



# ANNUAL REPORT

2014/15

*our place*

*our unique and  
beautiful place by the bay*





# ANNUAL REPORT

2014/15

**Our vision for the City of Port Phillip**

**Engaged, Healthy,  
Resilient and Vibrant**

*local lifestyle with  
a global outlook*



## **Who is this report for?**

We have designed this report for a broad audience that reflects the great diversity of our constituents, including members of our community, our ratepayers, local businesses, interested stakeholders, government agencies and departments.

As part of our environmental commitment to reducing paper use, we encourage you to read this report online at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)

If you prefer a printed version, copies are available for review at our town halls and libraries. Alternatively, please contact Council via phone or email. Contact details are provided on the inside back cover.

## **Feedback**

We are committed to improving our annual reporting and would welcome your feedback. Contact details for feedback are provided on the inside back cover.

## **Why this report is different**

Council is committed to transparent reporting on our performance and activities. This year's Annual Report includes our reporting against a standard set of performance indicators across local government as required by recent changes to the Local Government Act 1989.

*a city of  
contrast*

For photo captions please  
see inside back cover

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# WELCOME and YEAR IN REVIEW



Musicians entertain crowds at South Melbourne Market

# Mayor and CEO welcome

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Year in review

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Governing  
our City

It is our pleasure to present the activities and performance of the Port Phillip City Council for the past year.

Firstly we would like to respectfully acknowledge the Yalukit Wilam Clan of the Boon Wurrung, and continue to pay our respects to their Elders, both past and present. We acknowledge and uphold their continuing relationship to this land.

We are on track to deliver the Council Plan 2013-17, having achieved almost 80 per cent of targets for Council Plan measures, with 99 per cent of key actions on track. The Council Plan sets out the Council's vision for an engaged, healthy, resilient and vibrant city.

This year Council has made significant progress on projects of importance to our community and it is pleasing that overall community satisfaction with our services has continued to improve. A number of initiatives in our City have been recognised with awards.

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## Delivering on community priorities

Council has taken a major step forward in securing the long-term future of the iconic and much-loved Palais Theatre in partnership with the Victorian Government. Council is investing \$7.5 million towards the restoration project alongside the State's \$13.4 million commitment, with repair work due to start in 2016. The final step will be securing a long-term operator for the Palais through a competitive process already underway.

Council has maintained a strong focus on delivering our community's vision for Fishermans Bend. We developed a ground-breaking plan for a proposed \$40 million investment for community facilities, a kindergarten, and public open space in the Montague Precinct involving a mix of Council rates and borrowings, Victorian Government funding and future developer contributions. Our proposal to the Victorian Government was released in July 2015, and is unique because it involves Council partly financing and delivering early infrastructure for education and community facilities in an urban renewal precinct ahead of a finalised developer-contributions plan.



City of Port Phillip Mayor Cr Amanda Stevens with community members, celebrates the 'Greenlight for Pedestrians' project designed to make crossing intersections safer.



City of Port Phillip Chief Executive Officer Tracey Slatter, speaks to young professionals at a joint LG Pro and IPAA Victoria event.

The Victorian Government's intent to recast Fishermans Bend and re-engage with the community on a new planning framework continues to require extensive input from Council. As a new framework is developed, we are ensuring our community is kept informed of key developments through the Fishermans Bend Community Forum.

Collaborating with our community has seen us advance the St Kilda Triangle project. A number of interrelated working groups spent several months engaging on a range of issues and options regarding the site, culminating in the development of a shared design brief and draft cultural charter. We are also working in partnership with government and industry stakeholders as we progress through to the next stage of the project which involves developing a concept design and business case for the site.

Through our Vibrant Villages program we created new local partnerships to activate key precincts across our City. It is great to see that 96 per cent of our community value the vibrancy of their local area.

Key highlights of the program include:

- working with building owners and traders to revitalise four shop fronts in Ripponlea
- installing village signage in Garden City to welcome people to the shopping strip and supporting the Garden City Community Day at the Fishermans Bend Community Centre
- restoring the much-loved 'Lady of St Kilda' art piece in Carlisle Street, Balaclava
- activating the newly refurbished Emerald Hill park and forecourt with concerts, music and arts performances during the Melbourne and Emerald Hill festivals
- introducing a new volunteer-run visitor and information hub to welcome cruise ship passengers during summer months at the Port Melbourne Waterfront
- developing an action plan with a range of initiatives to enhance Fitzroy Street in consultation with local businesses.



City of Port Phillip Mayor and CEO with Councillors and staff at 2015 Pride March.

## Mayor and CEO welcome

### Improving local amenity and assets

Council kept our City looking great over the busy summer months by investing in additional cleaning and infrastructure, including placing extra bins along the foreshore and employing additional staff to communicate local laws and anti-litter messages. We plan to continue this level of service, which was highly valued by our community and visitors.

High quality facilities help our community achieve improved health and wellbeing. The major redevelopment of North Port Oval's Norm Goss Pavilion means players and spectators can enjoy the historic sporting venue and participate in recreation and sporting activities. New exercise equipment at Peanut Farm Reserve is encouraging healthy activity for all ages. Refurbishing the Clarendon Street Family Centre has improved facilities for much needed family services in this area.

Council delivered on its commitments to re-open the St Kilda Community Garden at Railway Place, plant 1,305 trees to increase our street canopy and reconstruct the St Kilda Botanical Gardens pond. Installing 4.5 kilometres of on-road bike lanes along with 44 new bike hoops is making it easier to cycle. Improving traffic management at intersections through new traffic signals, kerb extensions and zebra crossings is making it safer for walkers.

### Delivering better value and outcomes to our community

Continually improving our service delivery is a priority. This year we increased the use of our childcare centres from 85 to 95 per cent as well as achieving an 89 per cent community satisfaction for our street cleaning services. This is up 11 per cent since bringing the service in-house. We are also pleased that community satisfaction with our overall performance is at a record 96 per cent.

Our focus on improved project management has delivered \$3.6 million in capital savings and improved the selection and monitoring of our projects. A range of other efficiency measures has achieved \$1.92 million in operational savings, with a further \$1.6 million planned for the coming year.

### Creating an inclusive, welcoming and resilient city

Our commitment to social justice and reconciliation was demonstrated by supporting affordable housing, including funding a new communal area at the Williamstown Road public housing estate, and publishing a detailed Aboriginal history of the City of Port Phillip. This year our Access and Ageing Department received a Rainbow Tick for demonstrating inclusiveness and a safe welcoming environment for people who identify as GLBTI, and we have progressed over 40 initiatives to make our services more accessible for people with disabilities and other access challenges.



Creating a strong, innovative and adaptive city and implementing sustainability initiatives remains a focus. This report includes a section detailing our progress on achieving our Toward Zero 2020 targets. This year we delivered the first energy-positive building in Port Phillip through the work of our community 'Carbon Cop' volunteers. We have launched the award-winning My Climate tool on our EnviroEhub website, and developed a new online sustainable design assessment tool.

### **Our future focus**

In a constrained financial environment, we will continue to engage with our community to identify and act on opportunities to improve our services. We want to ensure they are well targeted, efficient and delivering great value and outcomes for our community.

We will work hard to deliver key projects in the City, and welcome recent funding commitments by the Victorian Government, including for the redevelopment of South Melbourne Life Saving Club and upgrades to sports pavilions at Peanut Farm and JL Murphy reserves. In addition, we will provide input and technical expertise into planning for the Melbourne Metro Rail Project, which will establish a new train station at Domain, and use our local knowledge to progress investigations into establishing protected bike lanes on St Kilda Road. We have also committed to the delivery of new community housing.

In the year ahead we will spend \$38 million to renew and upgrade our existing assets, including upgrading roads, footpaths and laneways, redeveloping the St Kilda Life Saving Club, replacing the Alma Park Pavilion and making improvements to the Fitzroy Street streetscape.

We look forward to working with you to continue delivering great outcomes for our community.



**Cr Amanda Stevens**

Mayor  
City of Port Phillip



**Tracey Slatter**

CEO  
City of Port Phillip

# year in review

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## NAIDOC Week celebrations at the City of Port Phillip

One of many events during NAIDOC Week was a flag raising and smoking ceremony at the St Kilda Town Hall attended by Councillors, staff and community members. This ceremony officially recognised the Yalukit Willam Clan of the Boon Wurrung, and Aboriginal and Torres Strait Islander peoples.



## Advocating for our community

In the lead up to the Victorian state election, Council hosted two forums for members of our community and local community groups to inform the development of Council's state election priorities. We also attracted over 130 people to a forum with local candidates to talk about important transport issues, using a live twitter feed to engage a broader audience on the night.

## Joint Council project wins sustainability award

The Council-supported Port Phillip EcoCentre won the Clean Beach, Waterway category in the Keep Australia Beautiful Victoria Sustainable Cities Awards, for improving the management of pollution and pests in Port Phillip Bay. The Young Leader's award went to local student Mary 'Jess' Jeyasingham for her volunteer work with the EcoCentre.



## New mural celebrates Indigenous community

World-renowned street artist Adnate completed a mural at Peanut Farm Reserve, in acknowledgement of the reserve's role as an Indigenous meeting place.



## New locations see Ride2Work Day attendance more than double

Council hosted three events at St Kilda Town Hall, South Melbourne Market and the Port Melbourne Waterfront. Free community breakfasts were provided along with safe riding tips and bike checks by the Port Phillip Bicycle User Group and the Bike Doctors. The events promoted riding to work as a healthy and sustainable form of transport.

## Council launches new mobile enabled website

Council's website was enhanced to provide easier access to information from mobile devices such as smart phones and tablets. Developed by Council staff and tested by community members, visitors to our website now enjoy features such as quick links to popular mobile tasks.

## Farewell to War

Around 1,500 people commemorated the departure of the First Convoy in 1914 at Station Pier in Port Melbourne. This event recognised our wartime heritage, and promoted and strengthened social inclusion and participation for people of all ages and abilities.



## St Kilda Triangle synthesis workshop

Deliberations with our community culminated in a synthesis workshop to prepare for the next stage of the St Kilda Triangle project.



## St Kilda Life Saving Club redevelopment starts

The concept design for the St Kilda Life Saving Club redevelopment was endorsed by Council on 9 December. This brought us one step closer to upgrading the facility to ensure the club can continue to train and provide volunteer life savers, and keep up their important work of patrolling our beaches.

**January  
2015**

### **South Melbourne Night Market**

The popular free twilight markets kicked off on 15 January, offering visitors a cultural feast of hawker style street food, stalls, entertainment and music until early March 2015.

### **Piers Festival**

The annual Piers Festival in Port Melbourne showcased the diversity of our City and its history with food, crafts, performance, an exhibition on the history of migration, and lots of music and dancing.

**February  
2015**

### **Launch of My Climate Tool**

Council developed the award-winning My Climate Tool for residents to calculate the appropriateness of solar power panels for their home, and investigate ceiling insulation and rainwater capture. The tool is available on the EnviroEhub website at [www.enviroehub.com.au](http://www.enviroehub.com.au)

### **Rainbow Flag raising launches Pride March**

Council raised the Rainbow Flag to celebrate the iconic Pride March, which celebrates the achievements of Victoria's Gay, Lesbian, Bisexual, Transgender and Intersex community. It was the first time the Pride March was led by a State Premier; the Hon Daniel Andrews MP, who was joined by Victoria's first Minister for Equality, the Hon Martin Foley MP.

### **St Kilda Festival**

The St Kilda Festival opened with the Yalukit Wilum Ngargee: People Place Gathering celebration of contemporary Aboriginal and Torres Strait Islander culture, followed by Live N Local week, which engaged a number of local businesses, artists and traders.

**March  
2015**

### **South Melbourne Market Mussel Festival**

Over two days the South Melbourne Market hosted the second annual Mussel Festival as part of the 2015 Melbourne Food and Wine Festival. Visitors enjoyed over 10,000 bowls of mussels as well as food from the region's top chefs and restaurants. Weekend attendance inside the market was up nearly 40 per cent compared to a normal weekend.

**April  
2015**

### **Vibrant Balaclava**

Council worked with Multicultural Arts Victoria and Carlisle Street traders to deliver the Vibrant Balaclava street festival which celebrated our diverse range of cultures through street performers, musicians and a special screening from the Human Rights Arts and Film Festival.

### **Student leadership program kicks off at St Kilda Town Hall**

As part of our commitment to young people we hosted part of the 2015 student leadership program, with students from nine local schools exploring project ideas to change the local community for the better. These community projects will be reported back to Councillors in October 2015 as part of the Youth in Chamber event.

### **ANZAC Centenary commemorations**

Council supported community groups to hand-make thousands of paper and knitted poppy flowers for display on ANZAC Day along St Kilda's Esplanade and Port Melbourne Waterfront. The displays were made possible through funding from the Small Poppy Village Grants Program.

**May  
2015**

### **St Kilda Film Festival**

Australian short films were celebrated at this Academy Awards® qualifying event. The Palais Theatre hosted opening night, with the remainder of the festival hosted at the St Kilda Town Hall, which was transformed into a pop-up cinema with box office, lounge and candy bar. Audiences, film makers and local traders were overwhelmingly positive about this year's festival.

### **North Port Oval officially opened**

A major redevelopment of the North Port Oval was completed and officially opened. The upgrade supports local sports clubs, players, fans and community and includes the refurbished and repaired Norm Goss Grandstand, change room updates and a new administration and function room.

**June  
2015**

### **Mabo Day celebrations**

The City of Port Phillip hosted Mabo Day celebrations at the St Kilda Town Hall, as part of Reconciliation Week. Celebrations featured performances by Torres Strait Islander artists.

### **Adoption of revised Council Plan and Budget 2015/16**

Council formally endorsed the revised Council Plan 2013-17 and Budget 2015/16, which builds on its strong financial management and planning, and was informed by extensive engagement with community members.

# Our performance at a glance

This is a snapshot of our performance for the year ending 30 June 2015.

Please refer to **Chapter 3 Our performance** for more detailed information.

## Delivering on the Council Plan

In 2014/15 we focused our performance on delivering the four areas of our Council Plan:

### Engaged

- a well governed City

### Healthy

- a healthy, creative and inclusive City

### Resilient

- a strong, innovative and adaptive City

### Vibrant

- a liveable and connected City

## Overall performance results

- 78 per cent of Council Plan measures have met targets (25 out of 32 measures for which data is available).
- 99 per cent of Council Plan actions are on track (95 out of 96 actions).

The Council Plan action to *develop a policy that protects heritage and accommodates sustainability* is off-track (minor) at the end of 2014/15. Council officers focused on reviewing existing practices and guidance material for sustainability initiatives in heritage areas such as the downpipe diverter program. As such, the development of a formal policy that protects heritage and accommodates sustainability did not progress. We will continue to develop improved sustainability guidance for property owners in heritage areas.

## Our performance highlights

We are proud of our many achievements highlighted throughout this Annual Report. These include delivering on community priorities to secure the long-term future of the much-loved Palais Theatre, proactive planning for community infrastructure and services in Fishermans Bend, collaborating with community to deliver a project on the St Kilda Triangle and strengthening local partnerships through our Vibrant Villages program.

Here are further details and more examples of what we achieved this year.

### Engaged

#### Co-designing the St Kilda Triangle

A draft Cultural Charter and a Design Brief for the St Kilda Triangle was developed at the end of 2014 through community deliberations. Further engagement is underway with community, industry and government, contributing to the development of a business case and delivery strategy for a locally loved and world admired project on the site.

#### Local representatives appointed to Fishermans Bend Community Forum

Nineteen local representatives were appointed to a new forum, enabling two-way information sharing between the community and Council about the future of Fishermans Bend. Forum meetings include updates on statutory planning applications and input from community members on precinct planning.

#### Victorian Government commitment of \$13.4 million for the Palais Theatre

The Palais, owned by the Victorian Government with the City of Port Phillip as Committee of Management, requires essential structural repairs and compliance works. To secure the long-term future of the Palais, Council committed \$7.5 million in funding, alongside a Victorian Government investment of \$13.4 million.

#### Strategic approach to reviewing and improving our operations

We introduced a formal service review program and continued to implement continuous improvement initiatives. This has resulted in saving the community more than 3,600 days waiting for our services, saved over 500 hours of staff time which we have redirected to providing better services, and helped us achieve over \$1.92 million in operating efficiency savings.

#### Providing skip bin permits faster

We used technology to develop a quicker turnaround time for permit applications, which has reduced community wait time for skip bin permits by an average of one and a half days.

## Our performance at a glance

### Healthy

#### More access to childcare

Improvements to communications and processes resulted in greater access to childcare places across four Council-owned centres. Childcare place utilisation increased from 85 per cent to 95 per cent between June 2014 and January 2015.

#### New Maternal and Child Health Saturday service

Council introduced a new Saturday service at the Maternal Child Health Centre in South Melbourne, in response to the community's need for flexible service delivery.

#### Commitment to young people

Council endorsed a Youth Commitment 2014-19 and Middle Years Commitment 2014-19 on 25 November 2014. These policies inform planning and service provision for youth and middle-years over the next five years.

#### Respectfully working with Aboriginal and Torres Strait Islander Community

Council launched a new Aboriginal and Torres Strait Islander (ATSI) framework in February 2015. The framework was developed in partnership with the local ATSI community and the Boon Wurrung Foundation. It reflects Council's commitment to understand, reflect and represent the views of ATSI people and ensure the City is a welcoming and safe place for all.

#### Community Grants

Council awarded \$298,813 in grants to 41 organisations, for more than 77 community projects that strengthen and build community health and wellbeing.

#### New Port Phillip Wellbeing Index

The new index developed by Council is based on social health data to provide an overall picture of community life in Port Phillip. The index uses a set of 76 indicators to measure against, on topics such as employment, education, transport, early years, older persons and safety.

## Resilient

### Reducing greenhouse gas emissions contributes to achieving Toward Zero targets

During the year Council achieved its target to reduce CO<sub>2</sub> emissions, driven by energy savings from our streetlight replacement program. This activity supports our progress to achieving our Toward Zero sustainability targets.

### 'Community Carbon Cops' help reduce energy and save power

Community volunteer 'carbon cops' helped Albert Park's Mary Kehoe Community Centre reduce its electricity usage by 83 per cent by installing a solar panel system. This exceeded their energy reduction target by 33 percentage points. The centre is now Council's first 'energy positive' building, generating 110 per cent of its energy needs. We are expecting savings of \$7,000 per year.

### Council's raingarden maintenance wins an award

Council's proactive approach to maintaining the municipality's raingardens won a Stormwater Victoria Award for Excellence in September 2014.

## Vibrant

### Village Partnership Groups kick off

Community members were invited to join one of five Village Partnership Groups, with each group chaired by a ward councillor. The groups formally convened in June 2015 and encourage community members to work with each other and with Council to contribute to activation of their villages.

### Street cleaning gets the thumbs up

Street cleaning received an annual average audit performance rating of 90 per cent and a community satisfaction rating of 89 per cent after the service was moved in-house.

### More open spaces available for booking

We made changes to existing technology to reduce staff time spent processing open space bookings. This enabled us to increase the number of spaces available for community bookings from nine to 24.

### Improved summer management for our places

Increased service by amenity officers during the summer period reduced the number of dog complaints, down from 30 to four complaints compared to the same period last year.

### Council celebrates local businesses

Three hundred members of the business community attended the City of Port Phillip Business Excellence Awards in October 2014. The biennial awards celebrate the strength of local businesses.

## what you got for \$100

We delivered a broad range of services to our diverse community of residents, traders, business owners and visitors. This list represents a breakdown for every \$100 received from rates income during 2014/15.

Arts and festivals	<b>\$3.98</b>
Community care, ageing, access and disability services	<b>\$2.89</b>
Community development	<b>\$1.25</b>
Customer service, community engagement and consultation	<b>\$3.06</b>
Economic development and tourism	<b>\$0.71</b>
Environmental sustainability	<b>\$1.14</b>
Family, youth and children's services	<b>\$3.51</b>
Financial management	<b>\$3.10</b>
Governance	<b>\$1.87</b>
Libraries	<b>\$2.40</b>
Managing and maintaining assets (roads, buildings, footpaths)	<b>\$11.56</b>
Organisational support and systems	<b>\$11.27</b>
Parks, foreshore and open space	<b>\$8.47</b>
People, culture and learning	<b>\$2.14</b>
Planning and building services	<b>\$1.18</b>
Precinct planning for the future (including Fishermans Bend)	<b>\$2.91</b>
Public health and animal management	<b>\$2.07</b>
Upgrading and growing the City's assets	<b>\$23.77</b>
Street and beach cleaning	<b>\$3.68</b>
Transport planning, projects and parking management	<b>\$2.12</b>
Waste management	<b>\$6.92</b>
<b>Total</b>	<b>\$100.00</b>

Note some services received substantial funding from other sources such as government grants and user charges.



## Financial performance summary

In 2014/15 the Council has maintained and, in some cases improved, its services and infrastructure while planning for significant forecast population growth in Fishermans Bend. The focus has been on ensuring the financial sustainability of Council in an environment of population growth, rate capping and cost shifting.

I'm pleased to report that Council's performance is within the expected range on all of the 12 financial indicators included in the Local Government Performance Reporting Framework. Some key highlights include:

- a \$2.3 million cash surplus
- a \$57 million investment portfolio
- low levels of debt (8.5 per cent of rates revenue)
- a healthy working capital (current assets are 221 per cent of current liabilities).

Council continues to be affected by the shifting of costs and additional taxes from state and federal governments to local governments.

In 2014/15, these shifts have increased the financial pressure on Council by an estimated \$1.1 million.

The major items are:

- new Congestion Levy imposed by the Victorian Government (\$500,000)
- loss of funding for Adventure Playground programs from the Commonwealth Government (\$257,000)
- increase in the Victorian Landfill Levy on waste disposals (\$140,000)
- loss of indexation of Financial Assistance Grants from the Commonwealth Government (\$62,000).

In recognition of the above cost pressures, Council has sought to drive efficiencies across the organisation. This has resulted in the realisation of permanent ongoing savings of \$1.92 million while services have been maintained or improved. In developing the 2015/16 budget a further \$3 million of permanent savings has been targeted, in conjunction with an increased focus on reviewing current services to ensure they remain relevant to the community and continue to deliver desired outcomes.

### Calculation of cash surplus

The principal budget document used by Council to monitor its financial performance is the Cash Income Statement or Rate Determination Statement. The surplus of \$2.235 million will be used as a funding source for the 2015/16 budget. This is consistent with the adopted budget that projected a net surplus of \$2.193 million.

	2015 Actual \$'000	2014 Actual \$'000
<b>Operating Surplus / (Deficit)</b>	<b>3,908</b>	<b>37,611</b>
Depreciation	19,072	17,154
Net loss on disposal of property, infrastructure, plant and equipment	3,279	5,885
Expenses reclassified as operating from Capital Working in Progress from prior year	4,158	5,598
Non-monetary contributed assets	-	(42,428)
Proceeds from borrowings	-	7,500
Capital expenditure	(28,565)	(27,861)
Loan repayments	(722)	(734)
Net transfers from/ (to) reserves	(5,854)	4,558
Payment of superannuation liability charge	-	(10,873)
Brought forward surplus	7,059	10,649
<b>Net rate determination surplus</b>	<b>2,335</b>	<b>7,059</b>

# Financial performance summary

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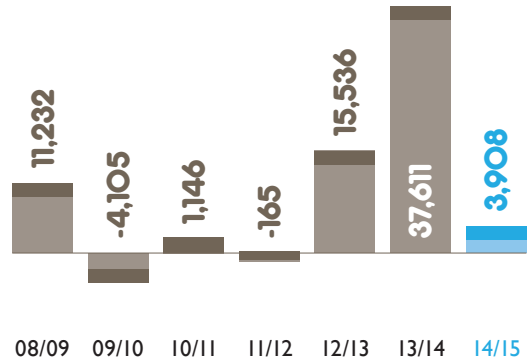
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## Net operating result

Sustaining a net operating surplus is a critical financial outcome that provides Council with the capacity to renew the \$2.3 billion community infrastructure, land and building assets that it controls, meet its debt repayment obligations and manage the impact of potential budget shocks. Operating expenditure increases are mainly attributable to annual inflation increases. Revenue growth has been steady in most income streams, with large increases in developer contributions and statutory fees. Volatile trends over the years are largely due to the impact of one-off items. These include a \$42 million Beacon Cove asset transfer from the Victorian Government (2014), the \$11 million defined benefit superannuation call (2012) and the \$5 million settlement for the St Kilda Triangle (2010).

Net operating result (\$'000)



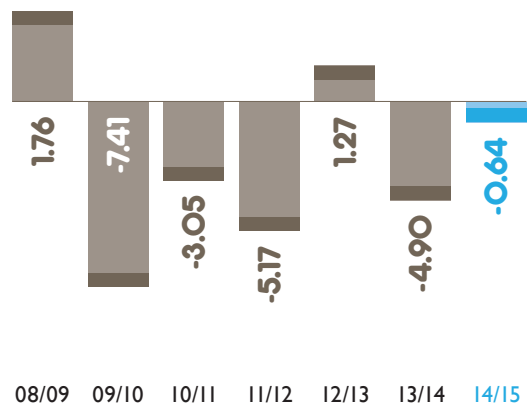
## Underlying operating result

Council's underlying operating result reflects a deficit of 0.64 per cent (2014: deficit of 4.9 per cent). The main drivers for this deficit are:

- the reallocation to operating expenditure of \$9.3 million in project costs that were originally budgeted as capital expenditure or included in the prior year as work in progress. Typical items include tree planting, park and garden improvements, site preparation costs such as demolition for new assets and contributions for public assets not owned by Council.
- \$3.3 million written off from the residual value of assets that were replaced as a result of being renewed or upgraded. These are non-cash items, which Council has historically not budgeted for as they are difficult to forecast and have no impact on Council's cash position.

It should be noted that Council has historically not included the non-cash loss on disposal of assets in its calculation of the underlying operating result. This is now a requirement of the mandatory Local Government Performance Reporting Framework. Council's principal financial planning report is an Income Statement Converted to Cash, which determines a budget position based on the net cash position including capital expenditure, borrowings and reserve transfers. Prior year comparatives have been adjusted.

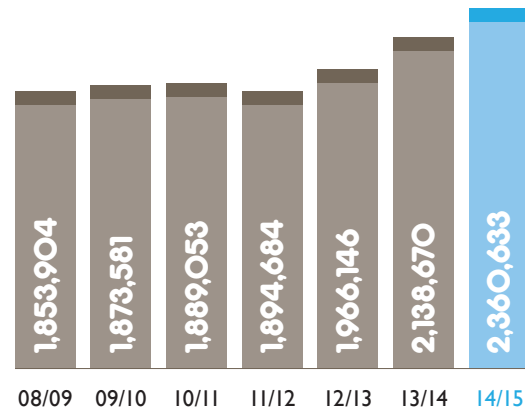
Underlying operating result (%)



## Net assets

The main driver for changes in the value of Council's net assets is the impact of asset revaluations, which take place over a rolling three-year cycle. In the current year there was a significant land valuation increment of \$189 million and an increase in fair value of roads, car parks and other infrastructure of \$29 million. This has driven the increase in net assets to \$2.36 billion.

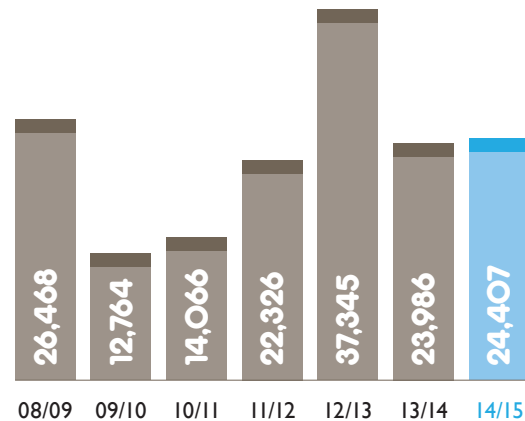
Net assets (\$'000)



## Total capital spend

Delays in the completion of major projects in previous financial years have contributed to lower capital expenditure, particularly in 2010 and 2011. The 2013 result was inflated by the completion of a number of major capital works projects during that financial year. The total capital spend of \$24.4 million is in line with the previous year's expenditure. This result has been impacted by \$9.3 million (2014: \$5.6 million) of project costs being properly classified as operating expenses, as noted in the underlying result summary.

Total capital spend (\$'000)

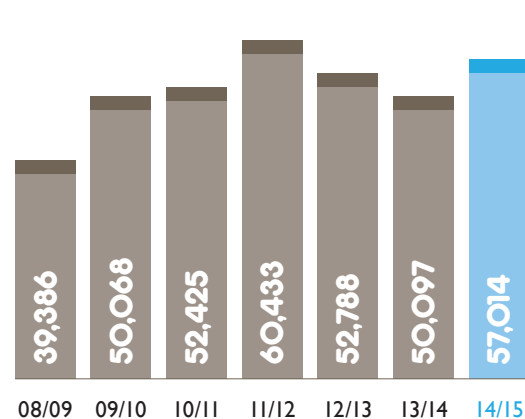


## Investments

Council's prudent fiscal approach and focus on cost containment, and the appropriate application of cash backed reserves has enabled it to build up its cash based investment portfolio. Delays in delivering the capital works program in previous years have also contributed to the growth in investments.

These investments support the following Council commitments: Reserves \$29.9 million (Statutory \$11.7 million and General \$18.2 million), employee leave provisions (\$14 million), trust funds (\$7.7 million) and the \$2.3 million cash surplus.

Investments (\$'000)

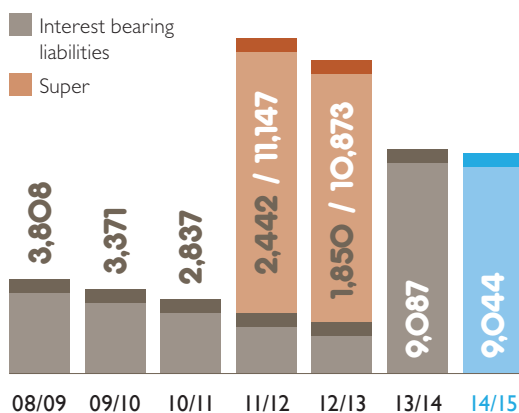


## Financial performance summary

### Total debt

Council's strong financial position has resulted in a downward trend in interest bearing liabilities as it has managed to internally fund major projects. In 2012 a liability for the Vision Super defined benefits shortfall was recognised and reported in 2013. This liability was settled in full in July 2013. In 2014 \$7.5 million was raised for the purpose of funding capital works. While there were no new borrowings in 2014/15, in July 2014 Council participated in the inaugural Local Government Finance Vehicle to refinance this loan. This resulted in a significantly lower effective interest rate with ongoing interest savings of \$75,000.

Total debt (\$'000)



### Looking ahead

Looking ahead, Council can expect to face a number of financial challenges, including:

- revenue constraints as a result of the Victorian Government's rate capping policy
- further cost shifting from state and federal governments
- significant investment in renewing ageing community assets, in particular restoring the Palais Theatre.

In addition, Council faces a period of significant growth in the municipality due to urban densification and development in the Fishermans Bend Urban Renewal Area (FBURA). Council will need to ensure that the future community in FBURA enjoy suitable amenity and access to community services. In many cases, this will require early investment in infrastructure and open space to 'set the tone' for future development and to encourage a vibrant and diverse future community. Council is currently working with the Victorian Government on a package of work to deliver infrastructure in the Montague Precinct within FBURA, where initial development is expected to be focused.

Council expects to use borrowings and other revenue streams to finance early investment in infrastructure, to be repaid by future developer contributions. Planning is currently being undertaken to prudently manage the financial impacts of early investment, including balancing these investments with Council's other strategic priorities.

Our many years of prudent financial management with low debt and cash backed reserves, along with our commitment to improving efficiency and effectiveness, has positioned us well to meet these challenges. However, the scale of the financial challenges will require Council to optimise the use of its resources and borrowing power while maintaining effective financial control. A commitment to continuous improvement, efficient and effective project selection and delivery, and reviewing our services to ensure they are relevant and deliver best value to our growing community will be essential in this context.

David Filmalter

Chief Financial Officer

# Toward Zero progress snapshot

This is a snapshot of progress on our Toward Zero targets. Please refer to **Chapter 4 Achieving Toward Zero** for detailed information.

Toward Zero is the City of Port Phillip's sustainable environment strategy to 2020. Toward Zero has nine challenges covering:

- 1 greenhouse gas emissions**
- 2 potable water use**
- 3 waste**
- 4 contamination and pollution**
- 5 sustainable transport**
- 6 sustainable urban design and development**
- 7 net loss of natural heritage**
- 8 sustainable purchasing and procurement**
- 9 climate change.**

Each challenge has targets to achieve the Toward Zero strategy by 2020.

## Highlights for 2014/15

Greenhouse gas emissions in council buildings and services have reduced by 43.2 per cent since 1997, and we are on track to reach zero net greenhouse gas emissions by 2020.

Potable water use has reduced by 59.7 per cent since 2000 and we are also on track for a 70 per cent reduction in potable water use by 2020, with some significant stormwater harvesting and reuse projects planned.

Significant progress has also been made in the areas of sustainable urban design and development, contamination and pollution, natural heritage and addressing climate change.

## Challenges

Over the next five years we need to focus on waste, sustainable transport, and purchasing and procurement to achieve our 2020 targets. In 2015/16 we will be developing a new Green Procurement Action Plan, Waste and Resource Recovery Strategy and Green Fleet Action Plan to support achievement of targets in these areas.

# This is our City

## About Port Phillip

The City of Port Phillip is located south of Melbourne's city centre and is home to 104,846 people. One of the oldest areas of European settlement in Melbourne, Port Phillip is known and treasured by many for its urban village feel and artistic expression. It is one of the smallest and most densely populated municipalities in Victoria, covering an area of 20.6 square kilometres.

Approximately four million visitors are attracted to our City each year, enjoying our vibrant villages, beautiful beaches and local festivals. The foreshore stretches over 11 kilometres, and a network of public open spaces makes the City a desirable place for residents and visitors alike to enjoy.

A number of significant employment areas sit within Port Phillip, including the St Kilda Road office district, and the industrial, warehousing and manufacturing districts in South Melbourne and Port Melbourne. The municipality is well served by public transport with access to trains, tram and buses.

As a sought-after inner city area of Melbourne, the physical environment is subject to change. The City continues to experience significant residential development. Substantial growth of at least 80,000 residents and 40,000 jobs is anticipated over the next forty years at the northern edge of Port Phillip in the Fishermans Bend Urban Renewal Area. Valuing the history, ensuring a sense of place and planning for the future of a dynamic and evolving city will continue to present a challenge.



St Kilda Esplanade Market

## About the people

The City of Port Phillip is a diverse community and has experienced many changes over time. In the past year there has been a 2.4 per cent increase in the population.

A closer look at the resident population in Port Phillip using the most recent Census data from 2011 shows that 53.4 per cent of residents are 25-49 years old, while 14.9 per cent of residents are over 60 years old. The number of young people in the 0-4 and 5-17 age groups has increased slightly in recent years with an average of 1,400 births each year over the past ten years.

The average household size is small (approximately two people) and there are many families living here. Port Phillip has one of the most highly educated communities compared with other metropolitan councils. Although there are a large number of

wealthy households, approximately 16 per cent of households are classified as low income and around eight per cent of our residents live in community or public housing. In 2011, 40.8 per cent of residents reported owning or purchasing their own home and 50.1 per cent of residents reported renting.

The number of people born in non-English speaking countries makes up 18.1 per cent of the population with the trend in migration moving towards arrivals from India, China and Malaysia.

These demographics provide just a brief description of the people within our community. The rich diversity and depth of community, and the individual experience and contribution is the greater story that brings life and expression to the City of Port Phillip and will continue to play a significant role in shaping its future.

## Demographic statistics

31.0%

Residents born overseas

11.4%

Residents who ride or walk to work

26.2%

Residents who catch public transport to work

47.7%

Dwellings that are high density housing

36.1%

Households that are single occupancy

50.1%

Residents who are renting (twice the Greater Melbourne average)

73.3%

Dwellings with one or more cars

50.4%

Residents who have moved into or within the City in the last five years

Source: 2011 Census of Population and Housing

# Our four year focus

**The Council Plan 2013-17 outlines Council's vision for the City of Port Phillip. It was developed by the newly elected Council in June 2013.**

Each year Council is required to review its four-year Council Plan. In 2014/15 Council continued its practice of actively seeking input from the community about its future direction and priorities. Almost 400 community members participated in the Council's engagement process this year. The feedback, in conjunction with our progress in delivering on the plan, indicated that only minor updates were required. The revised Council Plan 2013-17 was formally adopted on 23 June 2015.

In the year ahead, Council will continue to advance priorities for the community, including managing our City's growth and progressing work on the St Kilda Triangle project, Fishermans Bend urban renewal and our Vibrant Villages program. We are pleased to have secured Victorian Government funding to progress the redevelopment of the South Melbourne Life Saving Club and upgrades to sports pavilions at Peanut Farm and JL Murphy reserves, and we will continue implementing sustainability initiatives.

The Victorian Government's plan to introduce rate capping in 2016/17 will present a challenge to the City of Port Phillip. We will need to manage the impact of reduced funding while maintaining an ageing asset base and managing the significant future growth expected in Fishermans Bend and across the City. We will be engaging with our community on any planned changes.

We will continue to review our priorities and engage with our community over the next year.

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# GOVERNING our CITY



# Role of local government

Australia has three levels of government: federal, state and local. Local government, or council, is responsible for planning and delivering a wide range of services affecting residents, businesses, neighbourhoods and the local community. All councils have the power to make and enforce local laws, and collect revenue to fund their activities.

Every Victorian council varies according to its community. However, all must operate in accordance with the **Local Government Act 1989**.

Our neighbouring councils are the cities of Melbourne, Bayside, Glen Eira and Stonnington.

## Within Victoria, the purpose of a council is to:

- provide leadership for the good governance of the municipal district and the local community
- act as representative government taking into account the diverse needs of the local community in decision making
- provide leadership by establishing strategic objectives and monitoring their achievement
- maintain the viability of the council by ensuring resources are managed in a responsible and accountable manner
- advocate the interests of their local community to other communities and governments
- act as a responsible partner in government by taking into account the needs of other communities
- foster community cohesion and encourage active participation in civic life.

## The functions of council include:

- advocating and promoting proposals in the best interests of the local community
- planning for and providing services and facilities for the local community
- providing and maintaining community infrastructure in the municipal district
- undertaking strategic and land use planning for the municipal district
- raising revenue to enable the council to perform its functions
- making and enforcing local laws
- exercising, performing and discharging the duties, functions and powers of councils under the **Local Government Act 1989** and other Acts
- any other functions relating to the peace, order and good governance of the municipal district.

Source: Local Government Act 1989

# Good governance at the City of Port Phillip

## **Committed to good governance**

In 2014/15 new quality standards for reports to Council and Councillor briefings were implemented and monitored by our Executive Leadership Team. The new standards aim to improve the readability of reports from a community perspective and increase transparency in Council's decision making. During the year, 87 per cent of reports and briefings met the new quality standards.

## **An open and engaging council**

We operate in an open and transparent manner when making decisions.

We engage our community on key issues of significance by actively seeking input through community reference groups, from broad cross-sections of the community and through improved community engagement practices that include the use of face-to-face and online mediums.

We encourage community participation and offer opportunities to speak at Council meetings. Confidential reports are kept to a minimum, with every effort made to ensure the majority of decisions are considered in open Council meetings, including tenders and legal matters where possible. We have maintained our commitment to involving people in the process and ensuring decisions are made in the best interests of the whole community.

Dates and venues for Ordinary Council and Statutory Planning Committee meetings are advertised in the local media and on our website. If urgent special meetings must be called, we publicise these meetings broadly throughout our community.

## **Councillor Code of Conduct**

The Councillor Code of Conduct aligns with the principles set out in the Good Governance Guide that underpin good behaviour and relationships. The Good Governance Guide has been produced by the Municipal Association of Victoria, the Victorian Local Government Association, Local Government Victoria and Local Government Professionals.

The City of Port Phillip Councillor Code of Conduct was adopted in May 2013. It is designed to facilitate the effective functioning of Council and sets out the principles of conduct for councillors. The Code of Conduct is available on our website.

# Port Phillip City Council

Our Council is responsible for the stewardship of the City and for ensuring strong corporate governance. Collectively, our councillors set the strategic direction for the municipality, develop policy, identify service standards and monitor performance.

The City of Port Phillip is divided into seven wards with one councillor representing each ward. Our most recent municipal election was held on Saturday 27 October 2012 with elected representatives sworn in for a four-year term on Tuesday 30 October 2012.

On Tuesday 11 November 2014 at a Special Council Meeting, Councillor Amanda Stevens was re-elected Mayor for a one-year term. Councillor Bernadene Voss was elected Deputy Mayor at this meeting.

The role of the Mayor is to chair Council meetings and promote good relationships, particularly between the Mayor and Councillors, Council and the administration, and the Mayor and Chief Executive Officer. The Mayor also manages and models good councillor conduct.



## Cr Anita Horvath

Emerald Hill Ward



## Cr Bernadene Voss Deputy Mayor

Sandridge Ward



## Cr Amanda Stevens Mayor

Albert Park Ward



## Cr Serge Thomann

Catani Ward



## Cr Jane Touzeau

Point Ormond Ward



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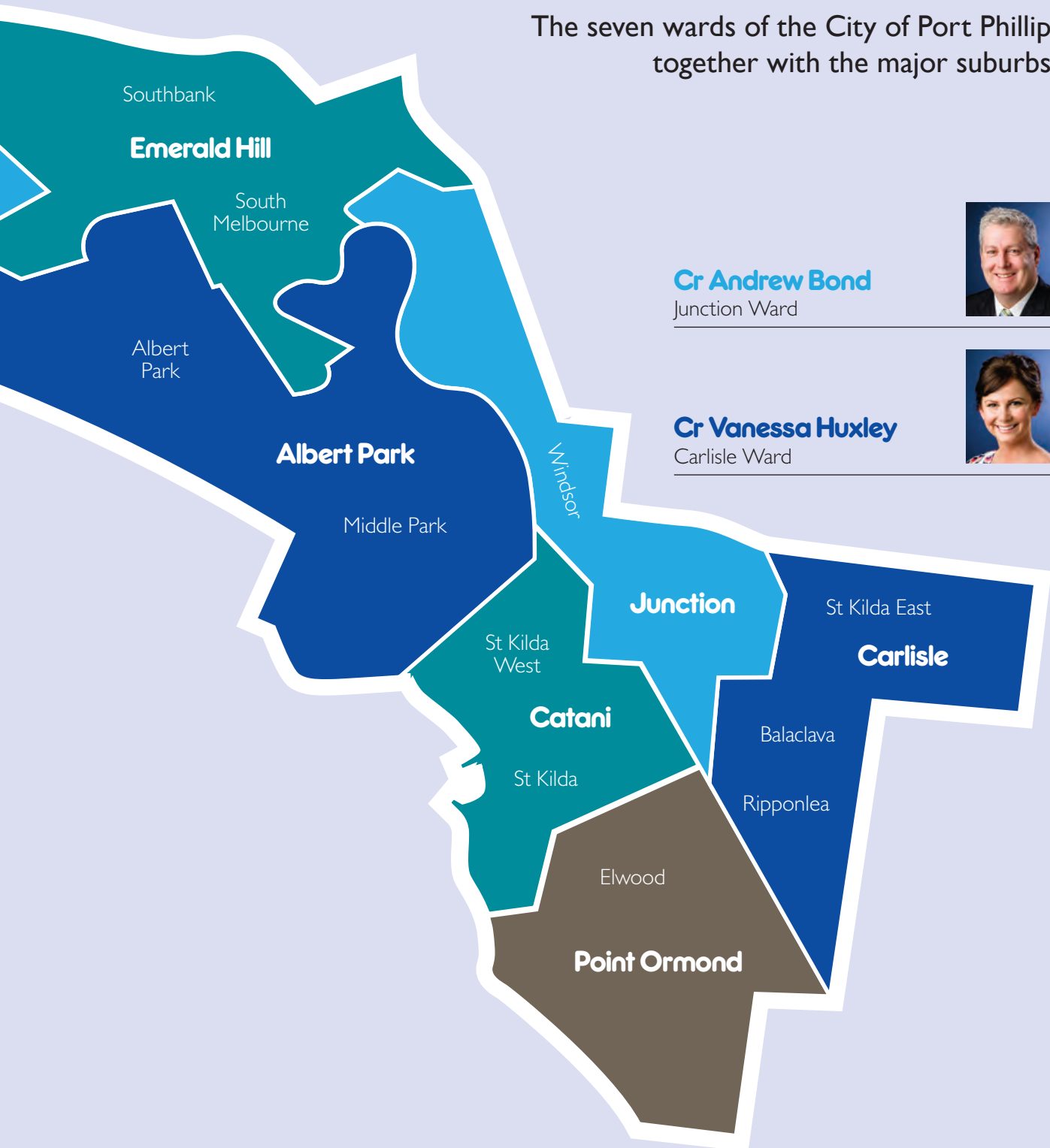
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# City of Port Phillip

The seven wards of the City of Port Phillip together with the major suburbs



**Cr Andrew Bond**  
Junction Ward



**Cr Vanessa Huxley**  
Carlisle Ward



# Council meetings

The City of Port Phillip has a regular meeting cycle of two Ordinary Council meetings and one Statutory Planning Committee meeting each month.

Meetings are held on Tuesdays at 6 pm and are open to the public. The Statutory Planning Committee has a delegation from Council to make decisions on planning applications.

Council meetings are rotated between St Kilda, South Melbourne and Port Melbourne town halls. Two Special Council meetings, 10 Statutory Planning Committee meetings and 21 Ordinary Council meetings were held in 2014/15.

## Councillor meeting attendance

Councillor	Ordinary Council Meeting	Statutory Planning Committee Meeting	Special Council Meeting	Attendance
Cr Amanda Stevens	20	9	2	<b>94%</b>
Cr Vanessa Huxley	14	9	2	<b>76%</b>
Cr Serge Thomann	21	10	2	<b>100%</b>
Cr Anita Horvath	18	9	2	<b>88%</b>
Cr Andrew Bond	21	10	2	<b>100%</b>
Cr Jane Touzeau	20	9	2	<b>94%</b>
Cr Bernadene Voss	21	10	2	<b>100%</b>

### Ordinary Meetings of Council

Date	Location
Tuesday 8 July 2014	South Melbourne Town Hall
Tuesday 22 July 2014	St Kilda Town Hall
Tuesday 12 August 2014	Port Melbourne Town Hall
Tuesday 26 August 2014	St Kilda Town Hall
Tuesday 9 September 2014	South Melbourne Town Hall
Tuesday 23 September 2014	St Kilda Town Hall
Tuesday 14 October 2014	Port Melbourne Town Hall
Tuesday 28 October 2014	St Kilda Town Hall
Tuesday 11 November 2014	St Kilda Town Hall
Tuesday 25 November 2014	St Kilda Town Hall
Tuesday 9 December 2014	Port Melbourne Town Hall
Tuesday 3 February 2015 (cancelled)	St Kilda Town Hall
Tuesday 10 February 2015	South Melbourne Town Hall
Tuesday 24 February 2015	St Kilda Town Hall
Tuesday 10 March 2015	Port Melbourne Town Hall
Tuesday 24 March 2015	St Kilda Town Hall
Tuesday 14 April 2015	South Melbourne Town Hall
Tuesday 28 April 2015	St Kilda Town Hall
Tuesday 12 May 2015	Port Melbourne Town Hall
Tuesday 26 May 2015	St Kilda Town Hall
Tuesday 9 June 2015	South Melbourne Town Hall
Tuesday 23 June 2015	St Kilda Town Hall

### Statutory Planning Committee Meetings

Date	Location
Tuesday 15 July 2014 (cancelled)	St Kilda Town Hall
Tuesday 19 August 2014	St Kilda Town Hall
Tuesday 16 September 2014	St Kilda Town Hall
Tuesday 21 October 2014	St Kilda Town Hall
Tuesday 18 November 2014	St Kilda Town Hall
Tuesday 9 December 2014	St Kilda Town Hall
Tuesday 17 February 2015	St Kilda Town Hall
Tuesday 17 March 2015	St Kilda Town Hall
Tuesday 21 April 2015	St Kilda Town Hall
Tuesday 19 May 2015	St Kilda Town Hall
Tuesday 16 June 2015	St Kilda Town Hall

### Special Meetings of Council

Tuesday 11 November 2014	St Kilda Town Hall
Tuesday 5 May 2015	St Kilda Town Hall

# Supporting Council's decision making

As part of our commitment to good governance, quality decision making and community participation, we support a range of committees with community and external representation. Our councillors also represent the interests of Council on a range of external committees.

## Community Reference Committees

Community Reference Committees are established by Council to provide advice to Council. These committees provide opportunities for members of our community to share their expertise on a range of topics. Each committee is governed under specific Terms of Reference.

Appointment	Purpose
<b>Art Acquisition Reference Committee</b>	
Cr Touzeau (Chair)	Assists Council by providing advice and expertise in relation to Council's visual art acquisition program
<b>Audit &amp; Risk Committee</b>	
Mayor Cr Stevens and Cr Voss	Advises Council on the effectiveness of the organisation's systems, processes and culture for managing risk, and complying with its legal and financial obligations
<b>Community Grants Assessment Panel</b>	
Cr Huxley and Cr Bond	Convenes annually to assess applications for community grants of up to \$10,000. The Panel makes recommendations to Council for grants funding
<b>Cultural Development Fund Reference Committee</b>	
Cr Thomann (Chair) and Cr Huxley (Reserve)	Provides advice and recommendations in relation to applications for the Cultural Development Fund according to the published guidelines
<b>Cultural Heritage Reference Committee</b>	
Cr Voss	Provides advice and feedback in relation to cultural heritage and local history
<b>Esplanade Market Advisory Committee</b>	
Cr Thomann (Chair) and Cr Bond	Provides direction on the strategic direction of the Esplanade Market

Appointment	Purpose
<b>Friends of Suai/Covalima Community Reference Committee</b>	
Cr Thomann and Cr Huxley (Reserve)	Works with and assists the City of Port Phillip to develop sustainable and productive relationships between the Port Phillip and Suai/Covalima communities
<b>Gasworks Arts Park Reference Committee</b>	
Mayor Cr Stevens (Chair)	Provides advice and feedback in relation to the development of the Gasworks Arts Park Plan, including the vision, principles and values for long-term strategic development and management of Gasworks Arts Park
<b>Hindmarsh Steering Committee</b>	
Cr Touzeau	Provides feedback and advice in relation to the strategic direction of the Friendship City relationship between the City of Port Phillip and Hindmarsh Shire
<b>Multicultural Forum</b>	
Cr Thomann (Chair)	Facilitates discussion and advises Council about policies and plans supporting the multicultural community
<b>Older Persons Consultative Committee</b>	
Cr Horvath	Provides advice to Council about policies, plans, issues and services affecting older people
<b>Rupert Bunny Foundation Visual Arts Fellowship Reference Committee</b>	
Cr Touzeau (Chair)	Provides strategic advice and expertise to Council on the awarding of the Fellowship

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## Section 86 Committees

Under Section 86 of the *Local Government Act 1989*, Council can delegate particular decisions to formally established committees.

Appointment	Purpose
<b>Statutory Planning Committee</b>	
All Councillors	Makes decisions on planning applications
<b>Inner Melbourne Action Plan (IMAP) Committee</b>	
Mayor Cr Stevens	Oversees the implementation of regionally-based actions identified in IMAP. For additional information on the IMAP Committee, please see right
<b>Council Neighbourhood Programs Committee</b>	
Mayor Cr Stevens (Chair) and Cr Thomann	Supports the distribution of minor donations and grants to individuals, organisations or community groups
<b>South Melbourne Market Management Committee</b>	
Mayor Cr Stevens (Chair), Cr Bond and Cr Horvath	Oversees the market's performance and direction, ensuring its financial viability and pre-eminent position as a community resource and a dynamic retail competitor

### Inner Melbourne Action Plan: making Melbourne more liveable

The Inner Melbourne Action Plan (IMAP) is the successful collaboration between the cities of Melbourne, Port Phillip, Yarra, Maribyrnong and Stonnington. IMAP seeks to help foster creativity, liveability, prosperity and sustainability across the inner Melbourne region. Key strategic directions are transport and connectedness, housing affordability, environmental sustainability and liveability.

The Inner Melbourne Action Plan identified 11 regional strategies and 57 actions for implementation across the inner Melbourne region. Now in its ninth year, the IMAP partnership has either completed or is implementing around 75 per cent of these actions.

Some key achievements during 2014/15 included:

- developing four case studies and financial instruments to develop Community Land Trusts as a housing option in Australia
- developing a joint planning study into providing active and passive recreation spaces for a larger population in conjunction with research by the Metropolitan Planning Authority and Sport and Recreation Victoria
- completing the Energy Mapping project undertaken with CSIRO and developing communication plans to make the research modeling publicly available
- winning the 2014 'Victorian Landscape Architecture Award for Research and Communication' for the Growing Green Guide, a how-to manual for developing green roofs, walls and facades.

### Inner Melbourne Action Plan Making Melbourne More Liveable



# Supporting Council's decision making

## External committees

Individual councillors are appointed by Council to represent its interests on a number of external committees, associations or boards. As appropriate, councillors report to Council on the activities of these committees.

Appointment	Purpose
<b>Association of Bayside Municipalities (ABM)</b>	
Cr Touzeau and Cr Thomann (Reserve)	Represents the interests of ten councils with frontage to Port Phillip Bay on various coastal and marine issues
<b>Board of Bubup Womindjeka Family and Children's Centre</b>	
Cr Voss	Oversees the provision of a range of services such as long day care, sessional kindergarten, occasional care, maternal and child health services, consulting space for allied health professionals, and space for new parent groups, playgroups and other community group uses
<b>Board of Claremont and Southport Aged Care Limited (CaSPA Care)</b>	
Cr Hovarth	CaSPA Care is a merger between Claremont Home and South Port Residential Home, formed to enable both entities to respond to changes within the residential aged care industry. Changes include more rigorous certification and accreditation standards, increase in the frailty of residents requiring care, and an increasing demand for appropriate local residential aged care
<b>Gasworks Arts Inc. Board of Management</b>	
Mayor Cr Stevens	Elected annually to oversee management of the Gasworks Arts Park
<b>Health and Wellbeing Alliance Committee</b>	
Cr Huxley and Cr Voss (Reserve)	Directs the implementation of the Health and Wellbeing Plan. Consists of representatives from local health and welfare organisations, police, business community and Council

Appointment	Purpose
<b>Inner South Metropolitan Mayors Forum</b>	
Mayor Cr Stevens	Regional peak body for local government councils covering the cities of Bayside, Boroondara, Glen Eira, Kingston, Melbourne, Port Phillip, Stonnington and Yarra
<b>Linden Board of Management Inc.</b>	
Cr Huxley	Oversees the day-to-day management of the Linden Gallery
<b>Metropolitan Transport Forum</b>	
Cr Bond	Local government interest group for transport in metropolitan Melbourne with 24 constituent members, working towards effective, efficient and equitable transport in metropolitan Melbourne by providing a forum for debate, research and policy development, and sharing and disseminating information to improve transport choices
<b>Metropolitan Waste and Resource Recovery Group</b>	
Cr Huxley	Victorian Government statutory body responsible for coordinating and facilitating municipal solid waste management across metropolitan Melbourne
<b>Municipal Association of Victoria</b>	
Cr Voss and Cr Thomann (Reserve)	Representative and lobbying body for Victoria's councils. Advocates for the interests of local government, raises the sector's profile, and provides policy and strategic advice and insurance services
<b>Port Phillip Multi-Faith Network Steering Committee</b>	
Cr Thomann	Comprises representatives and leaders from a wide variety of religions and faith groups in the City of Port Phillip. The network meets on a bi-monthly basis and is concerned with discrimination, social inequity, disadvantage and poverty

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**Appointment****Purpose**

<b>Port Phillip Housing Association Ltd. Board of Directors</b>	
Cr Horvath	Independent, not-for-profit community housing organisation that helps members of the local and wider community find suitable, affordable housing, and advocates on behalf of residents who require assistance to sustain their tenancies
<b>Road Safety Action Group Inner Melbourne</b>	
Cr Touzeau	A collaboration of four inner Melbourne councils, community members and organisations working to make inner Melbourne safer for walking, bike riding, public transport and motorcycling
<b>St Kilda Tourism Association</b>	
Cr Thomann	Provides advocacy, destination marketing and industry development. As the local tourism association, it enables St Kilda businesses to formally link into highly successful initiatives run by Destination Melbourne, Tourism Victoria and Tourism Australia
<b>Victorian Local Governance Association</b>	
Mayor Cr Stevens and Cr Touzeau (Reserve)	Peak body for Councillors, community leaders and local governments to build and strengthen their capacity to work together for progressive social change

# Community engagement

Our community is a rich resource whose valuable contributions help us plan for the future and address broader issues in our society such as sustainability and climate change. By engaging with our community and forming partnerships, we can better inform the development and implementation of policy which will shape our City.

Councils are looking for more innovative ways to deliver services and initiatives for the community. We are challenging ourselves and working with the community to think about new resourcing and funding ideas. Building our community's capacity to engage and encouraging community leadership will play a key role in helping Council deliver long-term success in a challenging financial climate.

## Highlights

**In 2014/15 we engaged with the community on over 30 projects, including:**

- St Kilda Triangle
- Acland Street upgrade
- St Kilda Life Saving Club redevelopment
- Fitzroy Street streetscape
- Port Melbourne parking neighbourhood scheme
- Graham Street skate park
- Port Phillip arts review
- Local park and reserve upgrades

The St Kilda Triangle project continues to be a major focus for Council and the community. In August 2014, Council committed to co-designing a project for the St Kilda Triangle with the community to create a place loved by locals and admired by the world. We engaged almost 50 community members in a series of working groups to help refine parameters for a design brief for the site. The culmination of these working groups was a synthesis workshop, where we used a live polling system to instantaneously capture people's thoughts and feelings on the design guidelines.

Using tools such as live polling, online discussion forums and social media are just some of the ways we are harnessing technology to enrich engagement with our community. We are excited about the next stage of the project, which involves a series of collaborative workshops with our community, industry and government stakeholders to deliver a business case.

We also commenced community engagement for the Acland Street upgrade. We sought early ideas, thoughts and suggestions to help us plan improvements to the Acland Street streetscape to ensure it remains one of Melbourne's premier local seaside precincts. Traditional engagement tools, including project newsletters and on-street consultation sessions, were supported by online engagement through social media (Facebook, Twitter and Instagram) and Council's Have Your Say website. Feedback from 260 people who participated in consultation sessions and almost 300 survey responses are shaping future plans for the Acland Street streetscape.

As part of our Vibrant Villages program, we are partnering with our community through five Village Partnership Groups. This partnership approach between Council, businesses, community groups and residents allows us to work together on initiatives to activate vibrant and enjoyable places in Port Phillip, using an asset based community development approach. Each group provides feedback to inform planning at a village level, as well as leading and participating in community activities to ensure our villages are prosperous, attractive and welcoming places for everyone.

While we continue to engage the community on these important projects, Council has also turned its attention to how we best engage the whole municipality on the broader, long-term issues - such as climate change, parking pressures, rate capping and rapid growth.

Community satisfaction with our performance on consultation for the last financial year is on par with previous years, and significantly higher than the statewide average performance. We are committed to continuously improving the way we communicate and engage with our community on topics that are important to them, to hear diverse opinions, and ensure our processes are open, transparent and responsible. We aim to foster a greater sense of active citizenship, which is an essential ingredient for the success of our City.

# Accountability

To ensure we are accountable to our stakeholders including residents, ratepayers, business and government, we must comply with the requirements of the *Local Government Act 1989* and other legislation. We are also required to provide the Minister for Local Government with detailed reports, including an annual report, budget, council plan and strategic resource plan.

## Audit and Risk Committee

As part of our duty to fulfil governance obligations to the community, we seek the probity of the Audit and Risk Committee. This is an independent committee whose primary purpose is to advise Council on the effectiveness of our systems, processes and culture for managing risk, and compliance with our legal and financial obligations. The specific objectives of the Audit and Risk Committee are outlined in the Committee's Charter.

The Audit and Risk Committee comprises three external members and two councillor members including the Mayor, with the role of the Chair being held by an external member. External members are appointed for a three-year term, renewable for a maximum of one additional term. Councillors are appointed to the Committee on an annual basis. The Audit and Risk Committee met on five occasions in 2014/15. Minutes of the Audit and Risk Committee meetings are distributed to all councillors, while reports on activities are formally presented to Council following each meeting.

During 2014/15, Cr Bernadene Voss (Deputy Mayor) replaced Cr Anita Horvath as the second councillor member.

The Audit and Risk Committee is a key element of our system of checks and balances, in addition to Council's program of risk and assurance activities.

All Victorian councils are also externally audited on an annual basis by the Victorian Auditor-General.

## Audit and Risk Committee membership

### External representatives

Independent members are remunerated in accordance with Council policy.

#### Ms Helen Lanyon

Member (12 Dec 2011 - 2013)  
Chair (25 Feb 2014 - current)

Ms Helen Lanyon was appointed as Chair in February 2014. Ms Lanyon is a Fellow of CPA Australia and over a 40 year career has held numerous senior executive roles, primarily in local government. She has broad experience in the corporate services portfolio in a range of disciplines including finance, governance, human resource management, marketing, customer service and information technology. She has extensive experience on a broad range of advisory committees.

#### Mr Brian Densem

Member (13 Dec 2010 - current)

Mr Brian Densem, a Certified Practising Accountant and a Fellow of the Institute of Internal Auditors, is General Manager of Group Audit, a leading Australian mutual company. He has extensive knowledge of internal audit, risk management and exposure to numerous industries, with a primary focus on financial services. Mr Densem is a member of another local government audit and risk committee.

#### Ms Kerry O'Brien

Member (10 Dec 2013 - current)

Ms Kerry O'Brien, a Member of the Institute of Chartered Accountants and a Member of the Institute of Company Directors, is an experienced and highly qualified non-executive director. She has substantial experience in governance, risk and compliance projects in the private and public sector, and considerable exposure to the not-for-profit sector. She has strong strategic governance and risk management skills, supported by particularly well developed communication capabilities and a background in accounting and assurance.

### Internal representatives

#### Cr Amanda Stevens (Mayor)

(Nov 2012 - current)

Under the Audit and Risk Committee Charter, the elected Mayor must be a member of the Committee.

#### Cr Anita Horvath

(Nov 2012 - Nov 2014)

Cr Anita Horvath was re-appointed to the Audit and Risk Committee in December 2013 for a further 12 months.

#### Cr Bernadene Voss

(Nov 2014 - current)

Cr Bernadene Voss was appointed to the Audit and Risk Committee in November 2014, replacing Cr Horvath.

## Accountability

### Local government investigations and compliance inspectorate

An additional layer of audit is provided by the Local Government Investigations and Compliance Inspectorate (the Inspectorate). This is an administrative office of the Department of Environment, Land, Water and Planning.

The Inspectorate is responsible for ensuring Victoria's local government sector meets the highest standards of accountability and transparency. The Inspectorate focuses on compliance with the **Local Government Act 1989** by:

- investigating alleged breaches of the Act
- implementing a rolling audit program
- conducting spot compliance audits.

### Reporting on our performance

We are committed to improving our performance and providing value for money to our community. Since March 2014 we have been producing a monthly CEO Report that provides timely and regular information on Council's performance and activities.

This includes:

- reporting progress to deliver our Council Plan and improve community value
- reporting our financial performance
- reporting progress against our service performance targets for our community and our internal processes
- legislative updates
- project portfolio updates.

In addition, every quarter we provide an update on our insurance and safety measures as well as progress against Council Plan actions and measures. These reports are available online at [www.portphillip.vic.gov.au/results\\_reports.htm](http://www.portphillip.vic.gov.au/results_reports.htm)

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# OUR PERFORMANCE



We launched our Summer in the City program in O'Donnell Gardens to ensure clean, safe and enjoyable spaces

# Planning and performance accountability framework

Council is committed to a continuous cycle of planning, reporting and review to ensure it delivers the best outcomes for the community.

Our overall planning framework guides Council in identifying community needs and aspirations that inform the following plans:

## Council Plan 2013-17

Outlines Council's vision for the City of Port Phillip and the key deliverables for the period between 2013 and 2017.

## Strategic Resource Plan

A four-year rolling plan that outlines the financial and non-financial resources required to achieve the strategic objectives set out in the Council Plan.

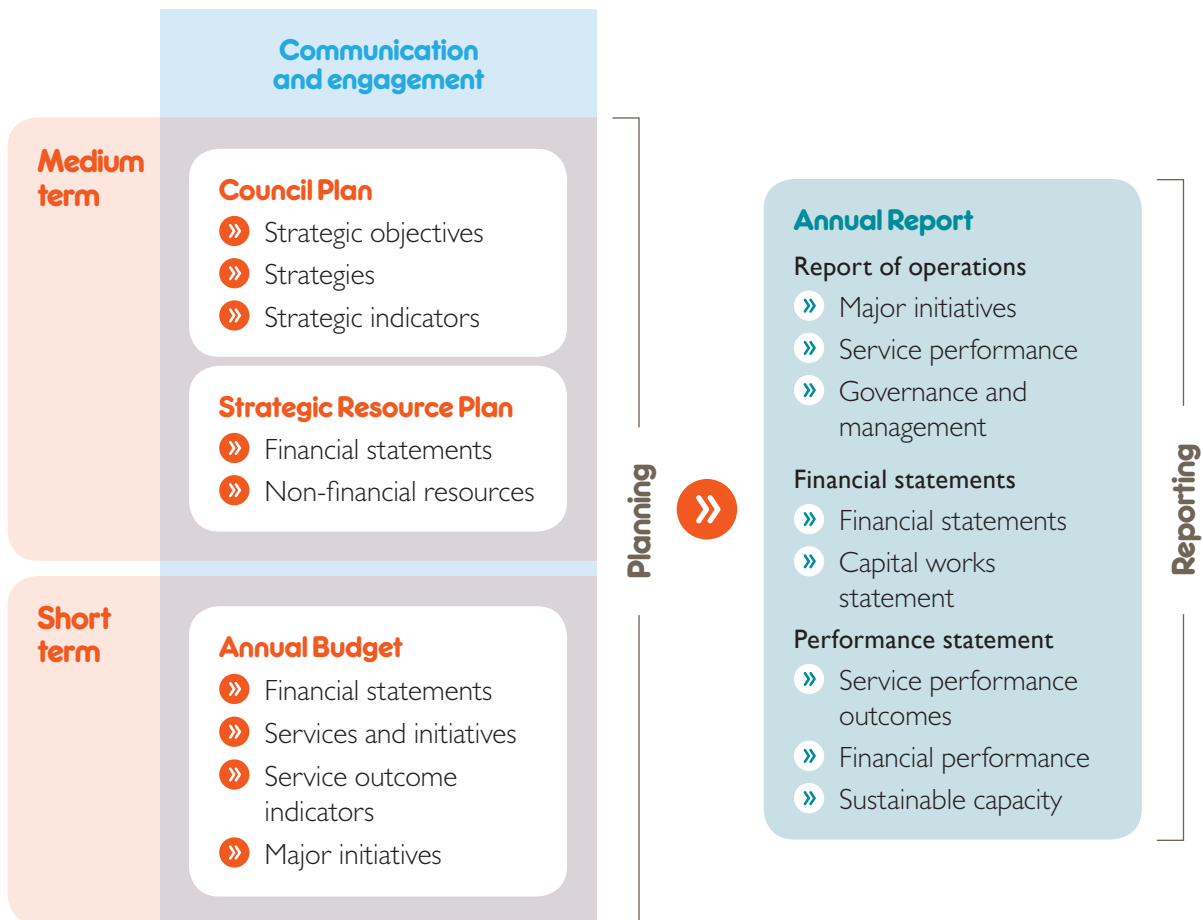
## Annual Budget

Takes into account the services and initiatives planned for the next financial year that will progress the Council Plan.

The following diagram illustrates the planning and accountability framework.

## Transparent reporting on our performance

Council is committed to transparent reporting on its performance and activities, and regularly reports on progress towards achieving the objectives of the Council Plan as well as financial performance and other activities. These reports, along with Council's annual reports, are available online at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au)



In addition to the above, Council has a long-term plan (2007-2017 Community Plan) that articulates a community vision. The Council Plan is prepared with reference to the Community Plan.

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## Council Plan 2013-17

The Council Plan 2013-17 outlines four areas of focus. Each focus area consists of objectives and corresponding indicators to measure success. The delivery of each objective is supported by a number of key actions.

### Focus areas

#### **Engaged - a well governed City**

We are proud of the City we represent. Council will be a leader in good governance, and sound financial and asset management.

#### **Healthy - a healthy, creative and inclusive City**

We celebrate people from all walks of life who live in or visit the City. We want people to experience it as a welcoming, creative and safe place to enjoy.

#### **Resilient - a strong, innovative and adaptive City**

We are focused on the future and we will need to adapt to a different climate.

#### **Vibrant - a liveable and connected City**

We all have a responsibility to be future-focused and agile; to respect our history while embracing the new. The City will grow and we will strive to build new communities, not just buildings.

## Our performance

Our performance for 2014/15 is reported against each focus area to demonstrate how Council is progressing in delivering the Council Plan 2013-17.

Performance for each focus area is reported as follows:

- Measures of success in relation to our strategic objectives in the Council Plan. This includes historical information from previous years where available
- Progress of Council in relation to major initiatives identified in the Budget
- Service delivery as funded in the Budget, including persons or sections of the community who receive the service
- Results against the prescribed service performance indicators and measures. This complies with the *Local Government Act 1989*, which prescribes a set of mandatory performance indicators and measures. In time, trend analysis will also be reported
- Service delivery statistics that provide a snapshot of some of our key services and how these have increased, decreased or remained static compared to the previous year.

When reading the following information please keep in mind that many of the measures against our strategic objectives make use of our Community Satisfaction Survey. In 2014/15 changes were made to the survey methodology to provide more meaningful results and allow for improved benchmarking against other councils. Community perceptions captured on a performance scale have changed to average, good or very good compared with those collected in the previous financial year as adequate, good or excellent. These changes limit our ability to make direct comparisons with previous years.

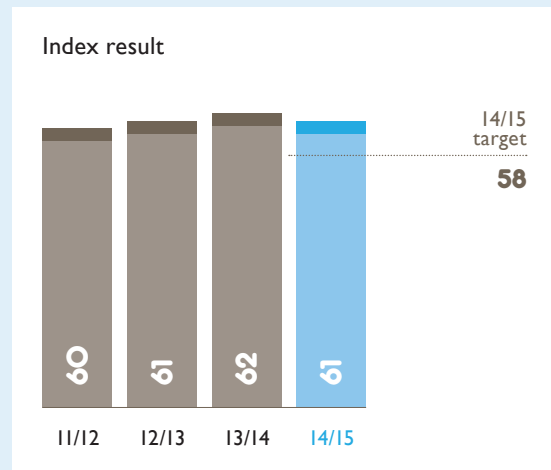
# Engaged - a well governed City

## Strategic objectives

- 1.1 Provide clear and open communication and engagement that is valued by the community
- 1.2 Value transparent processes in Council decision making
- 1.3 Build and facilitate a network of active and informed communities
- 1.4 Build strategic relations with our partners
- 1.5 Achieve a reputation for organisational and service excellence

## Measures of success

### Community satisfaction with Council's consultation and engagement in decision making on key local issues consistent with industry benchmarks



Source: Local Government Victoria Community Satisfaction Survey 2015

**Council achieved an index result of 61 against a target of 58.**

There was a slight decrease in our community consultation rating; however, the result is still significantly higher than both the Melbourne metropolitan average of 58 and the statewide average of 56. More information on our commitment to engagement is provided in **Chapter 2 Governing our City**.

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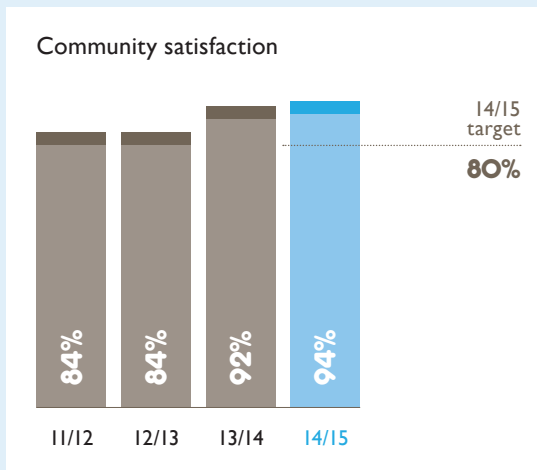
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## Measures of success

### Community satisfaction survey respondents agree Council is trustworthy, reliable and responsible

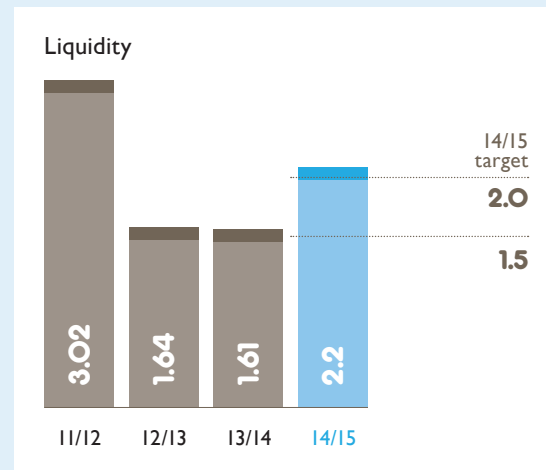


Note: Rating scale changed during 2014/15  
Source: City of Port Phillip Community Satisfaction Surveys

Council achieved an average annual result of 94 per cent against a target of 80 per cent.

We transparently report to our community on our financial and non-financial performance through monthly CEO Reports.

### Council's liquidity - the ability of Council to pay its liabilities within one year



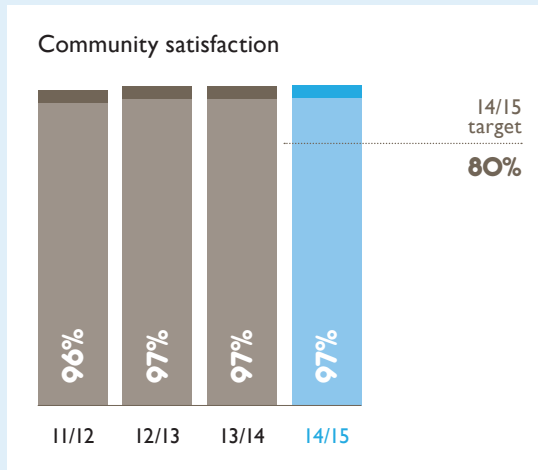
Source: City of Port Phillip financial system

Council achieved a result of 2.2 against a target range of between 1.5 and 2.0.

Council's liquidity was higher than budget as current liabilities decreased due to refinancing a \$7.5 million loan with the Local Government Funding Vehicle. This has resulted in the debt being reclassified from current to non-current. Council is within the sector target range of between 1.0 and 3.0.

Measures of success

Community satisfaction survey respondents agree they feel proud of, connected to and enjoy their neighbourhoods

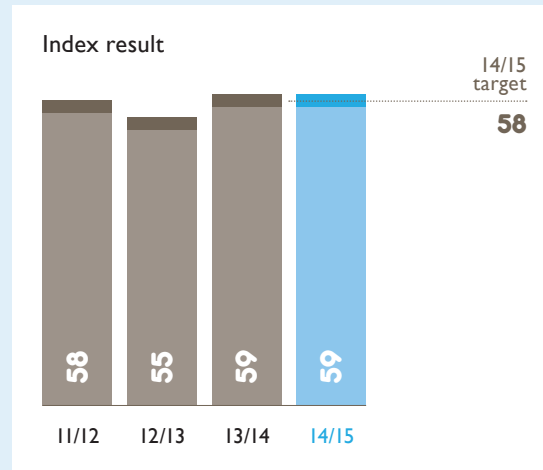


Source: City of Port Phillip Community Satisfaction Surveys

Council achieved an average annual result of 97 per cent against a target of 80 per cent.

Council supports active participation and commitment from our communities to work together to activate vibrant and enjoyable places in our villages. We support residents, community groups and businesses to work together with our Small Poppy Village Grants, our Vibrant Villages program and our Vibrant Villages Partnership Groups.

Community rating of Council's performance in lobbying for the interests of the community is consistent with industry benchmarks



Source: Local Government Victoria Community Satisfaction Survey 2015

Council achieved an index result of 59 against a target of 58.

The City of Port Phillip was rated higher than the Melbourne metropolitan average of 58 and the statewide average of 55. During 2014/15 Council met with key Victorian Government stakeholders to advocate for our community's priorities. We were pleased to see the Victorian Government's 2015/16 Budget committed to key priorities including funding for planning activities for two new primary schools, repairs to the Palais Theatre and providing community support services to some of the most vulnerable members of our community.

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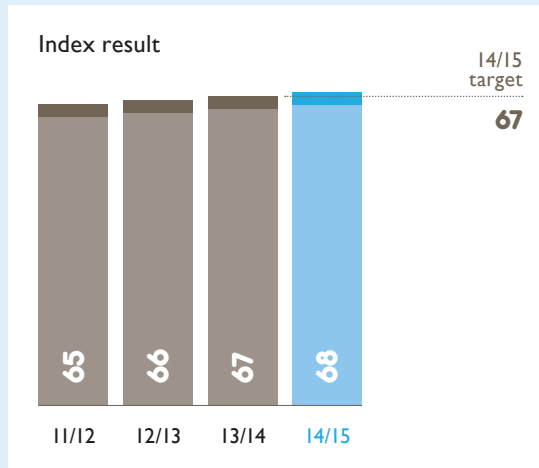
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## Measures of success

### Community satisfaction with the overall performance of Council is consistent with industry benchmarks

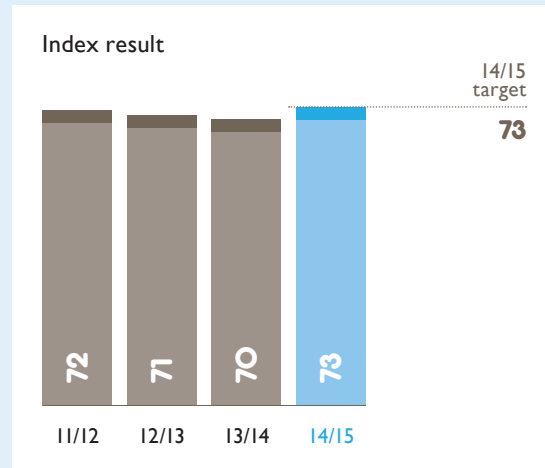


Source: Local Government Victoria Community Satisfaction Survey 2015

#### Council achieved an index result of 68 against a target of 67.

A high proportion of residents are satisfied with the overall service performance of the Council. Our 2014/15 result is comparable with the Melbourne metropolitan average of 67, and significantly higher than the statewide average of 60. Council has again focused its efforts this year to ensuring the services provided meet the high expectations of the local community.

### Community satisfaction with the performance of customer contact services is consistent with industry benchmarks



Source: Local Government Victoria Community Satisfaction Survey 2015

#### Council achieved an index result of 73 against a target of 73.

A high proportion of residents are satisfied with the performance of our community helpdesks. Our 2014/15 result is comparable with the Melbourne metropolitan average of 73, and higher than the statewide average of 70. In 2014/15 our community helpdesks received over 200,000 requests from the community for a variety of services and information. We responded to 89 per cent of community requests within agreed timeframes.

# Engaged - a well governed City

## Service delivery as funded in the budget

<b>Business area</b>	<b>Description of services provided</b>	Expenditure (Revenue) <b>Budget</b> \$'000	Expenditure (Revenue) <b>Actuals</b> \$'000	<b>Variance</b> \$'000
<b>Chief Executive Officer and Executive Team</b>	Responsible for providing advice to Council, implementing Council policy and decisions and the performance of the Council organisation including all employees, finances, assets, contracts, projects and services.	3,100 0 <b>3,100</b>	3,121 0 <b>3,121</b>	<b>(21)</b>
<b>Access and Ageing</b>	Responsible for providing services to people who are aged or with disabilities, in their homes and in the community to support their independence and community connectedness.	13 (5) <b>8</b>	3 0 <b>3</b>	<b>5</b>
<b>Business Technology</b>	Responsible for supporting the organisation to deliver priorities and services through information and communication technology.	8,399 0 <b>8,399</b>	7,199 0 <b>7,199</b>	<b>1,200</b>
<b>Community Relations</b>	Responsible for providing key information to the community via direct telephone, service desk and online request services, and is the primary interface between Council, the community and the delivery of services. This area also provides strategic and operational support to Council and the organisation for the design and delivery of community engagement and media.	3,419 0 <b>3,419</b>	3,544 0 <b>3,544</b>	<b>(125)</b>
<b>Culture and Capability</b>	Responsible for supporting Council's management and staff to deliver the best service they can to the community by providing leadership development programs and strategic human resource advice.	2,093 0 <b>2,093</b>	2,844 (1) <b>2,843</b>	<b>(750)</b>
<b>Enterprise Portfolio Management</b>	Responsible for coordinating the planning and delivery of all organisational projects.	899 0 <b>899</b>	781 0 <b>781</b>	<b>118</b>
<b>Governance</b>	Responsible for supporting Council's good governance practice as well as managing the business of civic, community and commercial events at the Council, meeting rooms, town halls, open spaces and foreshore.	3,826 (654) <b>3,171</b>	3,799 (737) <b>3,062</b>	<b>109</b>
<b>Service and Business Improvement</b>	Responsible for leading business planning and performance reporting, coordinates risk management and leads efficiency initiatives throughout the organisation.	1,018 (63) <b>954</b>	1,511 (81) <b>1,430</b>	<b>(476)</b>
<b>Finance and Investments</b>	Responsible for ensuring effective management and control of Council's financial resources and provides strategic financial management and leadership, budgeting and financial performance monitoring, preparation of annual financial statements and treasury management.	4,288 (1,964) <b>2,324</b>	3,053 (2,460) <b>593</b>	<b>1,731</b>
<b>Material variation explanations</b>				
<b>Business Technology</b> Lower expenditure than budgeted due to adjustment for prepaid software licencing costs, and underspends within network infrastructure projects.				
<b>Finance and Investments</b> Higher revenue than budgeted due to part payment of 2015/16 Victorian Grants Commission allocation received within 2014/15 financial year, and lower expenditure than budgeted due to less than anticipated loan interest expense paid on borrowings.				

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## Results against prescribed service performance indicators and measures

Service / indicator / measure	2014/15 Result	Narrative
<b>Governance</b>		
<b>Transparency</b> Council resolutions at meetings closed to the public [Number of Council resolutions made at Ordinary or Special meetings of Council / Number of Council resolutions] x 100	<b>1.8%</b>	Only three out of 170 Council resolutions were made at meetings closed to the public reflecting a high level of transparency.
<b>Consultation and engagement</b> Satisfaction with community consultation and engagement [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]	<b>61</b>	A higher index rating from the Community Satisfaction Survey indicates higher satisfaction. We are higher than the Melbourne metropolitan average of 58 and the statewide average of 56.
<b>Attendance</b> Councillor attendance at Council meetings [The sum of the number of councillors who attended each Ordinary and Special Council meeting / (number of Ordinary and Special Council meetings) x (number of councillors elected at the last Council election)] x 100	<b>92.2%</b>	Our councillors attended a very high proportion of the 22 Council meetings held in 2014/15.
<b>Service cost</b> Cost of governance [Direct cost of the governance service / number of councillors elected at the last Council general election]	<b>\$55,333</b>	This result shows the average operating expenses per elected councillor such as allowances, training and professional development.
<b>Satisfaction</b> Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	<b>60</b>	A higher index rating from the Community Satisfaction Survey indicates higher satisfaction. We are slightly higher than the Melbourne metropolitan average of 59 and higher than the statewide average of 55.

## Service delivery statistics

We provide a range of important services to support the needs of our diverse and changing community and provide for a well governed City.

The following statistics highlight some of the services we provide and whether these services have increased, decreased or remained static.

<b>Communications and engagement</b>		
30	Number of projects that we engaged the community on	<b>Decrease</b> ↓
<b>ASSIST customer service</b>		
43,967	Face-to-face interactions at Council service centres	<b>Decrease</b> ↓
111,561	Phone calls answered by ASSIST	<b>Decrease</b> ↓
76.33	Percentage of ASSIST phone calls answered within 30 seconds	<b>Static</b> —
55,696	Administration tasks handled by ASSIST	<b>Increase</b> ↑
<b>Fleet management</b>		
162	Vehicles maintained	<b>Decrease</b> ↓



A smoking ceremony marked the Indigenous Round of the Southern Football League played at Peanut Farm Reserve



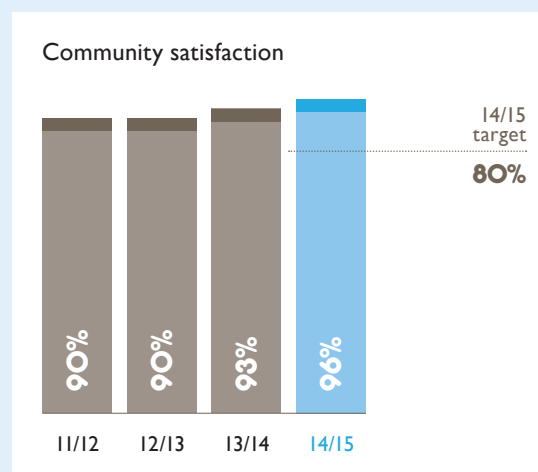
# Healthy - a healthy, creative and inclusive City

## Strategic objectives

- 2.1 Ensure our City is a welcoming and safe place for all
- 2.2 Support our community to achieve improved health and wellbeing
- 2.3 Ensure quality and accessible family, youth and children's services that meet the needs of our community
- 2.4 Foster a community that values lifelong learning, strong connections and participating in the life of our City
- 2.5 Promote an improved range of cultural and leisure opportunities that foster a connected and engaged community

## Measures of success

### Community satisfaction survey respondents believe that Port Phillip is a welcoming and supportive community for everyone



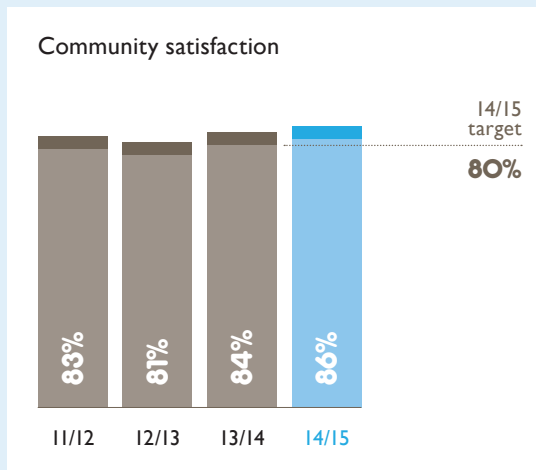
Source: City of Port Phillip Community Satisfaction Surveys

**Council achieved an average annual result of 96 per cent against a target of 80 per cent.**

There was an increase in the proportion of residents who agree that our City is welcoming and supportive. Throughout the year we held a number of events including Multifaith Network events for people from diverse cultural and linguistic backgrounds, launching a book detailing the Aboriginal history of the City of Port Phillip, fundraisers and celebrations during Refugee Week 2015, and a forum for older people on legal matters and ageing. Details on our activities to support social inclusion and people with disabilities can be found in **Chapter 6 Compliance and accountability.**

## Measures of success

### Community satisfaction survey respondents feel a sense of safety and security in Port Phillip



Source: City of Port Phillip Community Satisfaction Surveys

**Council achieved an average annual result of 86 per cent against a target of 80 per cent.**

The City of Port Phillip partnered with Victoria Police on several initiatives to foster collaboration with the community to support safe and connected neighbourhoods. These included presenting at Victoria Police community safety forums, developing a strategic approach to tagging in Balaclava, and identifying lighting and safety improvements for Fitzroy Street through the Fitzroy Street Action Plan.

### Local Health and Wellbeing Index

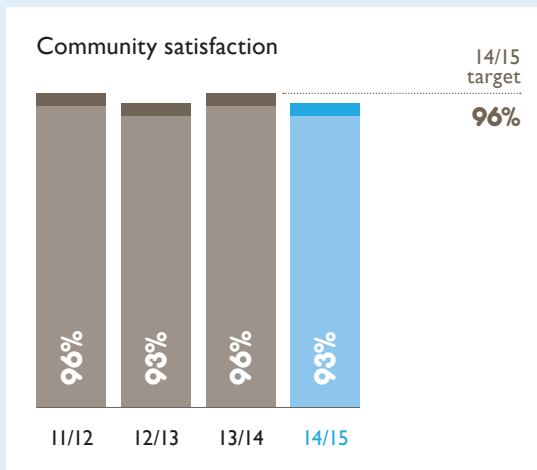
We developed the City of Port Phillip Health and Wellbeing Index to provide easy access to summarised data on indicators related to the health and wellbeing of our community.

The Index represents Council's aspirations for individual and community health and wellbeing.

In 2014/15 the index result for the City of Port Phillip was 111, which was higher than the Melbourne metropolitan average of 100.

## Measures of success

### Community rating of Council's recreation facility performance is consistent with industry benchmarks

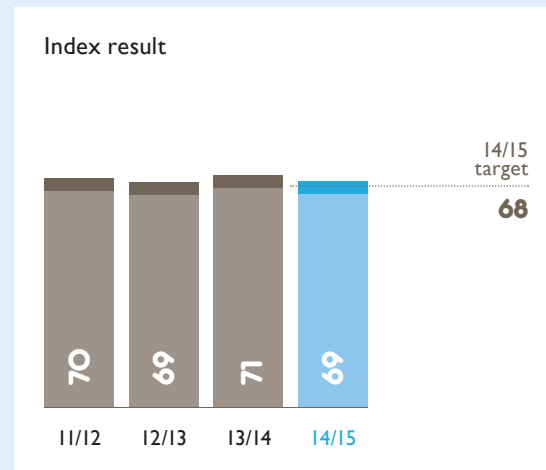


Source: City of Port Phillip Community Satisfaction Survey

**Council achieved an average annual result of 93 per cent against a target of 96 per cent.**

In 2014/15 Council completed a major redevelopment of North Port Oval. We also delivered a series of sporting infrastructure improvements to JL Murphy Reserve, including converting open space to a new community soccer field.

### Maintained or improved community rating of Council's performance in the area of family support services



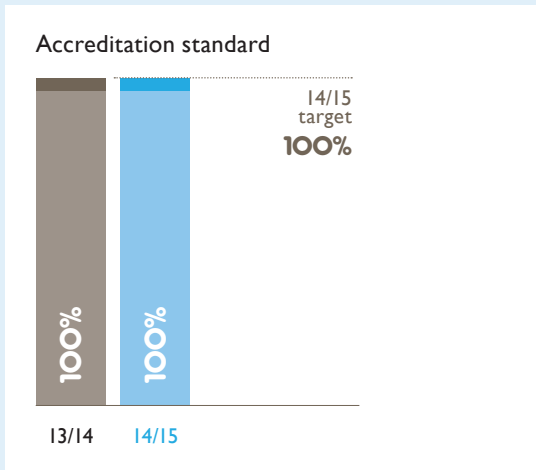
Source: Local Government Victoria Community Satisfaction Survey 2015

**Council achieved an index result of 69 against a target of 68.**

Council's performance in the area of family support services dipped slightly between 2013/14 and 2014/15. However, we were higher than the Melbourne metropolitan average of 68 and the statewide average of 67.

### Measures of success

#### All assessed state-regulated family, youth and children's services meet or exceed accreditation standards

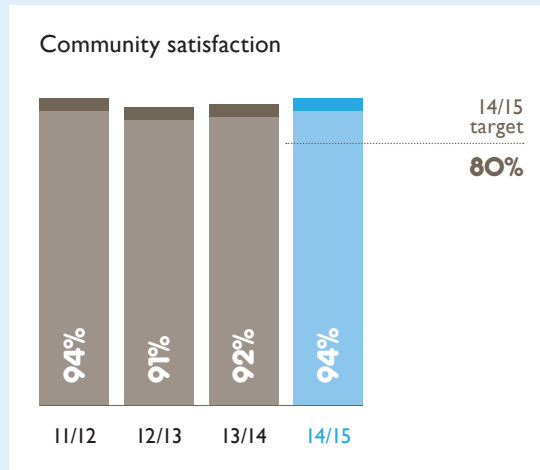


Source: City of Port Phillip Family, Youth and Children's Service Records

#### Council achieved a result of 100 per cent.

The 2014/15 target was for 100 per cent of all Council-operated and state-regulated services to be accredited, or to have been assessed as meeting or exceeding the quality standard requirements of the previous accreditation standard.

#### Community satisfaction survey respondents feel they have opportunities to participate in affordable local community events and activities of their choosing



Source: City of Port Phillip Community Satisfaction Surveys

#### Council achieved an average annual result of 94 per cent against a target of 80 per cent.

During the year we supported a range of local events and activities in a number of precincts, such as Vibrant Balaclava, the Emerald Hill Festival, the Piers Festival on Station Pier, and the Garden City community day.

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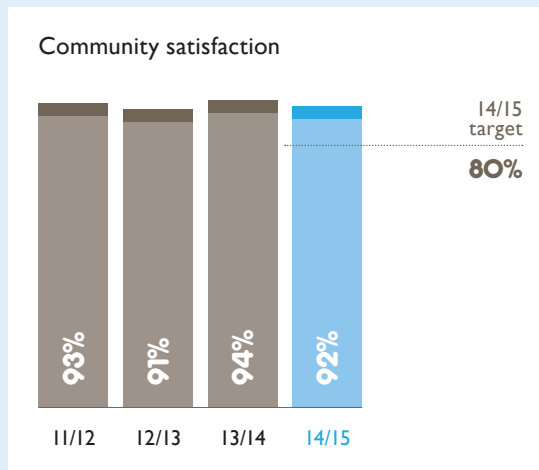
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## Measures of success

### Community satisfaction survey respondents agree Port Phillip has a culture of creativity, learning and physical activity

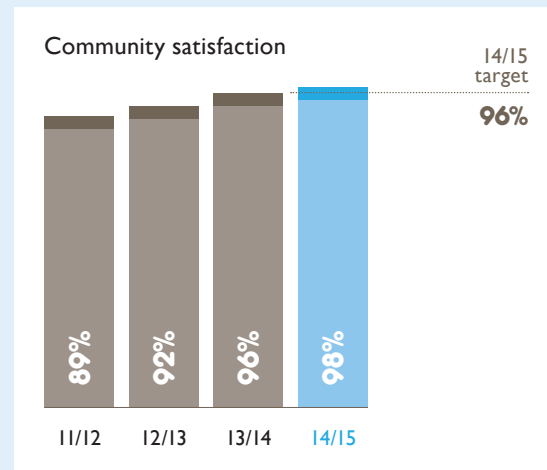


Source: City of Port Phillip Community Satisfaction Surveys

**Council achieved an average annual result of 92 per cent against a target of 80 per cent.**

In 2014/15 we promoted local learning through our *Live and Learn* guide to local community courses and activities in Port Phillip community facilities. We refreshed our *Diversity* magazine's guide to local events in and around the City to make it easier to find events within local neighbourhoods.

### Maintained or improved community satisfaction with the service performance of our libraries



Note: Rating scale changed during 2014/15

Source: City of Port Phillip Community Satisfaction Surveys

**Council achieved an average annual result of 98 per cent against a target of 96 per cent.**

A significantly high proportion of residents are satisfied with the service performance of our libraries. During 2014/15 over 43,000 attendees participated in 530 library programs - an increase of 43 per cent on the previous year.

# Healthy - a healthy, creative and inclusive City

## Service delivery as funded in the budget

Business area	Description of services provided	Expenditure (Revenue)	Expenditure (Revenue)	Variance
		Budget	Actuals	
		\$'000	\$'000	\$'000
<b>Access and Ageing</b>	Responsible for providing services to people who are aged or with disabilities, in their homes and in the community to support their independence and community connectedness.	8,213 (4,561) <b>3,652</b>	7,824 (4,719) <b>3,105</b>	<b>547</b>
<b>Amenity</b>	Responsible for leading the management of the Resident Parking Permit scheme; management of derelict and abandoned vehicles; school crossing supervisors; tow away service operating in clearways and parking prosecution service. The administration area oversees the external contract for parking enforcement and infringement activities.	4,215 (1,616) <b>2,598</b>	4,217 (1,602) <b>2,615</b>	<b>(17)</b>
<b>City Strategy</b>	Responsible for providing Council's strategic urban planning capacity with a focus on: integrated land use and transport planning; strategic economic planning for activity centres and business precincts; and planning for more diverse and affordable housing opportunities. Project outcomes aim to maximise community benefit and contribute to a more environmentally, socially and economically sustainable future for the City.	534 0 <b>534</b>	537 (1) <b>536</b>	<b>(2)</b>
<b>Family, Youth and Children</b>	Responsible for providing management of Council's child care centres within the municipality and support to community run child care centres; registration and updates to the centralised child care waiting list; respite care and assistance to families with children and young people with disabilities; and, support to playgroups. This area also coordinates youth services and oversees service agreements with youth service providers, and operates two staffed adventure playgrounds in St Kilda and South Melbourne.	18,468 (11,965) <b>6,503</b>	18,582 (12,415) <b>6,167</b>	<b>336</b>
<b>Health and Wellbeing</b>	Responsible for delivering Council's commitment to public policy and the role it can play in shaping a social environment that is more conducive to better health. Department operations are based on sound research and analysis drawn primarily from social, health and demographic data and via community engagement and dialogue. We seek to understand, plan and provide advice on the needs, priorities and trends of the whole community.	3,227 (625) <b>2,602</b>	3,153 (378) <b>2,775</b>	<b>(173)</b>
<b>Recreation and Culture</b>	Responsible for supporting sporting clubs and facilities; event permits and commercial activities in the public domain, including the foreshore; lifestyle and leisure program; Joint Council Access for All Abilities recreation and arts program; development of leisure activities. The area provides library services, offering free access to educational and recreational resources including books, magazines, DVDs and CDs, online databases, public internet access, programs and events, local history services, and inter-library loans.	9,783 (2,261) <b>7,522</b>	10,048 (2,146) <b>7,902</b>	<b>(380)</b>

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## Results against prescribed service performance indicators and measures

Service / indicator / measure	2014/15 Result	Narrative
<b>Home and Community Care (HACC)</b>		
<p><b>Service standard</b></p> <p>Compliance with Community Care Common Standards</p> <p>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x 100</p>	<b>94.4%</b>	We complied with 17 out of 18 expected outcomes under the Community Care Common Standards for the delivery of HACC services when last assessed in February 2013. We have since addressed all requirements and are progressing well on additional recommendations.
<p><b>Participation</b></p> <p>Participation in HACC service</p> <p>(Percentage of the municipal target population who receive a HACC service)</p> <p>[Number of people that received a HACC service / Municipal target population for HACC services] x 100</p>	<b>22.2%</b>	This result includes those who received domestic assistance, personal care or respite care services from Council. We also provided additional services including delivered meals, shopping, property maintenance, social services and regular education sessions with GPs and practice nurses to increase knowledge of our services in the community.
<p>Participation in HACC service by culturally and linguistically diverse (CALD) people</p> <p>(Percentage of the municipal target population in relation to CALD people who receive a HACC service)</p> <p>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x 100</p>	<b>16.8%</b>	<p>This result includes those who received domestic assistance, personal care and respite care services from Council.</p> <p>We work with harder to engage people in our community to assist their access into our HACC services and provide CALD specific planned activity groups such as outings for Russian speakers and a multicultural social group.</p>
<b>Maternal and child health (MCH)</b>		
We have 14.3 full time equivalent maternal and child health (MCH) nurses delivering services at seven MCH centres in Port Phillip.		
<p><b>MCH satisfaction</b></p> <p>Participation in first MCH home visit</p> <p>[Number of first MCH home visits / number of birth notifications received] x 100</p>	<b>104.4%</b>	<p>There were more home visits than notifications in the City of Port Phillip, because some birth notices from the end of the 2013/14 year received a home visit during the start of the 2014/15 year. Most of our first visits occur within seven days of birth.</p> <p>During the year we received 1,255 birth notifications.</p>
<p><b>Service standard</b></p> <p>Infant enrolments in the MCH service</p> <p>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100</p>	<b>99.8%</b>	We enrol all infants in our MCH service at the first home visit. Our result is slightly below 100 per cent due to birth notifications received at the end of the 2014/15 year and enrolments occurring at the start of the 2015/16 year.
<p><b>Participation</b></p> <p>Participation in MCH key ages and stages visits</p> <p>(Percentage of children attending the MCH key ages and stages visits)</p> <p>[Number of actual MCH visits / Number of expected MCH visits] x 100</p>	<b>83.6%</b>	Access for families to participate in key ages and stages visits is available through our Maternal and Child Health centres six days of the week. We also provide an outreach service in homes, childcare centres and kindergartens.
<p>Participation in MCH key ages and stages visits by Aboriginal and Torres Strait Islander (ATSI) children</p> <p>(Percentage of ATSI children attending the MCH key ages and stages visits)</p> <p>[Number of actual MCH visits for ATSI children / Number of expected MCH visits for ATSI children] x 100</p>	<b>69.1%</b>	This result indicates the proportion of Aboriginal and Torres Strait Islander children who attended MCH key ages and stages visits. We work closely with local partners to connect Aboriginal and Torres Strait Islander children and families with our services.

# Healthy - a healthy, creative and inclusive City

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Service / indicator / measure	2014/15 Result	Narrative
<b>Libraries</b>		
<b>Utilisation</b> Library collection usage [Number of library collection item loans / number of library collection items]	<b>4.8</b>	This result shows the average number of times that each library item was loaned.  During the year we made over one million loans to community members.
<b>Resource standard</b> Standard of library collection [Number of library collection items purchased in the last five years / number of library collection items] x 100	<b>50%</b>	We have just over 218,000 library collection items. Half of these were purchased in the last five years.
<b>Service cost</b> Cost of library service [Direct cost of library service / number of visits]	<b>\$5.76</b>	This result shows the average cost per visit. During the year there were 677,194 visits to our libraries.
<b>Participation</b> Active library members (Percentage of the municipal population who are active library users) [Number of active library members / municipal population] x 100	<b>20.1%</b>	This result shows the proportion of our municipal population who has borrowed a library collection item during the year. E-books are not included in this result and we are seeing increasing trends in borrowing of e-books. In addition we have many users who access our library spaces to use the internet and participate in library community programs.
<b>Animal management</b>		
<b>Timeliness</b> Time taken to action animal management request [Number of days between receipt and first response action for all animal management requests / number of animal management requests]	<b>1.0 day</b>	We responded quickly to animal management requests - all had a first response within one day.
<b>Service standard</b> Animals reclaimed [Number of animals reclaimed / number of animals collected] x 100	<b>55%</b>	Over half of all registrable animals that were collected were reclaimed. A significantly higher proportion of dogs are reclaimed compared to cats, as their owners are easier to identify.
<b>Service cost</b> Cost of animal management service [Direct cost of the animal management service / number of registered animals]	<b>\$72.65</b>	This result shows the average cost per registered animal in our City. The City of Port Phillip provides an extra 24 hour on-call service, which many other councils do not offer. We also manage additional animals on beaches belonging to visitors to the municipality. Currently we do not have the appropriate space to manage an onsite pound and therefore have a more costly contract with the Lost Dogs' Home.
<b>Health and safety</b> Animal management prosecutions [Number of successful animal management prosecutions]	<b>4</b>	There were four successful animal management prosecutions during 2014/15. This represents a 100 per cent success rate. This does not include prosecutions relating to unpaid fines.



Service / indicator / measure	2014/15 Result	Narrative
<b>Food safety</b>		
<b>Timeliness</b> Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	<b>1.8 days</b>	We investigated most food complaints on the same day they were received.
<b>Service standard</b> Food safety assessments [Number of registered Class 1 food premises and Class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered Class 1 food premises and Class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i> ] × 100	<b>100%</b>	All of our registered Class 1 and Class 2 food premises received an annual food safety assessment in accordance with the <i>Food Act 1984</i> .
<b>Service cost</b> Cost of food safety service [Direct costs of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i> ]	<b>\$550.32</b>	This result shows the average cost of our food safety service per registered food premise in our City.
<b>Health and safety</b> Critical and major non-compliance modifications [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] × 100	<b>95.6%</b>	All critical non-compliance notifications and nearly all major non-compliance notifications were followed up on the due date. All non-compliance notifications are followed up in due course.

# Healthy - a healthy, creative and inclusive City

## Service delivery statistics

We provide a range of important services to support the needs of our diverse and changing community and create a healthy, creative and inclusive City.

The following statistics highlight some of the services we provide and whether these services have increased, decreased or remained static.

Maternal and child health services		
1,253	Babies born	Decrease ↓
79	Community immunisation sessions held	Decrease ↓
2,784	Infants and children attending immunisation sessions	Decrease ↓
Children's services		
7	Family day care staff (educators and coordination team)	Decrease ↓
53	Children attending family day care	Increase ↑
89	Playgroups in the City	Decrease ↓
12	Primary schools	Static —
6	Secondary schools	Static —
2	Specialist schools	Static —
Childcare		
1,530	Total child care places across the municipality	Decrease ↓
Community managed (number of places)		
105	Ada Mary A'Beckett Children's Centre	Decrease ↓
85	Bubup Womindjeka Family and Children's Centre (Albert Park College Child Care Centre)	Static —
40	The Avenue Children's Centre	Increase ↑
40	Clarendon Children's Centre Co-operative	Static —
40	Eildon Road Children's Centre	Static —
36	Elwood Children's Centre	Increase ↑
60	Poets Grove Family and Children's Centre	Static —
40	South Melbourne Childcare Co-operative	Static —
Council managed (number of places)		
116	Bubup Nairn Family and Children's Centre	Static —
65	Clark Street Children's Centre	Static —
60	Coventry Children's Centre	Static —
77	North St Kilda Children's Centre	Static —

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### Commercial (number of places)

55	Goodstart Early Learning Centre	Static	⊖
42	Children's Garden Kindercare	Increase	⬆️
126	City Kids Early Learning Centre	Static	⊖
60	Headstart Early Learning Centre	Static	⊖
48	Emerald Hill Children's Centre	Static	⊖
60	First Learning Children's Centre	Static	⊖
43	Kinderclub	Decrease	⬇️
60	Only About Children	Static	⊖
27	Kimmba Bilingual Early Learning Centre	Static	⊖
140	Treehouse Child Care	Static	⊖
105	Ingles Street Early Learning Centre (Wonderkindy)	Decrease	⬇️

### Kindergarten places (number of places)

582	Total places across the municipality	Decrease	⬇️
48	Albert Park Preschool (Albert Park kindergarten)	Static	⊖
23	Civic kindergarten	Static	⊖
50	Lady Forster kindergarten	Static	⊖
48	Lilian Cannam kindergarten	Increase	⬆️
25	Middle Park kindergarten	Static	⊖
30	Poets Grove and Family Children's Centre (Poets Grove kindergarten)	Static	⊖
50	Bubup Womindjeka Family and Children's Centre	New	
30	South Melbourne Mission kindergarten	Static	⊖
51	St Kilda and Balaclava kindergarten	Decrease	⬇️
30	Southport Uniting Care kindergarten	Static	⊖
30	Montessori Preschool (independent) kindergarten	Static	⊖
49	St Michaels Grammar School (Margaret Thomas House kindergarten)	Static	⊖
58	Wesley Early Learning Centre	Static	⊖
60	Yesodei Hatorah College kindergarten	Static	⊖

### Family support

\$238,372	Received in government grants	Increase	⬆️
2,565	Target hours provided	Increase	⬆️

### Young people

8,178	Young people accessing youth programs that are run or funded by Council	Increase	⬆️
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# Healthy - a healthy, creative and inclusive City

## Aged and Disability Services

141	Enrolments in JCAAA (Joint Councils Access for All Abilities) program	Decrease	↓
<b>Home care</b>			
1,991	Active home care clients	Decrease	↓
26,758	Hours of general home care	Decrease	↓
432	Hours of meal preparation	Decrease	↓
6,788	Hours of personal care	Decrease	↓
4,003	Hours of home maintenance service	Increase	↑
3,410	Individual respite care visits	Decrease	↓
8,647	Hours of respite care	Decrease	↓
9,051	Hours of shopping services	Increase	↑
7,958	Hours of core social support provided	Increase	↑
10,270	Hours of high priority social support	Decrease	↓
<b>Community Meals</b>			
33,321	Meals delivered	Decrease	↓
281	Clients who received delivered meals	Decrease	↓
\$8.40	Cost per meal	Increase	↑
4,467	Meals provided at centres	Decrease	↓
80,679	Meals subsidised	Increase	↑
118,467	Total meals provided	Increase	↑
<b>Community transport</b>			
3,380	Community bus trips provided	Decrease	↓
2	Routes provided	Static	—
65	Runs available per week	Decrease	↓
112	Stops available on the bus routes	Decrease	↓
32,845	Passengers who used the service	Increase	↑
<b>Volunteers</b>			
23	Community access volunteers	Increase	↑

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## Libraries

795,928	Loans made at libraries across the municipality	Increase	↑
5,526	Inter-library loans made	Decrease	↓
677,194	Total people who visited the library	Decrease	↓
530	Programs run	Increase	↑
43,769	Attendees at our programs	Increase	↑
19,732	New books added to the collection	Decrease	↓

### St Kilda Library

508,567	Loans made	Increase	↑
355,157	Visits	Decrease	↓

### Albert Park Library

127,551	Loans made	Increase	↑
129,985	Visits	Decrease	↓

### Emerald Hill Library & Heritage Centre

44,360	Loans made	Increase	↑
58,583	Visits	Increase	↑

### Middle Park Library

15,365	Loans made	Increase	↑
7,944	Visits	Decrease	↓

### Port Melbourne Library

100,085	Loans made	Increase	↑
125,505	Visits	Increase	↑

## Arts and festivals

252	Filming permits issued	Decrease	↓
420,000	People who attended St Kilda Festival (estimated)	Increase	↑

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## Sport facilities

4,487 Bookings across 14 sporting reserves **Decrease** ↓

### Sporting reserve bookings

580 Peanut Farm Oval **Increase** ↑

216 Alma Park Oval **Decrease** ↓

333 North Port Oval **Increase** ↑

48 Elwood Primary School Oval **Decrease** ↓

### Elwood Reserve

392 Wattie Watson Oval **Increase** ↑

294 Esplanade Oval / Cricket Ground **Decrease** ↓

329 Head Street Cricket Ground A **Increase** ↑

266 Head Street Cricket Ground B **Increase** ↑

### J L Murphy Reserve

522 Lagoon Oval **Increase** ↑

364 Anderson Oval 1 **Static** —

364 Anderson Oval 2 **Static** —

221 GS Williams Oval **Increase** ↑

308 AT Aanenson Oval **Increase** ↑

250 JM Woodruff Oval **Increase** ↑

## Community centres

12 Community centres **Increase** ↑

194,295 Visits **Increase** ↑

11,721 Bookings **Decrease** ↓

210 Permanent group bookings (HACC, community groups) **Increase** ↑

23 Permanent semi-commercial **Static** —

1,232 Casual hires **Increase** ↑

## Events

103 Weddings held in our parks and open spaces **Decrease** ↓

38 Community events held in our parks and open spaces **Increase** ↑

48 Community events in Council halls **Static** —

## Food safety

2,822 Inspections of registered premises **Decrease** ↓

185 Food premises complaints **Decrease** ↓

268 Food samples analysed **Static** —

### Health services

97	Prescribed accommodation inspections conducted	Increase	↑
268	Inspections of hairdressers, tattooists and beauty parlours conducted	Increase	↑
19,584	Syringes collected and discarded through syringe disposal containers and the Community Clean-up program	Decrease	↓
239	Public health nuisances reviewed	Increase	↑

### Animal management

6,229	Dog registrations processed	Increase	↑
2,784	Cat registrations processed	Increase	↑
129	Dogs impounded	Decrease	↓
120	Cats impounded	Increase	↑
111	Reported cases of stray cats (feral or trespassing)	Increase	↑
88	Reported cases of stray dogs (wandering at large)	Decrease	↓
72	Reported cases of dog attacks	Increase	↑
285	Reported cases of barking dogs	Increase	↑
46	Infringement notices issued	Decrease	↓

### Local laws

867	Litter investigation requests	Increase	↑
152	Unsanitary property reports lodged	Increase	↑
389	Local law infringement notices issued	Decrease	↓

### Parking management

1,476	Abandoned vehicles reported	Increase	↑
1,179	Disabled parking permits issued - Blue	Increase	↑
217	Disabled parking permits issued - Green	Increase	↑
6,710	Resident parking permits issued	Decrease	↓
10,724	Visitor parking permits issued	Increase	↑
147,647	Parking enforcement infringements issued	Decrease	↓
33	Parking complaints (related to officers)	Decrease	↓

# Resilient - a strong, innovative and adaptive City

## Strategic objectives

- 3.1 Build resilience through our actions and leadership
- 3.2 Support and increase community action for a resilient City

## Measures of success

### **Kerbside waste diversion from landfill rate consistent with like councils**

Council achieved an annual result of **39.85 per cent** against a target to divert **38 per cent** of the City's waste from landfill.

Source: Port Phillip waste and recycling collection data

This measure includes waste diverted at transfer stations. When excluding transfer stations to measure kerbside waste collection only, the City diverted 34.5 per cent of organics and recycling from landfill.

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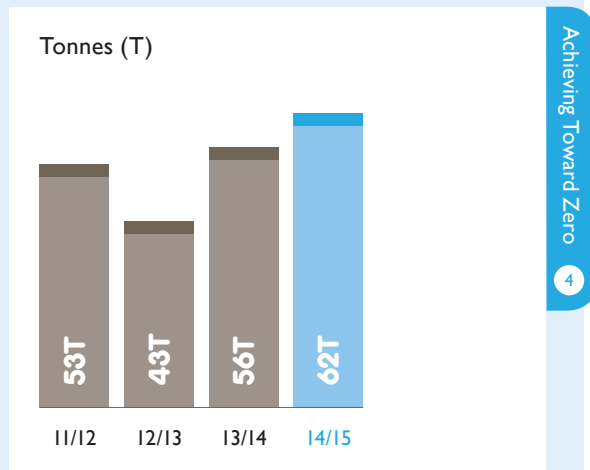
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## Measures of success

### Reduction in waste collected from council buildings

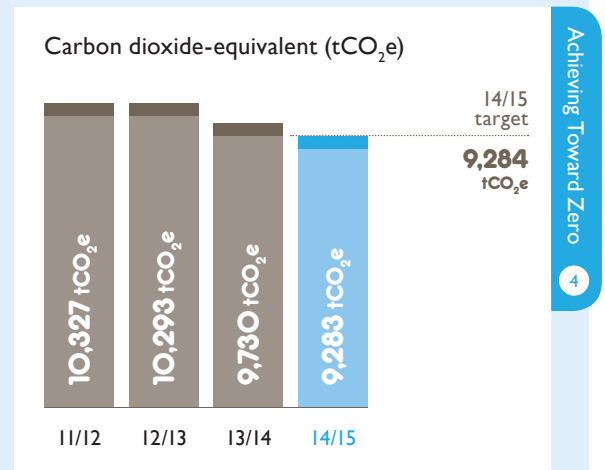


Source: Extrapolated amount per year as calculated in the City of Port Phillip Waste Audit and Greenhouse Emissions Report

#### The result for waste collected from council buildings has increased.

In 2013/14 the Bubup Nairn Family and Children's Centre which generated seven tonnes of waste was included. In 2014/15 additional venues were audited, including four art centres, nine community centres and eleven childcare centres. We are reducing Council's waste to landfill at the St Kilda Town Hall through waste sorting introduced in July 2014 that recycles batteries, polystyrene, electrical equipment, paper and organic waste.

### Reduction in Council's total net greenhouse gas emissions per annum



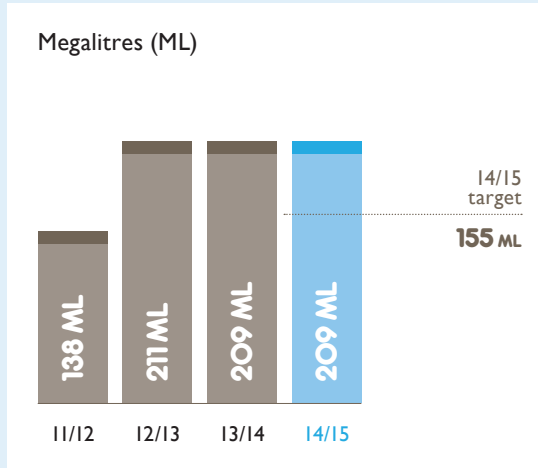
Source: City of Port Phillip Energy and water consumption and greenhouse gas emissions inventory

#### Council achieved a result of 9,283 tonnes of carbon dioxide-equivalent (tCO<sub>2</sub>e) against a target to reduce total net greenhouse gas emissions to 9,284 tCO<sub>2</sub>e.

Our 2014/15 greenhouse gas emissions represented a 4.6 per cent reduction on the previous year. Energy savings from the streetlight replacement program offset increases in fleet emissions as a result of bringing street cleaning services in-house.

Measures of success

Achievement of Council's total potable water consumption target for the year



Source: City of Port Phillip Energy and water consumption and greenhouse gas emissions inventory

Council achieved a result of 208.7 megalitres (ML) against a target to reduce Council's potable water consumption to 155 ML per annum.

Council's result in 2014/15 was comparable with last year's result. This is positive, given that rainfall last year was approximately 30 per cent lower than the long-term average. During the year a reduction of six ML across parks and sporting assets was offset by increases in community facilities and council buildings.

Progress towards Council's use of alternative water source targets

In 2014/15 data was not available to estimate alternative water savings. During the year we worked to improve water quality in the bay and delivered stormwater harvesting projects with five new raingardens installed in June 2015. Commissioning of the Elwood Stormwater Harvesting Scheme was delayed due to pump system issues. See Chapter 4 Achieving Toward Zero for possible targets and actions that Council could implement between now and 2020 towards the use of alternative water sources.

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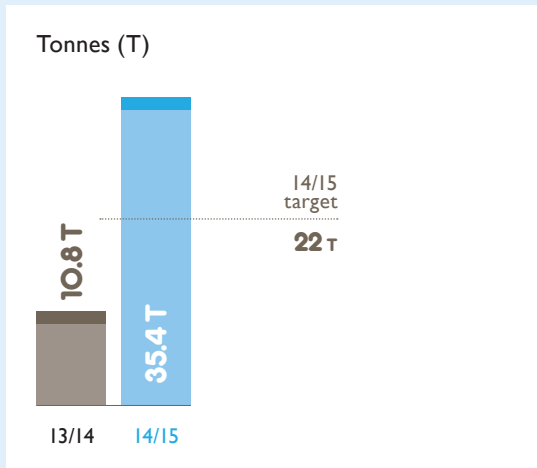
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## Measures of success

### Progress towards stormwater quality targets



Source: Project modelling reports

**Council captured a pollutant load of 35.4 tonnes against a target of 22 tonnes of total suspended solids.**

Water quality improvement activities in 2014/15 enabled the capture of a further 24.5 tonnes of total suspended solids before they entered Port Phillip Bay, taking our total capability to 35.4 tonnes of total suspended solids per year.

### Percentage of participants in Council environment programs who report taking action as a result of their involvement

We aim to measure the proportion of participants in Council environment programs who report taking action as a result of their involvement. In 2014/15 there were 7,573 people participated in Council run sustainability programs, an increase of over 2,000 participants compared to last year. We sampled participants at a small number of our events and found that 38 per cent of participants reported taking action as a result of their involvement in our programs. We will continue to develop our methodology to improve this evaluation measure going forward.

# Resilient - a strong, innovative and adaptive City

## Service delivery as funded in the budget

Business area	Description of services provided	Expenditure (Revenue)	Expenditure (Revenue)	Variance
		Budget	Actuals	
		\$'000	\$'000	\$'000
Finance & Investments	Responsible for fleet management and will continue to focus on reducing fleet operational costs in 2014/15.	532 (1,002) <b>(470)</b>	488 (847) <b>(359)</b>	<b>(111)</b>
Assets	Responsible for providing strategic asset management services regarding the maintenance, construction, renewal and disposal of Council's facilities and assets, including the preparation of the capital works program. This area also administers external infrastructure grants such as the Victorian Stormwater Action Program, Roads to Recovery and VicRoads road maintenance.	1,502 0 <b>1,502</b>	1,206 0 <b>1,206</b>	<b>296</b>
Sustainability	Responsible for leading the delivery of projects aimed at achieving a sustainable environment for the City and organisation. This includes strategic planning in the areas of water, greenhouse gas and climate change adaptation.	1,655 0 <b>534</b>	1,621 0 <b>536</b>	<b>34</b>
Community Relations	Responsible for providing key information to the community via direct telephone, service desk and online request services, and is the primary interface between Council, the community and service delivery. This area also provides strategic and operational support to Council and the organisation in the design and delivery of community engagement and media.	152 0 <b>152</b>	112 0 <b>112</b>	<b>40</b>

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## Results against prescribed service performance indicators and measures

Service / indicator / measure	2014/15 Result	Narrative
<b>Waste collection</b>		
<b>Satisfaction</b> Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside collection households] x 1,000	<b>48.6</b>	The City of Port Phillip has a low number of requests relating to the kerbside garbage and recycling service for every 1,000 households, indicating our kerbside collection system is effective.
<b>Service standard</b> Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bins lifts] x 10,000	<b>5.6</b>	The City of Port Phillip has a low number of missed kerbside collection bins for every 10,000 bin lifts, indicating a high quality kerbside collection system.
<b>Service cost</b> Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	<b>\$65.61</b>	This result shows the cost of our kerbside garbage bin collection per kerbside collection bin, which is estimated based on the number of households. We provide a weekly kerbside garbage collection.
Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	<b>\$32.00</b>	This result shows the cost of our kerbside recycling bin collection per kerbside collection bin, which is estimated based on the number of households. We provide a weekly kerbside recyclables collection.
<b>Waste diversion</b> Kerbside collection waste diverted from landfill. [Number of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100	<b>34.5%</b>	This result measures the proportion of recyclables and green organics collected from kerbside that is diverted from landfill. When waste diverted at transfer stations is included our result is 39.85 per cent.

## Service delivery statistics

We provide a range of important services to support the needs of our diverse and changing community and create a strong, innovative and adaptive City.

The following statistics highlight some of the services we provide and whether these services have increased, decreased or remained static.

<b>Waste management</b>		
38,582	Waste bins collected each week	<b>Increase</b> ↑
34,355	Recycling bins collected each week	<b>Increase</b> ↑
15,102	Hard and green waste collections	<b>Increase</b> ↑
2,257	Bulk rubbish container (skip bin) permits issued	<b>Decrease</b> ↓
<b>Sustainability</b>		
7,573	Participants in City of Port Phillip sustainability programs	<b>Increase</b> ↑

# Vibrant - a liveable and connected City

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## Strategic objectives

- 4.1 Encourage viable, vibrant villages
- 4.2 Ensure growth is well planned and managed for the future
- 4.3 Improve and manage local amenity and assets for now and the future
- 4.4 Ensure people can travel with ease using a range of convenient, safe, accessible and sustainable travel choices

## Measures of success

### Community satisfaction survey respondents agree their local area is vibrant, accessible and engaging

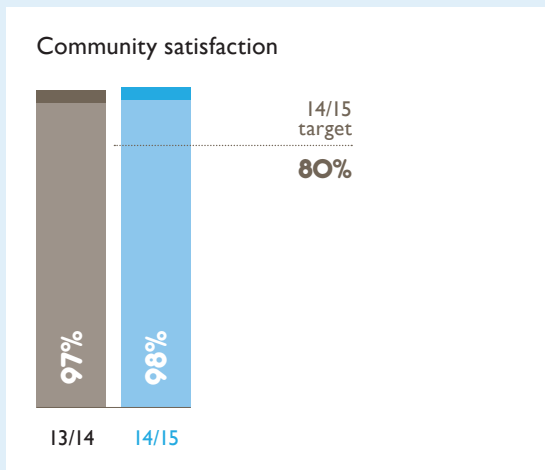
This is a new measure for 2014/15. Council achieved an average annual result of 96 per cent against a target of 80 per cent.

Source: City of Port Phillip Community Satisfaction Survey 2015

During the year Council continued to deliver its Vibrant Villages program working with the community, traders, partners and key stakeholders to facilitate community-led activation of our villages. We worked with arts partners in Emerald Hill to support a series of concerts as part of the Melbourne Festival and Emerald Hill Festival. In Port Melbourne we launched the Waterfront Welcomers and the Visitor Information & Heritage Hub to welcome and provide information to cruise ship passengers visiting our City.

## Measures of success

### Community satisfaction survey respondents believe South Melbourne Market is a significant benefit to residents

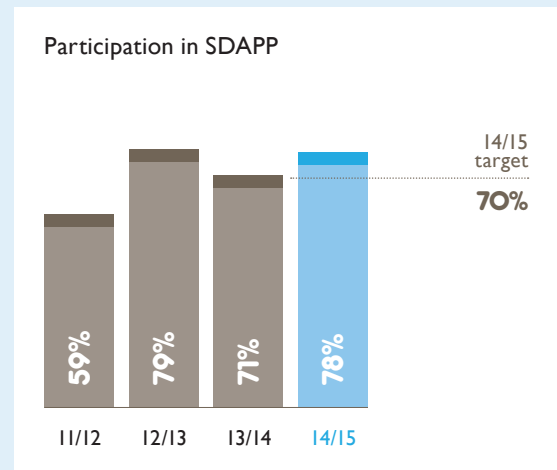


Source: City of Port Phillip Community Satisfaction Survey 2015

**Council achieved an average annual result of 98 per cent against a target of 80 per cent.**

An extremely high proportion of our community agree that the South Melbourne Market is a significant benefit to residents. We continued a program of popular events at the South Melbourne Market this year including the Night Market and the Mussel Festival, and achieved a record number of visitors. We continued to deliver improvements including an accessible front desk installed centrally on the ground floor, and realised sustainability savings from installation of rainwater tanks and solar panels.

### Increased number of planning permit applicants participating in the Sustainable Design Assessment in the Planning Process (SDAPP) program within Port Phillip



Note: Methodology changed during 2014/15  
Source: Port Phillip planning system

**Council achieved a result of 78 per cent of eligible planning permit applications participating in SDAPP against a target of 70 per cent.**

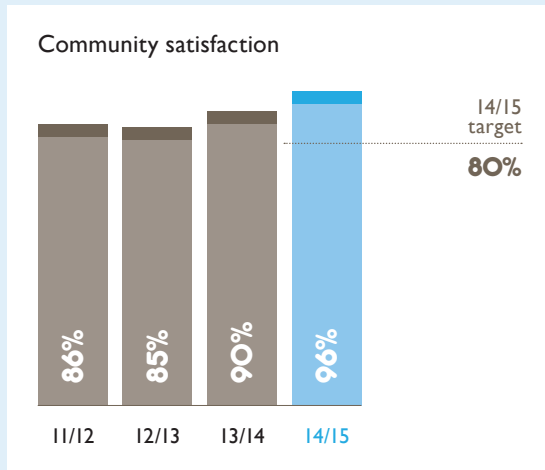
In 2014/15 we revised our approach to measure the proportion of completed planning applications that participated in the SDAPP program, against completed eligible applications. This approach is not comparable with information from previous years.

This year we launched a new online tool called the Built Environment Sustainability Scorecard (BESS) to facilitate and improve the sustainable design assessment process in planning applications.

# Vibrant - a liveable and connected City

## Measures of success

### Community satisfaction survey respondents are satisfied with the quality of parks and open space

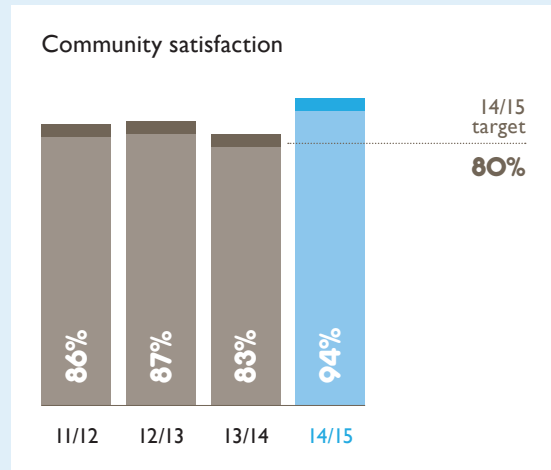


Note: Rating scale changed during 2014/15  
Source: City of Port Phillip Community Satisfaction Surveys

**Council achieved an average annual result of 96 per cent against a target of 80 per cent**

We achieved a high community satisfaction rating for the quality of our parks and open space. Throughout the year we made many improvements to our network of accessible parks and open spaces. These included upgrading Little Finlay Reserve, installing new exercise equipment at Peanut Farm Reserve and completing path lighting at Alma Park West.

### Community satisfaction survey respondents are satisfied with the quality of beach cleaning



Note: Rating scale changed during 2014/15  
Source: City of Port Phillip Community Satisfaction Surveys

**Council achieved an average annual result of 94 per cent against a target of 80 per cent.**

We achieved a high community satisfaction rating for the quality of our beach cleaning. We put on extra program activities during the busy summer period to ensure clean, safe and enjoyable public spaces. We are pleased with the success of the program, which improved levels of cleanliness and reduced litter on local beaches and parks.

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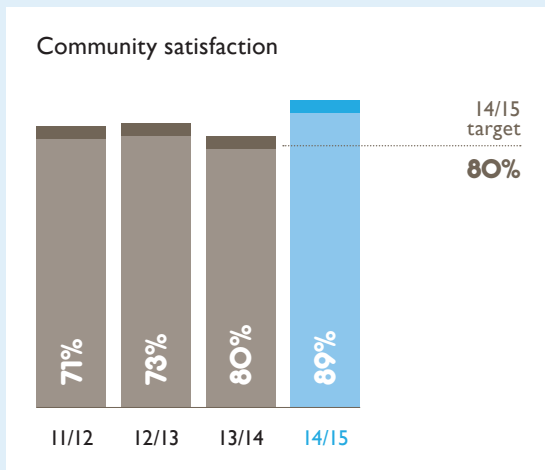
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## Measures of success

### Community satisfaction survey respondents are satisfied with the quality of street cleaning

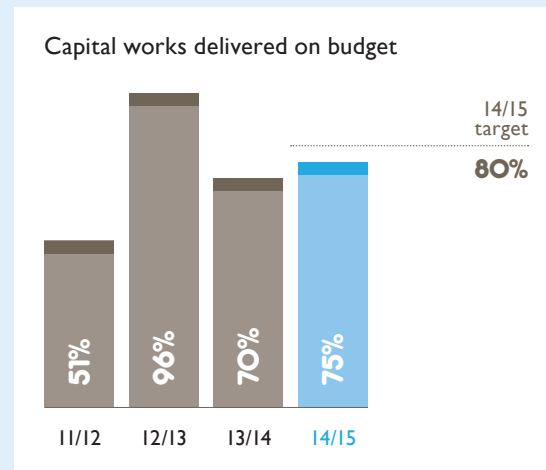


Note: Rating scale changed during 2014/15  
Source: City of Port Phillip Community Satisfaction Surveys

Council achieved an average annual result of 89 per cent against a target of 80 per cent.

Since bringing our street cleaning service in-house during 2014/15 we have achieved consistently high results in our weekly audits of random streets across the City, demonstrating our commitment to this community priority.

### The proportion of the capital works program delivered on budget



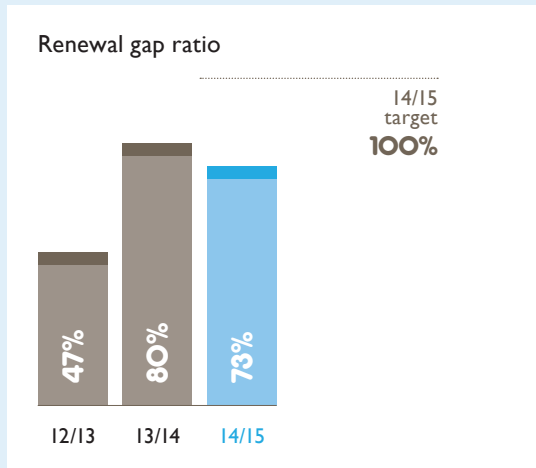
Source: City of Port Phillip financial systems reports

Council achieved a result of 74.6 per cent of budgeted capital works spent against a target of 80 per cent.

Capital works expenditure is below target due to project deferrals including core infrastructure technology as a result of detailed assessment of technology options, and childcare centre renewals due to assessment of building works required. Cost savings also resulted from lower expenditure in the road, footpath and kerb renewal program through better planning and tendering, and better value materials.

## Measures of success

### Renewal gap ratio - difference between rate of spending on assets and asset depreciation

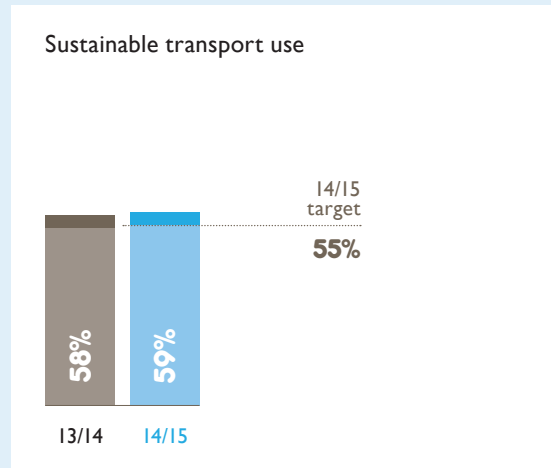


Source: City of Port Phillip financial systems reports

Council achieved a result of **73.23** per cent of the renewal gap ratio against a target of **100** per cent.

This result was lower than target. This was due to lower expenditure on asset renewal projects and higher asset depreciation due to assets (including fleet) depreciating more quickly than budgeted for.

### Increased reported community use of sustainable options as their main mode of transport



Source: City of Port Phillip Community Satisfaction Surveys

Council achieved an average annual result of **59** per cent against a target of **55** per cent.

Council supported sustainable transport use in 2014/15, installing 4.5 km of on-road bike lanes and installing 44 new bike parking hoops. We supported the installation of new on-street car share vehicles across the City.

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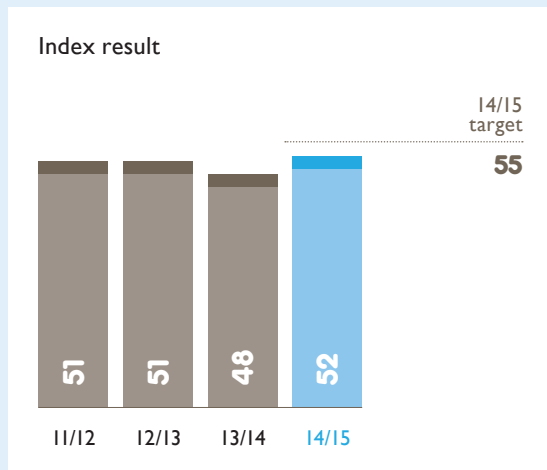
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## Measures of success

### Community satisfaction with parking management is consistent with industry benchmarks

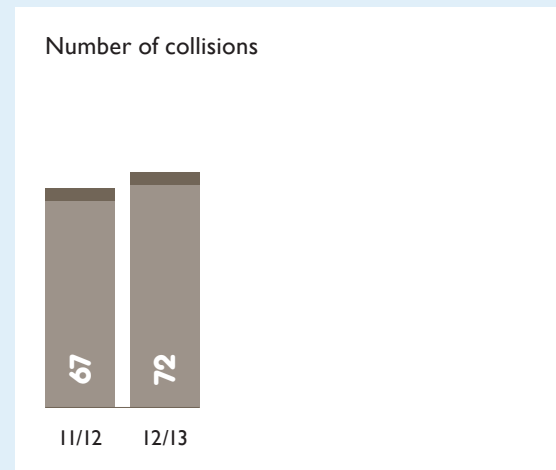


Source: Local Government Victoria Community Satisfaction Survey 2015

#### Council achieved an index result of 52 against a target of 55.

Our community's satisfaction with Council's performance for parking management increased significantly in 2014/15. However, the result was lower than the Melbourne metropolitan average of 55 and the statewide average of 57. In 2014/15 we continued our neighbourhood based approach to car parking and consulted with the community on changes to on-street parking in Port Melbourne.

### Reduction in the number of serious traffic collisions involving pedestrians, bicycle riders and motorcyclists



Source: VicRoads Crashstats report

#### This result is only available a year in arrears due to the time taken to process and supply the information to Council. The most recent result is not yet available.

In 2014/15 we progressed a number of initiatives to enhance quality and safety for bike riding and walking. These included activities and events such as supporting local schools to celebrate Ride2School Day and Walk to School Day, and coexistence campaign interventions to encourage safe and courteous sharing of our roads and paths by all users. We also consulted with our community and successfully applied to VicRoads for speed limit reductions in certain areas to enable safer streets. A range of capital projects such as the installation of zebra crossings and bike lanes also supported safer travel choices.

# Vibrant - a liveable and connected City

## Our major initiatives as funded in the budget

Major Initiatives	Progress
<p><b>Vibrant Villages</b></p> <p>Activation plan development for seven villages - Acland Street, Carlisle Street, Emerald Hill, Fitzroy Street, Garden City, Ripponlea and Port Melbourne Waterfront.</p> <p>Actual: \$158,744</p> <p>Budget: \$200,000</p>	<p>Year one of our Vibrant Villages program delivered a number of local amenity upgrades and community initiatives including:</p> <ul style="list-style-type: none"> <li>• Vibrant Balaclava multicultural festival</li> <li>• Working with building owners and traders to revitalise four shop fronts in Ripponlea</li> <li>• Installing signage to welcome people to the Garden City shopping strip</li> <li>• Supporting the Garden City Community Day at the Fishermans Bend Community Centre</li> <li>• Supporting active participation in local villages by community groups through establishing the Small Poppy Village Grants for 2015, which funded two events celebrating the ANZAC day centenary. A display of poppies along the Esplanade was installed by the community, and the Women's Welcome Home Rotunda organised an ANZAC Day event that incorporated poppy making and storytelling</li> <li>• Strengthening local partnerships through establishment of the Vibrant Village Partnership Groups which brings residents, businesses, community groups and Council together.</li> </ul> <p>There was an underspend in 2014/15 due to delayed recruitment.</p>
<p><b>Port Melbourne Waterfront</b></p> <p>Vibrant Village Activation Plan.</p> <p>Actual: \$111,794</p> <p>Budget: \$200,000</p>	<p>Year one of the Port Melbourne Waterfront activation plan delivered a range of activities including:</p> <ul style="list-style-type: none"> <li>• A new volunteer-run visitor and information hub with volunteer 'waterfront welcomers' which welcomed cruise ship passengers during the summer months</li> <li>• A pilot pop-up retail shop during the cruise ship season selling Australian made souvenirs</li> <li>• A trial licence for Go Flyboards to operate a flyboarding business in Waterfront Place throughout the summer months</li> <li>• Pop-up art on the fence.</li> </ul>
<p><b>St Kilda Triangle</b></p> <p>Progress implementation of the Triangle project.</p> <p>Actual: \$620,180</p> <p>Budget: \$950,000</p>	<p>We collaborated with our community to complete Stage 1 of the St Kilda Triangle. We engaged almost 50 community members across five working groups and a synthesis workshop to help refine the parameters for the site. Stage 1 developed the Design Brief and the draft St Kilda Triangle Cultural Charter.</p> <p>Stage 2 of the co-design was progressed during the first half of 2015 and involved investment logic map workshops with eight government departments and initial market soundings with 15 industry stakeholders including developers and financiers. External consultants were engaged to work alongside Council officers and provide specialist advice and expertise around design, engagement and the development of the business case.</p> <p>Project spend was delayed as the co-design workshops were revised to take place during 2015/16 instead of 2014/15.</p>

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Major Initiatives	Progress
<p><b>Fishermans Bend Urban Renewal Area</b></p> <p>Detailed precinct planning for Montague, Wirraway and Sandridge, land acquisition strategy, financial modelling and urban renewal innovation including affordable housing.</p> <p>Actual: \$340,263 Budget: \$400,000</p>	<p>A number of programs were completed during the year to improve outcomes in the Fishermans Bend Urban Renewal Area including a feasibility study into a Collins Street tram extension, a heritage study to better inform precinct planning, and community infrastructure service planning to inform a Council proposal to the Victorian Government on the Ferrars Street education and community precinct.</p> <p>During the year we started to develop a sustainability footprint tool to help planning for future environmental controls and established the Fishermans Bend Community Forum to ensure a two-way dialogue between Council and the community on key issues, as well as the Fishermans Bend review process which was announced by the Minister for Planning in April 2015.</p>
<p><b>Palais Lease Project</b></p> <p>Options for future lease and development. Identifying a shortlist of interested parties to submit an Expression of Interest. Includes legal costs, specialist property consultant, building investigations, advertising.</p> <p>Actual: \$290,896 Budget: \$350,000</p>	<p>Significant progress has been made to secure a long-term lease for the Palais. An invitation for Expressions of Interest was undertaken in late 2014 resulting in a shortlist of three respondents for the Request for Proposals (RFP) for the long-term lease.</p> <p>Delays were experienced in undertaking the second stage of the leasing process, the RFP, due to necessary discussions with State Government to finalise the repair and restoration works program for the Palais. This has now been resolved and the RFP process will be undertaken in the second half of 2015 to finalise a long-term lease to ensure that the much-loved Palais Theatre remains a highly utilised live performance venue into the future.</p>
<p><b>Enterprise Portfolio Management</b></p> <p>Budget allocation to engage consultants to support development of improved processes, procedures and guidelines. This will also support specialist review of significant projects and enable capital efficiency.</p> <p>Actual: \$311,005 Budget: \$350,000</p>	<p>The Enterprise Portfolio Management Office was established and has implemented project governance processes through a Project Management Framework. A range of templates, tools and processes have been developed for planning, delivering and evaluating project activities. A new project management system was successfully implemented to give Council the project information it needs to make informed decisions at an enterprise and portfolio level. This standardised approach has supported capital efficiency by enabling cross organisation collaboration, improved project planning and increased visibility of project performance.</p>

# Vibrant - a liveable and connected City

## Service delivery as funded in the budget

Business area	Description of services provided	Expenditure (Revenue) Budget \$'000	Expenditure (Revenue) Actuals \$'000	Variance \$'000
<b>Sustainability</b>	Responsible for leading the Council's activities to increase the uptake of walking, bike riding and public transport with the municipality. This includes the delivery of safe, sustainable and leading edge transport management outcomes.	1,618 (90) <b>1,528</b>	1,726 (458) <b>1,268</b>	<b>260</b>
<b>Amenity</b>	Responsible for leading the management of the Resident Parking Permit scheme; management of derelict and abandoned vehicles; school crossing supervisors; tow away service operating in clearways and parking prosecution service. The administration area oversees the external contract for parking enforcement and infringement activities.	8,787 (464) <b>8,323</b>	8,552 (534) <b>8,018</b>	<b>305</b>
<b>Assets</b>	Responsible for providing strategic asset management services regarding the maintenance, construction, renewal and disposal of Council's facilities and assets, including the preparation of the capital works program. This area also administers external infrastructure grants such as the Victorian Stormwater Action Program, Roads to Recovery and VicRoads road maintenance.	1,141 0 <b>1,141</b>	1,206 0 <b>1,206</b>	<b>(65)</b>
<b>Business Technology</b>	Responsible for supporting the organisation to deliver priorities and services through information and communication technology.	196 0 <b>196</b>	215 0 <b>215</b>	<b>(19)</b>
<b>City Development</b>	Responsible for administering local laws approvals for use on the footpaths and public roads to ensure public safety and amenity. This area issues planning permits; controls the use and development of land; subdivisions; liquor licences; administers heritage controls and advice; and sustainable urban design advice.	5,147 (6,651) <b>(1,504)</b>	5,453 (8,889) <b>(3,436)</b>	<b>1,932</b>
<b>City Strategy</b>	Responsible for providing Council's strategic urban planning capacity with a focus on: integrated land use and transport planning; strategic economic planning for activity centres and business precincts; and planning for more diverse and affordable housing opportunities. Project outcomes aim to maximise community benefit and contribute to a more environmentally, socially and economically sustainable future for the City.	1,295 0 <b>1,295</b>	1,140 0 <b>1,140</b>	<b>155</b>
<b>Maintenance &amp; Renewal</b>	Responsible for maintaining Council's roads and footpaths; cleaning of our streets and beaches; the collection and processing of domestic waste and recycling; the hard waste booking and dumped rubbish collection services; the internal operation of the litter bin collection services and the Resource Recovery Centre. These highly visible services are provided predominantly via external commercial contracts along with some internal day labour staff. The department is committed to providing quality services that represent best value for money in meeting community needs in an environmentally responsible way.	22,133 (1,147) <b>20,986</b>	21,350 (1,114) <b>20,236</b>	<b>750</b>

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<b>Parks and Open Space</b>	Responsible for developing and implementing open space policies and strategies; develops the public open space asset renewal and improvements program; undertakes project management for capital works relating to open space improvements; provides internal technical advice and assists local community groups; oversees external contracts for the provision of park maintenance; tree and garden management; undertakes community education activities and provides advice; leads, develops and coordinates an integrated cross organisational approach to the planning and delivery of services for the Council foreshore; offers regional collaboration for the Bay and represents the city on the Association of Bayside Municipalities.	10,367 (78) <b>10,289</b>	10,857 (632) <b>10,225</b>	<b>64</b>
<b>Placemaking</b>	Responsible for designing and revitalising the diverse places across our city. Through the application of a range of complementary planning and design skills as well as expertise in project feasibility and delivery, Placemaking has primary responsibility for Council's strategic place programs and projects including Fishermans Bend, St Kilda Triangle and Vibrant Villages. It acts as the focus for the Council's work in sustainability which is another key priority. Placemaking also supports local economic development through business liaison initiatives, the administration of Special Rate Schemes in local centres and the analysis of market and economic data to inform internal and external customers.	2,781 (88) <b>2,693</b>	2,992 (106) <b>2,886</b>	<b>(193)</b>
<b>Project Delivery</b>	Responsible for delivering new, improved or upgraded assets that in turn allow Council to deliver on a wide range of services to the community. The Project Delivery Department provides a range of capital project planning, community consultation, contamination advice, civil design and project management services as well as the delivery of capital program.	1,918 0 <b>1,918</b>	1,199 0 <b>1,199</b>	<b>719</b>
<b>Property Services</b>	Responsible for the effective and responsible stewardship of Council's property portfolio including commercial, community, residential properties.	12,975 (8,779) <b>4,196</b>	13,766 (9,408) <b>4,358</b>	<b>(162)</b>
<b>Recreation &amp; Culture</b>	Responsible for supporting sporting clubs and facilities; permitting events and commercial activities in the public domain including the foreshore; lifestyle and leisure program; Joint Council Access for All Abilities recreation and arts program; development of leisure activities. The area provides library services including free access to educational and recreational resources including books, magazines, DVDs and CDs; online databases; public internet access; programs and events; local history services; and inter-library loans.	546 (656) <b>(110)</b>	72 <b>72</b>	<b>(182)</b>

#### Material variation explanations

**City Development** Higher than anticipated Open Space Contributions and permit fees received as a direct result of increased development works within the municipality.

Results against prescribed service performance indicators and measures

Service / indicator / measure	2014/15 Result	Narrative
<b>Statutory Planning</b>		
<b>Timeliness</b> Time taken to decide planning applications [The median number of days between the receipt of a planning application and a decision on the application]	<b>67</b>	This result shows the median number of days to make a decision on an application. This result is faster than the Melbourne metropolitan average of 84 days.
<b>Service standard</b> Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning decisions made] x 100	<b>61%</b>	This result is similar to the Melbourne metropolitan average of 64 per cent and reflects a high number of large complex planning permit applications and additional layers of control required in our municipality.
<b>Service cost</b> Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	<b>\$1,367.34</b>	This result shows the average cost of Council's statutory planning service per planning application received. The City of Port Phillip is at the lower end of the sector target range.
<b>Decision making</b> Council planning decisions upheld at VCAT [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of decisions in relation to planning applications] x 100	<b>79%</b>	This result shows the proportion of Council planning decisions upheld at VCAT. When we include Council decisions made after an appeal is lodged and VCAT ultimately supports Council's decision, our result is 87 per cent.
<b>Roads</b>		
<b>Satisfaction of use</b> Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local road] x 100	<b>59</b>	The City of Port Phillip has a high population density per length of road, which includes laneways, and therefore increases the average number of requests per kilometre of road.
<b>Condition</b> Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x 100	<b>92%</b>	This result provides the percentage of sealed local roads including laneways that are below the renewal intervention set by Council and are not requiring renewal.
<b>Service cost</b> Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	<b>\$56.67</b>	The average cost of our sealed local road reconstruction includes all types of road materials including asphalt, concrete and bluestone.
Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local road resealed]	<b>\$20.00</b>	The average resealing cost relates to asphalt surfaces only.
<b>Satisfaction</b> Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads) [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	<b>73</b>	A higher index rating indicates higher satisfaction. Our results were significantly higher than the Melbourne metropolitan average of 69 and the statewide average of 55.

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## Service delivery statistics

We provide a range of important services to support the needs of our diverse and changing community.

The following statistics highlight some of the services we provide and whether these services have increased, decreased or remained static.

Infrastructure management		
\$1.6 M	Allocated for road resurfacing	Decrease ↓
\$17.19 M	Allocated for maintenance (contract payments)	Decrease ↓
\$220 K	Allocated for Roads to Recovery funding	Increase ↑
288	Kilometres of roads maintained	Static —
12,500	Drainage pits inspected	Decrease ↓
14	Hectares per week of our ovals mowed (seasonal)	Static —
177	Hectares of reserves and gardens maintained	Static —
3,007	Playground inspections conducted	Decrease ↓
1,305	Additional trees planted (net increase)	Increase ↑
Property management		
132	Leases and licences managed by Council	Static —
4,942	Building maintenance requests processed	Decrease ↓
Town planning applications		
1,602	Received	Increase ↑
1,410	Approved	Decrease ↓
128	Withdrawn, not required or lapsed	Decrease ↓
39	Refusals	Decrease ↓
South Melbourne Market		
4,644,521	Estimated visits to South Melbourne Market this year	Increase ↑



Photo by Jim Lee

The Palais Theatre hosted opening night of the St Kilda Film Festival

# Asset management performance

## Asset management

We are responsible for the management of over \$2 billion of land and infrastructure assets, including roads, footpaths, drains, buildings, parks and open space, and maritime assets.

These assets exist to provide value to the community in the delivery of a wide range of services. To deliver best value, we must manage our assets prudently by balancing cost, risk and performance within a changing and challenging environment.

## Lifecycle cost

In the planning, construction, operating, maintenance and renewal of our community assets, we need to minimise costs over the life of the assets while delivering the desired benefits. This objective is built into the very beginning of any capital works project.

## Risk

Physical assets used by our community have inherent risks or the potential for failure. Critical assets are managed through regular routine inspections, preventative and predictive maintenance. These activities are managed and recorded in our Asset Management Information System.

## Asset performance

In 2014/15, we completed our three year cycle of asset condition audits for buildings, open space and lighting assets. These audits determine the performance of our assets over time to meet the required levels of service and to test that renewal expenditure is timely and correctly targeted.

In 2015/16, we will analyse the results of these audits and develop new forward asset renewal programs and budgets. We will also undertake condition audits for our footpath, kerb and channel assets, and update our asset management policy, strategy and plans as required.

## Financial and funding strategy for asset investment

Capital investments in assets cover the renewal or upgrade of existing assets to extend their service life, the creation or acquisition of new assets to address growth in demand, or, changes to the required level of service.

One of our key challenges is to sustainably balance investment in new asset intensive services driven by predicted growth in Fishermans Bend and other areas of our City, while maintaining existing asset intensive services at levels of cost and quality that are affordable and acceptable to our community.

To meet this challenge in 2015/16, our efforts will be directed to developing service plans, complementary asset management plans and investment strategies.

## Asset management

In 2014/15 we undertook \$24.4 million worth of capital expenditure on 131 projects across our City. We plan to spend \$36.2 million in 2015/16. These projects are directed towards achieving our vision for an engaged, healthy, resilient and vibrant City.

## New and upgraded assets

We created new assets and upgraded a number of existing assets to increase service provision to our community.

We completed the new administration and social clubroom facility at North Port Oval, and replaced over 3,000 street lights with energy efficient alternatives, saving energy use and costs.

The recently opened Clarendon Family Centre at 400 Clarendon Street, South Melbourne was refurbished to provide consulting rooms for maternal and child health and other allied health providers; and a multi-purpose room for professional meetings, new parent groups, playgroups and a toy library service.

## New and upgraded asset projects

400 Clarendon Street Family Centre refurbishment	<b>\$957,000</b>
Completion of the Emerald Hill Reserve landscape	<b>\$171,000</b>
Energy efficient street lighting program	<b>\$304,000</b>
Laneway upgrade program	<b>\$250,000</b>
North Port Oval Pavilion redevelopment	<b>\$1.78 million</b>
New backflow prevention device installation	<b>\$192,000</b>
Port Melbourne Bowling Club upgrade	<b>\$234,000</b>
Walk Plan implementation	<b>\$238,000</b>

## Asset renewal

We rehabilitated or renewed a number of existing assets, including playgrounds, parks, buildings, footpaths and roads.

Emergency works were undertaken to the Palais Theatre to erect scaffolding and remove loose materials from the exterior of the building, creating a safe zone for pedestrians and theatre patrons. This secured the continued use of the theatre in the short term while preparations are underway for internal and external repair and restoration work.

We also renewed 11 kilometres of footpath and resurfaced 4.5 kilometres of road.

## Major asset renewal projects included:

Building renewal program (including <i>Disability Discrimination Act 1992</i> compliance and environmental retrofit)	<b>\$650,000</b>
Drainage renewal program	<b>\$904,000</b>
Footpath renewal program (11 kilometres of footpaths)	<b>\$1.86 million</b>
Foreshore renewal projects	<b>\$309,000</b>
Kerb renewal program	
- Point Ormond Avenue, Elwood	
- Addison Street, Elwood	
- Dundas Place, Albert Park	
- Princes Street, Port Melbourne	
- Cobden Street, South Melbourne	
- Glover Street, South Melbourne	<b>\$1.12 million</b>
Laneway renewal program	
- Adams Place off Dow Street, Port Melbourne	
- Beaconsfield Lane from Withers Street to Foote Street, Albert Park	
- Right of Way 3913 adjacent to 1 Lansdowne Road, St Kilda East	<b>\$318,000</b>
Litter bin replacement	<b>\$432,000</b>
Palais Theatre works (does not include deferral to 2015/16)	<b>\$1.05 million</b>
Playground and pocket park renewal programs	
- Neville Street Reserve, Middle Park	
- Little Finlay Reserve, Albert Park	
- William Street Reserve, St Kilda	
- Olive's Corner Pocket Park, Port Melbourne	
- Centenary Reserve, Port Melbourne	<b>\$531,000</b>
Repair Beacon Cove foreshore	<b>\$258,000</b>
Road rehabilitation program	
- Bank Street, South Melbourne	
- Raglan and Ross streets, Port Melbourne	
- Liardet Street, Port Melbourne	
- Pozieres Avenue, Elwood	
- Evans Street, Port Melbourne	
- Lytton Street, Elwood	
- Murchison Street, St Kilda East	
- Turville Place, Port Melbourne	
- Bay Street, Port Melbourne	<b>\$1.82 million</b>
Road resurfacing program (4.5 kilometres of road)	<b>\$1.61 million</b>
St Kilda Botanical Gardens pond reconstruction	<b>\$265,000</b>
Street sign and furniture renewal program	<b>\$223,000</b>

# ACHIEVING TOWARD ZERO



The Greenlight for Pedestrians project made crossing busy intersections easier and safer for local school children

# Toward Zero is the City of Port Phillip's sustainable environment strategy to 2020.

## Toward Zero has nine challenges covering:

- Greenhouse gas emissions
- Potable water use
- Waste
- Contamination and pollution
- Sustainable transport
- Sustainable urban design and development
- Net loss of natural heritage
- Sustainable purchasing and procurement
- Climate change

Each challenge has targets to achieve the Toward Zero strategy by 2020.

The Annual Report communicates Council's progress on these targets. It also provides an overview of possible pathways to achieve these targets by 2020.



# Major milestones in 2014/15

**September  
2014**

City of Port Phillip and four partner councils won the Premier's Sustainability Award for the 'Seedlings' program that integrated sustainability into the early childhood sector.

**October  
2014**

Upgraded the Balaclava Railway Station to improve accessibility for people with disabilities.

**February  
2015**

Launched the My Climate tool to improve sustainability in homes.

**May  
2015**

Launched the Built Environment Sustainability Scorecard (BESS) to improve sustainability in planning.

**May  
2015**

Made improvements to traffic signals in six intersections to improve safety for pedestrians.

**May  
2015**

Reduced the speed limit in five new areas from 50 km/h to 40 km/h.

**June  
2015**

Installed 3,433 new energy efficient streetlights as part of the Streetlight Upgrade project.

**June  
2015**

Upgraded truck wash bay at the South Melbourne Depot, reducing water consumption by 30 per cent.

**June  
2015**

Council's My Climate tool won the Sustainability category of the iAwards, which recognises excellence in information and communications technology.

**June  
2015**

Installed five new raingardens.

# Challenges

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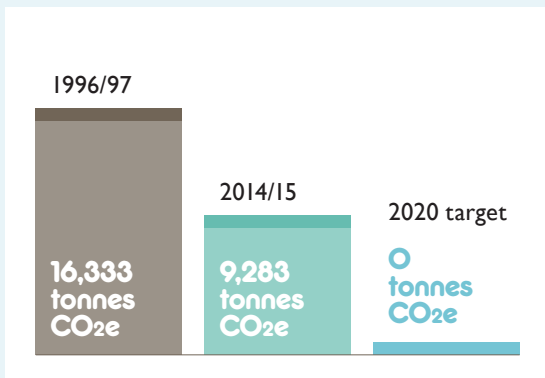
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## 1 Greenhouse gas emissions

The City of Port Phillip is committed to achieving and sustaining zero net greenhouse gas emissions from Council operations and services by 2020.



### Notes on data

Council's 2014/15 net greenhouse gas emissions were 9,283 tonnes carbon dioxide equivalent (tCO<sub>2e</sub>), a 4.6 per cent reduction on last year's emissions level. This represents a 43.2 per cent reduction on baseline emissions. Emissions are attributed to electricity use in streetlights (42 per cent), gas and electricity use in council buildings (50 per cent), vehicle use (7 per cent), and waste (1 per cent).

### Council's actions in the past year to reduce emissions

- The streetlight upgrade program reduced emissions by 12 per cent.
- A 600 LED lighting retrofit reduced emissions at St Kilda Library by 15 per cent.
- A project engineer, funded from the Environmental Retrofit Program, advised staff and guided initiatives to reduce emissions across council buildings.
- A solar photovoltaic system for the St Kilda Town Hall was designed.

### How are we going to reach the 2020 target?

- 1.4 MW of solar energy will be installed on Council buildings.
- Electricity supply will be contracted from utility-scale renewable energy facilities.
- Energy efficiency of council buildings and public lighting will be improved by implementing the Public Space Lighting Renewal Program and implementing minimum performance standards.

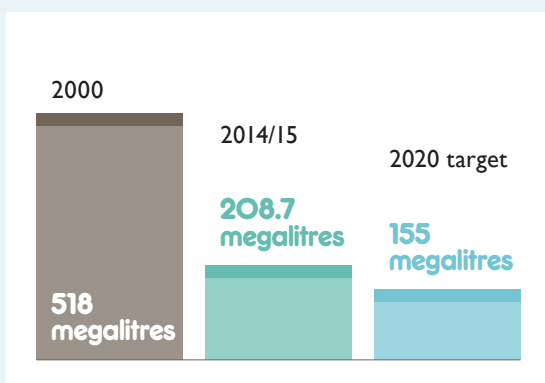
### Further information

- Greenhouse Plan - Low Carbon City (2011)



## 2 Potable water use

The City of Port Phillip is committed to minimising water use to achieve and sustain a 70 per cent reduction in Council's potable water use by 2020 (based on 2000 levels of water use).



### Notes on data

Water consumption has remained steady over the past three years. This is a good result, given that rainfall in 2014/15 was approximately 180 mm lower than the long-term average of 650 mm. A reduction of six megalitres (ML) across parks and sporting assets was offset by increases in community facilities and council buildings. Currently, open space irrigation levels are insufficient to maintain the health and amenity of all priority open space assets. In 2015/16 Council will commence irrigating priority sites with an additional 18.5 ML. Current levels of water use will be maintained until alternative water sources become available by 2020.

### Council's actions in the past year to reduce potable water use

- Council reviewed optimal irrigation rates across the parks and open space asset portfolio.
- A stormwater harvesting strategic review was undertaken to help develop a long-term stormwater harvesting plan for the City.
- Real-time sub-metering of key open space assets was implemented.
- The truck wash bay at the waste depot was upgraded to double capacity and to decrease cleaning times. \$50,544 will be saved in labour and equipment and water consumption will be reduced by 30 per cent, saving 24,570 litres each year.

### How are we going to reach the 2020 target?

- From 2015/16 we will realise the full benefits of the Elwood / Elsternwick Stormwater Harvesting Scheme (up to 30 ML saving available in 2016/17).
- Development and implementation of a stormwater harvesting plan for Council to 2020.
- Implementing a leak detection program for open space and a facilities water management plan.

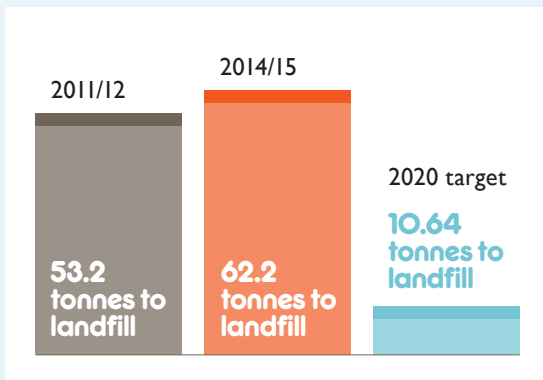
### Further information

- Water Plan - Toward a Water Sensitive City (2010)
- Foreshore and Hinterland Vegetation Management Plan

## Challenges

### 3 Waste

The City of Port Phillip is committed to minimising Council's waste to achieve and sustain an 80 per cent reduction in Council's waste to landfill by 2020 (based on 1999 levels).



#### Notes on data

The baseline year in the Toward Zero strategy was set as 1999; however data was not available that year. Therefore, the baseline year has been amended to 2011/12 for which data was available.

The figure for waste has increased in 2014/15 because we are now reporting on a larger number of Council buildings.

#### Council's actions in the past year to reduce waste

- 928 kg of materials have been collected for recycling at the St Kilda Town Hall by the staff Green Team since September 2014 including batteries, polystyrene, electrical equipment, metals, paper, soft plastics and organic waste.
- The Victorian Government's Waste and Resource Recovery Infrastructure Plan was released in June 2015. Council is reviewing its Waste and Resource Recovery Strategy in line with this plan.
- New mattress recycling drop-off service was opened (see case study - page 94).

#### How are we going to reach the 2020 target?

- Council will develop a new Waste Management Strategy and targets to further minimise Council's waste to landfill.

#### Further information

- Waste Management and Resource Recovery Plan

## 4 Contamination and pollution

The City of Port Phillip is committed to maintaining and increasing the health and quality of its natural assets.

Council reduces contamination and pollution by capturing stormwater pollutants through the installation of water sensitive urban design systems such as raingardens and stormwater harvesting. Stormwater pollutants are naturally filtered through plants in these systems and in the case of stormwater harvesting, water is redistributed for the irrigation of open spaces. Key pollutants removed include total suspended solids (including sediment and grit), nitrogen, pathogens and phosphorous.

### Council's actions in the past year to reduce contamination and pollution

- Water quality improvement activities in 2014/15 enabled the capture of a further 24.5 tonnes of Total Suspended Solids (TSS) before they entered Port Phillip Bay, taking our total capability to 35.2 tonnes of TSS per year. This was achieved primarily through the delivery of five raingardens across the municipality at Canterbury Avenue (Albert Park), Nimmo Street (Middle Park), Mountain Street (South Melbourne) and Evans Street (Port Melbourne), two innovative infiltration systems at Point Ormond and the full commissioning of the Elwood / Elsternwick Stormwater Harvesting Scheme.

### How are we going to reach the 2020 target?

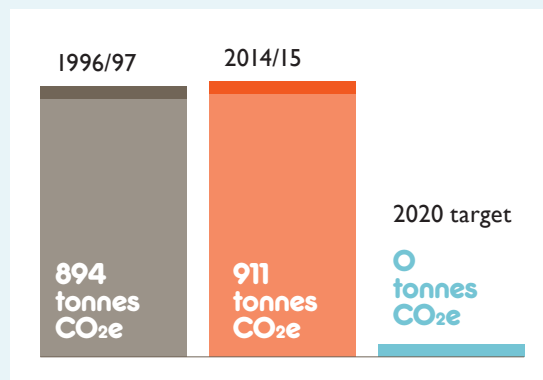
- Implement Council's water sensitive urban design program, which will assist Council to identify a delivery pathway over the next five years.
- Develop and implement a Stormwater Harvesting Plan for Council to 2020.

### Further information

- Water Plan - Toward a Water Sensitive City (2010)

## 5 Sustainable transport

The City of Port Phillip is committed to ensuring that it achieves a low-emissions or no-emissions fleet and standards of Council practice by 2020.



### Notes on data

This year's figure (911 tCO<sub>2</sub>e) represents a 74 per cent increase in emissions on 2013/14 levels from Council's fleet. Increased emissions are attributable to the addition of street, beach and drain cleaning services into Council's fleet inventory.

### Council's actions in the past year to reduce emissions from the fleet

- Council has introduced the first e-bike to its bike fleet.
- Results from the annual staff travel survey showed a six per cent decrease in staff driving to work.

### How are we going to reach the 2020 target?

- Develop and implement a Green Fleet Action Plan, including enhanced staff mobility actions and administrative controls to reduce emissions. This plan will allow Council to achieve the 2020 target.
- Offset vehicle emissions to deliver a zero emission vehicle fleet.

### Further information

- Sustainable Transport Strategy (2011)

## Challenges

### 6 Sustainable urban design and development

The City of Port Phillip is committed to ensuring that all council buildings and facilities minimise their environmental impact and maintain measurable environmental performance standards.

#### Council's actions in the past year to improve sustainable urban design and development

- Incorporated environmentally sustainable design into the new St Kilda Life Saving Club clubhouse, by benchmarking the design against a 5 Star Green Star standard.
- Implemented sustainable design features such as high efficiency heating and cooling, double glazing and water-efficient fixtures in the Fishermens Bend community centre upgrade.
- Included sustainable design features such as rainwater tanks in the Alma Park pavilion project.

#### How are we going to reach the 2020 target?

- Council will continue to strongly advocate for inclusion of sustainable design criteria for new building projects.

#### Further information

- Sustainable Design Policy and Strategy (2013)

### 7 Net loss of natural heritage

The City of Port Phillip is committed to maintaining and enhancing its natural heritage values, significant sites, and regional biodiversity and habitats.

#### Council's actions in the past year to maintain and enhance its natural heritage

- Removed trees in poor health and replanted over 90 healthy trees in Alma Park, Elwood foreshore and Peanut Farm Reserve.
- Planted over 500 street trees across the municipality.
- Replaced hard and impermeable surfaces with gardens in residential streets (such as Bridge Street, Port Melbourne and Hotham Street, South Melbourne).
- Reinstated and future-proofed significant avenues. For example, Council removed 52 diseased trees in Park Street, South Melbourne and replaced them with 72 healthy, more robust varieties to maintain and enhance natural heritage.

#### How are we going to reach the 2020 target?

- Increase the tree canopy cover to reduce urban heat islands. Urban heat islands are caused by hard surfaces which retain radiant heat and release it slowly back into the environment, keeping overall temperatures higher.
- Increase the number of trees in streets and parks.
- Implement new greening initiatives in locations where trees are not an option.
- Develop and implement the Foreshore and Hinterland Vegetation Management Plan.

#### Further information

- Greening Port Phillip 2010-2015
- Foreshore and Hinterland Vegetation Management Plan

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## 8 Sustainable purchasing and procurement

The City of Port Phillip is committed to ensuring the sustainability of what Council purchases and procures for its operations and services, to achieve and maintain a 70 per cent reduction in the use of unsustainable products by 2020 (based on 2007 levels).

The percentage of green procurement (by total spend) has increased since 2007, from 0.04 per cent to 5.6 per cent in 2014/15. However, data collection methodology needs to be reviewed to be able to report on reduction of use of unsustainable products.

### Council's actions in the past year to improve sustainable purchasing and procurement

In the absence of a Green Procurement Action Plan, no specific actions were undertaken.

### How are we going to reach the 2020 target?

- A Green Procurement Action Plan will be developed in 2015/16, outlining actions required to reach the Toward Zero target by 2020.
- A review and enhancement of methodologies for green procurement tracking and reporting will be developed as part of the Action Plan.
- A whole of organisation awareness and training program will be developed as part of the Action Plan.

## 9 Climate change

The City of Port Phillip is committed to preventing further climate change and actively reducing regional greenhouse gas emissions.

### Council's actions in the past year to adapt to climate change

- Thermal mapping of the municipality has identified hot spots where green infrastructure can be prioritised in order to cool the surrounding area and create a refuge from the heat.
- Council is involved in the Association of Bayside Municipalities, which is developing the 'Bay Blueprint' to create a consistent, bay-wide approach to responding to coastal adaptation.

### How are we going to reach the 2020 target?

- Council will continue collaborating with the Victorian Government, other councils and researchers to identify adaptation pathways to protect coastal infrastructure, our parks and our buildings.
- Council will also ensure we adapt our assets to be resilient to the impacts of climate change and work to reduce the impact of urban heat islands.

### Further information

- Climate Adaptation Plan - Climate Adept City (2010)



Sustainable transport in Acland Street

# Community challenges

## Greenhouse gas emissions and water

- Council is unable to access reliable, up-to-date emissions data from the Victorian Government, electricity retailers or water distributors to report on progress for community emissions and water use.

## Contamination and pollution

- Sixty-one residents recently benefited from Council's free downpipe diversion installation offer. The downpipe diverters, donated by Melbourne Water, are used to capture rainwater from roofs which is then diverted from drains to water gardens. These contribute to Toward Zero targets by reducing the level of stormwater pollutants entering Port Phillip Bay, and reducing the use of mains water for garden maintenance.
- Further initiatives that contribute to maintaining the health and quality of our natural assets are included under the "Contamination and Pollution" challenge (see page 89).

## Waste

- This year, Council diverted 39.85 per cent of household waste from landfill.
- Since 2007, the tonnage of recyclable materials collected from the Resource Recovery Centre has increased by 58 per cent.
- Household waste to landfill since 2007 has increased by seven per cent. Ongoing education in the community is needed, as a June audit of household bins showed 18.5 per cent of recyclable materials are going to landfill unnecessarily.

## Net loss of natural heritage

- 25,000 indigenous plants were planted by members of the community and Council.
- Council continues its partnership with the St Kilda Indigenous Nursery Cooperative (SKINC) to encourage residents to plant local indigenous species.
- Council is reviewing the tree canopy to identify areas requiring increased coverage.

## Sustainable transport

- Council has significantly increased infrastructure and the types of travel that encourage community use of low emissions vehicles.
- 4.5 kilometres of on-road bike lanes have been installed this year, along with 44 new bike hoops.
- Eight new on-street car share bays have been approved by Council, to encourage shared resources and reduce the need for car ownership.
- Traffic signals have been improved at six intersections to increase crossing times and make conditions safer for walkers. Three additional intersections have been made safer with kerb extensions and new zebra crossings.
- The Balacava Railway Station has been upgraded to improve accessibility for all (see case study - page 94).

## Sustainable urban design and development

- Council will continue to ensure the percentage of planning applications that comply with sustainable design requirements increases annually through Council's SDAPP program. See the case study on The Built Environment Sustainability Scorecard (BESS).
- Council will continue to advocate to the Victorian Government for approval of the proposed Environmentally Efficient Design Local Planning policy, which would require sustainable design features in all but very minor developments.

## Climate change

- Council provides free energy audits for residents and businesses to evaluate ways they can reduce electricity and water use in their homes and reduce waste creation. Thirty-eight audits were performed last year.
- Council leads the Sustainability Community Action Network, which stimulates community ideas for tackling climate change. Ninety people attended network events in the past year.
- Council's sustainability website, EnviroEhub was redeveloped with a greater focus on communicating what Council is doing to improve sustainability, and share sustainable community actions. Since the relaunch of this website, visitors to the EnviroEhub website have increased by 88 per cent compared with the same six month period in 2014, showing greater community interest and involvement in sustainability.

## Case studies

### Balaclava Railway Station upgraded to improve accessibility

In October 2014, Balaclava Railway Station was upgraded with accessible ramps, a new waiting area, more Myki readers, new customer amenities and a customer service office.

Council worked closely with the Victorian Government to advocate for and deliver the project. Council also delivered an upgrade to the Balaclava Walk laneway to improve connections to the station and add new urban art in the precinct.



### Recycling mattresses to reduce waste going to landfill

A new mattress recycling drop-off service opened at the South Melbourne Depot in June. Council currently processes 4,800 mattresses per year. This new service will help reduce the total waste going to landfill and increase recycled materials. The mattresses are recycled by Geelong Disabled People's Industries, a not-for-profit organisation that offers long-term supported employment to people with a disability.



### New My Climate tool helps improve our homes

Council's My Climate tool won the sustainability category of the iAwards in June, which recognises information and communications technology excellence that meets the current and ongoing community, social and environmental needs of Australians. The My Climate tool was developed by Council and CSIRO to help residents understand what size solar power system suits their home; how insulation can help their home comfort; and how much rainwater their roof can capture. The My Climate tool is available to the community through Council's EnviroEhub website.



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## **BESS - The new online sustainable design assessment tool**

A free online tool that measures the sustainability of a proposed development was introduced in May. The Built Environment Sustainability Scorecard (BESS) generates a report to attach to planning permit applications to help increase the percentage of buildings and facilities in the municipality that incorporate sustainable design principles. Currently, approximately 78 per cent of eligible planning applications include a sustainable design assessment. BESS has been designed to facilitate and improve this process for applicants.



## **Real-time water sub-metering detected leaks at South Melbourne Market**

Council has undertaken real-time sub-metering of South Melbourne Market (Council's largest water using building) and a range of sports fields across the municipality. Access to real-time data enables Council to detect leaks and operate with a greater level of sophistication in water management. In the past 12 months this has resulted in a two megalitre saving in water consumption at the South Melbourne Market.



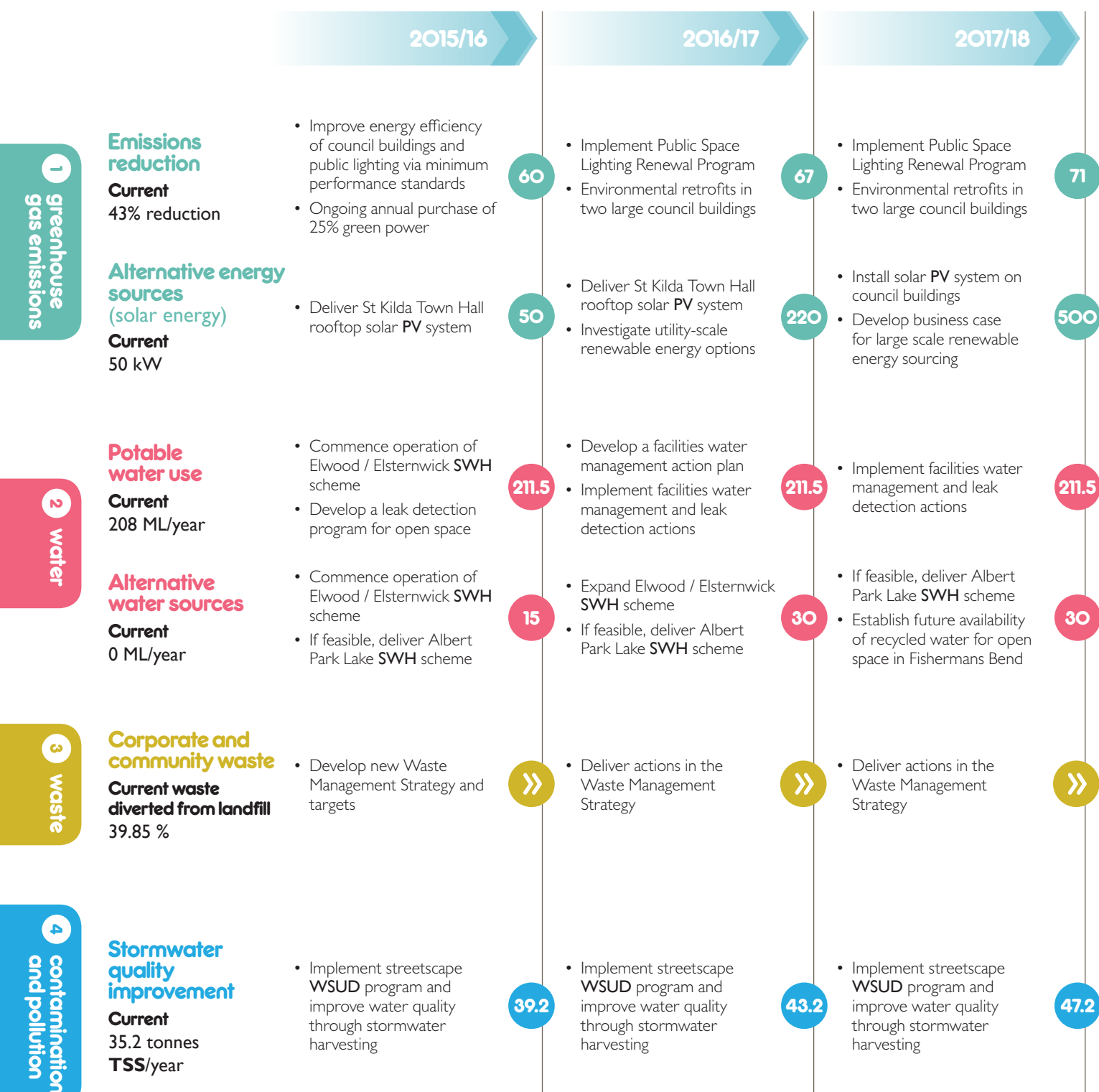
## **Greenhouse gas emissions reduced at St Kilda Town Hall**

Efficiency improvements at St Kilda Town Hall reduced greenhouse gas emissions by 545 tCO<sub>2</sub>e, a 27 per cent reduction since 2012/13. Measures that helped save 400,000 kilowatt hours (kWh) of electricity and 85,000 megajoules (MJ) of gas included: sub-metering, lighting retrofits, controlled lighting, optimising equipment operating hours, tuning the heating, ventilation and air conditioning (HVAC) equipment, increased insulation, and temperature control. Positive practices by the staff Green Team added to greenhouse gas emissions savings.

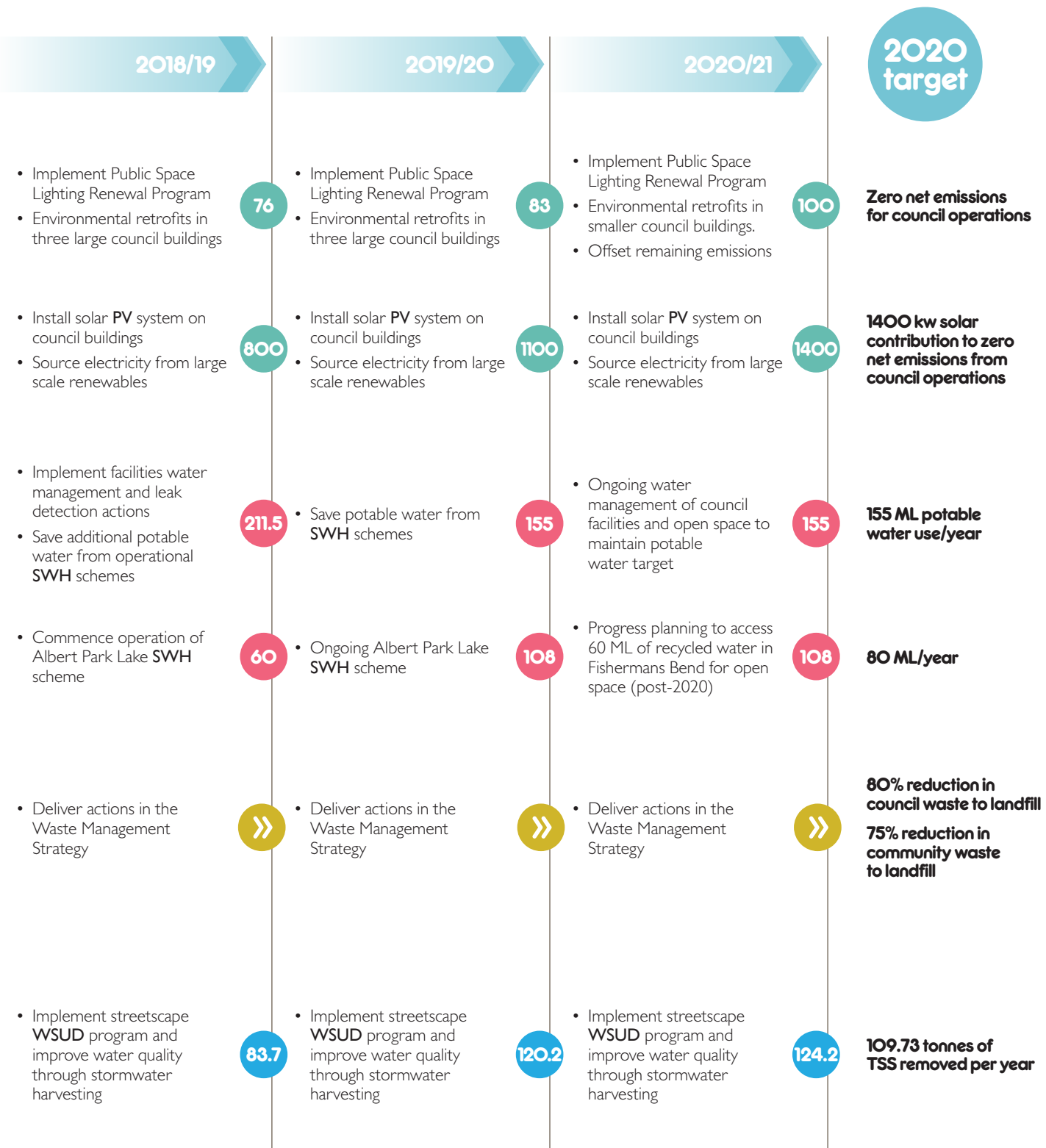


# Pathways to 2020

These pathways provide an overview of the possible major actions that Council could implement between now and 2020 to deliver on Toward Zero targets. Each pathway outlines the likely annual target trajectories arising from these actions. All actions are subject to funding approval through the annual budgeting process, and rely on ongoing investment and partnerships with external stakeholders.



Please see page 98 for descriptions of abbreviations.

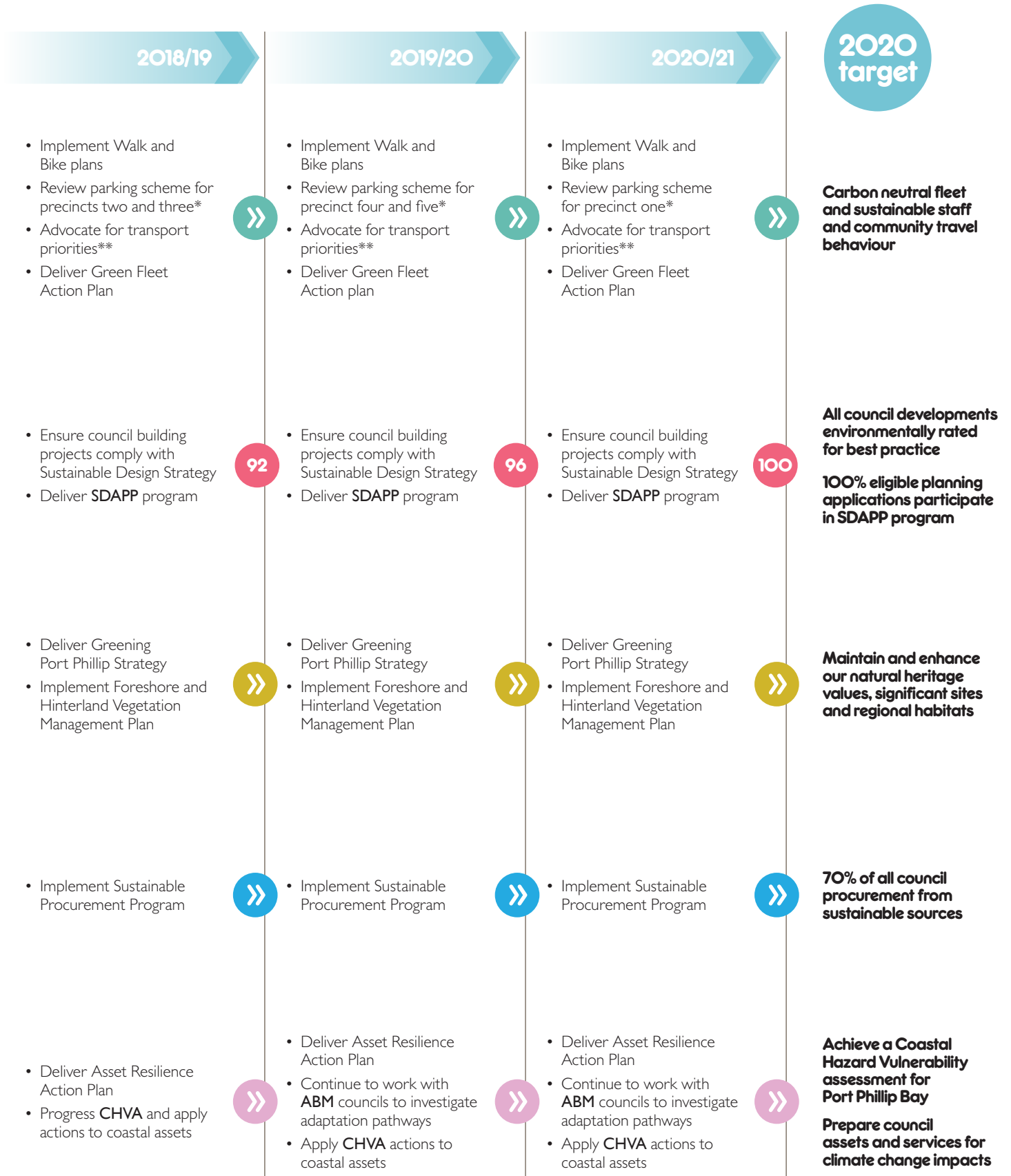


# Pathways to 2020



## Descriptions

**ABM:** Association of Bayside Municipalities **CHVA:** Coastal hazard vulnerability assessment **CRCWSC:** Cooperative Research Centre for water sensitive cities **EED:** Environmentally efficient design **PV:** Photovoltaics **SDAPP:** Sustainable design assessment in the planning process **SWH:** Stormwater harvesting **TSS:** Total Suspended Solids **WSUD:** Water sensitive urban design



**\*Strategic parking scheme precincts**

**One** South Melbourne **Two** Port Melbourne **Three** Balaclava, Ripponlea and Elwood  
**Four** Albert Park, Middle Park and St Kilda West **Five** St Kilda East, Windsor and Melbourne

**\*\*Transport advocacy priorities**

St Kilda Road protected bike lanes, Park Street tram link and Collins Street tram extension



Promoting our Greenlight for Pedestrians project that makes crossing intersections safer and easier

# WORKING for our COMMUNITY



Kate Just, the 2013 Rupert Bunny Foundation  
Visual Arts Fellowship recipient, exhibited  
The Furies on the St Kilda Town Hall in 2015

## Working with Council

An effective working relationship between Council and the organisation is at the core of achieving a culture of good governance and delivering value for money to our community.

As the elected representatives of the City of Port Phillip community, Council provides leadership to ensure good governance. Council exercises this responsibility through formal resolutions at Council meetings.

Council is also responsible for the appointment of the Chief Executive Officer (CEO) who leads the organisation and implements Council decisions.

While there is a clear separation of powers between Council and the CEO, good governance is dependent upon a shared understanding of Council's priorities and a willingness to work together to achieve outcomes for the community.

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## Our organisational structure

Some minor changes were made to the organisational structure in 2014/15 to ensure the organisation is well equipped and responsive to the challenges of growth, financial constraints and evolving community priorities.

The table below shows the organisational structure as at 30 June 2015.

<b>Tracey Slatter</b> Chief Executive Officer	<b>Lisa Rae</b> Manager Community Relations	<b>Rowena McLean</b> Manager Governance	
<b>Claire Ferres Miles</b> General Manager Place Strategy & Development	<b>Richard Brice</b> Executive Manager City Growth	<b>Julian Donlen</b> Acting Manager Sustainability	<b>George Borg</b> Manager City Development
	<b>Jacqui Banks</b> Program Manager Fishermans Bend	<b>Peter Sagar</b> Project Director St Kilda Triangle	
<b>Fiona Blair</b> General Manager Infrastructure & Amenity	<b>Rod Burke and John Coates</b> Manager Safety & Amenity	<b>Darren Brownscombe</b> Acting Manager Maintenance & Renewal	<b>Mark Gallon</b> Manager Project & Building Services
	<b>Anthony Trail</b> Manager Public Space	<b>Ross Williamson</b> Manager South Melbourne Market	<b>Lisa Davis</b> Portfolio Director
<b>Carol Jeffs</b> General Manager Community Development	<b>Janelle Bryce</b> Manager Family, Youth & Children	<b>Craig Kamber</b> Manager Arts & Culture	<b>Darren Martin</b> Manager Community Health & Service Planning
	<b>Susan McDowell</b> Manager Access & Ageing	<b>Vanessa Schernickau</b> Program Director Vibrant Villages	
<b>Chris Carroll</b> General Manager Organisational Performance	<b>David Filmlter</b> Chief Financial Officer	<b>John Gabb</b> Executive Manager Enterprise Portfolio Management Office	<b>Teresa Parsons</b> Acting Executive Manager Service & Business Improvement
	<b>Rod Apostol</b> Acting Manager Business Technology	<b>Clare Gibson</b> Manager Asset Planning & Property	
<b>Nick Petrucco</b> Executive Manager People & Culture	<b>Kim Oakman</b> Manager Culture & Capability		

# Leading the way

## Chief Executive Office

The Chief Executive Officer (CEO) is appointed by Council and is responsible for the operations of Council, including implementing Council decisions and the day-to-day management of Council's performance. The Community Relations and Governance departments now report directly to the Chief Executive Officer.



**Tracey Slatter**  
Chief Executive Officer

Tracey Slatter commenced with the City of Port Phillip in May 2013 as the Chief Executive Officer. Tracey has extensive leadership experience in the health, community, state and local government sectors. Tracey enjoys leadership challenges and is passionate about achieving excellent outcomes and improved value for the community.

Tracey holds postgraduate qualifications in Business Leadership and a Master of Commerce, is a Fellow of the Institute of Public Administration and a graduate of the Australian Institute of Company Directors.

## Place Strategy and Development

Place Strategy and Development seeks to enhance the liveability and sustainability of our places and precincts in an environment of growth and change. Place Strategy and Development is responsible for delivering the Fishermans Bend and St Kilda Triangle priorities, and managing statutory planning and building processes.



**Claire Ferres Miles**  
General Manager  
Place Strategy and Development

Claire Ferres Miles joined the City of Port Phillip in April 2014 as the General Manager of the Place Strategy and Development Division. Claire is a highly talented executive whose thought leadership and strategy have led to breakthroughs in integrated transport and planning policy, particularly in relation to sustainable transport. She has experience in the public and private sectors (most recently with the Victorian Government), with a focus on central city urban renewal.

Claire has a Master of Transport and a Master of Traffic, qualifications in community engagement and a Bachelor of Planning and Design with majors in Landscape Architecture, Urban Design and Town Planning.

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## Infrastructure and Amenity

Infrastructure and Amenity work with our community and other stakeholders to deliver quality services and projects that ensure the high standard of amenity and safety that contributes to the unique look and feel of our parks, villages and streets. Infrastructure and Amenity builds, maintains and manages our City's infrastructure, including the South Melbourne Market, and works with local sporting clubs to facilitate participation in recreation and leisure activities across our municipality.



**Fiona Blair**  
**General Manager**  
**Infrastructure and Amenity**

Fiona Blair was appointed as General Manager of the Infrastructure and Amenity Division in March 2014 after acting as interim General Manager of City and Infrastructure Services from October 2013. Fiona is a highly capable and experienced leader who has worked across local government, education and service sectors. She has a long affiliation with our City and through a number of leadership roles, has demonstrated a strong track record of innovation, delivery, strategy, relationship leadership and collaboration.

Fiona is highly qualified with a Master of Business Administration, and a Bachelor of Applied Science, and is a graduate of the Australian Institute of Company Directors.

## Community Development

Community Development is responsible for building healthy, connected, and sustainable communities through active engagement that nurtures and strengthens our diverse cultural and recreational landscape, enabling lifelong access to innovative, creative and responsive community programs and services that maximise the use of our shared spaces.



**Carol Jeffs**  
**General Manager**  
**Community Development**

Carol Jeffs joined the City of Port Phillip in February 2014 as the General Manager of the Community Development Division. Carol is a highly experienced and self-driven senior executive whose career spans local government, not-for-profit and other government agencies. Carol was previously employed as the General Manager, Governance at Latrobe City Council, a council renowned for innovation in service delivery, governance and community engagement.

Carol is an outstanding people leader with a strong track record in forging successful partnerships with key local, state and national stakeholders. She has a Master of Economics and qualifications in LEAN, project management, and community engagement. She is also a graduate of the Harvard Senior Executives in State and Local Government course.

## Leading the way

### Organisational Performance

Organisational Performance is responsible for providing high quality, integrated systems and support to our organisation to enable us to continue delivering value to our community. Organisational Performance provides financial, project management and other assistance to achieve Council priorities.



**Chris Carroll**  
General Manager  
Organisational Performance

Chris Carroll joined the City of Port Phillip in March 2014 as the General Manager of the newly formed Organisational Performance Division. Chris is an outstanding leader with a breadth of local government, state government and private sector experience. Chris was previously employed by PricewaterhouseCoopers New Zealand as a Director in its consulting business. Prior to this, Chris was the Department Manager of Planning, Policy and Budgeting at Auckland Council, where he led the Council's financial, asset management, business planning and performance functions, as well as a range of transformational change projects.

Chris has a Master of Public Policy and Management, a Master of Business Administration and extensive experience in project management, change management and continuous improvement.

### People and Culture

People and Culture are responsible for learning and development, and identifying key staff capabilities required to deliver on the Council Plan and maintain a high level of key community services. The focus is on agility and enabling people and teams to respond to change whilst maintaining a values-based culture and ensuring all our staff continue to have a community first mindset in everything we do.



**Nick Petrucco**  
Executive Manager  
People and Culture

Nick Petrucco was appointed as Executive Manager People and Culture in May 2015. As an experienced organisational and people development professional, Nick has a track record of successfully leading cultural change and building high performing organisations. Nick's experience has included consulting to organisations across international development, community services, research and education, banking and finance, local government, utilities, small business and not-for-profit sectors. Having worked throughout Australia and internationally, Nick brings a depth of experience working across multiple industries, cultures and geographies. Nick holds a Master of Professional Education and Training, a Bachelor of Social Science, is an accredited and experience Executive Coach and has a wide range of other professional accreditations relevant to leading people and culture.

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**Mark Brady**

**Executive Manager  
Governance and Culture**

**(Resigned November 2014)**

Mark Brady joined the City of Port Phillip in 2009 as the General Manager of the Corporate Services Division. During that time Mark implemented a wide range of leadership initiatives and played a leading role in rebuilding the organisation and its relationship with the Council and the community. Mark resigned from the City of Port Phillip in November 2014, after accepting the position of General Manager Governance and Organisation Development at Bass Coast Shire Council.

# Our people

A multitude of services are delivered to our community by the 1,022 people employed at the City of Port Phillip.

## Our values

A clear set of values represents how we work with each other to serve the community.



## Staff profile

### Breakdown by banding

Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female	0.00	4.00	32.00	26.00	62.00	53.00	47.00	15.00	23.00	262.00
Permanent Full Time - Male	1.00	12.00	15.00	26.00	23.00	47.00	36.00	32.00	52.00	244.00
Permanent Part Time - Female	2.40	13.38	16.59	27.94	23.85	23.65	10.26	9.06	11.38	138.51
Permanent Part Time - Male	6.53	3.72	5.66	9.52	3.60	4.54	1.00	0.80	3.72	39.09
Casual - Female	0.03	0.00	0.93	0.69	0.24	0.03	0.00	0.00	0.66	2.58
Casual - Male	0.09	0.00	0.30	0.42	0.09	0.06	0.03	0.00	0.00	0.99
<b>Total</b>	<b>10.05</b>	<b>33.10</b>	<b>70.48</b>	<b>90.57</b>	<b>112.78</b>	<b>128.28</b>	<b>94.29</b>	<b>56.86</b>	<b>90.76</b>	<b>687.17</b>

Note that temporary staff total 109.48 FTE. The total number of FTEs is 796.65.

### Breakdown by Division

Structure	Office of the CEO	Infrastructure and Amenity	Organisational Performance	Community Development	Place Strategy and Development	People and Culture	Total
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female	28.00	38.00	36.00	118.00	36.00	6.00	262.00
Permanent Full Time - Male	9.00	124.00	39.00	33.00	36.00	3.00	244.00
Permanent Part Time - Female	6.77	12.96	14.66	90.47	12.85	0.80	138.51
Permanent Part Time - Male	7.10	7.28	1.40	21.11	2.20	0.00	39.09
Casual - Female	0.21	0.36	0.00	2.01	0.00	0.00	2.58
Casual - Male	0.36	0.09	0.00	0.54	0.00	0.00	0.99
<b>Total</b>	<b>51.44</b>	<b>182.69</b>	<b>91.06</b>	<b>265.13</b>	<b>87.05</b>	<b>9.80</b>	<b>687.17</b>

Note that temporary staff total 109.48 FTE. The total number of FTEs is 796.65.

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## People and Organisational Development Strategy

The goal of our **People and Organisational Development Strategy 2012-14** was to build a values-based organisational culture that enabled the organisation to achieve its purpose of working together to make a difference to our community.

### There are eight key focus areas in the strategy, these are:

- 1 Recruit and induct
- 2 Engage and retain
- 3 Recognise
- 4 Develop
- 5 Lead
- 6 Perform
- 7 Support
- 8 Connect

A new **Employee Life Cycle People and Culture Strategy** is being developed in 2015.

## Learn. Develop. Grow.

The development of our people is a high priority for our organisation. Through our Learning and Development Calendar we provide opportunities for our staff to learn, grow and develop. In 2014/15, we offered 69 programs that were attended by 956 staff. We also support staff development with work-specific accredited courses.

Study assistance is also available to staff undertaking accredited courses related to their current work or local government careers. This year 22 staff members participated in this program using 682 hours of study leave.

## Leadership Development Program

We aim to develop our leaders to drive organisational culture and performance. Our leaders support and motivate employees and teams to achieve their goals, and aspire to deliver remarkable outcomes and value to our growing community.

We offer a suite of leadership development experiences and opportunities to support our people, including:

- the City of Port Phillip Leadership Program, a comprehensive program that focuses on the individual as leader
- Executive Leadership Team development program
- Senior Leadership Team development program
- Individual coaching for senior staff
- 42 internally facilitated team workshops in 2014/15
- 360 degree feedback for leaders, using the Life Styles Inventory™. This questionnaire based tool is designed to provide feedback about individual's thinking and behaviour in a way that promotes constructive change
- Local Government Managers Australia (LGMA) Management Challenge. Our 2015 team did a great job on the theme of creating an employer value proposition.

## Health and Wellbeing Program

Our health and wellbeing program, *Enjoying Life*, continues to receive positive feedback and achieve healthy outcomes for the staff and organisation. This year we established a staff committee to develop ideas and programs that meet the needs of our diverse workforce. We offer a range of fitness programs, health checks, healthy eating programs, superannuation seminars, craft classes and other activities.

## Employee Assistance Program

Our Employee Assistance Program is designed to assist our staff to meet the challenges and demands of their work and personal lives. This professional counselling service offers confidential, short-term support to employees and their immediate families for a variety of work-related and personal problems. This year, 65 people used 104 hours of the service.

## Our people

### Occupational Health and Safety

We are committed to fulfilling our moral and legal responsibilities under the **Occupational Health and Safety Act 2004**, to provide a safe and healthy work environment for employees, contractors and visitors. This commitment extends to ensuring that operations undertaken by Council do not place the community at undue risk of injury or illness.

We provide induction and training for all our staff and contractors, and conduct regular occupational health and safety audits and inspections of Council premises and contractors' works.

Number of standard WorkCover claims	12
Number of staff affected	12
Victorian average WorkCover premium (industry performance rate)	1.3328%
City of Port Phillip's WorkCover premium	1.3696%

### Equal Opportunity

We are an equal opportunity employer and work in accordance with our statutory requirements under the **Victorian Equal Opportunity Act 2010**, and federal legislation as it relates to equal opportunity.

Our equal employment opportunity policy, **Respect for Others**, supports our vibrant and diverse work environment where our people can develop professionally and personally, free from harassment, discrimination and bullying. Our values of courage and integrity, personal growth and performance, accountability, creative and strategic thinking, and working together create a culture of respect for each other in all aspects of employment, training and service. This year 257 participants attended 14 equal opportunity education sessions.

### Human Resources Training Suite

We continue to offer a suite of three human resource focused training programs developed and delivered by our Human Resources team to our organisation. The programs cover recruitment, selection, interviewing, performance management, flexibility, grievances and career progression. The team delivered six sessions for 54 staff members. The complementary online Human Resources module, which 86 staff completed, continues to grow in popularity.

Feedback received reinforces that these programs are perfectly customised for local government and in particular for our organisation.

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# COMPLIANCE and ACCOUNTABILITY



Council's website was enhanced  
to increase accessibility  
from mobile devices

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## Freedom of Information Act

Under the *Freedom of Information Act 1982*, everyone has the right to access certain information held by Council. We vigorously support the requirements of the Act.

The Act requires Council to publish certain details about itself and its functions, and also enables individuals to correct information about them that is held by Council. Requests for access to Council documents under the Act must be in writing and provide sufficient information to identify the particular document(s) being sought. In 2014/15, the application fee for a request was \$26.50. Avenues for appeal are built into the Act.

More information, including a request form, is available on our website: [www.portphillip.vic.gov.au/freedom\\_of\\_information.htm](http://www.portphillip.vic.gov.au/freedom_of_information.htm)

**Principal Officer:** Tracey Slatter, CEO

### Details of Freedom of Information (FOI) requests 2014/15

Total number of FOI requests received	50
Total number of valid requests (including requests under consideration as at 30 June 2015)	35
Number of requests where access granted in full	4
Number of requests where access granted in part	23
Number of requests where access denied in full	0
Number of requests where no documentation found	3
Number of requests withdrawn	0
Number of requests under consideration as at 30 June 2015	5
Number of appeals lodged with the FOI Commissioner	2
Total application fees collected	\$821.50
Total application fees waived	\$132.50

## Protected Disclosure Act

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and protecting them when they do.

The City of Port Phillip is committed to the aims and objectives of the *Protected Disclosure Act 2012*. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct. The City of Port Phillip will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Procedures for making a disclosure under the Act are publicly available from Council's website: [www.portphillip.vic.gov.au/protected-disclosure.htm](http://www.portphillip.vic.gov.au/protected-disclosure.htm)

There were no disclosures notified to the IBAC (Independent Broad-based Anti-corruption Commission) under section 21(2) of the Act during the financial year.

## Privacy and Data Protection Act

We are committed to full compliance with our obligations under the *Privacy and Data Protection Act 2014*. Our Information Privacy Policy and Guidelines are available at Council offices and on our website: [www.portphillip.vic.gov.au/privacy\\_policy.htm](http://www.portphillip.vic.gov.au/privacy_policy.htm)

## Best Value Report 2014/15

We are committed to continuously improving our services and providing value for money to our residents. This commitment is in compliance with the **Local Government Act 1989**, which details six Best Value principles:

1. Services provided by a Council must meet quality and cost standards.
2. Services provided by a Council must be responsive to the needs of its community.
3. Services provided by a Council must be accessible to those members of the community for whom the service is intended.
4. Council must achieve continuous improvement in the provision of services for its community.
5. Council must develop a program of regular consultation with its community in relation to the services it provides.
6. Council must report regularly to its community on its achievements in relation to the five principles above.

During 2015, there was a focus on progressing improvement capabilities through introductory training and a more advanced practitioner program that included completion of improvement initiatives. There was increased investment in enterprise portfolio and project management, continuous improvement, service reviews and a procurement policy review to support best value. This has delivered capital and operating savings as well as savings in staff and community time. Details on these improvements are highlighted throughout this Annual Report.

## Domestic Animal Management Plan 2012-2016

Under the **Domestic Animals Act 1994**, we are required to undertake an annual evaluation of the implementation of our four-year Domestic Animal Management Plan. The results are published in our Annual Report.

The City of Port Phillip Domestic Animal Management Plan 2012-2016 aims to promote harmonious and responsible pet ownership. Implementation of the Plan is on track, and during the year we:

- completed additional officer training following significant changes to the **Domestic Animals Act 1994**
- implemented registration campaigns and programs that resulted in an increase in the number of animals registered
- changed our seasonal patrols and focused on targeting compliance rather than enforcement, which resulted in fewer complaints.

Next year, we will continue to focus on:

- improving our communication tools to ensure a greater understanding of the requirements of domestic animal ownership and enforcement processes
- implementation of education programs that address the ongoing issues of nuisance animals and dog attacks
- increasing roving patrols in areas defined as 'Dog on Leash' to ensure stricter compliance throughout the City parklands and foreshore.



Port Melbourne Primary School participated in Ride2School day

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### Carers Recognition Act

The City of Port Phillip acknowledges the important contribution of carers in supporting older people and people with a disability to maintain independence and remain living in their local communities.

In 2014/15 Council has initiated a number of activities that align with the **Carers Recognition Act 2012**. A selection of achievements includes:

- The Home and Community Care (HACC) program delivered 8,647 respite hours for HACC recipients, which also enabled their carers to have respite from their caring role
- The Social Inclusion service provided a monthly carers group for eight to 10 carers delivering 128 hours of respite. The program provided an opportunity for carers to share information and meet with other people in carer roles
- The Joint Councils Access for All Abilities (JCAAA) service provided 9,229 hours of respite care for carers of people with disability. Activities included arts, sport, recreation and school holiday programs
- Council officers maintained relationships with regional respite services through participation on the Respite South Network facilitated by Alfred Care Services. The network enables Council to keep up to date with current trends and gain knowledge of additional respite options available to carers.

### Disability Act

The City of Port Phillip strives to ensure equity of access for all, in accordance with the **Commonwealth Disability Discrimination Act 1992** (DDA) and the **Victorian Disability Act 2006**. The City of Port Phillip Access Plan 2013-2018 ensures our City is a welcoming and safe place for all, where people living with a disability can participate in community life without barriers.

Over 40 separate initiatives have been progressed during 2014/15. A selection of achievements includes:

#### Culture and community

- Fog Theatre, a drama group inclusive of people with disability, developed an awareness raising tool comprising films and live performance called 'Shine a Light'.
- St Kilda Film Festival became a fully accessible event.
- Ten per cent of Community Grants funding was apportioned to projects specifically for people with a disability.

#### Information and communication

- The City of Port Phillip Access Network (COPPAN) developed and distributed a regular newsletter to residents and service providers with an interest in access issues.
- ASSIST customer service staff across Council focused on accessible communication after completing National Relay Service training.
- Council purchased an online accessibility auditing tool and 12 month trial of text-to-speech software.

## Statutory statements

### Infrastructure and transport

- Ramps and accessible walkways compliant with legislation were installed during the Balaclava Station upgrade.
- Accessible crossings were installed across the municipality to eliminate the step between the road and footpath.
- A fully accessible reception desk was installed at South Melbourne Market.

### Policy and planning

- A condition, function and capacity audit, including compliance with legislation, was conducted for all council buildings and open spaces to inform service planning and long-term financial planning.

### Sports, recreation and open spaces

- An *Independent Disability Discrimination Act* access audit was completed covering 11 km of foreshore to guide priorities for future design, upgrades and budgeting.
- Foreshore Access Maps identifying key points of interest and accessible amenities were introduced online.
- Accessible beach showers and drinking fountains were installed and upgraded along the South Melbourne foreshore and Elwood foreshore.
- Accessible pathways, furniture and play equipment were upgraded at Neville Street Reserve and Little Finlay Reserve.
- Wheelchair accessible picnic tables and seats were installed at JL Murphy Reserve.

Further information about our commitments under the *Disability Act 2006* are available online at [www.portphillip.vic.gov.au/access\\_plan.htm](http://www.portphillip.vic.gov.au/access_plan.htm)

# Risk management

We recognise that risk management is an essential part of effective corporate governance. Risk management is defined as “the culture, processes and structures that are directed towards realising potential opportunities while managing adverse effects”. (AS/NZ ISO 31000:2009).

We believe good risk management is essential to the successful implementation of the Council Plan, as it:

- facilitates innovation, cooperation and the sharing of resources
- enhances the development and delivery of our programs
- involves consultation with the public and private sectors on key issues of community interest
- encourages a proactive approach to problem solving.

We aim to improve our decision making, performance, transparency and accountability by effectively managing the potential opportunities and adverse effects through the adoption of a structural and systematic approach to risk management.

## Risk awareness

The philosophy and application of risk management within our organisation is underpinned by our Risk Management Policy and Risk Management Framework.

Our Risk Management Policy provides the platform for the management of risk across the organisation. Our well-developed Risk Management Framework complies with ISO 31000:2009, Risk Management - Principles and Guidelines. The Framework provides the structures and processes to facilitate delivery of our corporate objectives through the effective management of opportunities and adverse effects. To ensure it continues to provide strong direction for risk management, the Framework is reviewed biennially.

## Risk reduction

This year we continued our emphasis on creating an effective risk management culture across the organisation by implementing key actions in our Risk Management Improvement Plan. This included specialised public liability training for all frontline staff, targeted fraud training to all purchase order authorising officers, business support officers, and finance staff, and further enhancing tools to embed risk assessment into project management processes.

In 2014/15, our Executive Leadership Team (consisting of the Chief Executive Officer, four General Managers and one Executive Manager) undertook a review of the organisation's strategic risks in conjunction with its strategic planning and activities. A comprehensive review of all operational risks was also undertaken within each of Council's departments as part of the annual budget and planning cycle. All risks are monitored and reviewed regularly, and reported to the Executive Leadership Team and Audit and Risk Committee (refer to **Chapter 2 Governing our City** for more information on the Audit and Risk Committee).

Another important way we are managing our risk is through the Business Continuity Recovery Committee, which is comprised of key staff from across our organisation. This year the committee focused on the development of a Business Continuity Maintenance Program to ensure our Business Continuity Plan remains current, enabling us to continue operating in the event of a crisis.

Our Business Technology Disaster Recovery Plan continues to be tested on a regular basis, to ensure we can recover data, restore business critical applications and continue operations following service interruptions.

# Public documents

A number of documents are available for public inspection. Some reports are available at [www.portphillip.vic.gov.au/documes\\_public\\_inspections.htm](http://www.portphillip.vic.gov.au/documes_public_inspections.htm)

To inspect documents at the St Kilda Town Hall, located at 99A Carlisle Street, St Kilda, please contact the Governance Department via the City of Port Phillip's ASSIST Centre on 9209 6777 or email [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au). In some instances, we may require requests to be in writing or on a specific form.

## Documents available for public inspection

- A list of all Special Committees established by Council and the purpose for which each committee was established
- A list of all Special Committees established by Council that were abolished or ceased to function during the financial year
- A list of contracts valued at \$150,000 for Goods and Services, and \$200,000 for Carrying out of Works, which Council entered into during the financial year without first engaging in a competitive process, and which are not contracts referred to in section 186(5) of the *Local Government Act 1989* (the Act)
- A list of donations and grants made by Council during the financial year, including donation or grant recipients, and the amount of each donation or grant
- A list of organisations of which Council was a member during the financial year, and details of all membership fees and other amounts and services provided during that year to each organisation by Council
- A register of authorised officers appointed under Section 224 of the Act
- A register of delegations kept under sections 87, 88 and 98 of the Act, including the date on which the last review, under section 98(6) of the Act, took place
- Agendas for, and minutes of, Ordinary and Special Council meetings held in the previous 12 months except if the minutes relate to parts of meetings that have been closed to members of the public under Section 89 of the Act
- Annual Report

- Budget
- Council Plan and Strategic Resource Plan
- Councillor Code of Conduct
- Councillor Expense Reimbursement Policy
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by Council as lessor or lessee, including the name of the other party to the lease and the terms and value of the lease
- Details of current allowances for the Mayor and Councillors
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or Council staff and the date, destination, purpose and total cost of the overseas or interstate travel
- Details of senior officers' total annual remuneration for the current financial year and the previous year, outlining ranges of remuneration of senior officers in \$10,000 increments and the number of senior officers whose total annual remuneration falls within each increment
- Election campaign donations
- Local Laws
- Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act
- 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
- Submissions received in accordance with Section 223 of the Act during the previous 12 months.

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# Governance and management checklist

This checklist is in compliance with the *Local Government Act 1989* (The Act), which prescribes a checklist of governance and management items.

Governance and management items	Assessment
<p><b>1 Community engagement policy</b>            Outlines Council's commitment to engaging with the community on matters of public interest</p>	<p><b>No policy</b>            Reason for no policy: Council's public commitment to providing clear and open communication and engagement, promoting transparent council decision making processes and building a network of informed communities is articulated in the Council Plan 2013-17. Success measures and key actions for these commitments are reported against externally every quarter. Our Community Engagement Framework provides an overarching road map towards building the internal capability and capacity to support these commitments.</p>
<p><b>2 Community engagement guidelines</b>            Assists staff to determine when and how to engage with the community</p>	<p><b>Guidelines (online toolkit)</b>            Date of operation of current guidelines: 20 March 2012</p>
<p><b>3 Strategic Resource Plan</b>            Plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years</p>	<p><b>Adopted in accordance with Section 126 of the Act</b>            Date of adoption: 23 June 2015</p>
<p><b>4 Annual Budget</b>            Plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required</p>	<p><b>Adopted in accordance with Section 130 of the Act</b>            Date of adoption: 23 June 2015</p>
<p><b>5 Asset Management plans</b>            Sets out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years</p>	<p><b>Plans</b>            Date of operation of current plans: 1 December 2014</p>
<p><b>6 Rating Strategy</b>            Sets out the rating structure of Council to levy rates and charges</p>	<p><b>Strategy</b>            Date of adoption: 23 June 2015</p>
<p><b>7 Risk Policy</b>            Outlines Council's commitment and approach to minimising the risks to Council's operations</p>	<p><b>Policy</b>            Date of operation of current policy: 12 June 2012</p>
<p><b>8 Fraud Policy</b>            Outlines Council's commitment and approach to minimising the risk of fraud</p>	<p><b>Policy</b>            Date of operation of current policy: 1 February 2015</p>
<p><b>9 Municipal Emergency Management Plan</b>            Plan under Section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery</p>	<p><b>Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986</b>            Date of preparation: 1 April 2013</p>
<p><b>10 Procurement Policy</b>            Policy under Section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to purchases of all goods, services and works</p>	<p><b>Prepared and approved in accordance with section 186A of the Local Government Act 1989</b>            Date of adoption: 23 June 2015</p>
<p><b>11 Business Continuity Plan</b>            Sets out the actions that will be taken to ensure that key services continue to operate in the event of a disaster</p>	<p><b>Plan</b>            Date of operation of current plan: 5 March 2014</p>
<p><b>12 Disaster Recovery Plan</b>            Sets out the actions that will be undertaken to recover and restore business capability in the event of a disaster</p>	<p><b>Plan</b>            Date of operation of current plan: 4 July 2012</p>

## Governance and management checklist

Governance and management items	Assessment
<b>13 Risk Management Framework</b> Outlines Council's approach to managing risks to Council's operations	<b>Framework</b> Date of operation of current framework: 12 June 2012
<b>14 Audit Committee</b> Advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and compliance with applicable legal, ethical, and regulatory requirements	<b>Established in accordance with Section 139 of the Act</b> Date of establishment: 22 April 2014
<b>15 Internal audit</b> Independent accounting professionals engaged by Council to provide analysis and recommendations aimed at improving Council's governance, risk and management controls	<b>Engaged</b> Date of engagement of current provider: 20 September 2013
<b>16 Performance Reporting Framework</b> Indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act	<b>Framework</b> Date of operation of current framework: 1 August 2014
<b>17 Council Plan reporting</b> Reviews the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year	<b>Report</b> Date of operation of current report: 28 April 2015
<b>18 Financial reporting</b> Quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure	<b>Statements presented to Council in accordance with Section 138(1) of the Act</b> Dates statements presented: 26 October 2014, 10 February 2015, 28 April 2015, 25 August 2015
<b>19 Risk reporting</b> Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring, and risk minimisation strategies	<b>Reports</b> Date of reports: 4 August 2014, 27 April 2015
<b>20 Performance reporting</b> Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act	<b>Reports</b> Date of reports: 28 April 2015, 28 July 2015
<b>21 Annual Report</b> Annual Report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements	<b>Considered at an Ordinary meeting of Council in accordance with Section 134 of the Act</b> Date of consideration: 28 October 2014
<b>22 Councillor Code of Conduct</b> Code under Section 76C of the Act setting out the conduct principles and dispute resolution processes to be followed by Councillors	<b>Reviewed in accordance with Section 76C of the Act</b> Date reviewed: 28 May 2013
<b>23 Delegations</b> Sets out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff	<b>Reviewed in accordance with Section 98(6) of the Act</b> Date reviewed: Council delegations to CEO: 25 June 2013 Council delegations to staff: 28 April 2015 CEO delegations to staff: 16 January 2016
<b>24 Meeting procedures</b> Local law governing the conduct of meetings of Council and special committees	<b>Meeting procedures local law made in accordance with Section 91(1) of the Act</b> Date local law made: 14 December 2009

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# Understanding the Financial Report

The financial report includes a General Purpose Financial Report and a Performance Statement for the Port Phillip City Council for the year ended 30 June 2015. The report highlights Council's financial performance and overall position at the close of the 2014/15 financial year (30 June 2015) and is presented in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the *Local Government Act 1989*, *Local Government (Finance and Reporting) Regulations 2004* and the *Local Government (Planning and Reporting) Regulations 2014*.

## Introduction

This report has been prepared to assist readers' understanding of the Financial Report and to provide a summary of the circumstances and issues that have had a significant impact on information contained within those documents.

The Council is a 'not for profit' organisation and a number of the generally recognised terms used in public company reports are not appropriate for the Council.

As part of its commitment to accountability, the Council has developed this report to assist readers with their understanding of the Council's financial information. A glossary has been included to further assist readers in understanding the financial report.

## What is contained in the Annual Financial Report?

The Council's Financial Report has two main sections: the Financial Statements and the accompanying notes.

There are five Financial Statements and 37 notes.

The five Financial Statements are the:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works.

The accompanying notes detail Council's accounting policies and the breakdown of values contained in the Statements.

The Financial Report is prepared by Council staff, reviewed by the Chief Financial Officer, reviewed by the Council's Audit and Risk Committee and then presented to the Auditor-General for audit.

## Comprehensive Income Statement

The Comprehensive **Income** Statement is sometimes referred to as a 'Profit and Loss Statement' and presents:

- The sources of the Council's **Income** under various income headings
- The **Expenses** incurred in running the Council during the year
- The **Other Comprehensive Income** which typically includes non-cash items such as revaluation adjustments.

The key figure to look at is the **surplus or (deficit)** of the Council for the year. This reflects the Council's financial performance. The **comprehensive surplus or (deficit)** is equal to the movement in Council's net assets or total equity from the prior year. A positive result with no brackets means that the revenue for the year is greater than the year's expenses.

# Understanding the Financial Report

## Balance Sheet

The Balance Sheet is a one-page summary, presenting a snapshot of the financial position of the Council as at 30 June. It shows what the Council controls as **Assets** and what it owes as **Liabilities**. The 'bottom line' of this Statement is the **Net Assets**. This is the net value of the Council, which has been built up over many years.

The assets and liabilities are separated into Current and Non-current. Current assets are realisable or convertible to cash within the next 12 months, while current liabilities are those which the Council must pay or settle within the next 12 months.

The components of the Balance Sheet are described here.

### Current and Non-Current Assets

- **Cash and Cash Equivalents** includes cash and investments i.e. cash on hand, cash held in the bank, and cash investments maturing within three months.
- **Trade and Other Receivables** are monies owed to the Council for rates, parking, fines, GST refunds, home support, and other services provided by the Council.
- **Other Financial Assets** reference the value of Council's longer term financial investments (maturity greater than three months), such as bank bills, term deposits and floating rate notes, as well as the value of shares Council holds.
- **Non-Current Assets Classified as Held for Sale** represents the value of assets and related liabilities less costs to sell that are earmarked for a highly probable sale in the coming financial period.
- **Other Assets** represents income due to the Council, but not yet paid or billed, and prepayments which are expenses that have been paid in advance by the Council.
- **Investments in associates and joint ventures** includes the Council's portion of post-acquisition profits or losses of arrangements in which they have either have significant influence or joint control.

- **Property, Infrastructure, Plant and Equipment** are the largest components of the Council's worth and represent the current value of land, buildings, roads, drainage, equipment etc. which have been purchased by, or contributed to the Council over many years. It also includes those assets which the Council does not own but has significant control over, and responsibility for, such as foreshore pavilions, parks and Crown land and leased vehicles.

### Current and Non-Current Liabilities

- **Trade and Other Payables** are suppliers to whom the Council owes money as at 30 June.
- **Trust Funds and deposits** represent monies held in trust or deposits received and held by Council.
- **Provisions** include long service and annual leave entitlements owing to employees at the end of the financial year.
- **Interest Bearing Loans and Borrowings** are the borrowings (including finance leases) taken out by the Council.

### Net Assets

This term is used to describe the difference between the value of **Total Assets** and the value of **Total Liabilities**. It represents the net value of the Council as at 30 June. The net value of the Council is also synonymous with Total Equity.

### Total Equity

Total equity always equals net assets. The components of Equity include:

- **Accumulated Surplus**  
The profit or loss results of all financial years totalled and carried forward
- **Asset Revaluation Reserves**  
The difference between the previously recorded value of assets and their current valuations
- **General Reserves**  
Allocations from the Accumulated Surplus for specific projects.

## Statement of Changes in Equity

During the course of the year the value of **Total Equity**, as set out in the Balance Sheet, changes. This Statement shows the values of such changes and how these changes arose.

The main reasons for changes in equity stem from:

- The 'profit or loss' from operations, as described in the Statement of Comprehensive Income
- Transfers to and from the Council's reserves
- Revaluation of assets.

## Statement of Cash Flows

The Statement of Cash Flows summarises the Council's cash payments and cash receipts for the year. The values differ from those shown in the Statement of Comprehensive Income due to the requirement to include GST (which is not a cost to the Council as it is recovered from the ATO), and because it is prepared on a cash basis not an accrual basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments maturing within three months that can readily be converted to cash.

This statement provides the reader with an indication of the Council's liquidity and its capacity to pay its debts and other liabilities. It also reflects Council's ability to fulfil its ongoing operating payment obligations, investment in community assets and ongoing financing transactions.

The Council's cash arises from, and is used in, three main areas:

### Operating Activities

#### • Receipts

All cash received into the Council's bank account from Ratepayers and others who owed money to the Council. Receipts also include the interest earnings from the Council's cash investments.

#### • Payments

All cash paid by the Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets.

### Investing Activities

- Relates to payments for assets such as building improvements, footpaths and road renewals and other long-term revenue-producing assets and the cash received from the sale of these assets. It also shows the movement in investments.

### Financing Activities

- This is where the receipt and repayment of borrowed funds are recorded.

## Statement of Capital Works

The Statement of Capital Works expands on the payments the Council has made for property, infrastructure, plant and equipment identified in the Statement of Cash Flow.

The Council's capital works occur in three main areas:

#### • Property

Relates to land, buildings and leasehold. Improvements to existing assets are separately identified and heritage buildings are separated from other buildings.

#### • Plant and Equipment

Comprises fixtures, fittings and furniture, computers and telecommunications, library books, heritage plant and equipment and other plant, machinery and equipment.

#### • Infrastructure

Includes roads, bridges, footpaths and cycleways, drainage, recreational, leisure and community facilities, waste management, parks, open space and streetscapes and off street car parks.

The Council's total capital works payments for the year is then also categorised into new, renewed, expanded or upgraded asset expenditure.

This statement reflects Council's investment in a broad spectrum of community assets. It also demonstrates whether the expenditure was made for new assets or modifications to existing assets.

# Understanding the Financial Report

## Notes to the Accounts

The notes are a very important and informative section of the report. They enable the reader to understand the basis upon which the values shown in the statements are established and are necessary to provide details of the Council's accounting policies. These are described in Note 1.

In addition to providing details of accounting policies, the notes also explain many of the summary figures contained in the statements. The note cross references are shown beside the relevant items in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the Statement of Capital Works.

Where the Council wishes to disclose other information that cannot be incorporated into the statements, then this is also shown in the notes.

Other notes include:

- The cost of the various functions of the Council
- The breakdown of expenses, revenues, reserves, and other assets
- Transactions with persons related to the Council
- Financial performance indicators.

The notes should be read together with the other parts of the Financial Statements to get a clear picture of the accounts.

## Performance Statement

The Performance Statement reports sustainable capacity performance, service performance and financial performance including forecast results for the next four years from the Strategic Resource Plan. It also includes a description of the municipal district including its size, location and population and has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*. In the absence of material variations some explanation has been provided as additional context for the results.

## Statements by Principal Accounting Officer, Councillors and CEO

The Certification by the Principal Accounting Officer is a statement made by the person responsible for the financial management of the Council that, in their opinion, the Financial Statements have met all the statutory and professional reporting requirements.

The certification by Councillors and the Chief Executive Officer is a statement made on behalf of the Council that, in their opinion, the Financial Statements are fair and not misleading.

## Auditor General's Report

The Independent Audit Report is the external and independent opinion on the Financial Statements. The audit opinion confirms that the Financial Statements fairly present the results in all material respects of the Council and comply with the statutory reporting requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

A separate Independent Audit report is also provided on the Performance Statement which confirms that it fairly presents in all material aspects the Council's performance in accordance with the statutory requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



# Financial Statements

for year ended 30 June 2015

# Comprehensive Income Statement

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Income</b>			
Rates and charges	3	106,759	100,957
Statutory fees and fines	4	21,649	21,569
User fees	5	27,638	25,383
Grants - operating	6	11,875	9,502
Grants - capital	6	1,594	252
Contributions - monetary	7	3,802	3,119
Contributions - non monetary	7	71	42,440
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(3,279)	(5,885)
Share of net profits/(losses) of associates and joint ventures	16	(36)	(36)
Other income	9	12,232	11,734
<b>Total Income</b>		<b>182,305</b>	<b>209,035</b>
<b>Expenses</b>			
Employee costs	10	77,103	73,812
Materials and services	11	68,574	64,750
Bad and doubtful debts	12	2,147	2,751
Depreciation and amortisation	13	19,072	17,154
Borrowing costs	14	417	320
Other expenses	15	11,084	12,637
<b>Total expenses</b>		<b>178,397</b>	<b>171,424</b>
<b>Surplus / (Deficit) for the year</b>		<b>3,908</b>	<b>37,611</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	27	218,055	134,913
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>221,963</b>	<b>172,524</b>

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

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# Balance Sheet

As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	53,014	27,474
Trade and other receivables	18	10,808	10,133
Other financial assets	19	4,000	22,623
Non-current assets classified as held for sale	20	3,144	-
Other assets	21	1,659	2,877
<b>Total current assets</b>		<b>72,625</b>	<b>63,107</b>
<b>Non-current assets</b>			
Investments in associates and joint ventures	16	382	418
Other financial assets	19	235	235
Property, infrastructure, plant and equipment	22	2,331,235	2,118,515
<b>Total non-current assets</b>		<b>2,331,852</b>	<b>2,119,168</b>
<b>Total assets</b>		<b>2,404,477</b>	<b>2,182,275</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	23	13,027	16,277
Trust funds and deposits	24	7,728	5,050
Provisions	25	11,543	10,459
Interest-bearing loans and borrowings	26	582	7,940
<b>Total current liabilities</b>		<b>32,880</b>	<b>39,726</b>
<b>Non-current liabilities</b>			
Provisions	25	2,502	2,732
Interest-bearing loans and borrowings	26	8,462	1,147
<b>Total non-current liabilities</b>		<b>10,964</b>	<b>3,879</b>
<b>Total liabilities</b>		<b>43,844</b>	<b>43,605</b>
<b>NET ASSETS</b>		<b>2,360,633</b>	<b>2,138,670</b>
<b>Equity</b>			
Accumulated surplus		622,911	624,858
Reserves	27	1,737,722	1,513,812
<b>TOTAL EQUITY</b>		<b>2,360,633</b>	<b>2,138,670</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2015

	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
<b>2015</b>					
Balance at beginning of the financial year		2,138,670	624,858	1,489,683	24,129
Surplus/ (deficit) for the year		3,908	3,908	-	-
Net asset revaluation increment/(decrement)	27(a)	218,055	-	218,055	-
Transfers to other reserves	27(b)	-	(13,418)	-	13,418
Transfers from other reserves	27(b)	-	7,563	-	(7,563)
<b>Balance at end of the financial year</b>		<b>2,360,633</b>	<b>622,911</b>	<b>1,707,738</b>	<b>29,984</b>
<b>2014</b>					
Balance at beginning of the financial year		1,966,146	582,690	1,354,770	28,686
Surplus/ (deficit) for the year		37,611	37,611	-	-
Net asset revaluation increment/(decrement)	27(a)	134,913	-	134,913	-
Transfers to other reserves	27(b)	-	(9,566)	-	9,566
Transfers from other reserves	27(b)	-	14,123	-	(14,123)
<b>Balance at end of the financial year</b>		<b>2,138,670</b>	<b>624,858</b>	<b>1,489,683</b>	<b>24,129</b>

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

# Statement of Cash Flows

For the year ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$'000	2014 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		106,735	101,063
Statutory fees and fines		21,396	17,056
User fees		25,490	28,764
Grants- operating		12,319	9,745
Grants- capital		1,396	252
Contributions- monetary		3,802	3,119
Interest received		1,638	1,334
Trust funds and deposits taken		20,959	18,971
Other receipts		11,315	10,808
Net GST refund/payment		6,894	6,098
Employee costs		(76,495)	(71,646)
Materials and services		(73,348)	(78,590)
Trust funds and deposits repaid		(18,280)	(17,819)
Other payments		(12,312)	(15,568)
<b>Net cash provided by/(used in) operating activities</b>	28	<b>31,509</b>	<b>13,587</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment		(23,822)	(23,986)
Proceeds from sale of property, infrastructure, plant and equipment		266	79
Payments for investments		(4,000)	(22,623)
Proceeds from sale of investments		22,623	15,200
<b>Net cash provided by/ (used in) investing activities</b>		<b>(4,933)</b>	<b>(31,330)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(417)	(320)
Proceeds from borrowings		7,500	9,087
Repayment of borrowings		(8,119)	(775)
<b>Net cash provided by/ (used in) financing activities</b>		<b>(1,036)</b>	<b>7,992</b>
Net (decrease) increase in cash and cash equivalents		25,540	(9,751)
Cash and cash equivalents at the beginning of the financial year		27,474	37,225
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	29	<b>53,014</b>	<b>27,474</b>
<b>Financing arrangements</b>	30		
<b>Restrictions on cash assets</b>	17		

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

# Statement of Capital Works

For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
<b>Property</b>			
Land		-	-
Land improvements		-	-
<b>Total land</b>		-	-
Buildings		7,043	5,784
Heritage buildings		-	-
Building improvements		-	-
Leasehold improvements		-	-
<b>Total buildings</b>		<b>7,043</b>	<b>5,784</b>
<b>Total property</b>		<b>7,043</b>	<b>5,784</b>
<b>Plant and equipment</b>			
Heritage plant and equipment		179	27
Plant, machinery and equipment		207	319
Fixtures, fittings and furniture		345	266
Computers and telecommunications		504	815
Library books		770	917
Motor Vehicles		2,568	3,320
<b>Total plant and equipment</b>		<b>4,573</b>	<b>5,664</b>
<b>Infrastructure</b>			
Roads		5,794	3,973
Bridges		-	-
Footpaths and cycleways		2,009	3,988
Drainage		1,078	932
Recreational, leisure and community facilities		-	-
Waste management		-	-
Parks, open space and streetscapes		2,992	2,797
Off street car parks		-	-
Other infrastructure		918	848
<b>Total infrastructure</b>		<b>12,791</b>	<b>12,538</b>
<b>Total capital works expenditure</b>		<b>24,407</b>	<b>23,986</b>
<b>Represented by:</b>			
New asset expenditure		6,624	6,191
Asset renewal expenditure		13,966	13,843
Asset expansion expenditure		837	390
Asset upgrade expenditure		2,980	3,562
<b>Total capital works expenditure</b>		<b>24,407</b>	<b>23,986</b>

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

# Notes to the Financial Report

For the year ended 30 June 2015

## Introduction

The City of Port Phillip was established by an Order of the Governor in Council on 22 June 1994 and is a body corporate. The Council's main office is located at 99a Carlisle Street, St Kilda.

## Statement of compliance

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

## Note 1: Significant accounting policies

### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (g))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of employee provisions (refer to note 1 (s))

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

### (b) Change in accounting policies

There have been no changes in accounting policies from the previous period.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 1: Significant accounting policies (continued)

### c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2015, and their income and expenses for that part of the reporting period in which control existed.

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

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

In the process of preparing consolidated financial statements, all material transactions and balances between consolidated entities are eliminated.

An assessment by management has determined that there are no consolidated entities for the 30 June 2015 reporting period.

### d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

### (e) Accounting for investments in associates and joint arrangements

#### Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### Joint arrangements

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

##### (i) Joint operations

Council recognises its direct right to the, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

In 2000, Port Phillip City Council and Stonnington City Council, pursuant to an agreement, commenced a joint arrangement 'Streetsahead' for the purposes on providing street and beach cleaning to each municipality. In the 2013/14 financial year the parties agreed to dissolve the joint venture. As a result as at 30 June 2014 the joint venture had been devolved of all its assets and liabilities.

##### (ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

In 1997 Council entered into a joint venture agreement with Wesley College for the maintenance and operation of the Albert Park Hockey and Tennis Centre. Council's 50 per cent share of the Albert Park Hockey and Tennis Centre's net assets and liabilities as at the end of the financial year were previously recognised on a proportionately consolidated basis but are now recognised as a single line investment under the equity method in accordance with AASB 11 (refer to note 16).

##### (f) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

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### **Rates and Charges**

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

### **Statutory fees and fines**

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

### **User fees**

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

### **Grants**

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

### **Contributions**

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

### **Sale of property, infrastructure, plant and equipment**

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

### **Interest**

Interest is recognised as it is earned.

### **Other Income**

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

### **(g) Fair value measurement**

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

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

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

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

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

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

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. All Council property, plant, infrastructure and equipment assets have been categorised as Level 3 within the fair value hierarchy.

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

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 1: Significant accounting policies (continued)

### (h) Cash and cash equivalents

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

### (i) Trade and other receivables

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

### (j) Other financial assets

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

Shares in Municipal Association Purchasing Scheme (MAPS), Regional Kitchen Pty Ltd and RFK Pty Ltd are available for sale and are measured at historical cost.

### k) Non-current assets classified as held for sale

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

### (l) Recognition and measurement of property, plant and equipment and infrastructure

#### Acquisition

The purchase method of accounting is used for acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

In accordance with Council's policy, the threshold limits detailed in Note 1 (m) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

#### Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22, Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes the formal revaluation of land, buildings, land improvements, works of art, heritage assets and infrastructure assets every three years. The valuation is performed either by experienced Council officers or independent experts.

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

### **Land under roads**

Council does not recognise land under roads that it controlled prior to 30 June 2008 in its financial report. From 1 July 2008, Council will recognise any material land under roads that comes into Council's control within the financial report using the fair value basis.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 1: Significant accounting policies (continued)

### (m) Depreciation and amortisation of property, infrastructure, plant and equipment

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

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

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

Leasehold assets are amortised over the life of the lease.

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

Asset type	Depreciation period	Threshold limit
<b>Property</b>		
Land	-	All
Land improvements	10 - 100 years	\$5,000
<b>Buildings</b>		
Heritage buildings	100 years	\$5,000
Buildings	100 years	\$5,000
Building improvements	100 years	\$5,000
Leasehold improvements	100 years	\$5,000
<b>Plant and Equipment</b>		
Heritage plant and equipment	100 years	\$2,000
Plant, machinery and equipment	4-7 years	\$2,000
Fixtures, fittings and furniture	5 years	\$2,000
Computers and telecommunications	3 years	\$2,000
Library books	5 years	All
<b>Infrastructure</b>		
Road pavements and seals	18-30 years	\$5,000
Road substructure	100 years	\$5,000
Road formation and earthworks	100 years	\$5,000
Road kerb, channel and minor culverts	50 years	\$5,000
Bridges deck	20 - 80 years	\$5,000
Bridges substructure	40 - 100 years	\$5,000
Footpaths and cycleways	40 - 50 years	\$5,000
Drainage	150 years	\$5,000
Recreational, leisure and community facilities	10 - 100 years	\$5,000
Waste management	10 years	\$5,000
Parks, open space and streetscapes	10 - 100 years	\$5,000
Off street car parks	100 years	\$5,000

### **(n) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

### **(o) Impairment of assets**

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

### **(p) Community Housing Agreements**

In the 2007/2008 financial year Council transferred its interest in Community Housing assets that it had developed in conjunction with the Office of Housing to the Port Phillip Housing Trust. The Port Phillip Housing Association has been appointed the Trustee. This transfer was made in recognition of the fact that the Port Phillip Housing Association manages and maintains these properties and provides disadvantaged members of the Port Phillip community with access to affordable housing within the municipality. The transfer facilitates increased growth in affordable housing in the municipality and is in accordance with Council's policy objectives and outcomes identified in the Council Plan.

No assets were transferred in the 2014/15 financial year.

During the year Council had an interest in three properties (2014/15: three), two which are Council owned (2014/15: two), nil part-owned with the State Government's Office of Housing (2014/15: nil) and one wholly owned by the Office of Housing (2014/15:

one). These assets are included as part of Land and Buildings in Note 22 and are subject to joint venture agreements with the Office of Housing. Additional information in regard to restrictions on these assets is disclosed at Note 32.

### **(q) Trust funds and deposits**

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 24).

### **(r) Borrowings**

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

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

### **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 1: Significant accounting policies (continued)

### (s) Employee costs and benefits

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

#### Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

#### Long service leave

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

**Current Liability** - unconditional LSL representing seven years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- **Present value**  
Component that is not expected to be settled within 12 months
- **Nominal value**  
Component that is expected to be settled within 12 months.

#### Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

#### Superannuation

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

### (t) Leases

#### Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a four to seven year period.

#### Operating leases

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

### **(u) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST, except where the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### **(v) Financial guarantees**

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 34 Contingent Liabilities and Contingent Assets.

### **(w) Contingent assets and contingent liabilities and commitments**

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

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and are inclusive of the GST payable.

### **(x) Pending accounting standards**

Certain new Australian Accounting Standard's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods

### **(y) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 2: Budget comparison

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

The budget figures detailed below are those adopted by Council on 24 June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

### a) Income and Expenditure

	Budget \$'000	Actual \$'000	Variance \$'000	Ref
<b>Income</b>				
Rates and charges	107,080	106,759	(321)	
Statutory fees and fines	17,420	21,649	4,229	1
User fees	28,114	27,638	(476)	
Grants - operating	9,979	11,875	1,896	2
Grants - capital	1,400	1,594	194	
Contributions - monetary	2,563	3,802	1,239	3
Contributions - non monetary	-	71	71	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(3,279)	(3,279)	5
Share of net profits/(losses) of associates and joint ventures	-	(36)	(36)	6
Other income	12,703	12,232	(471)	
<b>Total income</b>	<b>179,259</b>	<b>182,305</b>	<b>3,046</b>	
<b>Expenses</b>				
Employee costs	75,133	77,103	(1,970)	7
Materials and services	59,252	68,574	(9,322)	8
Bad and doubtful debts	151	2,147	(1,996)	9
Depreciation and amortisation	18,244	19,072	(828)	
Borrowing costs	507	417	90	10
Other expenses	13,422	11,084	2,338	11
<b>Total expenses</b>	<b>166,709</b>	<b>178,397</b>	<b>(11,688)</b>	
<b>Surplus/(deficit) for the year</b>	<b>12,550</b>	<b>3,908</b>	<b>(8,642)</b>	



## a) Income and Expenditure - Explanation of Material Variances

Ref	Item	Explanation
1	Statutory fees and fines	The favourable variance of \$4.229 million is due to the following: <ul style="list-style-type: none"> <li>- parking doubtful debts expenditure of \$3.543 million budgeted to offsetting income but reallocated to expenses. See note 9 below.</li> <li>- additional income received from street occupation permits \$655,000 due to increased developments within the municipality.</li> </ul>
2	Grants Operating	The favourable variance of \$1.896 million is due to the following factors: <ul style="list-style-type: none"> <li>- early receipt of Victorian Grants Commission 2015/16 instalments of \$1.255 million</li> <li>- receipt of unbudgeted grants for Place Strategy and Development Projects \$362,000</li> <li>- higher than anticipated receipt of Grants for the Joint Councils Access for All Abilities program \$272,000.</li> </ul>
3	Contributions - monetary	The favourable variance of \$1.239 million is due to higher than expected property development within the Municipality, especially in the St Kilda Road, Elwood and South Melbourne precincts.
4	Contributions - non-monetary	The favourable variance of \$71,000 is due to infrastructure assets donated to Council which were not accounted for in the 2014/15 budget.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The unfavourable variance of \$3.279 million is due to the disposal of infrastructure assets including buildings, roads and drainage which have been replaced and/or upgraded. The disposal of these assets was not accounted for in the 2014/15 budget.
6	Share of net profits/(losses) of associates and joint ventures	The unfavourable variance of \$36,000 is due to the loss on Council's share of the Albert Park Hockey and Tennis Centre joint venture, which was not accounted for in the 2014/15 budget.
7	Employee costs	The unfavourable variance of \$1.970 million primarily due to the following costs for permanent and temporary (agency) staff: Key areas are: <ul style="list-style-type: none"> <li>- one off costs associated with changes to the organisational service delivery model (\$933,000)</li> <li>- increased Workcover costs due to higher premiums as a result of the employment of the Streetsahead workforce (\$196,000)</li> <li>- higher staffing levels at Council's Child Care Centres (\$177,000) due to the higher utilisation levels and increased staff numbers to meet the legislative requirements of child to staff ratios</li> <li>- higher than expected use of external agency staff for: <ul style="list-style-type: none"> <li>• the set up and operations of the St Kilda festival (\$197,000)</li> <li>• employment of specialists to progress Council's key priorities such as Fishermans Bend, Palais, and Vibrant Villages (\$452,000). These were budgeted for as professional fees and a corresponding reduction in professional fees has occurred.</li> <li>• to deal with the surge in demand for permits such as Street Occupation, Urban Planning and Discretionary Planning as a result of the increase in redevelopment within the municipality (\$148,000)</li> </ul> </li> </ul>
8	Materials and services	The unfavourable variance of \$9.322 million is primarily due to the reallocation of \$9.281 million of project costs initially budgeted for as capital however written off as to operating expenditure in accordance with Australian Accounting Standards.
9	Bad and doubtful debts	The unfavourable variance of \$1.996 million is due to the reclassification of \$1.937 million of parking doubtful debts expense for the 2014/15 financial year, which was included within parking revenue in the 2014/15 budget. See Note 1 above.
10	Borrowing costs	The favourable variance of \$90,000 is due to the refinancing of a loan for \$7.5 million from short term to long-term borrowings over seven years at a lower interest rate as part of the Local Government Funding Vehicle during the financial year.
11	Other expenses	The favourable variance of \$2.338 million is due to \$1.92 million of efficiency savings Council has delivered for in 2014/15.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 2: Budget comparison (continued)

### b) Capital Works

	Budget \$'000	Actual \$'000	Variance \$'000	Ref
<b>Property</b>				
Land	-	-	-	
Land improvements	-	-	-	
<b>Total land</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Buildings	8,739	7,043	(1,696)	1
Heritage buildings	-	-	-	
Building improvements	-	-	-	
Leasehold improvements	-	-	-	
<b>Total buildings</b>	<b>8,739</b>	<b>7,043</b>	<b>(1,696)</b>	
<b>Total property</b>	<b>8,739</b>	<b>7,043</b>	<b>(1,696)</b>	
<b>Plant and equipment</b>				
Plant, machinery and equipment	1,786	2,954	1,168	2
Fixtures, fittings and furniture	-	345	345	3
Computers and telecommunications	1,649	504	(1,145)	4
Library books	766	770	4	
<b>Total plant and equipment</b>	<b>4,201</b>	<b>4,573</b>	<b>372</b>	
<b>Infrastructure</b>				
Roads	9,143	5,794	(3,349)	5
Bridges	-	-	-	
Footpaths and cycleways	2,425	2,009	(416)	6
Drainage	1,455	1,078	(377)	7
Recreational, leisure and community facilities	-	-	-	
Waste management	-	-	-	
Parks, open space and streetscapes	6,152	2,992	(3,160)	8
Off street car parks	-	-	-	
Other infrastructure	616	918	302	9
<b>Total infrastructure</b>	<b>19,791</b>	<b>12,791</b>	<b>(7,000)</b>	
<b>Total capital works expenditure</b>	<b>32,731</b>	<b>24,407</b>	<b>(8,324)</b>	
<b>Represented by:</b>				
New asset expenditure	9,554	6,624	(2,930)	10
Asset renewal expenditure	18,545	13,966	(4,579)	11
Asset expansion expenditure	291	837	546	12
Asset upgrade expenditure	4,341	2,980	(1,361)	13
<b>Total capital works expenditure</b>	<b>32,731</b>	<b>24,407</b>	<b>(8,324)</b>	

## b) Capital Works - Explanation of Material Variances

Ref	Item	Explanation
1	Buildings	<p>Net under expenditure of \$1.696 million due to:</p> <ul style="list-style-type: none"> <li>- Childcare centre building renewal (\$388,000), deferred to enable officers to assess complex building issues, conduct a Childcare service review and develop a broader property strategy for Council.</li> <li>- Building renewals (\$800,000). A range of smaller projects that have expenditure deferred to 2015/16, including Palais Theatre (\$200,000), South Melbourne Market (\$223,000), Public Toilets Upgrades (\$110,000), and Alma Park Pavilion (\$375,000)</li> <li>- Environmental Building Retrofits (\$384,000) Delays in St Kilda Town Hall due to issues with the heating, ventilation and air conditioning systems</li> </ul>
2	Plant, machinery and equipment	Net over expenditure of \$1.168 million is primarily due to the acquisition of street and beach cleaning plant and equipment required as a result of the dissolution of the Streetsahead Joint Venture in 2014 which was not accounted for in the 2014/15 budget.
3	Fixtures, fittings and furniture	Net over expenditure of \$0.345 million is due to the purchase of office furniture which was budgeted for in the buildings asset class.
4	Computers and telecommunications	Net under expenditure of \$1.145 million is primarily due to the deferral of the LAN infrastructure renewal project which will be delivered in 2015/16 to enable council officers to conduct a detailed assessment of operating models varying from full ownership to a fully outsourced option.
5	Roads	Net under expenditure of \$3.349 million due to cost savings of \$630,000 in the road and kerb renewal program realised through better planning, competitive tendering and lower construction costs. Several other projects have been deferred including the Fitzroy Street Master Plan (\$340,000), Strategic Parking Implementation (\$291,000) and works associated with the Port Melbourne Development Contribution Plan (\$320,000).
6	Footpaths and cycleways	Under expenditure of \$0.416 million due to project expenditure for line marking and signage of cycleways being budgeted for as capital however reallocated as operating costs.
7	Drainage	Under expenditure of \$0.377 million due to deferral in the Water Sensitive Urban Design (WSUD) plan implementation to 2015/16.
8	Parks, open space and streetscapes	<p>Under expenditure of \$3.160 million is largely due to:</p> <ul style="list-style-type: none"> <li>- significant savings in the community gardens soil testing project (\$1.005 million),</li> <li>- repairs to the Beacon Cove Foreshore (\$276,000) have been delayed due to inclement weather and will recommence in the warmer months on 2015/16.</li> <li>- Savings being realised across several smaller several recreation reserve upgrades (\$451,000) due to better value materials and increased project delivery efficiency,</li> </ul>
9	Other infrastructure	Under expenditure of \$0.302 million is due to costs for the sustainable public street lighting project being reallocated to operating costs as Council does not own this infrastructure.
10	New asset expenditure	Under expenditure of \$2.930 million is due to various deferrals and reallocation of project costs to operating for a range of projects, including the following significant items; Fitzroy Street Master Plan (\$340,000), Alma Park Pavilion (\$375,000), Fishermans Bend Community Centre (\$335,000), Recreation Reserve Master Implementations (\$611,000), South Melbourne and St Kilda Life Saving Clubs (\$195,000), New IT infrastructure (\$509,000), Council fleet (\$299,000), WSUD (\$419,000).
11	Asset renewal expenditure	Under expenditure of \$4.579 million is due to various projects The significant items are listed above and include Road, Footpath and Kerb renewal (\$630,000), Core IT (\$700,000), Childcare Centre Building Renewal (\$388,000), Palais (\$200,000), South Melbourne Market (\$223,000), public toilets (\$110,000), the reclassification to operating of the Street Tree Improvement Program (\$452,000) and Park Signage and Furniture (\$190,000).
12	Asset expansion expenditure	Over expenditure of \$0.546 million is due to the reclassification of expenditure on Clarendon Street Family Centre (\$215,000) and Donovans Public Toilet (\$115,000) to operating costs.
13	Asset upgrade expenditure	Under expenditure of \$1.361 million is due to significant savings in the community gardens soil testing project (\$1.005 million) and repairs to the Beacon Cove Foreshore (\$276,000).

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 3: Rates and charges

Council uses Net Annual Value (NAV) as the basis of valuation for rating purposes of all properties within the municipal district. The NAV of a property is its imputed rental value.

The valuation base used to calculate general rates for 2014/15 was \$2.621 billion (2013/14 was \$2.466 billion). The 2014/15 rate in the NAV dollar was \$4.0708 cents (2013/14: 4.0611 cents).

	2015 \$'000	2014 \$'000
General rates	105,935	99,369
Waste management charge	261	248
Special rates and charges	595	548
Special rates and charges applied	(595)	(548)
Supplementary rates and rate adjustments	446	1,223
Cultural and recreational	117	117
<b>Total rates and charges</b>	<b>106,759</b>	<b>100,957</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and this valuation was applied to the rating period commencing 1 July 2014.

## Note 4: Statutory fees and fines

	2015 \$'000	2014 \$'000
Infringements and costs	743	543
Court recoveries	56	42
Town planning fees	765	786
Land information certificates	166	158
Permits	3,054	2,617
Parking fines and parking permits	16,865	17,423
<b>Total statutory fees and fines</b>	<b>21,649</b>	<b>21,569</b>

## Note 5: User fees

	2015 \$'000	2014 \$'000
Aged and health services	771	654
Leisure centre and recreation	604	550
Child care/children's programs	8,717	7,603
Parking fees	13,275	12,620
Registration and other permits	1,487	1,435
Building services	689	634
Waste management services	456	812
Other fees and charges	1,639	1,075
<b>Total user fees</b>	<b>27,638</b>	<b>25,383</b>

## Note 6: Grants

Grants were received in respect of the following :

	2015 \$'000	2014 \$'000
<b>Summary of grants</b>		
Commonwealth funded grants	4,596	2,038
State funded grants	8,873	7,715
<b>Total</b>	<b>13,469</b>	<b>9,753</b>
<b>Operating Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Victoria Grants Commission	3,573	1,266
Community safety	-	16
Family and children	301	477
Recreation	23	23
Community health	21	21
<b>Recurrent - State Government</b>		
General home care	3,604	3,480
Family and children	939	768
Recreation	530	588
Community health	582	584
Street and beach cleaning	327	376
Primary care partnerships	50	317
School crossing supervisors	92	86
Libraries	588	581
Maternal and child health	629	622
Sustainability	10	48
<b>Total recurrent operating grants</b>	<b>11,269</b>	<b>9,253</b>
<b>Non-recurrent - Commonwealth Government</b>		
Recreation	24	44
Other	17	-
<b>Non-recurrent - State Government</b>		
Family and children	69	-
General home care	22	50
Recreation	104	-
Sustainability	352	-
Other	18	155
<b>Total non-recurrent operating grants</b>	<b>606</b>	<b>249</b>
<b>Total operating grants</b>	<b>11,875</b>	<b>9,502</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 6: Grants (continued)

	2015 \$'000	2014 \$'000
<b>Capital Grants</b>		
<b>Recurrent - Commonwealth Government</b>		
Roads to recovery	417	191
<b>Total recurrent capital grants</b>	<b>417</b>	<b>191</b>
<b>Non-recurrent - State Government</b>		
Land improvements	925	61
VicRoads - bike lane	32	-
<b>Non-recurrent - Commonwealth Government</b>		
Elwood Beach kindergarten	220	-
<b>Total non-recurrent capital grants</b>	<b>1,177</b>	<b>61</b>
<b>Total capital grants</b>	<b>1,594</b>	<b>252</b>
<b>Conditions on Grants</b>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	493	452
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	350	1,532
<b>Net increase/(decrease) in restricted assets resulting from grant revenues for the year</b>	<b>143</b>	<b>(1,080)</b>

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## Note 7: Contributions

	2015 \$'000	2014 \$'000
<b>Monetary</b>		
Capital works contributions	39	84
Developer contributions	3,763	3,035
	<b>3,802</b>	<b>3,119</b>
<b>Non-monetary</b>		
Beacon Cove assets transferred to Council*	-	41,981
Infrastructure assets transferred or donated to Council	71	459
	<b>71</b>	<b>42,440</b>
<b>Total contributions</b>	<b>3,873</b>	<b>45,559</b>

\* On 17 April 2014 Council was appointed Committee of Management of the Beacon Cove land under the *Crown Land (Reserves) Act 1978*. This resulted in the transfer of land, buildings, drainage, marine and parks assets with a written down value of \$41.981 million to the Council for inclusion in the asset register.

### The assets transferred were as follows:

Drainage assets	-	128
Marine and parks assets	-	19,239
Land assets	-	10,798
Buildings assets	-	11,816
	<b>-</b>	<b>41,981</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 8: Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2015 \$'000	2014 \$'000
Proceeds of sale	267	79
Written down value of assets disposed	(3,546)	(5,964)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<b>(3,279)</b>	<b>(5,885)</b>

## Note 9: Other income

	2015 \$'000	2014 \$'000
Interest	1,572	1,573
Property rental	2,576	2,343
Other rent	5,422	5,111
Other	2,662	2,707
<b>Total other income</b>	<b>12,232</b>	<b>11,734</b>

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## Note 10: Employee costs and superannuation

### (a) Employee costs

	2015 \$'000	2014 \$'000
Wages and salaries	56,327	54,690
WorkCover	761	363
Casual staff	5,580	4,638
Superannuation	6,030	5,349
Fringe benefits tax	432	432
Other	7,973	8,340
<b>Total employee costs</b>	<b>77,103</b>	<b>73,812</b>

### (b) Superannuation

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

#### Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5 per cent required under Superannuation Guarantee legislation (for 2013/14, this was 9.25 per cent)).

#### Defined Benefit

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

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119. Refer to Note 34.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 11: Materials and services

	2015 \$'000	2014 \$'000
Materials and services	3,146	3,269
Cleaning contract	3,795	6,537
Family and community support contracts	2,746	2,614
Maintenance and construction contracts	7,990	5,734
Parking administration contracts	4,542	4,125
Parks and gardens contract	7,774	7,369
Waste management contracts	8,682	7,782
Other contract payments	5,981	6,116
Building maintenance	38	104
General maintenance	9,764	6,454
Utilities	2,869	3,178
Office administration	2,722	2,830
Information technology	1,657	1,706
Insurance	1,714	1,450
Consultants	5,154	5,482
<b>Total materials and services</b>	<b>68,574</b>	<b>64,750</b>

## Note 12: Bad and doubtful debts

	2015 \$'000	2014 \$'000
Parking fine debtors	1,937	2,744
Other debtors	210	7
<b>Total bad and doubtful debts</b>	<b>2,147</b>	<b>2,751</b>

## Note 13: Depreciation and amortisation

	2015 \$'000	2014 \$'000
Property	5,327	4,411
Plant and equipment	2,992	2,588
Infrastructure	10,753	10,155
<b>Total depreciation and amortisation</b>	<b>19,072</b>	<b>17,154</b>

Refer to Note 22 for a more detailed breakdown of depreciation and amortisation charges

## Note 14: Borrowing costs

	2015 \$'000	2014 \$'000
Interest on borrowings	298	210
Interest on finance leases	119	110
<b>Total borrowing costs</b>	<b>417</b>	<b>320</b>

## Note 15: Other expenses

	2015 \$'000	2014 \$'000
Contributions and donations	3,782	6,249
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquitals	74	66
Auditors' remuneration - internal	189	48
Councillors' allowances	281	273
Operating lease rentals	1,711	2,475
Bank charges	562	556
Activities and programs	737	682
Catering costs	616	610
Subscriptions	328	318
Other	2,804	1,360
<b>Total other expenses</b>	<b>11,084</b>	<b>12,637</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 16: Investments in associates, joint arrangements and subsidiaries

### a) Joint Arrangement - Joint Venture

Interests in joint ventures accounted for by the equity method are:

#### Joint venture - Albert Park Hockey and Tennis Centre

In 1997 Council entered into a Joint Venture agreement with Wesley College, St Kilda Rd, Prahran for the maintenance and operation of the Albert Park Hockey and Tennis Centre. The Centre is located in Hockey Drive, St Kilda a part of the Albert Park Reserve and is the subject of a lease from the Landlord, Parks Victoria. The lease expires on the 15th November 2017 and at this time the Joint Venture agreement expires.

The objective of the Joint Venture is to provide, manage and maintain the Albert Park Hockey and Tennis Centre for use by sporting clubs, schools and residents of Port Phillip Municipality and the students of Wesley College. The Joint Venture Agreement provides for a Management Committee with 50 per cent representation and 50 per cent voting power for each of the Joint Venturers. Decisions are made by a majority vote. The Joint Venture Agreement also provides for each party to be paid half of any profit each year or in the case of a loss each party to contribute half of that loss to the Joint Venture.

The Joint Venture reporting period is the 12 months to 31 March each year. This date does not align with reporting date for either Joint Venture party and the historic reason for the selection of 31 March is unknown.

Council has been provided with the financial statements for the 12 months ending 31 March 2015 and Council's investment represents a 50 per cent share of the Albert Park Hockey and Tennis Centre's net assets and liabilities as at 31 March 2015.

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	2015 \$'000	2014 \$'000
<b>Fair value of Council's investment in Albert Park Hockey and Tennis Centre</b>	<b>382</b>	<b>418</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
* Note: Please refer below for disclosure of assets and liabilities as at 1 July 2014 that have been aggregated into a single line investment due to change in accounting treatment		
Council's share of accumulated surplus/(deficit) at start of year	418	454
Reported surplus/(deficit) for year	(36)	(36)
Transfers (to)/from reserves	-	-
Distributions for the year	-	-
<b>Council's share of accumulated surplus/(deficit) at end of year</b>	<b>382</b>	<b>418</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	-	-
Transfers (to)/from reserves	-	-
<b>Council's share of reserves at end of year</b>	<b>-</b>	<b>-</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	418	454
Share of surplus/(deficit) for year	(36)	(36)
Share of asset revaluation	-	-
Distributions received	-	-
<b>Carrying value of investment at end of year</b>	<b>382</b>	<b>418</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	3	3
Capital commitments	12	12
<b>Council's share of expenditure commitments</b>	<b>15</b>	<b>15</b>
<b>Council's share of contingent liabilities and contingent assets</b>	<b>nil</b>	<b>nil</b>
<b>Significant restrictions</b>	<b>nil</b>	<b>nil</b>

\*Assets and liabilities as at 1 July 2013 that have been aggregated into a single line investment

	2013 \$'000
<b>Assets</b>	
Total Current Assets	417
Total Non-current Assets	196
<b>Total Assets</b>	<b>613</b>
<b>Liabilities</b>	
Total Current Liabilities	159
<b>Total Liabilities</b>	<b>159</b>
<b>NET ASSETS</b>	<b>454</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 16: Investments in associates, joint arrangements and subsidiaries (continued)

### b) Joint arrangement - joint operations

#### Joint venture - Streetsahead Cleaning Service (ceased 2013/14)

In 2000, Port Phillip City Council and Stonnington City Council, pursuant to an agreement, commenced a joint operations arrangement 'Streetsahead' for the purpose of providing street cleaning, beach and foreshore cleaning, litter bin clearing etc. to their municipalities. Council purchased cleaning services from 'Streetsahead' on normal commercial terms and conditions.

During the 2013/14 financial year the parties agreed to dissolve the joint arrangement. As a result all assets and all liabilities were devolved prior to 30 June 2014 and there are no balance sheet amounts to report as at that date or as at 30 June 2015.

The results from operations during the 2013/14 financial year were reported in Council's accounts. The figures below represent Council's 50 per cent share of the Streetsahead operating results during the 2013/14 financial year up to the time trading ceased. This Streetsahead note is included in this financial year's report due to the existence of the 2014 operating comparatives for that financial year. Streetsahead results will not need to be included in next year's Annual Report.

	2015 \$'000	2014 \$'000
Revenue from operations	-	4,147
Expenses from operations	-	(4,147)
<b>Net profit / (loss) from operations</b>	<b>-</b>	<b>8,294</b>
Income tax expense	-	-
<b>Profit / (loss) for the year</b>	<b>-</b>	<b>8,294</b>

## Note 17: Cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash on hand	20	25
Cash at bank	7,694	2,329
Term deposits	45,300	25,120
	<b>53,014</b>	<b>27,474</b>

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

- Statutory reserve balances (Note 27)	11,741	11,052
- Trust funds (Note 24)	7,728	5,050
- Roads to Recovery (Note 6)	198	-
<b>Restricted funds</b>	<b>19,667</b>	<b>16,102</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>33,347</b>	<b>11,372</b>

### Intended allocations

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

- Port Melbourne Football Club Redevelopment Funding	-	1,201
- Grant for Middle Park Beach ongoing maintenance	2,187	2,148
- Capital expenditure deferrals	3,801	-
<b>Total funds subject to intended allocations</b>	<b>5,988</b>	<b>3,349</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 18: Trade and other receivables

	2015 \$'000	2014 \$'000
<b>Current</b>		
Rate debtors	1,697	1,673
Parking infringement debtors	15,443	15,551
Provision for doubtful debts - parking infringements	(10,670)	(11,277)
Other debtors	3,572	3,119
Provision for doubtful debts - other debtors	(664)	(458)
Net GST receivable	1,430	1,525
<b>Total trade and other receivables</b>	<b>10,808</b>	<b>10,133</b>

### a) Ageing of Receivables

At balance date other debtors (including sundry debtors, child care and local law debtors) representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's receivables (excluding statutory receivables) was:

	2015 \$'000	2014 \$'000
Current (not yet due)	545	591
Past due by up to 30 days	529	455
Past due between 31 and 180 days	385	7
Past due between 181 and 365 days	150	28
Past due by more than 1 year	50	163
	<b>1,659</b>	<b>1,224</b>

### b) Movement in provisions for doubtful debts

	2015 \$'000	2014 \$'000
Balance at the beginning of the year	458	537
New provisions recognised during the year	335	(6)
Amounts already provided for and written off as uncollectable	(85)	(7)
Amounts provided for but recovered during the year	(44)	(66)
<b>Balance at end of year</b>	<b>664</b>	<b>458</b>

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### c) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,913,000 (2014: \$1,875,000) were impaired. The amount of the provision raised against these debtors was \$664,061 (2014: \$458,434). The individually impaired debtors relate to general and sundry debtors and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables of debtor balances (including sundry and child care debtors) that have been individually determined as impaired at reporting date was:

	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Current (not yet due)	363	467
Past due by up to 30 days	534	546
Past due between 31 and 180 days	872	104
Past due between 181 and 365 days	108	331
Past due by more than 1 year	36	427
	<b>1,913</b>	<b>1,875</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 19: Other financial assets

	2015 \$'000	2014 \$'000
<b>Current</b>		
Term deposits	4,000	22,623
	<b>4,000</b>	<b>22,623</b>
<b>Non-Current</b>		
Shares in Municipal Associations Purchasing Scheme (MAPS)	5	5
Shares in Regional Kitchen Group Pty Ltd*	230	230
	<b>235</b>	<b>235</b>
<b>Total other financial assets</b>	<b>4,235</b>	<b>22,858</b>

\*Council also holds shares in RFK Pty Ltd trading as Community Chef, valued at \$60 (cost)

## Note 20: Non current assets classified as held for sale

	2015 \$'000	2014 \$'000
Cost of acquisition	3,144	-
<b>Total non current assets classified as held for sale</b>	<b>3,144</b>	<b>-</b>

## Note 21: Other assets

	2015 \$'000	2014 \$'000
Prepayments	935	2,087
Accrued Income	724	790
<b>Total other assets</b>	<b>1,659</b>	<b>2,877</b>

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## Note 22: Property, infrastructure, plant and equipment

Property	Land specialised	Buildings specialised	Land Improvement	Total Property
At fair value 1 July 2014	1,566,605	323,557	25,464	<b>1,915,626</b>
Accumulated depreciation at 1 July 2014	-	(154,945)	(7,084)	<b>(162,029)</b>
<b>WDV at beginning of financial year</b>	<b>1,566,605</b>	<b>168,612</b>	<b>18,380</b>	<b>1,753,597</b>
<b>Movements in fair value</b>				
Acquisition of assets at fair value	-	4,076	-	<b>4,076</b>
Contributed assets (Note 7)	-	-	-	-
Revaluation increments/(decrements) (Note 27)	188,866	-	938	<b>189,804</b>
Fair value of assets disposed	-	-	-	-
Transfers	-	3,354	-	<b>3,354</b>
Non current assets classified as held for sale (Note 20)	(2,666)	(478)	-	<b>(3,144)</b>
<b>Movements in accumulated depreciation</b>				
Depreciation (Note 13)	-	(4,821)	(506)	<b>(5,327)</b>
Accumulated depreciation of disposals	-	-	-	-
Revaluation increments/(decrements) (Note 27)	-	-	(330)	<b>(330)</b>
Transfers	-	-	-	-
At fair value 30 June 2015	1,752,805	330,509	26,402	<b>2,109,716</b>
Accumulated depreciation at 30 June 2015	-	(159,766)	(7,920)	<b>(167,686)</b>
<b>WDV at end of financial year</b>	<b>1,752,805</b>	<b>170,743</b>	<b>18,482</b>	<b>1,942,030</b>

Note - all land and buildings are considered specialised by their nature.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 22: Property, infrastructure, plant and equipment (continued)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage
At fair value 1 July 2014	221,771	4,398	113,877	118,326
Accumulated depreciation at 1 July 2014	(92,743)	(2,368)	(35,785)	(46,227)
<b>WDV at beginning of financial year</b>	<b>129,028</b>	<b>2,030</b>	<b>78,092</b>	<b>72,099</b>
<b>Movements in fair value</b>				
Acquisition of assets at fair value	3,521	-	3,455	1,382
Contributed assets (Note 7)	43	-	-	28
Revaluation increments/(decrements) (Note 27)	24,283	-	-	-
Fair value of assets disposed	(1,601)	-	(2,474)	(446)
Transfers	532	-	881	183
<b>Movements in accumulated depreciation</b>				
Depreciation (Note 13)	(3,490)	(45)	(2,705)	(807)
Accumulated depreciation of disposals	965	-	1,066	189
Revaluation increments/decrements (Note 27)	(3,165)	-	-	-
Transfers	(65)	-	-	-
At fair value 30 June 2015	248,549	4,398	115,739	119,473
Accumulated depreciation at 30 June 2015	(98,498)	(2,413)	(37,424)	(46,845)
<b>WDV at end of financial year</b>	<b>150,051</b>	<b>1,985</b>	<b>78,315</b>	<b>72,628</b>

<b>Parks open spaces and streetscapes</b>	<b>Off street carpark</b>	<b>Other Infrastructure</b>	<b>Total Infrastructure</b>
60,243	7,995	10,708	<b>537,318</b>
(21,566)	(1,775)	(4,371)	<b>(204,835)</b>
<b>38,677</b>	<b>6,220</b>	<b>6,337</b>	<b>332,483</b>
2,322	-	445	<b>11,125</b>
-	-	-	<b>71</b>
(1,012)	2,620	2,384	<b>28,275</b>
(1,326)	-	(206)	<b>(6,053)</b>
1,228	-	21	<b>2,845</b>
(2,803)	(113)	(790)	<b>(10,753)</b>
487	-	91	<b>2,798</b>
3,084	(505)	892	<b>306</b>
65	-	-	<b>-</b>
61,455	10,615	13,352	<b>573,581</b>
(20,733)	(2,393)	(4,178)	<b>(212,484)</b>
<b>40,722</b>	<b>8,222</b>	<b>9,174</b>	<b>361,097</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 22: Property, infrastructure, plant and equipment (continued)

<b>Plant and Equipment</b>	<b>Heritage Assets and Works of Art</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Furniture and Fittings</b>
At fair value 1 July 2014	14,268	916	4,403	2,780
Accumulated depreciation at 1 July 2014	(136)	(580)	(1,046)	(2,104)
<b>WDV at beginning of financial year</b>	<b>14,132</b>	<b>336</b>	<b>3,357</b>	<b>676</b>
<b>Movements in fair value</b>				
Acquisition of assets at fair value	179	358	2,663	235
Contributed assets (Note 7)	-	-	-	-
Revaluation increments/(decrements) (Note 27)	-	-	-	-
Fair value of assets disposed	-	(15)	(354)	(1)
Leased asset capitalisation adjustment	-	-	(197)	-
Transfers	-	-	-	201
Transfer work in progress to operating	-	-	-	-
Non current assets classified as held for sale	-	-	-	-
<b>Movements in accumulated depreciation</b>				
Depreciation (Note 13)	(143)	(208)	(1,218)	(236)
Accumulated depreciation of disposals	-	12	66	1
Revaluation increments/(decrements) (Note 27)	-	-	-	-
Leased asset capitalisation adjustment	-	-	99	-
Transfers	-	-	-	-
At fair value 30 June 2015	14,447	1,259	6,515	3,215
Accumulated depreciation at 30 June 2015	(279)	(776)	(2,099)	(2,339)
<b>WDV at end of financial year</b>	<b>14,168</b>	<b>483</b>	<b>4,416</b>	<b>876</b>

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Computers	Library Books	Total Plant and Equipment	Works in Progress	Total Property Infrastructure Plant and Equipment
7,111	7,729	<b>37,207</b>	<b>10,650</b>	<b>2,500,801</b>
(5,966)	(5,590)	<b>(15,422)</b>	-	<b>(382,286)</b>
<b>1,145</b>	<b>2,139</b>	<b>21,785</b>	<b>10,650</b>	<b>2,118,515</b>
312	772	<b>4,519</b>	4,687	<b>24,407</b>
-	-	-	-	<b>71</b>
-	-	-	-	<b>218,079</b>
(153)	-	<b>(523)</b>	-	<b>(6,576)</b>
-	-	<b>(197)</b>	-	<b>(197)</b>
105	-	<b>306</b>	(6,505)	-
-	-	-	(3,953)	<b>(3,953)</b>
-	-	-	-	<b>(3,144)</b>
(493)	(694)	<b>(2,992)</b>	-	<b>(19,072)</b>
153	-	<b>232</b>	-	<b>3,030</b>
-	-	-	-	<b>(24)</b>
-	-	<b>99</b>	-	<b>99</b>
-	-	-	-	-
7,375	8,501	<b>41,312</b>	4,879	<b>2,729,488</b>
(6,306)	(6,284)	<b>(18,083)</b>	-	<b>(398,253)</b>
<b>1,069</b>	<b>2,217</b>	<b>23,229</b>	<b>4,879</b>	<b>2,331,235</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 22 Property, infrastructure, plant and equipment (continued)

### Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer. The valuation of buildings is at replacement cost less accumulated depreciation. The valuation of land is market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

### Land valuations

Land revaluations as at 30 June 2015 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer.

### Building valuations

Building revaluations as at 30 June 2013 were performed by an independent qualified valuer Mr Frank Carbone, Certified Practising Valuer. An assessment during 2014/15 of the value of all land improvement assets has indicated there is no material change required to be made to their carrying value.

### Land improvements valuations

Land improvement revaluations as at 30 June 2015 were performed by Mr J Williams Dip CE.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Land	-	-	<b>1,752,805</b>
Buildings	-	-	<b>170,743</b>
Land improvements	-	-	<b>18,482</b>
	-	-	<b>1,942,030</b>

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## Valuation of infrastructure

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

For all assets measured at fair value, the current use is considered the highest and best use.

### Road, lanes, footpaths, kerb and channel, bridges and street furniture

The valuation of Roads, lanes, footpaths, kerb and channel, bridges and street furniture is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Parks, open spaces and streetscapes, and roads, carparks and other infrastructure (street furniture) were valued as at 30 June 2015 by Mr J Williams Dip CE. An assessment during 2014/15 of footpaths, cycleways and bridges assets has indicated there is no material change required to be made to their carrying value.

### Drains valuations

The valuation of Drains is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Drains were valued as at 30 June 2014 by Mr D Martin BE (Building)

Details of the Council’s infrastructure and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level1	Level2	Level3
Roads	-	-	<b>150,051</b>
Bridges	-	-	<b>1,985</b>
Footpaths and cycleways	-	-	<b>78,315</b>
Drainage	-	-	<b>72,628</b>
Parks open spaces and streetscapes	-	-	<b>40,722</b>
Off street car parks	-	-	<b>8,222</b>
Other infrastructure	-	-	<b>9,174</b>
	-	-	<b>361,097</b>

\* Other infrastructure includes street furniture

## Valuation of heritage and works of art

Valuation of Heritage assets and works of art were undertaken by qualified independent valuers. The valuation is market value based on current market prices for similar types of assets based on use, type and condition.

Heritage and works of art valuations as at 30 June 2013 were performed by the following independent valuers:

- **Blashki & Sons** - mayoral robes, chains and other attire;
- **Australian Art Valuers** - contemporary, visual, historical and public art;
- **John Sainsbury** - heritage photographs; and
- **Leonard Joel** - historical items, artworks, monuments and memorials

Details of the Council’s heritage and works of art and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level1	Level2	Level3
Heritage and works of art	-	-	<b>14,168</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 22: Property, infrastructure, plant and equipment (continued)

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

#### Specialised land

Specialised land is valued using a replacement cost technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction of between 10 and 90 per cent to surrounding land values. The market value of land varies significantly depending on the location of the land and the current market conditions. Replacement cost is sensitive to changes in market conditions, and the extent of the external restriction with any increase or decrease in cost flowing through to the valuation. Currently land values range between \$1,400 and \$5,500 per square metre.

#### Specialised buildings

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$300 to \$1,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 years to 96 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

#### Infrastructure assets

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost, physical condition of individual assets and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 18 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

### Reconciliation of specialised land

	2015 \$'000	2014 \$'000
Land under roads	-	-
Parks and reserves	1,404,212	1,263,969
Commerical	132,600	117,425
Community	142,177	127,460
Council buildings	76,482	57,752
<b>Total specialised land</b>	<b>1,755,471</b>	<b>1,566,606</b>

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## Note 23: Trade and other payables

	2015 \$'000	2014 \$'000
Trade payables	9,693	13,394
Accrued expenses	3,334	2,883
<b>Total trade and other payables</b>	<b>13,027</b>	<b>16,277</b>

## Note 24: Trust funds and deposits

	2015 \$'000	2014 \$'000
Refundable deposits	316	313
Fire Services Levy	753	658
Retention amounts	15	65
Other refundable deposits	3,223	2,815
Stokehouse insurance claim held in trust	3,421	1,199
<b>Total trust funds and deposits</b>	<b>7,728</b>	<b>5,050</b>

### Purpose and nature of items

#### Refundable deposits

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

#### Fire Service Levy

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

#### Retention amounts

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

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 25: Provisions

	Annual Leave \$'000	Long Service Leave \$'000	Retirement Gratuity \$'000	Joint Venture Provisions \$'000	Other \$'000	Total \$'000
<b>2015</b>						
Balance at beginning of the financial year	4,565	8,367	182	-	77	<b>13,191</b>
Additional provisions	5,412	1,555	19	-	733	<b>7,719</b>
Amounts used	(5,264)	(942)	(29)	-	(679)	<b>(6,914)</b>
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	435	(383)	(3)	-	-	<b>49</b>
<b>Balance at the end of the financial year</b>	<b>5,148</b>	<b>8,597</b>	<b>169</b>	<b>-</b>	<b>131</b>	<b>14,045</b>
<b>2014</b>						
Balance at beginning of the financial year	3,957	5,799	177	791	58	<b>10,782</b>
Additional provisions	5,371	2,714	3	26	683	<b>8,797</b>
Amounts used	(4,759)	(762)	-	(817)	(664)	<b>(7,002)</b>
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(4)	616	2	-	-	<b>614</b>
<b>Balance at the end of the financial year</b>	<b>4,565</b>	<b>8,367</b>	<b>182</b>	<b>-</b>	<b>77</b>	<b>13,191</b>

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	2015 \$'000	2014 \$'000
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	3,500	3,214
Long service leave	6,094	5,635
Retirement gratuity	17	20
Other	131	77
	<b>9,742</b>	<b>8,946</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	1,649	1,351
Retirement gratuity	152	162
	<b>1,801</b>	<b>1,513</b>
<b>Total current provisions</b>	<b>11,543</b>	<b>10,459</b>
<b>Non-current</b>		
Long service leave	2,502	2,732
<b>Total non-current provisions</b>	<b>2,502</b>	<b>2,732</b>
<b>Aggregate carrying amount of employee benefits</b>		
Current	11,543	10,459
Non-current	2,502	2,732
<b>Total aggregate carrying amount of employee provisions</b>	<b>14,045</b>	<b>13,191</b>
	<b>2015</b>	<b>2014</b>
<b>The following assumptions were adopted in measuring the present value of employee benefits:</b>		
Weighted average increase in employee costs	4.04%	4.44%
Weighted average discount rates	3.01%	3.54%
Weighted average settlement period (months)	17	22
Average employee numbers during the financial year	981	981
Number of full time equivalents (FTE) at year end	775	794

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 26: Interest-bearing loans and borrowings

	2015 \$'000	2014 \$'000
<b>Current</b>		
Borrowings - secured	-	7,500
Finance leases	582	440
	<b>582</b>	<b>7,940</b>
<b>Non-current</b>		
Borrowings - secured	7,500	-
Finance leases	962	1,147
	<b>8,462</b>	<b>1,147</b>
<b>Total</b>	<b>9,044</b>	<b>9,087</b>

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

Not later than one year	582	8,042
Later than one year and not later than five years	937	994
Later than five years	7,525	51
	<b>9,044</b>	<b>9,087</b>

### b) The maturity profile for Council's finance lease liabilities is:

Not later than one year	668	645
Later than one year and not later than five years	1,018	1,130
Later than five years	26	55
<b>Minimum future lease payments</b>	<b>1,712</b>	<b>1,830</b>
Less: Future finance charges	(168)	(243)
<b>Present value of minimum lease payments</b>	<b>1,544</b>	<b>1,587</b>

## Finance leases

During the 2013/14 financial year Council was a party to a Deed of Novation as the Substitute party for vehicles transferred to Council following the dissolution of the Streetsahead joint venture. The effective date of the Deed was 28 February 2014. During the 2014/15 year Council entered into additional lease agreements for new street and beach cleaning equipment. Council's right to use the assets in the leases are accounted for as finance lease liabilities and are disclosed in the below table.

Contingent rent payable is based on the rental value agreed upon between the Council and the lessor and is invoiced on a monthly basis by the lessor. The lease agreements have been made on the basis that lease terms can be amended between Council and the lessor throughout the term of the lease based on mutual acceptance by both parties. The Council has the contractual right to acquire leased vehicles at the end of the lease term based on an agreed upon residual value. The Council does not have any financial restrictions imposed by their current leasing arrangements.

### c) Aggregate carrying amount of interest bearing loans and borrowings

	2015 \$'000	2014 \$'000
Current	582	7,940
Non-current	8,462	1,147
	<b>9,044</b>	<b>9,087</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 27: Reserves

### A) Asset revaluation reserves

	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
<b>2015</b>			
<b>Property</b>			
Land	1,288,533	188,866	1,477,399
Buildings	66,358	-	66,358
Land improvements	4,504	608	5,112
Arts and heritage	7,703	-	7,703
	<b>1,367,098</b>	<b>189,474</b>	<b>1,556,572</b>
<b>Infrastructure</b>			
Roads	47,714	21,118	68,832
Bridges	822	-	822
Footpaths and cycleways	28,794	-	28,794
Drainage	31,173	-	31,173
Parks open spaces and streetscapes	9,146	2,072	11,218
Offstreet carparks	2,468	2,115	4,583
Other infrastructure	2,468	3,276	5,744
	<b>122,585</b>	<b>28,581</b>	<b>151,166</b>
<b>Total Asset revaluation reserves</b>	<b>1,489,683</b>	<b>218,055</b>	<b>1,707,738</b>
<b>2014</b>			
<b>Property</b>			
Land	1,170,263	118,270	1,288,533
Buildings	55,523	10,835	66,358
Land improvements	4,504	-	4,504
Arts and heritage	7,703	-	7,703
	<b>1,237,993</b>	<b>129,105</b>	<b>1,367,098</b>
<b>Infrastructure</b>			
Roads	47,714	-	47,714
Bridges	822	-	822
Footpaths and cycleways	28,794	-	28,794
Drainage	25,365	5,808	31,173
Parks open spaces and streetscapes	9,146	-	9,146
Offstreet carparks	2,468	-	2,468
Other infrastructure	2,468	-	2,468
	<b>116,777</b>	<b>5,808</b>	<b>122,585</b>
<b>Total Asset revaluation reserves</b>	<b>1,354,770</b>	<b>134,913</b>	<b>1,489,683</b>

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



## b) Other reserves

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>2015</b>				
<b>General Reserve</b>	<b>13,077</b>	<b>9,650</b>	<b>(4,484)</b>	<b>18,243</b>
<b>Statutory Reserves</b>				
Resort and recreation reserve	8,963	3,763	(3,079)	9,647
Contributions for car parking reserve	1,790	5	-	1,795
Contribution for C13 infrastructure reserve	299	-	-	299
	<b>11,052</b>	<b>3,768</b>	<b>(3,079)</b>	<b>11,741</b>
<b>Total Other reserves</b>	<b>24,129</b>	<b>13,418</b>	<b>(7,563)</b>	<b>29,984</b>
<b>2014</b>				
<b>General Reserve</b>	<b>18,297</b>	<b>6,903</b>	<b>(12,123)</b>	<b>13,077</b>
<b>Statutory Reserves</b>				
Resort and recreation reserve	8,384	2,579	(2,000)	8,963
Contributions for car parking reserve	1,790	-	-	1,790
Contribution for C13 infrastructure reserve	215	84	-	299
	<b>10,389</b>	<b>2,663</b>	<b>(2,000)</b>	<b>11,052</b>
<b>Total Other reserves</b>	<b>28,686</b>	<b>9,566</b>	<b>(14,123)</b>	<b>24,129</b>
			<b>2015 \$'000</b>	<b>2014 \$'000</b>
Asset revaluation reserve			1,707,738	1,489,683
Other reserves			29,984	24,129
<b>Total Reserves</b>			<b>1,737,722</b>	<b>1,513,812</b>

### Asset revaluation reserve

The asset revaluation reserve was established to record the increased net value of Council's assets over time.

### Resort and recreation reserve

The resort and recreation reserve is for the accumulation of developers contributions which are to be expended at a future date on recreational infrastructure.

### Contributions for car parking reserve

The car parking reserve is for the accumulation of developers contributions which are to be expended at a future date on improved car parking facilities.

### General reserve

The general reserve comprises allocations made by the council for the purpose of funding major medium term expenditure initiatives and future commitments that relate to the unexpended portion of government grants received.

### Contributions for C13 infrastructure reserve

The C13 infrastructure reserve is for the accumulation of developers contributions which are to be expended at a future date on specific infrastructure. See note 32 for further information.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 28: Reconciliation of cash flows provided by operating activities to the surplus/(deficit) for the year

	2015 \$'000	2014 \$'000
Surplus/(deficit)	3,908	37,611
Depreciation (see Note 13)	19,072	17,154
(Profit)/loss on disposal of property, infrastructure, plant and equipment (Note 8)	3,279	5,885
Contributions- non monetary assets	(71)	(42,440)
Other	4,496	319
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(675)	640
(Increase)/decrease in prepayments	1,152	(1,982)
(Increase)/decrease in accrued income	66	(239)
Increase/(decrease) in trade and other payables	(3,250)	(6,906)
Increase/(decrease) in other liabilities	2,678	1,153
Increase/(decrease) in provisions	854	2,285
Restatement adjustment due to change in Accounting Standard	-	107
<b>Net cash provided by operating activities</b>	<b>31,509</b>	<b>13,587</b>

## Note 29: Reconciliation of cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash and cash equivalents (see Note 17)	53,014	27,474
Less bank overdraft	-	-
	<b>53,014</b>	<b>27,474</b>

## Note 30: Financing arrangements

	2015 \$'000	2014 \$'000
Loan facility - LGFV Municipal Bond	7,500	7,500
Used facilities	(7,500)	(7,500)
<b>Unused loan facilities</b>	<b>-</b>	<b>-</b>
Bank overdraft	1,500	1,500
Used facilities	(86)	-
<b>Unused bank overdraft facilities</b>	<b>1,414</b>	<b>1,500</b>
Credit card facilities	167	167
Used facilities	(15)	(2)
<b>Unused credit card facilities</b>	<b>152</b>	<b>165</b>

## Note 31: Commitments

The Council has entered into the following commitments:

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>2015</b>					
<b>Operating</b>					
Building maintenance	10,809	10,720	31,774	-	53,303
Garbage collection and recycling	8,328	8,328	24,972	-	41,629
Open space management	9,191	8,383	9,529	-	27,103
Cleaning contracts for Council buildings	2,134	1,520	3,899	-	7,553
Community services	2,902	2,127	1,820	-	6,850
Operational services	2,379	2,723	1,466	-	6,568
Computers and technology	2,234	1,114	-	-	3,348
Consultancies	1,014	359	287	-	1,660
<b>Total</b>	<b>38,992</b>	<b>35,275</b>	<b>73,746</b>	<b>-</b>	<b>148,014</b>
<b>Capital</b>					
Buildings	735	68	27	-	830
Roads	337	-	-	-	337
Parks, open spaces and streetscapes	1,113	874	2,571	-	4,558
<b>Total</b>	<b>2,185</b>	<b>942</b>	<b>2,599</b>	<b>-</b>	<b>5,726</b>
<b>TOTAL</b>	<b>41,178</b>	<b>36,217</b>	<b>76,345</b>	<b>-</b>	<b>153,739</b>
<b>2014</b>					
<b>Operating</b>					
Building maintenance	11,520	9,247	27,277	-	48,043
Garbage collection and recycling	7,288	7,421	22,592	-	37,301
Open space management	7,775	7,790	20,984	-	36,548
Cleaning contracts for Council buildings	2,059	422	-	-	2,481
Community services	4,161	2,662	2,731	-	9,554
Operational services	1,070	626	315	-	2,011
Computers and technology	1,273	1,190	107	-	2,570
Consultancies	852	578	438	-	1,868
<b>Total</b>	<b>35,998</b>	<b>29,935</b>	<b>74,444</b>	<b>-</b>	<b>140,377</b>
<b>Capital</b>					
Buildings	2,328	-	-	-	2,328
Roads	181	-	-	-	181
Parks, open spaces and streetscapes	2,265	-	-	-	2,265
<b>Total</b>	<b>4,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,774</b>
<b>TOTAL</b>	<b>40,772</b>	<b>29,935</b>	<b>74,444</b>	<b>-</b>	<b>145,151</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 31: Commitments (continued)

### C13 Developer Contributions Scheme

In 1998 the C13 Developer Contribution Scheme was signed off by Council to facilitate streetscape works to the value of \$8.082 million for works in Port Melbourne over a 20 year period commencing in the year 2000 to 2020. These estimates were indexed by CPI and the value of works to be completed at 1 July 2009 was determined to total \$11.387 million. At 30 June 2015, after further CPI adjustments and completion of works over the life of the scheme, works to the value of \$2.970 million are outstanding.

	2015 \$'000	2014 \$'000
Value of works outstanding at 1 July	3,181	3,331
Works completed 2014/15	(255)	(243)
	<b>2,926</b>	<b>3,088</b>
CPI adjustment (1.5% for 2014/15)	44	93
<b>Value of works outstanding at 30 June</b>	<b>2,970</b>	<b>3,181</b>

### Note 32: Restricted assets

	2015 \$'000	2014 \$'000
- Statutory reserve balances (Note 27)	11,741	11,052
- Trust funds (Note 24)	7,728	5,050
- Roads to Recovery (Note 6)	198	-
<b>Restricted funds</b>	<b>19,667</b>	<b>16,102</b>

Included in Note 22 'Property, infrastructure, plant and equipment' are housing assets which have restrictions on them. These assets which total \$3.972 million (2013/14: \$3.730 million) are used for community housing and were purchased with assistance from the State Government. This funding imposes restrictions preventing Council from using these assets for any other purpose. If the funding conditions in the respective funding agreements for each property are defaulted upon, Council is liable to repay to the State Government an amount determined in those agreements. Based upon the \$3.9 million written down value included in the accounts, the amount that would be required to be repaid to the State Government in a default situation would be \$3.405 million (2013/14: \$3.247 million).

## Note 33: Operating leases

### a) Operating lease commitments

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

	2015 \$'000	2014 \$'000
Not later than one year	230	514
Later than one year and not later than five years	46	244
Later than five years	-	-
	<b>276</b>	<b>758</b>

At the reporting date, Council was a party as lessor under non-cancellable operating leases for the lease of land and buildings. These future commitments of income inflows are not recognised as assets.

### b) Operating lease receivables

The Council has entered into leases and licences for some of the property it owns or controls as a Committee of Management for crown land. Properties used for commercial purpose are held under leases which have varying terms. Long-term leases usually reflect significant private investment in the buildings on the land. Most leases include an annual rental increase and periodical reviews to market. Council also enters into licence agreements with stallholders at the South Melbourne Market.

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

	2015 \$'000	2014 \$'000
Not later than one year	5,184	7,518
Later than one year and not later than five years	16,585	10,364
Later than five years	8,874	8,760
	<b>30,643</b>	<b>26,642</b>

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 34: Contingent liabilities and contingent assets

### Contingent liabilities

#### Superannuation

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

#### Funding arrangements

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the Vested Benefit Index (VBI) of the defined benefit category of which Council is a contributing employer was 103.4 per cent To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	Salary information	Price inflation (CPI)
7.5 % p.a.	4.25 % p.a.	2.75 % p.a.

Vision Super has advised that the estimated VBI at 31 March 2015 was 108.5 per cent

The VBI is to be used as the primary funding indicator. Because the VBI was above 100 per cent, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

#### Employer contributions

##### Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5 per cent of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee contribution rate.

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

##### Funding calls

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

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

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

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

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

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

### Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Council is a contributing employer:

<b>VBI surplus</b>	<b>Total service liability surplus</b>
\$77.1 million	\$236 million

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

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

Council was notified of the results of the actuarial investigation during January 2015.

### Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

<b>Scheme</b>	<b>Type of scheme</b>	<b>Rate</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Vision Super	Defined benefits	9.5%	422	398
Vision Super	Accumulation	9.5%	5,608	4,951

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015. Refer to Note 10.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$396,338.

### Professional indemnity

As a local authority with statutory responsibilities, including the responsibility of issuing permits and approvals, Council receives claims and demands for damages allegedly arising from actions of Council or its officers. Council carries \$300 million of professional indemnity insurance and had an excess of \$20,000 on this policy in 2014/15. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. There are no claims of which Council is aware which would fall outside of the terms of Council's policy.

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 34: Contingent liabilities and contingent assets (continued)

### Legal matters

The Council is presently involved in a number of confidential legal matters which are being conducted through Council's solicitors. These matters are yet to be finalised and the financial outcome cannot be determined however we estimate the potential exposure for Council in these matters could be in excess of \$400,000. Due to legal confidentiality, further details cannot be disclosed.

### Public and Products Liability

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council regularly receives claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$400 million of public and products liability insurance and had an excess of \$20,000 for individual claims on this policy in 2014/15. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is MAV Insurance. There are no claims of which Council is aware which would fall outside of the terms of Council's policy.

### Contingent assets

	2015 \$'000	2014 \$'000
<b>Open space contributions</b>		
Council estimates that assets will pass to Council in the future in respect of anticipated development contributions for open space improvements.	2,500	2,500

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## Note 35: Financial instruments

### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

### (b) Market risk

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

#### Interest rate risk

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

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

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

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

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

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 35: Financial instruments (continued)

### (c) Credit risk

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because rate debtors, which are the largest portion of Councils receivables, are secured by a charge over the rateable property.

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

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

### (d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 26.

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

### **(e) Fair value**

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

#### **Fair value hierarchy**

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

### **(f) Sensitivity disclosure analysis**

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

- A parallel shift of +0.50 per cent and -0.50 per cent in market interest rates (AUD) from year-end rates of 2.86 per cent.

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

# Notes to the Financial Report

For the year ended 30 June 2015

## Note 36: Related party transactions

### (a) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

#### Councillors

Amanda Stevens (Mayor)  
Andrew Bond (Councillor)  
Anita Horvath (Councillor)  
Vanessa Huxley (Councillor)  
Serge Thomann (Councillor)  
Jane Touzeau (Councillor)  
Bernadene Voss (Councillor)

#### Chief Executive Officer

Tracey Slatter

### (b) Remuneration of Responsible Persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2015	2014
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	6	5
\$90,000 - \$99,999	1	1
\$320,000 - \$329,999	-	1
\$370,000 - \$379,999	1	-
	8	8

	2015 \$'000	2014 \$'000
<b>Total remuneration for the year for Responsible Persons included above amounted to :</b>	<b>658</b>	<b>606</b>

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### (c) Senior Officers Remuneration

A Senior Officer, other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive Officer; or
- b) whose total annual remuneration exceeds \$136,000.

The number of Senior Officers, other than Responsible Persons, are shown below in their relevant income bands:

	2015	2014
<b>Income Range:</b>		
\$136,000 - \$139,999	6	12
\$140,000 - \$149,999	7	8
\$150,000 - \$159,999	2	3
\$160,000 - \$169,999	8	4
\$170,000 - \$179,999	4	4
\$180,000 - \$189,999	4	2
\$190,000 - \$199,999	1	1
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	2	1
\$220,000 - \$229,999	1	-
\$230,000 - \$239,999	1	-
\$240,000 - \$249,999	2	-
\$250,000 - \$259,999	-	1
\$390,000 - \$399,999	-	1
	<b>38</b>	<b>38</b>
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total remuneration for the reporting year for Senior Officers included above, amounted to:</b>	<b>6,480</b>	<b>6,240</b>

### (c) Responsible persons retirement benefits

No retirement benefits have been paid by the Council to a Responsible Person (2013/14: Nil).

### (d) Loans to Responsible Persons

No loans have been made, guaranteed, or secured by the Council to a Responsible Person during the reporting year (2013/14: Nil).

### (e) Transactions with responsible persons

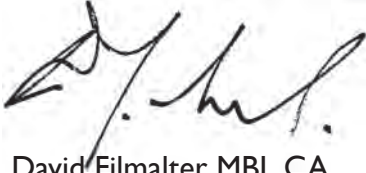
No transactions, other than remuneration payments or the reimbursement of approved expenses, were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons, during the reporting year (2013/14: Nil).

### Note 37: Events occurring after balance date

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

# Certification of the Financial Report

In my opinion, the accompanying financial report has been prepared in accordance with the Local Government Act 1989, applicable Local Government Regulations, Australian Accounting Standards and Interpretations and other mandatory professional reporting requirements.



**David Filmalter MBL CA**  
Principal Accounting Officer

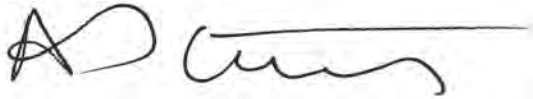
Date: 8 September 2015  
St Kilda

In our opinion, the accompanying financial report presents fairly the financial transactions of the City of Port Phillip for the year ended 30 June 2015 and the financial position of the Council as at that date.

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

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

**Amanda Stevens**  
Mayor and Councillor



Date: 8 September 2015  
St Kilda

**Bernadene Voss**  
Deputy Mayor and Councillor



Date: 8 September 2015  
St Kilda

**Tracey Slatter**  
Chief Executive Officer



Date: 8 September 2015  
St Kilda

# Glossary

Item	Explanation
<b>Accrual accounting</b>	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
<b>Accumulated surplus</b>	The value of all net assets accumulated over time.
<b>AIFRS</b>	Australian equivalents to International Financial Reporting Standards.
<b>Assets</b>	Future economic benefits controlled by Council as a result of past transactions or other past events.
<b>Bad and doubtful debts</b>	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
<b>Balance sheet</b>	A quantitative summary of Council's financial condition at 30 June, including assets, liabilities and net equity.
<b>Borrowing costs</b>	Interest paid on borrowings.
<b>Cash and cash equivalents</b>	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
<b>Contributions</b>	Contributions received by Council are received for the purpose of providing and improving public open space, provision/improvement of the drainage system and in relation to specific projects.
<b>Comprehensive Income Statement</b>	A financial statement highlighting the accounting surplus or deficit which highlights whether Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrement reversal) and share of other comprehensive income of associates and joint ventures accounted for by the equity method, to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity.
<b>Current assets</b>	Assets where Council expects to receive the future economic benefit within the next 12 months unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
<b>Current liabilities</b>	Liabilities where Council expects to fulfil its obligation within the next 12 months unless the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date.
<b>Depreciation</b>	An expense which recognises the value of a fixed asset as it is used up over time.
<b>Employee benefits</b>	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, WorkCover and redundancy payments.
<b>Equity</b>	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
<b>Expense</b>	An outgoing payment made by Council.
<b>Fixed assets</b>	See Property, infrastructure, plant and equipment.
<b>Grants - non-recurrent</b>	Grant income received for a 'one off' specific purpose, generally for a particular project.
<b>Grants - recurrent</b>	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.
<b>Interest</b>	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.

# Glossary

Item	Explanation
<b>Interest bearing loans and borrowings</b>	Council's borrowings.
<b>Liabilities</b>	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
<b>Materials and administrative costs</b>	Expenditure incurred in relation to building maintenance, general maintenance, plant and equipment maintenance, office and administration, insurance, registration and Metropolitan Fire Brigade levy, financial and legal costs and information technology costs.
<b>Changes in equity for the period</b>	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
<b>Net asset revaluation increment decrement)</b>	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
<b>Net assets</b>	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
<b>Net gain (loss) on disposal of property, plant and equipment, infrastructure</b>	The net of income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
<b>Non-current assets</b>	Assets where the future economic benefit is not expected to be received within the next 12 months or where the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
<b>Non-current assets classified as held for sale</b>	Non-current assets that Council intends to sell within the next 12 months.
<b>Non-current liabilities</b>	Liabilities where the obligation is not expected to be fulfilled within the next 12 months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date.
<b>Other expenses</b>	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
<b>Other income</b>	Income received from donations, insurance recoveries, craft markets, festivals, local laws, sale of valuations dataproduct sales, right-of-way sales, transport and other sources.
<b>PERIN</b>	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the Magistrates Court Act 1989 (Vic) to deal with unpaid fines.
<b>Prepayments</b>	Payments made by Council in advance of receiving the goods or services.
<b>Property, infrastructure, plant and equipment</b>	Often referred to as Fixed Assets. This is the largest component of Council's asset base or worth. This represents the value of all land, buildings, roads, footpaths, drains, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
<b>Provisions</b>	Includes accrued long-service leave, annual leave, sick leave and rostered days off owing to employees at reporting date.
<b>Rate and charges</b>	Income received from ratepayers in relation to general rates, garbage rates and special rate schemes.



Item	Explanation
<b>Reserves</b>	Includes the asset revaluation reserve which includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'. Other reserves include statutory reserves such as resort and recreation and car park and general reserves where money is held in reserve for specific projects.
<b>Income</b>	Income is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
<b>Right-of-way</b>	Former laneway no longer required for access to surrounding properties.
<b>Share of net profits (losses) of associates and joint ventures</b>	Council's share of the net profit/loss recognised in its joint venture partnerships.
<b>Statutory fees and fines</b>	Includes parking infringements and costs, PERIN court recoveries, town planning fees, land information certificates and trader parking and street furniture permits.
<b>Surplus (deficit)</b>	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
<b>Trade and other payables</b>	Monies owed by Council to other entities/individuals.
<b>Trade and other receivables</b>	Monies owed to Council by ratepayers and other parties less provisions for doubtful debts.
<b>Trust funds and deposits</b>	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (eg. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
<b>User fees</b>	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, child care/ children's program fees, debt collection recovery charges, debt collection recovery charges, election fines, recreation fees, library fines and other charges and tow-away charges.

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, City of Port Phillip

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2015 of the City of Port Phillip which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

#### *The Councillors' Responsibility for the Financial Report*

The Councillors of the City of Port Phillip are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)


### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion the financial report presents fairly, in all material respects, the financial position of the City of Port Phillip as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE  
10 September 2015



John Doyle  
Auditor-General

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# Performance Statement

for year ended 30 June 2015

## Description of municipality

The City of Port Phillip is located south of the Melbourne city centre on the northern shore of Port Phillip Bay. The foreshore stretches over 11 kilometres. A network of public open spaces makes the City a desirable place for residents and visitors to enjoy. A number of significant employment areas sit within Port Phillip, including the St Kilda Road office district, and the industrial, warehousing and manufacturing districts in South Melbourne and Port Melbourne.

The City of Port Phillip is one of the smallest and most densely populated municipalities in Victoria, covering an area of 20.6 kilometres and being home to 104,846 people<sup>1</sup>. The City continues to experience significant residential development, with substantial growth (at least 80,000 residents and 40,000 jobs) anticipated over the next 40 years at the northern edge of Port Phillip in the Fishermans Bend Urban Renewal Area.

<sup>1</sup> Source: ABS Estimated Residential Population (ERP), Regional Population Growth, Australia (3318.0) as at 30 June 2014

## Sustainable capacity indicators

For the year ended 30 June 2015

Indicator / measure	Results 2015	Explanation
<b>Population</b>	<b>\$1,701.51</b>	This result is in line with sector target range.
Expenses per head of municipal population [Total expenses / Municipal population]		
<b>Infrastructure per head of municipal population</b>	<b>\$5,516.95</b>	This result is in line with sector target range.
[Value of infrastructure / Municipal population]		
<b>Population density per length of road</b>	<b>364.05</b>	The City of Port Phillip is one of the most densely populated municipalities in Victoria.
[Municipal population / Kilometres of local roads]		
<b>Own-source revenue</b>	<b>\$1,573.38</b>	The City of Port Phillip has the ability to generate a high level of own source revenue due to car parking fees and infringements. This is due to high demand for car parking in this densely populated inner city municipality.
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]		
<b>Recurrent grants</b>	<b>\$111.46</b>	The City of Port Phillip receives a minimal per capita allocation of recurrent grants, due to the high level of own-source revenue.
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]		
<b>Disadvantage</b>	<b>10.00</b>	Whilst our socio-economic disadvantage is at the lowest end of the scale, we have pockets of significant disadvantage in our community which we continue to focus on.
Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]		

## Performance statement

For the year ended 30 June 2015

### Service performance indicators

For the year ended 30 June 2015

Service / indicator / measure	Results 2015	Explanation
<b>Animal Management</b>		
<b>Health and safety</b> <b>Animal management prosecutions</b> [Number of successful animal management prosecutions]	<b>4</b>	There were four successful animal management prosecutions during 2014/15. This represents a 100 per cent success rate. This does not include prosecutions relating to unpaid fines.
<b>Food Safety</b>		
<b>Health and safety</b> <b>Critical and major non-compliance outcome notifications</b> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	<b>95.55%</b>	All critical non-compliance notifications and nearly all major non-compliance notifications were followed up on the due date. All non-compliance notifications are followed up in due course.
<b>Governance</b>		
<b>Satisfaction</b> <b>Satisfaction with council decisions</b> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	<b>60</b>	A higher index rating indicates higher satisfaction. Our results were slightly higher than the Melbourne metropolitan average of 59 and higher than the state-wide average of 55.
<b>Home and Community Care (HACC)</b>		
<b>Participation</b> <b>Participation in HACC service</b> [Number of people that received a HACC service / Municipal target population for HACC services] x100	<b>22.22%</b>	This result includes those who received domestic assistance, personal care or respite care services from Council. We also provided additional services including delivered meals, shopping, property maintenance, social services and regular education sessions with GPs and practice nurses to increase knowledge of our services in the community.
<b>Participation</b> <b>Participation in HACC service by CALD people</b> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	<b>16.79%</b>	This result includes those who received domestic assistance, personal care and respite care services from Council. We work with harder to engage people in our community to assist their access into our HACC services and provide CALD specific planned activity groups such as outings for Russian speakers and a multicultural social group.
<b>Libraries</b>		
<b>Participation</b> <b>Active library members</b> [Number of active library members / Municipal population] x100	<b>20.14%</b>	This result shows the proportion of our municipal population who has borrowed a library collection item during the year. E-books are not included in this result and we are seeing increasing trends in borrowing of e-books. In addition we have many users who access our library spaces to use the internet and participate in community library programs.

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Service / indicator / measure	Results 2015	Explanation
<b>Maternal and Child Health (MCH)</b>		
<b>Participation</b> <b>Participation in the MCH service</b> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	<b>83.55%</b>	Access for families to participate in key ages and stages visits is available through our Maternal and Child Health centres six days of the week. We also provide an outreach service in homes, childcare centres and kindergartens.
<b>Participation</b> <b>Participation in the MCH service by Aboriginal children</b> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	<b>69.05%</b>	This result indicates the proportion of Aboriginal and Torres Strait Islander children who attended MCH key ages and stages visits. We work closely with local partners to connect Aboriginal and Torres Strait Islander children and families with our services.
<b>Roads</b>		
<b>Satisfaction</b> <b>Satisfaction with sealed local roads</b> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	<b>73</b>	A higher index rating indicates higher satisfaction. Our results were significantly higher than the Melbourne metropolitan average of 69 and the state-wide average of 55.
<b>Statutory Planning</b>		
<b>Decision making</b> <b>Council planning decisions upheld at VCAT</b> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	<b>79%</b>	This result shows the proportion of Council planning decisions upheld at VCAT. When we include Council decisions made after an appeal is lodged and VCAT ultimately supports Council's decision, our result is 87 per cent.
<b>Waste Collection</b>		
<b>Waste diversion</b> <b>Kerbside collection waste diverted from landfill</b> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	<b>34.5%</b>	This result measures the proportion of recyclables and green organics collected from kerbside that is diverted from landfill. When waste diverted at transfer stations is included our result is 39.85 per cent.

## Performance statement

For the year ended 30 June 2015

## Financial performance indicators

For the year ended 30 June 2015

Dimension / indicator / measure	Results		Forecast			Explanation
	2015	2016	2017	2018	2019	
<b>Efficiency</b>						
<b>Revenue level</b>	<b>\$1,359.31</b>	\$1,441.49	\$1,501.40	\$1,563.80	\$1,628.79	This result is in line with sector target range.
<b>Average residential rate per residential property assessment</b> [Residential rate revenue / Number of residential property assessments]						
<b>Expenditure level</b>	<b>\$2,623.49</b>	\$2,581.82	\$2,641.88	\$2,703.44	\$2,770.93	Council's operating expenditure was higher than budget due to the reclassification of \$9.4 million in project costs that were originally budgeted as capital or included in the prior year's work in progress balance.
<b>Expenses per property assessment</b> [Total expenses / Number of property assessments]						
<b>Workforce turnover</b>	<b>9.95%</b>	10.00%	10.00%	10.00%	10.00%	This result is in line with our expectations of turnover in an organisation with over 840 employees.
<b>Resignations and terminations compared to average staff</b> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100						
<b>Liquidity</b>						
<b>Working capital</b>	<b>220.88%</b>	184.12%	184.11%	185.62%	189.96%	Council's liquidity was higher than budget as current liabilities reduced due to refinancing a \$7.5 million loan with the Local Government Funding Vehicle. This has resulted in the debt being reclassified from current to non-current. Council is within the sector target range which is between 100 per cent and 300 per cent.
<b>Current assets compared to current liabilities</b> [Current assets / Current liabilities] x100						
<b>Unrestricted cash</b>	<b>80.04%</b>	86.81%	86.73%	87.64%	92.05%	Council's unrestricted cash levels are higher than budget due to savings and deferral of capital expenditure from 2014/15 to 2015/16.
<b>Unrestricted cash compared to current liabilities</b> [Unrestricted cash / Current liabilities] x100						

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Dimension / indicator / measure	Results		Forecast			Explanation
	2015	2016	2017	2018	2019	
<b>Obligations</b>						
<b>Asset renewal</b> Asset renewal compared to depreciation <small>[Asset renewal expense / Asset depreciation] x100</small>	<b>73.23%</b>	126.66%	104.98%	107.55%	100.00%	The rate of renewal was below target. This was attributed to lower expenditure on asset renewal due to project deferrals including core infrastructure technology due to detailed assessment of technology options, and childcare centre renewals due to assessment of building works required. Cost savings also resulted in lower expenditure in the road, footpath and kerb renewal program through better planning and tendering, and better value materials. Higher asset depreciation also contributed due to assets including fleet depreciating more quickly than budgeted.
<b>Loans and borrowings</b> Loans and borrowings compared to rates <small>[Interest bearing loans and borrowings / Rate revenue] x100</small>	<b>8.47%</b>	7.49%	7.24%	6.54%	6.12%	Indebtedness is slightly higher than forecast due to lower than forecast own source revenue.
<b>Loans and borrowings repayments compared to rates</b> <small>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</small>	<b>0.97%</b>	0.92%	0.74%	0.69%	0.49%	This result is in line with sector target range.
<b>Indebtedness</b> Non-current liabilities compared to own source revenue <small>[Non-current liabilities / Own source revenue] x100</small>	<b>6.65%</b>	6.15%	5.99%	5.63%	5.31%	This result is in line with sector target range.
<b>Operating position</b>						
<b>Adjusted underlying result</b> Adjusted underlying surplus (or deficit) <small>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</small>	<b>-0.64%</b>	4.84%	5.30%	5.62%	5.34%	The main drivers for the small deficit result are: <ul style="list-style-type: none"> <li>the reallocation of \$9.4 million in project costs that were originally budgeted as capital expenditure or included in the prior year's work in progress balance</li> <li>\$3.3 million which was written off from assets that were scrapped as a result of them being renewed or upgraded.</li> </ul>

# Performance statement

For the year ended 30 June 2015

Dimension / indicator / measure	Results		Forecast			Explanation
	2015	2016	2017	2018	2019	
<b>Stability</b>						
<b>Rates concentration</b> Rates compared to adjusted underlying revenue <small>[Rate revenue / Adjusted underlying revenue] x100</small>	<b>60.23%</b>	61.40%	61.79%	62.26%	62.44%	This result is in line with sector target range.
<b>Rates effort</b> Rates compared to property values <small>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</small>	<b>0.22%</b>	0.22%	0.22%	0.20%	0.20%	This result is in line with sector target range.

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# Certification of the Performance Statement

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



**David Filmatter MBL CA**  
Principal Accounting Officer

Date: 8 September 2015  
St Kilda

In our opinion, the accompanying performance statement of the City of Port Phillip for the year ended 30 June 2015 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

**Amanda Stevens**  
Mayor and Councillor

Date: 8 September 2015  
St Kilda



**Bernadene Voss**  
Deputy Mayor and Councillor

Date: 8 September 2015  
St Kilda



**Tracey Slatter**  
Chief Executive Officer

Date: 8 September 2015  
St Kilda



# Definitions

Item	Explanation
<b>AAS</b>	Australian Accounting Standards
<b>Aboriginal child</b>	A child who is an Aboriginal person
<b>Aboriginal person</b>	Has the same meaning as in the Aboriginal Heritage Act 2006
<b>Active library member</b>	A member of a library who has borrowed a book from the library
<b>Adjusted underlying revenue</b>	Total income other than - (a) non-recurrent grants used to fund capital expenditure; and (b) non-monetary asset contributions; and (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)
<b>Adjusted underlying surplus (or deficit)</b>	Adjusted underlying revenue less total expenditure
<b>Asset renewal expenditure</b>	Expenditure on an existing asset or on replacing an existing asset to its original capability
<b>Class 1 food premises</b>	Food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act "class 2 food premises" means food premises, within the meaning of the Food Act 1984 , that have been declared as class 2 food premises under section 19C of that Act
<b>Community Care Common Standards</b>	Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
<b>Critical non-compliance outcome notification</b>	A notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health "food premises" has the same meaning as in the Food Act 1984
<b>Current assets</b>	Has the same meaning as in the AAS
<b>Current liabilities</b>	Has the same meaning as in the AAS
<b>HACC program</b>	Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth
<b>HACC service</b>	Home help, personal care or community respite provided under the HACC program
<b>Infrastructure</b>	Non-current property, plant and equipment excluding land
<b>Local road</b>	means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
<b>Major non-compliance outcome notification</b>	Notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
<b>MCH</b>	Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
<b>Non-current assets</b>	All assets other than current assets
<b>Non-current liabilities</b>	All liabilities other than current liabilities

<b>Item</b>	<b>Explanation</b>
<b>Non-recurrent grant</b>	A grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by council's Strategic Resource Plan
<b>Own-source revenue</b>	Adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
<b>Population</b>	Resident population estimated by council
<b>Rate revenue</b>	Revenue from general rates, municipal charges, service rates and service charges
<b>Recurrent grant</b>	A grant other than a non-recurrent grant
<b>Relative socio-economic disadvantage</b>	In relation to a municipality means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
<b>Residential rates</b>	Revenue from general rates, municipal charges, service rates and service charges levied on residential properties
<b>Restricted cash</b>	Cash and cash equivalents, within the meaning of the AAS that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
<b>SEIFA</b>	Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website
<b>Target population</b>	Has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth
<b>Unrestricted cash</b>	All cash and cash equivalents other than restricted cash

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, City of Port Phillip

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2015 of the City of Port Phillip which comprises the statement, the related notes and the certification of performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the City of Port Phillip are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)


### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Auditor's Opinion*

In my opinion, the performance statement of the City of Port Phillip in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
11 September 2015



John Doyle  
Auditor-General



For more information, please contact us via:

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Per parlare con un funzionario del Comune di Port Phillip attraverso un interprete chiamate 9679 9814.

All other languages: 9679 9814.

**Cover photos**

(clockwise from top left)

**Front cover**

Torres Strait Islander flag

St Kilda Festival

- Festival Sunday  
Photo by Sam Darroch

St Kilda Film Festival  
Photo by Cariatd Creative

North Port Oval

Elwood foreshore

South Melbourne Market  
- Night Market

**Back cover**

Volleyball at St Kilda beach  
Photo by Matthew John Shaw

St Kilda Festival  
Photo by Jim Lee

St Kilda Pier

Urban manufacturing  
Onstone, South Melbourne

Chinese New Year

**Inside front cover**

Waterfront Welcomers  
in Port Melbourne

Council Plan 2013-17  
community consultation  
on Carlisle Street

St Kilda Film Festival  
opening at the Palais  
Theatre

Public transport on  
Acland Street

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