings
- baby capsules to all residents with newborn babies
- pre-school dental and medical services
- respite care to families who live in the municipality who have children with additional needs
- advice to families and child care services across the municipality in relation to integration of children with special needs
- youth services: planning, advocacy, research, funding and linkages with community services to achieve a cohesive and responsive network within the municipality
- advice and funding to 8 community based child care centres and 11 kindergartens.

Summary of achievements

All Council and parent-managed child care centres have prepared for their accreditation review under the Federal Government's Quality Improvement Accreditation System (QIAS), by examining all aspects of the centres' programs and policies, with involvement from parents and staff.

City of Port Phillip won the State Government's Health and Community Services Foster Care tender for the Port Phillip and Prahran area of Stonnington and continues to deliver services from 97 Wellington Street Windsor.

A Kindergarten Fee Subsidy combined with operational and per capita funding for community kindergartens was introduced in 1995/96 as part of Council's Policy for Kindergartens. All funded kindergartens can receive an operational grant of \$3000 per year and an annual per capita grant of \$150. Kindergarten Fee Subsidy is targeted to the most disadvantaged groups in the municipality where kindergarten fees would be too expensive and where children may miss out on that vital year of pre-school. The fee subsidy of \$75 per term is paid to the kindergarten which reduces fees by this amount to families in the targeted groups.



Jackie Christie, Home Care Worker



Leah Douke, Pre-School Mothercraft Nurse

Albert Park Pre-School and Civic Kindergarten were transferred to parent management, with council officers continuing to offer advice and support for the next three years. Renovations were carried out to both kindergartens prior to transfer.

Ada Mary a'Beckett Kindergarten in Garden City became a long day care facility for children in the 0-6 age group; and the St Kilda and Balaclava kindergartens now provide long day care for 3-5 year olds. Council was involved in capital works to Ada Mary a'Beckett to improve the building and further works are planned for 1996/97.

The completed transfer of Specific Home Care for children from Aged and Disability Services to Family, Children and Youth Services establishes an innovative model of service delivery and will be further developed over the next year.

Training was provided for all child care workers across the municipality, covering topics such as Child Abuse, Working with Parents and Music for Young Children. An Introduction to Management course was also provided to new child care centre coordinators and second-in-charge. These training sessions have proven popular with both council and community child care providers.

In order to ensure cohesive delivery of services, three coordinators were appointed to lead Children's Services, Family and Child Health and Youth Services. These coordinators have served as a central focus point for the services and ensured a more accessible management approach for staff.

Health and Environmental Services

Operating under a more streamlined management structure for street and beach cleaning, waste management and environmental health and local laws, the Health and Environmental Services Unit delivers a range of enhanced services across the City of Port Phillip's wide community.

Services provided

- Street and beach cleaning includes:
 - laneways, footpaths and public car parks, weed control
 - litter enforcement, graffiti and poster removal
 - beach and foreshore cleaning, maintenance, seaweed removal, litter care, garbage and recycling
 - stormwater drain cleaning and maintenance, installation and maintenance of drainage litter traps in shopping centres and other key areas, as an ongoing project to prevent litter entering our drainage system and spoiling our beaches and foreshore areas
 - emergency spillages and removal of dead animals



- Waste management services includes:
 - waste (household, trade and South Melbourne Market), litter and recycling collections (kerbside, public place recycling and special events), bin installations, repairs and removals including litter baskets
 - Council's St Kilda and South Melbourne Transfer Stations operations
- Environmental health and local laws includes:
 - food safety, standards, sampling and labelling, communicable diseases, health education and professional advice
 - Local laws – outdoor seating permits, sign board permits, goods on footpath, animal control, breaches of local laws (street vendors, footpath obstructions and roller blading)
- South Melbourne Market management and operations.

Summary of achievements

In January the Health and Environmental Services Unit won the Street, Beach and Drains cleaning tender for the City of Port Phillip, and in April the Unit prepared a Waste Management Services tender in a consortium with major waste and recycling collection contractors. The indepth preparation, research and consultation necessary to address the tender responses provided the opportunity for waste management staff to review all service delivery methods together with requirements for staffing and equipment.

To better position and identify itself in the tendering process, the City registered three business names – Streetsahead Cleansing Services, Streetsahead Waste Management and Streetsahead Envirohealth.

The appointment of a full-time Waste Minimisation Officer in October was a first in local government in this State. Effective waste minimisation information, education and promotional programs and projects for the City of Port Phillip are key areas of responsibilities. Introducing effective in-house office paper/cardboard recycling programs for Council was the initial and ongoing project. This has been extended to include a co-mingled (glass,

plastic, cans and cartons) collection for staff kitchens and lunch rooms. With the support of the Aluminium Can Group a "Cans Best for Beaches" Beachcare Program commenced in December. Forty bright yellow can collection cages were donated by the Aluminium Can Group, along with the Beachcare Program stickers and posters for distribution to schools, foreshore and beachfront traders and vendors. The can collection cages were sited strategically along the beach and foreshore areas from Elwood through to Sandridge, Port Melbourne. Within six months almost 60,000 cans had been collected by the beach cleaning team that could have ended up at landfill. All funds from the sale of the cans will be divided between the six Port Phillip Life Saving Clubs.

The development of a strategic business plan for the South Melbourne Market was completed after extensive research was undertaken on shoppers and stallholders. The plan has been well accepted by all involved with the market, and the strategies will be progressively implemented over the next three years. The Marketing Manager has revised all promotional activities and advertising to reflect the new direction that the market has taken. A full time Retail Market Manager has also been appointed who is moving to implement a "professional retail focus" with the support of the market traders, in place of the former "local laws" management style.

Efficiency improvements within Health and Environmental Services resulting from the CCT process have ensured that services are being provided more cost-efficiently and at a higher level of quality.

Library Services

Almost 2,000 people a day walk through the doors of the City of Port Phillip's five branch libraries – that is more than 700,000 a year. The library service experienced an increase in loans of 10 per cent, up to 1,200,000 in 1995/96. Each visitation translates very broadly therefore into the loan of almost two library services products. This makes our service one of the most used libraries in Victoria.



Following a successful tender bid by staff (the first competitive tender for a public library service in Australia), Library Leaders commenced a management contract for the delivery of library services to the City of Port Phillip in February.

Services provided

- loans of fiction and non-fiction books
- reference material including texts, newspapers, journals and magazines
- government and municipal publications including council minutes
- children's library
- vacation programs
- CD-ROMs
- photocopying services
- audio and audio visual facilities
- room hire
- services for housebound people.

Summary of achievements

Coinciding with Library Leaders' new role as provider of library services for the City of Port Phillip, a program to incorporate quality management into all aspects of library services began. This includes process re-engineering, quality accreditation and enhanced service user relations.

"Tea on Tap", devised to encourage patrons to have morning tea while visiting the library, was introduced at the St Kilda branch and has successfully expanded to branches at Port Melbourne and Middle Park.

While the State Government subsidy continues to be an important element of the library budget, a reduction, due to the loss of a non-resident subsidy, was offset by a special grant of \$25,000 for amalgamation costs. The total subsidy was \$295,000 for the year.

To celebrate the Children's Summer Reading Program, a Medieval Fair was held in January at Gasworks Park. The fair attracted around 1,000 people who participated in a diverse range of activities. In the provision of further services for the younger folk, the "Tiny Tots Storytimes" throughout branch libraries showed increases in both frequency and the numbers attending.

During Australian Library Week and Education Week, access to and use of the Internet was trialed. A very positive community response has ensured permanent access will be established.

Parking and Traffic Management

The Parking and Traffic Management Branch has a key role in maintaining local residential amenity and supporting business and tourist activities by addressing the competing parking demands of business, visitors and residents. It also looks at traffic flow through and within the City.

Services provided

- traffic management, including traffic calming measures



- parking enforcement
- parking administration, including parking permits and developing the appropriate mix of parking controls for various parts of the City
- school crossing supervision
- community bus service
- parking equipment maintenance.

Summary of achievements

Residents' parking permits allow residents, their visitors and tradespeople to park in time-limited areas. This system helps to ensure that residential amenity is preserved in those areas of the City where the demand for parking is high due to the location of businesses, tourist, entertainment or recreational facilities, while providing a high turnover of parking spaces for visitors and encouraging greater use of public transport. The system was expanded across the City and improved during 1995.

The staging of the Grand Prix raised a number of parking and traffic problems that were addressed through the implementation of Local Access Zones and a temporary extension of two-hour parking throughout a nominated "pink" residential zone. These restrictions were rigorously enforced.

The objective of encouraging visitors to the City for the race and associated events to use public transport, while also protecting the amenity of those areas immediately adjacent to the Albert Park Reserve by preventing non-local traffic from entering them, was successfully achieved.

The in-house team won the tender to provide maintenance services for council-owned parking meters and ticket machines. The team has also been contracted to provide a similar service by the City of Yarra, generating additional revenue for Council.

The branch implemented an innovative rostering system with its parking enforcement team that would allow more effective enforcement of restrictions throughout the City.

Parks

As the palm tree is a key design element of the City of Port Phillip's logo and an important part

of the Parks Department's major works program, it was no surprise when the department chose Palms Inc as its new business name, an acronym for Parks and Land Management Services.

Primarily responsible for the management and maintenance of parks, Palms Inc's range of services is utilised by a wide cross-section of the community.

From Council through to residential and business ratepayers, community and sporting groups, the aged and visitors to the municipality, Palms Inc is well positioned to provide the finest in the delivery of parks and gardens services.

As evidence of its commitment to quality as a way of life, Palms Inc is now well on the way to obtaining Quality Certification to Australian Standard AS9002 by 1997.

Services provided

- management and maintenance of parks, gardens, traffic treatments and foreshore, child care centres and senior citizens centres
- landscape development
- pruning, maintenance and removal of trees
- turf management encompassing :
 - broad acre mowing, sports grounds, parks, reserves and medians
 - irrigation management and maintenance
- arboriculture - tree pruning, planting and maintenance
- nursery services, including decorations and indoor plants
- pensioner gardening service
- hire of lawnmowers
- bookings and arrangements for the hiring of parks for events and functions
- Naturelinks - the maintenance and management of the City's remnant and indigenous landscapes
- management and maintenance of playgrounds including new development and project works.

Summary of achievements

On its quality journey which in part is obtaining Quality Certification to Australian Standard AS9002 by 1997, Palms Inc has a Local Area



L. to R. Stewart Shorrocks and Craig Howard, Landscape Project Officers

Work Agreement which was the third in the State. Although the implementation of CCT has meant restructuring, the outputs and standards have remained virtually unchanged.

Significant major projects undertaken have been the completion of Acland Street, with the planting of 10 mature palm trees and 800 other mature tree varieties. New playground installations have been carried out at Buckingham Reserve, Point Ormond, Renfrey Gardens, Edwards Park, Railway Avenue and Sangster Reserve and a new irrigation system installed in Catani Gardens.

Community events such as a rose pruning demonstration and educational Garden Club talks have also contributed to the fabric of service delivery to the community by *Palms Inc.*

Planning and Building

Planning and Building Services administers statutory planning regulations throughout the municipality. It processes planning and subdivision applications and enforces planning controls. It also conducts reviews into existing regulations.

Planning and Building Services also provides building approval services, in competition with other councils and private service providers.

Services provided

- planning and subdivision applications are processed by the branch with some being referred to Council for a decision and the more straightforward applications approved or refused under delegation
- issuing of building approvals
- Planning and Building Services undertakes assessment of general building governance issues, such as building safety regulations
- private and commercial building works are inspected to ensure they correspond with the appropriate planning permit and enforcement action undertaken if breaches are discovered
- Community Advisory Service on planning and building issues with around 2,000 inquiries per week.



Philip Sharp, Senior Building Surveyor/Inspector

Summary of achievements

During the year, a unified planning scheme for the City of Port Phillip was adopted. Before this came into effect, four different planning schemes covered different parts of the City. These were the Port Melbourne, South Melbourne, St Kilda and Prahran planning schemes. All existing restrictions and controls were adopted under the unified scheme.

Council's in-house team won both planning services and the building approvals tenders.

Council was engaged to undertake all the residential building approvals for the Bayside project, which is also known as the "Beacon Cove" development. This work was won in competition with the private sector.

Recreation, Arts and Events

Council continued its strong historical commitment both to fostering the arts and to further developing and supporting a diverse range of leisure time activities across the City over 1995/96.

Cultural services

The core of Council's Community Arts program emanated from Gasworks Park. The annual program saw the introduction of a regular "Sundays in the Park" arts program, the conduct of the increasingly high profile Gasworks Outdoor Sculpture Show and the conduct of the South Melbourne (Mayor's) Community Day amongst a range of other initiatives. Council's strategic partnership with Gasworks Arts Inc continued over the year in relation to activities at Gasworks.

The Gasworks Theatre remained directly under council control over the past year. A flexible 240-seat venue set in Gasworks Park, it can accommodate theatre, dance, opera, concerts, conferences, corporate expos, exhibitions and readings. The Gasworks Theatre had 116 hires over the past 12 months translating into total audience figures of 28,260 for the year. This far exceeds all historical figures relating to the theatre since its inception.

The unification of the three former heritage and art collections of the former municipalities to ensure the safe storage and preservation of all items has been a priority over 1995/96. A major exhibition program of various components of the collection also commenced over this period, the highlight being the "Dredging, Draining, Dipping and Shipping" Exhibition.

Council maintained a commitment to the coordination of the calendar of events which had been supported by the former municipalities making up Port Phillip. This included the coordination of the St Kilda Festival, St Kilda Film festival, Port Melbourne Festival, St Kilda Writer's Festival, South Melbourne Community

Day, the Garden and Multicultural Festival together with (for the first time) several traders' events and promotions.

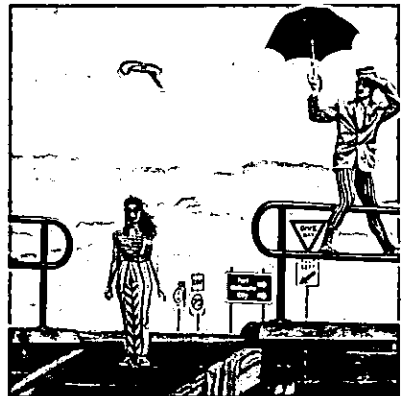
Linden Gallery and Arts Centre's primary function continued as a showcase of new and emerging contemporary artists. Exhibitions changed every two to four weeks over the past year with a total of 32 exhibitions in all. Linden's current and continued focus has been in showing contemporary and innovative art. An active exhibition committee, made up of community members with credentials in the arts, assists staff in the selection of works to be shown in the majority of cases.

Linden's outputs, as well as including its gallery activities, also related to its function as a multi-faceted arts centre housing local cultural providers (currently Experimenta and Women in Film and TV), renting studios to artists, housing a shop to sell artist and crafts peoples' wares (operated by a private business) and the provision of multi-purpose venues for hire which are most commonly used for meetings and art classes.

Leisure services

Council continued to play an important function both in the direct provision of a range of recreational programs to the community and in facilitating community use of various services and facilities. In summary this area included:

- coordination of children's and youth recreation programs. This includes a 300-place Children's Holiday Program
- coordination of teenage holiday program and a self-directed "boredom buster" holiday program
- coordination of the South Melbourne and St Kilda Adventure Playgrounds for children open every day of the year except Christmas and New Year
- provision of information and promotion of all locally available leisure opportunities to the general public
- coordination of a range of publicly available resources such as sports grounds, community buses, hall bookings
- approval of events, filming, busking, banners, foreshore activity tenders and



- street trading and promotional activities within the municipality
- coordination of education and encouragement programs for cyclists and in-line skaters, two of the most popular pursuits within the municipality
- coordination of activities of the Recreation Access Group (RAG) a nationally recognised recreation program catering primarily for people experiencing social isolation with a mental illness or psychiatric disability. Current activities include tennis, gym, swimming, art, a weekly music program, women's program, theatre and drop in program
- the direct management and/or resourcing of four community centres, three neighborhood houses and one neighborhood recreation centre
- working with neighborhood and community centre management groups to ensure active programming and service functions for all Council centres regardless of whether they are directly staffed or not. This is occurring in a staged fashion via series of outreach programs at non-staffed Council facilities.

Reinforcing the fabric and identity of our local community and enhancing quality of life through Council's involvement in the provision of Culture and Leisure services will continue to be a prime focus of the unit's initiatives into the future.

Road Services

Portcon, the business name of the Road Services Department, has the primary responsibility for the management of Port Phillip's infrastructure assets. Strategic plans are in place to guide key decision making within the physical infrastructure program. But Portcon's services are available to a much greater section of the community, extending beyond the immediate day-to-day requirements of the City of Port Phillip and its ratepayers to a client base comprised of private businesses, developers, tourism groups and service authorities.

It has a policy of continually developing, implementing and delivering cost-effective quality systems and services. With an objective of providing an optimum level of service that aims to exceed community expectations, Portcon has developed a multi-skilled, flexible and efficient workforce.

Services provided

Portcon offers total project management and related services to the City of Port Phillip and to its other clients in the following specific areas:

- road maintenance and construction
- engineering services

- asset management
- architecture and urban design consulting services
- fleet services.

Summary of achievements

With the formation of Portcon, a strategic business plan has been developed that provides a clear direction for the future operations of the department. Sophisticated computer programs are being progressively introduced to enhance efficiency and to instil a community focus and accountability. To function in a cost-effective way in these increasingly competitive economic times, Portcon has adapted or redesigned all systems and procedures in the various work areas.

Portcon's asset management arm has provided project management and developed innovative design solutions for interesting and challenging road and architectural construction projects during the year. Significant among them are:

- | | |
|--|-----------|
| ■ Barkly Street bridge reconstruction | \$250,000 |
| ■ foreshore stage development | \$470,000 |
| ■ VicRoads main road program | \$750,000 |
| ■ road resheet and footpath reconstruction program | \$680,000 |
| ■ Catani Gardens toilet block | \$120,000 |
| ■ children's playground project. | \$200,000 |

By re-engineering its work practices, Portcon has generated a greater volume of quality work, resulting in a 5 per cent saving against budget and a reduction of 21 per cent in staffing levels. Efficiencies and economies have been aided by the practice of work teams functioning as self-managed groups, starting and finishing work on site.

In an innovative step, Portcon directly researched the needs of the community to better identify those requirements in order to provide a quality service. As an example of a departure from old approaches within local government, this underscores Portcon's major objective of delivering services at a level above that of the community's expectation.



L. to R. Tom Holsboer, Tom Holsboer

Portcon won an in-house contract with the City of Port Phillip's corporate division for the supply of services for the closure and sale of rights of way. It has been successful in tendering for two external contracts – one with the City of Yarra for design and construction services and the other a reinstatement contract awarded by Telstra.

ORGANISATIONAL DEVELOPMENT AND COMMUNICATIONS

Communications

The Communications Branch was established in July 1995 to consolidate and improve communications within the organisation and to assist staff in their communications with the public. Amalgamations, restructures and relocations made this a challenging task in 1995/96.

By building close relationships with City of Port Phillip staff, the communications team worked proactively and responsively within the organization, providing advice and support.

Services provided

- production and publication of:
 - monthly community newsletter
 - annual report and summary
 - *Community Resources Guide*
 - *Port Phillip at a Glance*
 - weekly staff newsletter
- preparation and management of a number of corporate tenders (design and typesetting, printing, distribution, promotional products, corporate clothing)
- development of the corporate identity
- development of promotional products
- work with individual departments on the production of publications
- work with individual departments on communications practices and preparation of strategies
- assessment of communication practices/skills
- preparation of communications policies
- development of an organisation-wide marketing and communications strategy
- switchboard/reception services at St Kilda Town Hall
- coordination of phone, fax lists
- administration of monthly senior management forums and weekly management communications meetings
- editing, copywriting services
- photography services.

Summary of achievements

Following the launch of the logo in July 1995, the Communications Branch developed the corporate identity, applying the logo and corporate colours to signage, plant, publications and promotional products. The success of the program has resulted in a corporate identity which is readily recognised and well supported throughout the community, further promoting the services provided by Council.

The Communications Branch took on the management of switchboard and reception functions for the St Kilda Town Hall, looking to include the South Melbourne and Port Melbourne town halls in 1996/97.

A review of existing publications was undertaken in July, resulting in new styles and formats to increase readership. A survey in February 1996 will be repeated in 1997 to measure the success of the publications which are a primary communication tool of Council. The style and format of the community newsletter has been subsequently adopted by other councils and organisations.

Five tenders were let during the year for services used by the entire organisation. The Communications Branch has established a panel of providers for each service to give staff the flexibility of product and price and to increase the opportunities for CCT-eligible expenditure.

Employee Relations and Employee Development

The Employee Relations and Employee Development function was established within the Organisation Development and Communications Division to provide professional advice, support and guidance to management and staff during a period of significant change.

Providing industrial relations advice was a key part of this function in 1995/96 with the development of the organisation's Enterprise Agreement and a number of Local Area Work Agreements (LAWAs). The LAWAs provide the basis for management and employees in business units to develop together a committed, flexible, competitive and highly skilled workplace, in order to achieve high standards of work and service.

Services provided

Advice, support, guidance and advocacy in:

- the development of the Enterprise Agreement
- the development of LAWAs
- Consultative Committee
- staff training and development



Michele Campbell, Manager Employee Relations & Employee Development

- staff performance management and review
- industrial relations issues.

Summary of achievements

Following over nine months of negotiation, the City of Port Phillip's Enterprise Agreement was finalised, with certification by the Australian Industrial Relations Commission occurring in July 1996. The Agreement, signed by Council's Chief Executive Officer and representatives of the Australian Services Union, Australian Nurses Federation, Australian Education Union and the Association of Professional Engineers, Scientists and Managers Australia, represents a significant achievement.

During the 1995/96 year, the Employee Development and Employee Relations branch project-managed the development of the City of Port Phillip's Performance Management and Review System (PMRS), to provide a consistent system following on from the three separate staff appraisal systems from the former cities of Port Melbourne, South Melbourne and St Kilda. Price Waterhouse Urwick successfully won the contract to develop a system for Port Phillip and conducted an extensive consultation program with staff to ensure that the system would be an effective tool used by both managers and their staff. The PMRS incorporates Award requirements as well as a clear process to identify, evaluate and develop objectives for each employee in line with corporate goals and vision.

During the development of the new system, the branch also oversaw the management of the 1995/96 performance appraisals conducted in all branches and business units across the organisation.

The branch assisted with the successful development of LAWAs in both the Parks and Aged and Disability Services business units. Both agreements provide the basis for the units to provide services to the community in a more flexible and innovative way.



Dianne Day and Val Cairns providing switchboard/reception services

Human Resources Operations

With the City of Port Phillip's three major divisions undergoing significant restructuring and recruitment during 1995/96, the Human Resources Operations Branch experienced a corresponding demand for its services.

The Human Resources Operations Branch was restructured in 1995/96 to meet most effectively the needs of the organisation, resulting in the grouping of human resources management, personnel, occupational health and safety and workcover functions.

Services provided

Advice, support, guidance and advocacy for staff and management in:

- recruitment and selection of staff
- Equal Employment Opportunity implementation and monitoring
- remuneration administration of senior contracts
- redeployment and outplacement management of redundant employees
- employee assistance
- Human Resources Management policy development and implementation
- Human Resources Information System development
- award and council policy interpretation
- Occupational Health and Safety
- WorkCover.

Summary of achievements

In addition to providing advice, support and guidance to other divisions, the branch also produced the City's first Human Resources Policy Manual, designed to provide policy frameworks in a number of key areas.

The key Human Resources and Occupational Health and Safety policies which have been developed and implemented across the organisation are:

- Smoke-free Workplace
- Sharps (directions for staff when required to handle them)
- Equal Employment Opportunity
- Workplace Harassment, Discrimination and Unfair Treatment

- Maternity, Paternity/Adoption Leave
- Discipline
- Employee Standards.

In line with the Equal Employment Opportunity (EEO) and the Workplace Harassment, Discrimination and Unfair Treatment policies, a staff and management education program was conducted to inform employees about EEO principles and standards of behaviour expected with the organisation.

Recruitment of employees has been constant throughout the year, with many internal appointments being made in line with the organisation's commitment to developing current employees.

The branch competitively tendered outplacement services, with Morgan and Banks Ltd contracted to provide services to staff and Occupational Services being contracted to provide Employee Assistance Program services. Both of these staff support services have been utilised regularly.



Staff from the Organisation Development & Communications Division

EEO PROGRAM

The City of Port Phillip recognises that all individuals are entitled to fair and consistent treatment in employment and will work to ensure that all individuals are treated fairly and that the workplace is free of harassment, discrimination and unfair treatment. Under the Victorian *Equal Opportunity Act* (1984) and the *Local Government Act* (1989), the City of Port Phillip has a statutory responsibility to ensure that this occurs.

The City of Port Phillip is committed to the principle of Equal Employment Opportunity and will ensure that:

- (1) no person shall be discriminated against on the grounds of sex, age, marital status, national or ethnic origin, physical disability, socio-economic status, sexual preference or religious beliefs;
- 2) all employees and clients work and conduct business in an environment free from harassment and discrimination;
- (3) employment opportunities for all groups should be as wide as possible and cover all areas of Council activity;
- (4) employment, promotion or advancement, training and staff development will be assessed only on the grounds of merit in fair and open competition according to the skills qualifications, knowledge and efficiency relevant to the position involved.

The City of Port Phillip has developed an EEO Strategy which consists of six objectives which include development, implementation and assessment of the EEO Program. The objectives are:

1. To achieve the commitment from employees for the EEO Strategy to succeed.
2. To establish a framework for consultation that will enable all employees to participate in the development and implementation of the EEO Strategy.
3. To obtain an organisation profile that is sufficiently detailed to enable the City of Port Phillip to access its EEO position, identify its problems and needs and monitor and evaluate the effectiveness of the objectives and strategies that are being implemented.

4. To ensure recruitment and promotion processes are in place that will select employees that best meet the organisation's needs and ensure that their progress through the organisation is also best designed to meet those needs.
5. To ensure that the City of Port Phillip's training and development program initiatives are designed to identify employee capabilities and

aspirations and develop them so that they will make the best possible contribution to the organisation.

6. To ensure that the City of Port Phillip maintains a work environment characterised by positive morale, a sense of justice and fair play and an absence of bias, harassment and intimidation.

PERMANENT EMPLOYEES AT THE CITY OF PORT PHILLIP AS AT 30/6/1996

Classification Award Bands	Permanent Female			Permanent Male			Total for each Band Or Group
	Full Time	Part Time	Total Female Each Group	Full Time	Part Time	Total Male Each Group	
1	-	46	46	21	20	41	87
2	2	53	55	34	6	40	95
3	15	22	37	48	8	56	93
4	23	9	32	31	1	32	64
5	51	12	63	18	2	20	83
6	14	2	16	18	-	18	34
7	6	-	6	6	-	6	12
8	1	-	1	1	-	1	2
SEO	15	-	15	37	-	37	52
Contract GM's/MGRS	9	-	9	16	-	16	25
CEO	-	-	0	1	-	1	1
Sub Total	136	144	280	231	37	268	
Child Care Workers	31	15	46	1	-	1	93
Maternal Nurses	4	5	9	-	-	-	18
Apprentices	-	-	-	1	-	-	1
Total for Each Category	171	164	335	233	37	270	605
Non English Speaking Background							Not Available
Aborigines/Torres Strait Islanders							2
Disabled							Not Available
Women							335
Total for all permanent staff							605

PUBLIC INFORMATION

Accounts Other Documents

Accounts

As soon as practicable after the financial statements have been audited, the Council must make available for inspection the following for each entity included in the financial statements:

- An operating statement.
- A statement of the financial position.
- Notes to the financial statements.

Other Documents

A Council must make available for public inspection the following:

- Details of current allowances fixed for the Mayor and Councillors.
- Details of senior officers' current gross salaries, allowances and other benefits for the current financial year and two previous financial years.
- Details of overseas and interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.

- Agendas for and minutes of ordinary and special meetings kept under section 93 of the Act except where such minutes relate to parts of meetings which have been closed to members of the public.
- A list of all major committees established by the Council and the purpose for which each committee was established.
- A list of all major committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of special committees established under section 86 of the Act except where such minutes relate to parts of meetings which have been closed to members of the public.
- Applications for enrolment on the voters' roll under sections 12 and 13 of the Act for the immediate past roll and the next roll being prepared.
- Register of delegations kept under section 87 of the Act.
- Register of delegations kept under section 88 of the Act.
- Submissions received under section 223 of the Act during the previous 12 months.
- Agreements to establish regional corporations under section 196 of the Act.
- Guarantees given by a Council under section 197 of the Act.
- Register of leases entered into by the Council.
- Register of authorised officers appointed under section 224 of the Act.

Competitive Tendering Information

Council required to keep records

A Council must keep records which will enable the Council to verify any information contained in the competitive tendering statement.

Certain documents to be made publicly available

A Council must make available for public inspection the following documents in respect of each competitive arrangement (during the term of the competitive arrangement to which it relates):

- any public notice given under section 208C(1)(a) of the Act;
- any documents given to persons for the purpose of submitting written tenders.

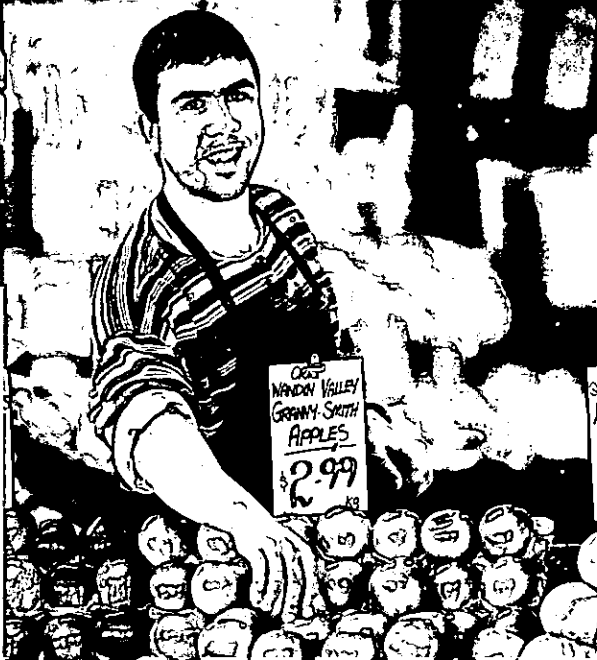
Competitive Tendering Register

A Council must maintain a competitive tendering register which contains information in respect of each competitive arrangement as soon as practicable after entering into the competitive arrangement.

In each subsequent financial year in the life of a competitive arrangement, a Council must enter into the register the value of the competitive arrangement calculated in accordance with the Act as soon as practicable after the end of that year.

A Council must make the register available for inspection on request by any person.

people of Port Phillip



OVERVIEW OF BUDGETARY PERFORMANCE

YEAR ENDING 30 JUNE 1996

Council is committed to informing the Port Phillip community of its financial performance, and providing meaningful budget information to any interested residents and ratepayers.

This section gives an overview of Council's budgetary performance, based on information in the 1995/96 Financial Statements.

Operating Expenditure

Operating Expenditure covers salaries, wages, consumable items and other costs associated with the normal day-to-day activities of Council in delivering services to the community.

In the 1994/95 financial year Council's operating expenditure was \$44.4 million. However, this figure only represents nine months of expenditure. The State Government implemented changes to local government budgetary practices in that year, altering it from a financial year that ran from October to September to the "standard" July to June financial year.

The budget in 94/95 was shortened to nine months to cover the period October to June to bring about this change.

This year, 1995/96, expenditure was \$63.3 million.

Capital Works

Capital works represents expenditure on projects and items that are going to have long-term benefits for the City. It includes such things as street lighting, sports facilities and foreshore works. It also includes library books.

In the nine month financial year that applied in 1994/95, Council invested a gross figure of \$8.6 million in capital works.

In the 1995/96 financial year, the capital works budget was just over \$10.0 million

Income

Council received total income of \$55.8 million in 1994/95 (around \$62.4 million if projected to a full 12 months). Income from rates comprised \$35.8 million.

In 1995/96, Council received around \$60.6 million in income, of which \$33.6 million came from rates.

Key Issues

Sale of Citipower

This year the City received \$18.1 million in revenue as its share of the privatisation of Citipower. The former Port Melbourne Electricity Supply had been transferred by the State Government to the newly created electricity supplier, Citipower. In exchange for this, Port Phillip, as the successor to the City of Port Melbourne, was allocated a share in the proceeds from the eventual privatisation of this company.

The income received was used to repay outstanding debts, with the remainder transferred into reserves.

Debt Reduction

Following the sale of Citipower, in January, 1996, Council was able to repay its \$10 million loan liability. This resulted in savings on interest of \$0.6 million in the 1995/96 year alone.

Council is now debt free.

Staff Redundancies

Redundancy costs, although lower than the 1994/95 financial year, represent an ongoing, moderate reduction in overall staff numbers. This reflects productivity improvements and efficiency gains, as well as some outsourcing of activities.

Payments to the end of June, 1996 show a total of \$2.7 million in redundancy costs. These payments were made to 90 staff, who were made redundant or accepted a voluntary redundancy package.

It is important to note that this does not represent 90 full-time positions, as both full and part-time staff are included in this number.

FINANCIAL STATEMENTS

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 1996

REVENUE	NOTE	9 MTHS	
		1996 \$,000	1995 \$,000
Rates	1(g),(i)	33,647	35,819
Grants	1(g),16	6,186	4,160
Interest		1,391	1,054
Grant Commission		2,332	1,671
Other		413	597
Charges, Fees, Fines		16,620	12,493
		60,589	55,794
EXPENSES			
Employee Cost		24,370	20,043
Plant Hire		78	1,501
Materials & Contracts		15,590	7,425
Utility Payment		1,809	1,534
Depreciation	1(d),3	3,998	3,536
Consultants		1,108	1,026
Debt Servicing Cost		571	1,165
Other		15,822	8,124
		63,346	44,354
NET INCREASE (DECREASE) IN NET ASSETS ARISING FROM OPERATIONS BEFORE ABNORMAL AND EXTRAORDINARY ITEMS		(2,757)	11,440
Abnormal Income - Gain on Disposal of Asset Sales		1,370	902
Abnormal Expenditure - Aquatic Centre Contribution	1(j)	(1,000)	0
Abnormal Expenditure - Long Service Leave Provision	1(e)	(197)	0
Abnormal Expenditure - Staff Redundancies	1(l)	(2,724)	(3,944)
Extraordinary Income - Sale of Share of Citipower	1(m)	18,105	0
NET INCREASE IN NET ASSETS ARISING FROM OPERATIONS AFTER ABNORMAL AND EXTRAORDINARY ITEMS		12,797	8,398

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 1996

CURRENT ASSETS	Note	1996 \$,000	1995 \$,000
Cash	4	114	384
Receivables	5	9,792	8,554
Investments	1(f),6	27,980	24,645
Inventories	1(h)	52	113
TOTAL CURRENT ASSETS		37,938	33,696
CURRENT LIABILITIES			
Bank overdraft		1,321	694
Creditor	7	8,210	8,724
Provisions	1(e),8	3,757	4,388
Borrowing	9	0	2,225
TOTAL CURRENT LIABILITIES		13,288	16,031
NET CURRENT ASSETS		24,650	17,665
NON-CURRENT ASSETS			
Receivables	5	0	59
Investments	1(f),6	0	20
Property, Plant and Equipment	1(c), 1(d), 1(n), 1(r), 11	254,898	256,150
TOTAL NON-CURRENT ASSETS		254,898	256,229
NON-CURRENT LIABILITIES			
Provision	1(e),8	1,719	704
Borrowings	9	90	8,260
Other	10	425	413
TOTAL NON-CURRENT		2,234	9,377
LIABILITIES			
NET NON-CURRENT ASSETS		252,664	246,852
NET ASSETS		277,314	264,517
EQUITY			
Accumulated surplus		131,892	122,065
Reserves	15	145,422	142,452
TOTAL EQUITY		277,314	264,517

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 1996

	1996	1995
	\$,000	\$,000
Cash flows from operating activities		
Receipts:		
Receipts from ratepayers	32,559	31,692
Interest received	1,391	1,054
User charges	16,620	12,493
Citipower proceeds	18,105	0
Other receipts	322	2,012
Payments:		
Payments to suppliers and employees	(40,235)	(29,844)
Interest paid	(571)	(1,165)
Consultants	(1,108)	(1,026)
Utility Costs	(1,809)	(1,534)
Staff Redundancies	(2,197)	(3,944)
Other payments	(16,406)	(10,483)
Net cash provided by operating activities (note 12a)	<u>6,671</u>	<u>(745)</u>
Cash flows from investing activities		
Payments for purchase of investments	(3,315)	(155)
Payments for property, plant and equipment	(8,497)	(4,969)
Proceeds from sale of property, plant and equipment	6,121	3,121
Net cash used in investing activities	<u>(5,691)</u>	<u>(2,003)</u>
Cash flows from financing activities		
Repayment of borrowing	(10,395)	(2,369)
Net cash used in financing activities	<u>(10,395)</u>	<u>(2,369)</u>
Cash flows from government		
Grants Commission	2,332	1,671
Vic Roads	767	480
Other Government	5,419	2,009
	<u>8,518</u>	<u>4,160</u>
Net Increase (Decrease) in cash held	(897)	(957)
Cash at beginning of period	(310)	647
Cash at the end of the period (note 12b)	<u>(1,207)</u>	<u>(310)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 1996

	NOTE	Total	Accumulated Surplus	Asset Revaluation Reserve	General Reserves	Statutory Reserves
		\$,000	\$,000	\$,000	\$,000	\$,000
Balance at Beginning of Period		264,517	122,065	131,816	6,834	3,802
Operating surplus after abnormal items		12,797	12,797			
Asset Revaluations		0				
Transfers to Reserves		0	(8,570)		8,153	417
Transfers from Reserves		0	5,600		(4,178)	(1,422)
Balance at End of Period	15	277,314	131,892	131,816	10,809	2,797
Balance at 30 June 1995		264,517	122,065	131,816	6,834	3,802

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996

NOTE 1

(a) *The Local Government Reporting Entity*

All funds through which the Council controls resources to carry on its function have been included in the financial statements forming part of this financial report.

In the process of reporting on the municipality as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

(b) *Basis of Accounting*

This financial report has been prepared to comply with applicable *Australian Accounting Standards* and the *Local Government Act* (1989). It has been prepared on the accrual basis (with the exception of Parking fines refer note (k) under the convention of historical cost accounting. However, certain non-current assets are included at independent valuation or were revalued to their current cost less accumulated depreciation as at 30 June 1995, and are subsequently revalued on that basis at least every 3 years.

(c) *Recognition of Assets*

With the exception of drainage assets in the South Melbourne area no other infrastructure assets which were held prior to 30 September 1992 are disclosed in the financial statements.

The remainder of these infrastructure assets will be recognised at the conclusion of the identification and valuation process which will be concluded by June 1997. As at 30 June 1996 approximately 80% of the City of Port Phillip's infrastructure assets had been identified but not reported in the financial statements.

All other items of property, plant and equipment with a value greater than \$1,000 are recognised as assets.

Assets acquired are initially recorded at cost. Cost includes all costs incidental to the acquisition and incurred in getting the asset ready for use. Where assets are constructed by the Council, cost includes an appropriate share of variable and fixed overheads.

As per Accounting Guideline No1 (Issued by the Office of Local Government - February 1996)

Land Under Roads has not been recognised in the accounts due to the lack of a reliable valuation methodology.

(d) *Depreciation of non-current assets*

Non-current assets having limited useful lives are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on the straight line basis based on costs or revalued amounts, using rates which are reviewed each year. Major depreciation periods are:

Bridges:

timber	30 to 40 years
steel and concrete	80 to 100 years
Buildings	20 to 100 years
Main drains	20 to 100 years
Plant and equipment	2 to 20 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

(d) Cont'd	Sealed roads and streets:	
	construction	30 to 50 years
	original surfacing and major resurfacing:	
	bituminous seals	7 to 10 years
	asphalt surface	15 to 20 years
	Unsealed roads	5 to 10 years
	Improvements to parks and gardens	15 to 20 years
Motor vehicles	2 to 10 years	
Library books	5 years	

(e) Employee Entitlements

Long Service Leave is accrued on the following basis;

For full time and part time employees with more than 5 years service, entitlements are provided for in full based on current rates of pay.

For full time and part time employees with less than 5 years of service no entitlement is provided for.

This is the first period where Long Service Leave has been accrued for on a 100% basis for employees with more than 5 years but less than 10 years service. The effect of this treatment has been to increase the provision by \$197,000 and to decrease the net increase in net assets arising from operations by the same amount.

Annual leave entitlements are accrued in respect of services provided by employees up to the reporting date. Such accruals are assessed as at each reporting date, having regard to current rates of pay and other factors.

The superannuation expense for the reporting period is the amount of the statutory contribution the municipality makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are detailed in Note 1(s).

Australian Accounting Standard AAS30-Employee Entitlements has not been adopted as it is considered to be impractical to calculate given the information that is presently available from existing records.

(f) Investments

Investments are valued at cost. Investments are held to maximise interest returns of surplus cash arising as a result of day to day operations. Interest revenues are recognised as they accrue.

(g) Rates, Grants, Donations and other contributions

Rates, grants, donations and contributions other than reciprocal contributions received from owners are recognised as revenues when the municipality obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon prior notification that a grant has been secured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

(h) Inventories

Inventories are valued at the lower of cost and net realisable value.

(i) Rating Year

Due to the change of financial year from 30 September year end to 30 June in 1995 the rating year and the financial year will not match until year ending 30 June 1997. Rate revenue has been levied for the year ended 30 September 1996 but accrued to this financial year which ends 30 June 1996.

(j) Aquatic Centre Contribution

The City of Port Phillip has an agreement with the Government of Victoria to contribute \$4 million to the Aquatic Centre to be built in Albert Park. The first installment of this contribution was capitalised in the 1995 accounts. This amount was to be amortised over the minimum service life of the centre to ratepayers, as per the agreement, which is 15 years from the date the centre is opened. A change in accounting policy has determined that past and present contributions will be treated as expenditure and will not be capitalised. The current year's contribution (\$1.5 million) has been treated as a normal operating expenditure. The previously capitalised 1995 contribution (\$1.0 million) has been treated as an abnormal item in this years accounts.

(k) Parking Infringement Notices

Income from Infringement Notices are accounted for on a cash basis. As at 30 June 1996 tickets to the value of approximately \$8.1 million are outstanding with \$7.5 million of this amount being outstanding with the P.E.R.I.N. collection system. This amount has not been brought to account under the accruals basis because no reliable information exists to determine the amount that will be recovered in the future.

(l) Abnormal Expenditure - Redundancy Payments

Due to ongoing downsizing of the organisation and the continuing competitive tendering of council services 118 staff were made redundant during the reporting period and paid \$2.724 million as per Council's redundancy agreement.

(m) Extraordinary Income - Sale of Share of Citipower

The City of Port Phillip had a share of Citipower which was sold to foreign interests in January 1996. The city's share of this sale was \$18.105 million. Council's share of Citipower had never been disclosed previously in the Statement of Financial Position.

(n) Joint Venture Housing Programs

The City of Port Phillip is involved with the Department of Housing in a joint venture housing project at Grosvenor & Brunnings St, East St Kilda. This project which is fully completed is included as an asset in the land & buildings category in the Statement of Financial position for \$632,000 which represents Council's share in the joint venture. There are no remaining liabilities to Council for this project. This program is managed by the St Kilda Housing Association and they are responsible for the day to day running of the centre.

(o) Contingent Liability

As at balance date Council had a contingent liability regarding an appeal before the courts regarding a rate exemption by a ratepayer for an amount of approximately \$150,000. It is not certain whether this amount is a liability and has not been taken up in the accounts.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

(p) *Plant Hire Treatment*

Due to a change in accounting policy in 1995/96 plant hire income has been matched with expenditure and netted off in the accounts which is in contrast to previous financial periods. This has no effect on the operating result for 1995/96.

(q) *Trust Funds*

All trust funds and monies held on deposit are disclosed as liabilities in the Statement of Financial Position.

(r) *Restricted Assets*

Included in the land and buildings asset category of the Statement of Financial position are Housing assets which have restrictions placed on them. These assets which total \$3.252 million are used as community housing and were purchased with some assistance from state government funding. This funding imposed restrictions preventing council from using these assets for any other purpose. If the funding conditions imposed are defaulted under the terms of the respective funding arrangements, then a calculation formula is prescribed to determine a repayment amount payable to the state government. Based on current value included in the accounts (\$3.252 million) and on the assumption that all four of the housing fund agreements were defaulted at 30 June 1996 (which they were not) the amount repayable to the state government would be \$2.060 million.

(s) *Superannuation*

The City of Port Phillip contributes in respect of its employees to the Local Authorities Superannuation Board's defined benefit and contribution superannuation schemes established in respect of Local Authorities, as defined, in Victoria. In accordance with statutory requirements, the council contributes amounts as determined by the Scheme's actuary for its defined benefits members and 6% for its accumulation members. As such, assets accumulate in the scheme to meet members' benefits as they accrue.

The audited Financial Statements of the Local Authorities Superannuation Board for the year ended 30 June 1995, which were not subject to any audit qualification, indicate that the assets of the Scheme were insufficient to meet the accrued benefits liability of the Scheme.

The Notes to the Financial Statements disclose that the most recent full actuarial assessment of the Scheme was undertaken as at 30 June 1995 and that the liability for accrued benefits were determined by reference to expected future salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions.

The funding policy adopted in respect of the Scheme is directed at ensuring that the benefit accruing to members and beneficiaries are fully funded in the long term. Accordingly the City of Port Phillip's 30 June 1996 share of the Scheme's 30 June 1995 unfunded liability is \$4,260,226 (1995: \$5,876,459). The Fund's actuary, C.J. Haberecht FIA, FIAA, of Towers Perrin, recommended that Authorities continue to contribute to the Scheme at the rate of 13.25% of salaries. The accrued benefits of accumulation members were fully funded.

The amount of superannuation contributions paid by the City of Port Phillip during the reporting period was \$2,108,000 (1995: \$1,958,000).

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 2 Comparison of Budget and Actual Results for Rate Determination and Operating Statement for the Year Ended 30th June 1996

Operating Revenue	Rate Determination				Operating Statement			
	Estimate	Estimate	Actual	Actual	Budget	Budget	Actual	Actual
	1996	1995	1996	1995	1996	1995	1996	1995
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Rates	32,147	35,932	33,647	35,819	32,147	35,932	33,647	35,819
Grants	4,890	6,449	6,186	4,160	4,890	6,449	6,186	4,160
Interest	1,100	1,000	1,391	1,054	1,100	1,000	1,391	1,054
Grant Commission	2,230	1,671	2,332	1,671	2,230	1,671	2,332	1,671
Capital & Other Funding	982	3,195	413	2,631	982	8,380	413	597
Charges, Fees, Fines	16,284	14,936	16,620	12,751	16,284	14,936	16,620	12,493
Total Revenue	57,633	63,183	60,589	58,086	57,633	68,368	60,589	55,794
Operating Expenses								
Employee Cost	26,241	29,046	24,370	20,043	26,241	29,046	24,370	20,043
Plant Hire	0	1,500	78	1,501	0	1,500	78	1,501
Materials & Contracts	13,022	10,000	15,590	7,425	13,022	10,000	15,590	7,425
Utility Payment	1,897	1,800	1,809	1,534	1,897	1,800	1,809	1,534
Depreciation	0	0	0	0	6,800	5,000	3,998	3,536
Consultants	1,242	1,000	1,108	1,026	1,242	1,000	1,108	1,026
Debt Servicing Cost	915	1,157	571	1,165	915	1,157	571	1,165
Other	7,935	8,812	14,322	8,124	7,935	8,812	15,822	8,124
Total Expenses	51,252	53,315	57,848	40,818	58,052	58,315	63,346	44,354
Abnormal Income-								
Gain on Asset Sales	0	0	0	0	500	0	1,370	902
Abnormal Item - Aquatic Centre Contribution	0	0	0	0	0	0	(1,000)	0
Abnormal Items - LSL Provision	0	0	(197)	0	0	0	(197)	0
Abnormal Items - Staff Redundancies	0	0	(2,724)	(3,944)	0	0	(2,724)	(3,944)
Extraordinary Items - Sale of Citipower	0	0	18,105	0	0	0	18,105	0
Surplus (Deficit) after Abnormal Items	6,381	9,868	17,925	13,324	81	10,053	12,797	8,398
Capital Expenditure	(11,000)	(15,211)	(8,561)	(9,759)				
Proceeds from disposal of assets	4,750	2,500	6,121	3,121				
Aquatic Centre Contribution	(1,500)	(1,500)	(1,500)	(1,000)				
Reserve Transfers(Nett)	3,596	7,240	(2,970)	4,707				
Loan Redemption	(2,227)	(3,077)	(10,395)	(2,369)				
Surplus 1995/1996	0	(180)	620	8,024				
Accumulated Surplus B/Fwd	10,000	180	10,006	1,982				
Accumulated Surplus as at 30 June 1996	10,000	0	10,626	10,006				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

Note 2(a) Reconciliation between rate Surplus/ (deficit) and Operating Surplus for the Year Ended 30th June 1996

	1996	1995
	\$,000	\$,000
Increase in Net Assets arising from operations	12,797	8,398
(less Rate Surplus) / plus rate Deficit	(620)	(8,024)
Difference Requiring Reconciliation	12,177	374
Items included in the Calculation of the General Rate which are not included in the Operating statement:		
Purchase of Assets:		
- Furniture & Equipment	2,509	1,342
- Land and Building	561	1,511
- Drainage Work	0	435
- Road Construction/Reconstruction	4,234	1,026
- Special Projects	0	33
- Land improvement & Other Infrastructure	0	2,162
- Plant	1,257	958
	8,561	7,467
Gross proceeds from asset sales	(6,121)	(3,121)
Loan Repayment (Principal)	10,395	2,369
Reserve Transfers (Nett)	2,970	(4,707)
	15,805	3,008
Included in the Operating Statement which are not included in the Calculation of the General Rate.		
Aquatic Centre Ajustment for Prior Year	(1,000)	0
Depreciation	(3,998)	(3,536)
Profit on asset sales	1,370	902
Total	12,177	374

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

Note 2(b) REVENUE, EXPENSES AND ASSETS BY FUNCTIONS/ACTIVITIES

	CEO		Operations		Community Planning		Organisational Development		Corporate		Other* Not Attributed		TOTAL	
	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
EXPENSES	362	301	38,326	32,608	2,679	0	1,762	1,198	20,217	10,247	0	0	61,846	44,354
REVENUES	0	0	5,551	4,160	304	0	0	0	2,663	1,671	0	0	8,518	5,831
Grants	18	10	14,246	10,775	352	0	23	0	3,785	3,359	33,647	35,819	52,071	49,963
Other	18	10	19,797	14,935	656	0	23	0	6,448	5,030	33,647	35,819	60,589	55,794
Total														
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS	-344	-291	-18,529	-17,673	-2,023	0	-1,739	-1,198	-13,769	-5,217	33,647	35,819	-1,257	11,440
ASSETS	1,492	1,732	157,960	187,580	11,041	0	7,262	6,892	77,143	58,947	0	0	254,898	255,150

*General Rates have not been attributed to functions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 3

	1996	1995
	\$,000	\$,000
DEPRECIATION		
Depreciation for the period was charged in respect of:		
Buildings	833	740
Plant and Machinery	1,146	1,044
Road, Street and Bridges	47	35
Drainage Works	257	254
Land Improvement	166	108
Furniture and Equipment	1,549	1,355
	<u>3,998</u>	<u>3,536</u>

NOTE 4

CASH

Cash on hand	8	7
Cash at Bank-unrestricted	106	377
	<u>114</u>	<u>384</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 5

	1996	1995
	\$,000	\$,000
Receivables		
Current		
Rates debtors	7,097	6,009
Other debtor and prepayments	2,695	2,545
	<u>9,792</u>	<u>8,554</u>
Non-current		
Other debtors	<u>0</u>	<u>59</u>

NOTE 6

Investments		
Bank Bills and Cash		
Current	27,980	24,645
Non current	0	20
	<u>27,980</u>	<u>24,665</u>
Total Investments	<u>27,980</u>	<u>24,665</u>

The following restriction has been imposed by Regulations or other externally imposed requirement:

Car Parking Contribution - Current Investment	1,193	1,150
Resort and Recreation - Current Investment	1,410	2,323
Sale of Laneways - Current Investment	194	329

NOTE 7

Creditors		
Trade Creditors	4,703	5,126
Trust funds	139	128
Accruals	3,893	3,470
	<u>8,210</u>	<u>8,724</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 8

Provisions

Current	1996	1995
	\$,000	\$,000
Provision for Doubtful Debts	100	100
Sick Leave Retirement Gratuity	892	887
Annual leave	1,762	1,910
Long Service Leave	300	1,392
Rostered Days Off	93	99
Redundancies	610	0
	<u>3,757</u>	<u>4,388</u>
 Non-current		
Long Service Leave	<u>1,719</u>	<u>704</u>

NOTE 9

Borrowings

Current

Loans - secured	0	2,225
-----------------	---	-------

Non-current

Loans - secured	90	8,260
	<u>90</u>	<u>10,485</u>

The bank overdraft and loans are secured over the general rates of the council.

NOTE 10

Other Liabilities

Non-current

Trust funds	425	413
	<u>425</u>	<u>413</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 11

	1996	1995
	\$,000	\$,000
Land		
at cost	230	0
at Council's valuation as at 30 June 1995*	149,650	149,940
	<u>149,880</u>	<u>149,940</u>
Building		
at Council's valuation as at 30 June 1995*	91,120	94,713
Less Accumulated depreciation	(22,321)	(21,566)
	<u>68,799</u>	<u>73,147</u>
Plant and Machinery		
at cost	8,155	7,797
Less Accumulated depreciation	(4,204)	(3,279)
	<u>3,951</u>	<u>4,518</u>
Roads, Streets and bridges		
Work at cost (acquired after 30 September 1992)	9,002	4,736
Less Accumulated depreciation	(143)	(96)
	<u>8,859</u>	<u>4,640</u>
Land Improvement		
at cost	6,628	6,628
Less Accumulated depreciation	(338)	(172)
	<u>6,290</u>	<u>6,456</u>
Drainage works		
at cost	2,712	2,712
at Council's valuation as at 30 June 1995**	23,085	23,085
Less Accumulated depreciation	(15,304)	(15,046)
	<u>10,493</u>	<u>10,751</u>
Capital works in progress at cost	<u>0</u>	<u>33</u>
Furniture and Equipment	12,784	10,275
Less Accumulated depreciation	(6,158)	(4,610)
	<u>6,626</u>	<u>5,665</u>
Total Property, Plant and Equipment	254,898	255,150

* Land & Building valuations were undertaken by Mr Bruce McKeon, A.A.I.L.E.V,
Manager Assets & Valuations

** Drainage valuations were undertaken by Mr Rasiah Dev, M.Eng, Engineer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 12

a) Reconciliation of net cash provided by operating activities to change in net assets arising from operations

	1996	1995
	\$,000	\$,000
Increase in Net Assets from operations	12,797	8,398
Depreciation	3,998	3,536
Other Adjustments – Aquatic Centre	1,000	0
Increase in Rate Debtors	(1,088)	(4,127)
Increase in Receivables	(91)	(256)
Decrease in Inventories	61	35
Decrease in Creditors	(514)	(1,247)
Increase Other Liabilities	12	204
Gain on Asset Sales	(1,370)	(902)
Increase (Decrease) in Employee Provisions	384	(2,226)
Government Grants	(8,518)	(4,160)
Net cash provided by Operating Activities	<u>6,671</u>	<u>(745)</u>

b) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at banks, net of outstanding bank overdrafts. Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	1996	1995
	\$,000	\$,000
Cash	114	384
Bank Overdraft	(1,321)	(694)
	<u>(1,207)</u>	<u>(310)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 13

	1996	1995
	\$,000	\$,000
Commitments for capital and other expenditure		
At the reporting date, the municipality had entered into contracts for the following capital and other expenditure		
Aquatic Centre Contributions	1,500	1,000
Buildings	0	5,685
Plant & Equipment	775	0
	<u>2,275</u>	<u>6,685</u>
These expenditures are due for payment:		
Not later than one year	2,275	5,185
Later than one year and not later than two years	0	1,500
	<u>2,275</u>	<u>6,685</u>

NOTE 14

	1996	1995
	\$,000	\$,000
Operating Lease Commitments		
At the reporting date, the municipality had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities)		
Not later than one year	269	351
Later than one year and not later than two years	112	269
Later than two years and not later than five years	0	112
Later than five years	0	0
	<u>381</u>	<u>732</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 15 RESERVES

	1996	1995
	\$,000	\$,000
Asset Revaluation Reserve		
Balance at the start	131,816	72,393
Revaluation of :		
Land and Buildings	<u>0</u>	<u>59,423</u>
Balance at end of year	<u>131,816</u>	<u>131,816</u>
General Reserve		
Balance at the start	6,834	8,089
transferred from accumulated surplus re balance of Citipower funds	8,153	3,945
transferred to accumulated surplus re rating funding	<u>(4,178)</u>	<u>(5,200)</u>
Balance at end of year	<u>10,809</u>	<u>6,834</u>
Statutory Reserves:		
Resort and Recreation Reserve		
Balance at the start	2,323	2,330
transferred from accumulated surplus re developer contributions	374	441
transferred to accumulated surplus re recreation projects	<u>(1,287)</u>	<u>(448)</u>
Balance at end of year	<u>1,410</u>	<u>2,323</u>
Contributions for Car Parking Reserve		
Balance at the start	1,150	1,100
transferred from accumulated surplus re developer contributions	<u>43</u>	<u>50</u>
Balance at end of year	<u>1,193</u>	<u>1,150</u>
Sale of Laneways Reserve		
Balance at the start	329	329
transferred to accumulated surplus re construction works	<u>(135)</u>	<u>0</u>
Balance at end of year	<u>194</u>	<u>329</u>
Statutory Reserve Total	<u>2,797</u>	<u>3,802</u>
TOTAL RESERVES	<u><u>145,422</u></u>	<u><u>142,452</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 (Cont)

NOTE 16	PERFORMANCE INDICATORS	1996 \$,000	9 MTHS 1995 \$,000
(i)	<p>Debt servicing ratio</p> <p>Purpose: To identify the capacity of a council to service its outstanding debt.</p> <p><u>Debt servicing costs</u> Total revenue</p> <p style="text-align: right;">0.94% 2.05%</p> <p>(This means that 0.94% of total revenue received goes to servicing council debt.)</p>		
(ii)	<p>Debt commitment ratio</p> <p>Purpose: To identify a council's debt redemption strategy.</p> <p><u>Total debt commitment</u> (Debt Services and Debt Redemption) Rate revenue</p> <p style="text-align: right;">32.59% 9.87%</p> <p>(This means that 32.59% of rate revenue equates to the total of interest and repayment of council's debt)</p>		
(iii)	<p>Rate revenue to total revenue</p> <p>Purpose: To identify council's dependence upon rates.</p> <p><u>Rate revenue</u> Total revenue</p> <p style="text-align: right;">55.53% 63.18%</p> <p>(This means that 55.53% of total revenue is earned from rates.)</p>		
(iv)	<p>Total indebtedness to total assets</p> <p>Purpose: To identify council's exposure to debt and indicate the solvency of council</p> <p><u>Total indebtedness</u> Total assets</p> <p style="text-align: right;">1:18.87 1:11.41</p> <p>(This means that for every dollar of total liabilities, the council controls \$19.01 of total assets.)</p>		
(v)	<p>Working capital ratio</p> <p>Purpose: To assess council's ability to meet current commitments.</p> <p><u>Current Assets</u> Current Liabilities</p> <p style="text-align: right;">2.85:1 2.10:1</p> <p>(This means that for every dollar of current liabilities, council has \$2.85 of current assets.)</p>		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1996 ((Cont)

Definitions

Debt Services:

Includes interest and charges on loans, overdrafts, financial leases and interest on payments for capital items purchased on vendor terms, and contributions to sinking funds.

Debt Redemption:

Includes the principal component of loan repayments and financial leases and capital items purchased on vendor terms.

Rate Revenue:

Includes revenue from general rates, municipal charges, special rates, special charges, service rates and service charges.

Total Revenue:

Total Revenue as shown in the Operating Statement.

Total Indebtedness:

Total Liabilities, both Current and Non-Current, as shown in the Statement of Financial Position.

Total Assets:

Total Current Assets and Total Non-Current Assets.

Current Assets:

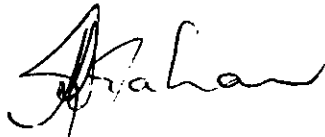
Total Current Assets as shown in the Statement of Financial Position.

Current Liabilities:

Total Current Liabilities as shown in the Statement of Financial Position.

**STATEMENT BY PRINCIPAL ACCOUNTING OFFICER
AND COUNCILLORS**

I, David Graham, Principal Accounting Officer, certify that in my opinion the financial statements are properly drawn up so as to present fairly the results of the operations of the City of Port Phillip for the year ended 30 June 1996 and the financial position of the City of Port Phillip as at 30 June 1996 in accordance with the provisions of the Local Government Act 1989 and in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements.



DAVID GRAHAM - PRINCIPAL ACCOUNTING OFFICER

Acting Chief Executive Officer

Dated: 27.09.96

We, Liana Thompson, Mayor of the City of Port Phillip and Ludwig Stamer, Councillor City of Port Phillip, having made all reasonable enquiries, certify that to the best of our knowledge and belief, the financial statements present fairly the financial affairs of the City of Port Phillip for the year ended 30 June 1996.



Liana Thompson

Mayor, City of Port Phillip

Dated: 27.09.96



Ludwig Stamer

Councillor, City of Port Phillip

Dated: 30/9/96

AUDITOR-GENERAL'S REPORT ON THE COMPETITIVE TENDERING STATEMENT

AUDIT SCOPE

The Port Phillip City Council's competitive tendering statement for the year ended 30 June 1996 has been audited. The Councillors of the Council are responsible for the preparation and presentation of the statement and the information contained therein. An independent audit of the statement has been carried out in order to express an opinion on the statement as required by the Local Government Act 1989.

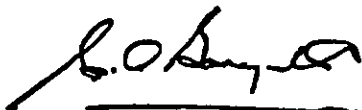
The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the competitive tendering statement is free of material misstatement and whether proper records, a register and documents have been maintained by the Port Phillip City Council. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement, after having obtained all the information and explanations required to undertake the audit. These procedures have been undertaken to form an opinion as to whether, in all material respects, the competitive tendering statement is presented fairly in accordance with the Local Government Act 1989, and proper records, a register and documents have been kept as required by that Act.

The audit opinion expressed on the competitive tendering statement has been formed on the above basis.

AUDIT OPINION

In my opinion:

- (a) the competitive tendering statement presents fairly the results of the Port Phillip City Council's competitive tendering arrangements for the year ended 30 June 1996 in accordance with the Local Government Act 1989; and
- (b) proper records, a register and documents have been kept as required by that Act.



C. A. BARAGWANATH

Auditor-General

Melbourne

30/9/96

AUDITOR-GENERAL'S REPORT

AUDIT SCOPE


The accompanying financial statements of the Port Phillip City Council for the year ended 30 June 1996, comprising an operating statement, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, have been audited. The Councillors of the Council are responsible for the preparation and presentation of the financial statements and the information they contain. An independent audit of the financial statements has been carried out in order to express an opinion on them as required by the Audit Act 1994.

The Audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the requirements of the Local Government Act 1989, so as to present a view which is consistent with my understanding of the financial position of the Port Phillip City Council and the results of its operations and its cash flows.

The audit opinion expressed on the financial statements has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial statements present fairly the financial position of the Port Phillip City Council as at 30 June 1996 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the requirements of the Local Government Act 1989.



C. A. BARAGWANATH
Auditor-General
Melbourne
30/9/96

caring for
our future



City of Port Phillip publications

The following publications are available from the City of Port Phillip and provide information about the make-up of our City and Council's activities. For copies of any of these publications please contact the City on **9209 6209**. To make an inquiry about a particular publication, please contact the relevant person listed below.

Publication	Frequency	Contact Person	Contact No
Annual Report	Annually	Elizabeth Potter	9209 6516
Annual Report Summary	Annually	Elizabeth Potter	9209 6516
City of Port Phillip Community Profile	Reprinted as required	Melissa Fitzgerald	9209 6426
Community Resources Guide	Annually	Verne Krastins	9209 6514
Community Update	Monthly	Verne Krastins	9209 6514
Corporate Plan	Annually	Jude Barden	9209 6342
Events Calendar	Reprinted regularly	Jane Butler	9209 6218
Port Phillip at a Glance	Reprinted as required	Elizabeth Potter	9209 6516
Port Phillip Facts	Published regularly	Melissa Fitzgerald	9209 6426
Rates Booklet	Annually	Elizabeth Potter	9209 6516
State of the City Report	Six monthly	Melissa Fitzgerald	9209 6426
Visitors' Map	Reprinted as required	Jane Butler	9209 6218



'Man Dog Boat' by Betsy Smith - commissioned by the City of Port Phillip for the Gasworks Park entrance.
Photographs by Mark Wilson

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