



這是菲利普港市的 '2000/2001 年度報告'。欲了解本報告的內容和市政廳的日常服務，請與市政廳的 Multi-Lingual Link (多元文化連絡辦) 聯繫，電話：9679 9810。

Αυτή είναι η Ετήσια Εκθεση της Δημαρχίας του Πόρτ Φίλιπ για το 2000/2001. Για πληροφορίες σχετικά μ' αυτό το έγγραφο ή γενικά για τις Δημαρχιακές υπηρεσίες, επικοινωνήστε με την Πολυγλωσσική Γραμμή της Δημαρχίας στον αριθμό 9679 9811.

Jest to sprawozdanie roczne gminy Port Phillip (City of Port Phillip) za rok sprawozdawczy 2000/2001. Po informacje na temat tego dokumentu lub ogólnych usług świadczonych przez Radę Miasta skontaktuj się z Wielojęzyczną Linia Telefoniczną (Multi-Lingual Link) Rady Miasta pod numerem 9679 9812.

Этo годoвoй oтчeт мунципaлитeтa Port Phillip зa 2000/2001г. Инфoрмaцию oб этoм дoкyмeнтe или oбщyю инфoрмaцию oб yслyгax мунципaлитeтa мoжнo пoлyчить чeрeз нaшy мнoгoязычнyю слyжбy пeрeвoдчикoв пo тeл. 9679 9813.

## Contact Details

---

### Council Offices

The City of Port Phillip operates from three main locations:

- St Kilda Town Hall, corner of Carlisle Street and Brighton Road, St Kilda
- South Melbourne Town Hall, 208 Bank Street, South Melbourne
- Port Melbourne Town Hall, 333 Bay Street, Port Melbourne

An enquiry counter and cashier service for the payment of fees and rates is available at all Town Halls.

Services are also provided from numerous outposts throughout the City of Port Phillip, including libraries, community centres, maternal and child health centres, child care centres, kindergartens, playgrounds, and a depot and transfer station.

### Operating Hours

Council offices are open from 8.30am to 5.00pm Monday to Friday. In addition, the ASSIST Centre operates a phone service from 8.00am to 6.00pm and the front desk at St Kilda Town Hall is open until 6.00pm on Monday evenings and at South Melbourne Town Hall until 6.00pm on Tuesday evenings to speak to ASSIST in person.

### Contacting Council

The City of Port Phillip's ASSIST offers a one-stop shop that can be contacted for general information and advice about council, forthcoming events and services in the local area, or to register a request, complaint or compliment. It is the central communication point between Port Phillip council and its constituents, be it face-to-face or by phone, fax, email or letter.

Contacting ASSIST ensures that all requests, complaints and compliments are recorded and are directed to the appropriate person within council.

The ASSIST team's number one priority is to help YOU.

To contact ASSIST 24 hours a day:

Email: [assist@portphillip.vic.gov.au](mailto:assist@portphillip.vic.gov.au)

Telephone: 03 9209 6777

Facsimile: 03 9209 6888

Mail: Private Bag No 3, PO St Kilda, Victoria 3182

### Further Information

Further information about the City of Port Phillip is available on council's website at [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au).

# Contents

Contact Details	2
Mayor's Message	4
City of Port Phillip - The Place	5
Councillors	6
Council/Committee Structure	8
KRA 1	9
Chief Executive Officer's Report	10
City of Port Phillip - The Organisation	11
Council Activities	12-22
KRA 2	13
KRA 3	23
Performance Statement	24
KRA 4	25
Performance Indicators	26
Council Approval of the Performance Statement	28
KRA 5	29
Auditor-General's Report on Performance Statement	30
KRA 6	31
Equal Employment Opportunity Program Information	32
Jobs Profile Information	33
Best-Value Victoria	34
Public Documents	35
Financial Statements	36-68
Certification of the Financial Statements	69
Auditor General's Report on Financial Statements	70
Victorian Local Government Indicators	71
Acknowledgements	72



## Mayor's Message

The pace of social and physical change in Port Phillip has continued unabated this year, and is surely both the biggest challenge and opportunity facing those who live, work or play in the city. Council's work has maintained a hectic rate to respond to and balance the ever changing needs and demands of this vibrant and articulate community.

The single biggest change on the organisational front was the departure of Anne Dunn, former CEO, whose leadership and skills brought the council, the community and the staff together. Anne's legacy will serve us well and we've been very pleased to start work with the new CEO, David Spokes, who has already shown his dedication and ability. Thank you to all the staff for all your hard work for our community.

In completing the final corporate plan and budget of this council (elections are coming again in March 2002) we have again worked to ensure a sustainable triple bottom line approach valuing the environment, community and economics. Continuing our focus on improving basic services post the Compulsory Competitive Tendering and rate capping era, council has invested large sums in improving physical services such as cleaning, trees, graffiti and parks. In particular we have boosted the capital works program in parks and gardens to more than \$2.3 million as part of a larger capital program. We are continuing our service review program to ensure that we are providing sustainable value for our community.

Financial responsibility has been maintained with a rate rise of only 2.4% proposed (well below the Victorian average and those of previous years). New recurrent spending has been targeted to community priorities such as parks and gardens, fast track planning and pro-active planning enforcement and certain social programs. We have continued saving money to build council's reserves to safer levels, and provide for future accommodation needs and calamities. We will leave this council in a very financially healthy and responsible position.

The environment has received continued emphasis with solar power to the St Kilda Town Hall chamber complete and other major investments in environmental initiatives including DIO energy saving lights, a 'world first' revolutionary technology. I cannot even touch on most of the environmental programs, works and groups this council fosters. Suffice to say we were publicly recognised again in the United Nations Environment Day awards and we became one of only a handful of councils in Australia to

receive the 5th and final star in the Cities for Climate Protection™ Program.

Despite our diverse neighbourhoods, as gentrification continues across the city, in some senses, our population is becoming more homogenous. This means, however, that council must work even harder to preserve the rights of diverse groups and communities (diversity is a strength of any community) and in particular the ability of long term residents to remain part of this community. Two particular interventions are again worthy of note, being the Pensioner Rate Rebate Scheme, which we pay on top of the State Scheme, and the community housing program of which this council is very proud.

Other things that I must mention and resort to dot points to do so include:

- Planning Scheme Amendment C5 was finally completed, the State Government's Rescode is set to improve things further and we've moved on to campaign for VCAT reform.
- Transport and implementation of the 10 year Parking Strategy are emerging as the biggest strategic planning challenges facing Port Phillip.
- The St Kilda foreshore planning process to redesign the St Kilda foreshore for coming decades is well underway involving the community, stakeholders and the State Government.

2000/01 saw Port Phillip council consolidate our achievements and this council has been, in my view, truly amazing in the way we have worked as a group of seven for the good of the whole city. We have not fought amongst ourselves and this has served the community well. We will leave the organisation in very good shape for years to come, and in preparation for the new council which will be elected in March next year. It has been a privilege to serve as Mayor for two of the three years of this council and I thank and publicly proclaim as wonderful, the continued hard work of all of the councillors and the staff.

A handwritten signature in black ink, appearing to read 'Julian Hill'.

Councillor Julian Hill  
Mayor

## City of Port Phillip - The Place

A great place to live, work, play and prosper, the City of Port Phillip is ideally located on the north eastern shores of Port Phillip Bay and is renowned for its diversity and unique character.

One city composed of seven neighbourhoods (Albert Park/Middle Park, East St Kilda, Elwood/Ripponlea, Port Melbourne, South Melbourne, St Kilda and St Kilda Rd), the City of Port Phillip is an integrated mix of not only residential neighbourhoods but also urban centres, industry, business, tourist and leisure attractions offering a huge variety of amenity, interest and choice.

Covering 20.4 square kilometres, the City of Port Phillip was created on 22 June 1994 when the former Cities of Port Melbourne, South Melbourne and St Kilda were merged.

The Port Phillip community comprises many different cultures, religions, nationalities and socio-economic backgrounds, with one third of the population born overseas, primarily in the United Kingdom, the former USSR, Greece and Poland.

The City of Port Phillip also contains seven electoral wards comprising Albert Park, Alma, Blessington, Emerald Hill, Ormond, Sandridge and St Kilda.

## Councillors

Business hours only: 9209 6705  
 Email: dbrand@portphillip.vic.gov.au  
 Ward: St Kilda  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



DAVID BRAND

Councillor David Brand is a St Kilda architect and resident with numerous years of experience as a heritage, urban conservation and planning consultant. Working as an historian before turning to architecture in the 1980's, Cr Brand played a leading role in the Esplanade Alliance campaigns that stopped a proposed 38-storey development on the Esplanade Hotel Site and negotiated major design revisions at the St Kilda Sea Baths. A resident of 18 years, Cr Brand now serves on numerous committees dealing with a wide range of planning-related issues and represents council on the City of Port Phillip Cultural Programs Board.

Business hours only: 9209 6705  
 Email: dgross@portphillip.vic.gov.au  
 Ward: Blessington  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



DICK GROSS

Councillor Dick Gross served two terms as the Mayor of the City of Port Phillip from 1998-2000. A trained lawyer with a background in consumer and corporate law, Cr Gross was co-founder and the first coordinator of the consumer Credit Legal Service, as well as serving on a number of government reform committees dealing with debt recovery and drug reform issues. With his own financial investment business, Cr Gross now serves as a deputy chairperson of The Western Region Waste Management Group and the Chairperson of the Jewish Community School and the Statutory Planning Committee. A resident of 22 years, Cr Gross is also a well-known author with three published titles to his credit including his latest release, *Godless Gospel* (Pluto Press).

Business hours only: 9209 6431  
 Email: mayor@portphillip.vic.gov.au  
 Ward: Sandridge  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



JULIAN HILL

Councillor Julian Hill is serving his second term as the Mayor for the City of Port Phillip where he was the youngest Mayor ever elected at 26 years of age in 2000. Holding law and science degrees from Monash University, Cr Hill has lived in Port Phillip for eight years having grown up in Glen Iris. Cr Hill is the proud father of 5 year old Elanor whom he co-parents with Elanor's mother Lorien. A member of the Australian Labor Party since 1993, Cr Hill worked most recently as an electorate officer and adviser for Federal MP Alan Griffin from 1995-1999 before being elected Mayor. Cr Hill now serves on all formal council committees, the Audit Committee, Metropolitan Transport Forum, Inner South Metropolitan Mayors Group and *friends of suai* amongst others.

Business hours only: 9209 6705  
 Email: chutchens@portphillip.vic.gov.au  
 Ward: Albert Park  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



CAROLYN HUTCHENS

Councillor Carolyn Hutchens has lived in the Albert Park ward for twenty six years. Working for many years as a part-time maternal and child health nurse, Cr Hutchens also worked as a teaching nurse in Papua New Guinea in the mid 1960s, as a research assistant in London at the Royal College of Surgeons and as a district nurse on her return to Melbourne. Cr Hutchens has served as president of the South Melbourne Child Care Cooperative, the Middle Park Primary School Parents' Association and the Inner Bayside Counselling Service. A foundation member of Save Albert Park and its president for two years, Cr Hutchens has also served on the South Melbourne YMCA Management Committee and was involved with the South Port Hospice program as a volunteer home visiting nurse.

## Councillors

Business hours only: 9209 6705  
 Email: ljohnsto@portphillip.vic.gov.au  
 Ward: Ormond  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



LIZ JOHNSTONE

Councillor Liz Johnstone has lived in the Ormond ward for the past fifteen years and has a background in accounting and small business. With a long involvement in local issues, Cr Johnstone has been treasurer for local Out of School Hours Care Programs and child care centres, a founding member of the Elwood Canal Taskforce, Save Elwood Streets and the board of the Elwood Community Bank. Currently on the boards of the Municipal Association of Victoria and Victorian Coastal Council, Cr Johnstone chairs the Central Coastal Board and has recently been co-opted on to the Elwood Primary School Council. Cr Johnstone focuses her energy on council towards the planning and environmental areas, with particular interest on drains and infrastructure, managing development pressures and encouraging a sustainable community.

Business hours only: 9209 6705  
 Email: jlewisoh@portphillip.vic.gov.au  
 Ward: Emerald Hill  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



JOHN LEWISOHN

Councillor John Lewisohn is a lawyer with the formal qualifications of B.A, LL.B (Hons). LL.M, M.Tax, A.IAMA. Currently a practising barrister, accredited mediator and a graded arbitrator, Cr Lewisohn's work centres on commercial law issues and includes planning, property, tenancy, construction and consumer protection matters, both for individuals and corporate entities. Leading the legal fight that prevented the high-rise development of historic Lanark Terrace, Cr Lewisohn's involvement in local community affairs has included working on a voluntary basis on issues concerning traffic, parking and planning, as well as helping safeguard local residential interests.

Business hours only: 9209 6705  
 Email: dray@portphillip.vic.gov.au  
 Ward: Alma  
 Date of election  
 (current term): 20/3/99  
 Date of retirement: 16/3/02



DARREN RAY

Councillor Darren Ray is a National Project Officer with the Australian Physiotherapy Association and has lived in Port Phillip for 7 years. Since 1999 Cr Ray has chaired council's Community and Services Development Committee which is responsible for nearly all council-provided services as well as the financial viability of the City of Port Phillip. Cr Ray also chairs the Multicultural Advisory Committee, Council in Committee and the Older Persons Reference Group. A board member of the St Kilda Housing Association, Cr Ray brings over fifteen years experience in community concerns to council having been the coordinator of a youth refuge and family reconciliation program and Executive Officer of the ALSO Foundation in Victoria.

## Council/Committee Structure

**Council decisions are made through a series of council and committee meetings. The 2000/2001 council/committee structure is explained below. Full details of council's meeting procedures are outlined in *Port Phillip City Council Local Law No. 2/2000*.**

### Statutory Planning Committee

*Chair (July 2000 - June 2001): Cr Gross*

This committee has been established under Section 86 of the *Local Government Act 1989* which means that council can delegate certain powers to the committee and that decisions made under that delegation are effectively decisions of the council. Council's regular meeting cycle includes one Statutory Planning Committee meeting per month.

The purpose of Statutory Planning Committee meetings is:

- to address urban planning issues including planning applications and planning scheme amendments
- to ensure planning applications are processed within statutory time limits and under appropriate delegations within council policies

### Neighbourhood and Environment Committee

*Chair (July 2000 - June 2001): Cr Johnstone and Cr Brand*

This committee does not have delegated powers, however it can make recommendations which are then referred to the council meeting for ratification. Council's regular meeting cycle includes one Neighbourhood and Environment Committee meeting per month.

The purpose of Neighbourhood and Environment Committee meetings is:

- to consider strategies, policies and projects relating to the following Key Result Areas: Enhancing our Neighbourhoods and Places, Improving our Built Environment, and Building a Sustainable Environment
- to monitor all aspects of Victorian Civil and Administrative Tribunal decisions (quarterly)

### Community and Services Development Committee

*Chair (July 2000 - April 2001): Cr Ray*

*Chair (May 2001 - June 2001): Cr Ray and Cr Hutchens*

This committee does not have delegated powers, however it can make recommendations which are then referred to the council meeting for ratification. Council's regular

meeting cycle includes one Community and Services Development Committee meeting per month.

The purpose of Community and Services Development Committee meetings is:

- to consider strategies, policies and projects related to the following Key Result Areas: Building Stronger Communities, Improving our Services and Capabilities, and Ensuring a Sustainable Organisation

### Council in Committee

*Chair (July 2000 - March 2001): Cr Hill*

*Chair (April 2000 - June 2001): Cr Ray*

This committee is used for urgent items. Council in Committee meetings are held as required.

The purpose of Council in Committee meetings is:

- to consider outstanding statutory planning items
- to address important legal matters
- to deliberate on the budget
- to review all aspects of delegations (impacts and effects)
- to address any major organisational issues
- any matters affecting the council and for which some committee level deliberation is required

### Council

*Chair (July 2000 - June 2001): Cr Hill*

Council's regular meeting cycle includes one full Council meeting per month.

The purpose of Council meetings is:

- to adopt, amend or reject the recommendations from committees and address urgent business, subject to the provisions of the *Port Phillip City Council Local Law No. 2/2000* which relates to Council meetings procedures
- to receive reports from Councillors as delegates on external bodies

### Special Council

*Chair (July 2000 - June 2001): Cr Hill*

Special Council meetings are held as required to consider special matters.



KRA1 Building stronger communities  
**experience**

**Goal**

All individuals living within the City of Port Phillip will participate in and experience connectedness with the community

**Performance**

72% community agreement with not feeling isolated and receiving support when experiencing difficult life events

73% community satisfaction with safety and security

70% community satisfaction with sports and recreation

74% community satisfaction with arts and cultural events



## Chief Executive Officer's Report

2000/2001 has been another year of consolidation and achievement for the City of Port Phillip.

As in past years, land use planning has continued to be a key issue, with this year seeing the completion of the city's 'Neighbourhood Amendment', a planning framework that will deliver appropriate land use and development outcomes for Port Phillip. Council is also preparing an Urban Design Framework for the St Kilda foreshore, which will help ensure that management of this sensitive area is appropriate and respectful of the community's wishes. Beacon Cove and the residents who live there have also been a key focus for us as we grapple with the need to ensure that the established and newer communities in the Port Melbourne area can co-exist happily.

Four service reviews have been completed as part of council's Sustainable Value Program. This has provided us with an opportunity to consult with our community and reshape some services. As a result of the reviews, some key improvement strategies for these services have been developed. In the coming year we will adopt a service level agreement for each service, including outcome statements, Key Performance Indicators, targets and improvement strategies. Service reviews will also continue in accordance with the Sustainable Value Program.

Over the last five years council has regularly carried forward surpluses. The carry over surplus for the 2000/2001 financial year was significantly more than anticipated. Having additional funds available to support the ongoing requirement for capital expenditure does allow council to bring forward future expenditures. This has enabled Port Phillip council to consider some additional capital works brought forward from the 2002/2003 budgeted program. These funds together with existing reserves, may be required for the application of a long-term accommodation strategy currently under development.

Council is also required to comply with the State Government's Competitive Neutrality Policy which necessitates that local government businesses should not enjoy a competitive advantage over private competitors simply because of their public sector ownership. Council has identified significant businesses and applied competitive neutral pricing to those businesses. Council also has in place a compliance program to address the requirements of the new State Government draft policy *National Competition Policy and Local Government 2001*. Programs to comply with National Competition Policy can be linked to future Best Value service reviews.

A 2.4% rate rise was necessary but is one of the lower rises in the metropolitan area. Council has also provided for a further boost to the investment reserve in the current budget.

Each year, independent research is conducted to assess council's performance and this year the results have been varied. Areas of dissatisfaction have been responded to in the current budget, notably physical services via a boost to parks and gardens, trees, street cleaning and graffiti programs.

Following the departure of the previous Chief Executive Officer, council appointed me as the new CEO from within the ranks of existing management. In this new role, one of my primary goals has been to focus on lifting performance through improved systems of reporting and measurement. The coming year will see the establishment of a series of indicators that will enable us to demonstrate progress against our Community Plan goals. Action has also commenced on strengthening the service culture within the organisation.

Some changes have been made to the overall structure of the organisation, splitting responsibility for Physical Services and Social and Cultural Development between two directors, and shifting reporting lines for corporate planning activities directly to the Chief Executive Officer. This has simplified reporting structures and streamlined service delivery.

Looking ahead, the coming year will see us build on the achievements of 2000/2001 and continue to provide strong leadership in community engagement and governance issues. Community participation processes will be strengthened, including the implementation of a coordinated program of neighbourhood forums and consultation, focusing on increasing community awareness of local government responsibilities. These initiatives will be implemented as part of an overall 'Growing Democracy Project'.

I am excited by the challenges that face us, and confident that, with the support and passion of the exceptional staff and Councillors, the City of Port Phillip will continue from strength to strength.

A handwritten signature in black ink, appearing to read 'D Spokes'.

David Spokes  
Chief Executive Officer

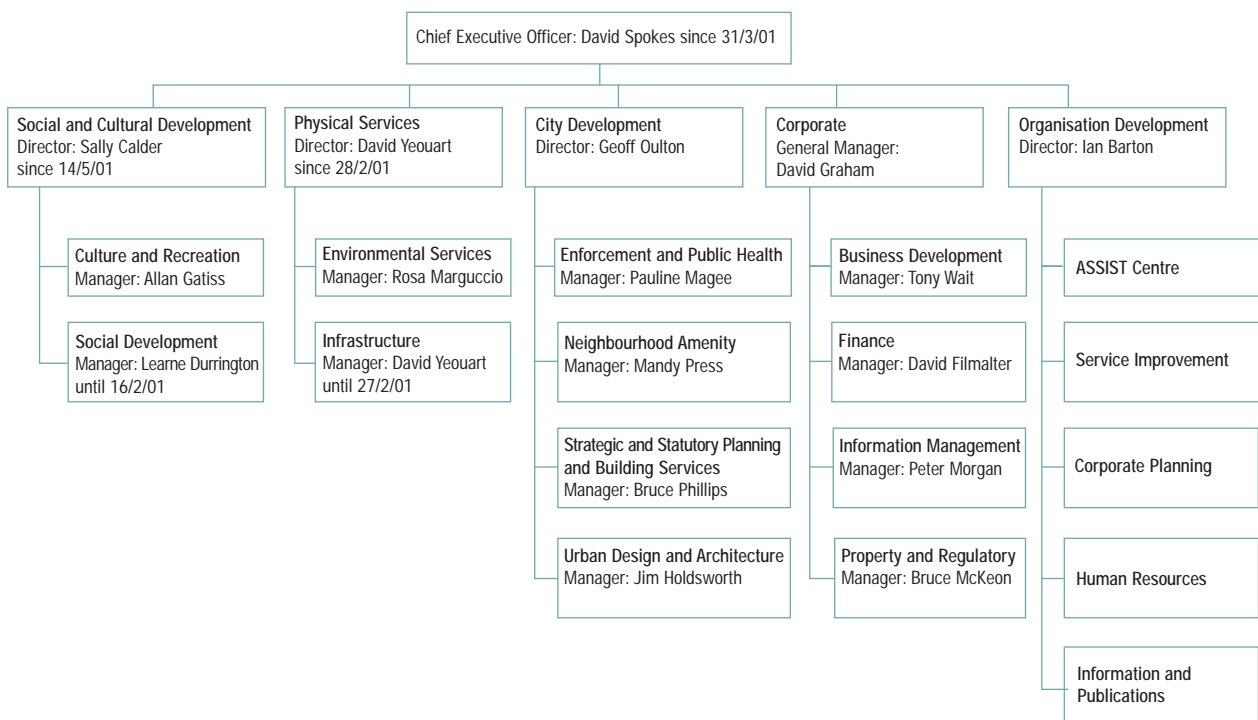
## City of Port Phillip - The Organisation

An organisation as diverse as the city in which it operates, Port Phillip council is made up of seven divisions, each containing several service units. These are represented in the organisational chart below.

To ensure the whole organisation is working toward a common goal, the City of Port Phillip produces a Corporate Plan each year to guide the activities of the various divisions and service units. The Corporate Plan outlines objectives and initiatives against six Key Result Areas (KRA's) as identified by council. It is the achievement of these objectives which indicates how well Port Phillip council has performed.

Each division reports separately, as outlined in the following pages, however the Key Result Areas can only be fulfilled with the cooperation of the entire organisation.

### Administrative Structure



## Social and Cultural Development



### Culture and Recreation

The Culture and Recreation unit ensures that the community is enriched by its experience of cultural and recreational programs. This unit's services are directed at residents and visitors, sporting and recreation clubs, artists and commercial operators utilising facilities within the City of Port Phillip.

#### Services Provided

- Library services
- Heritage services
- Neighbourhood and community centres and adventure playgrounds
- Recreational services, including school holiday programs and the provision of sporting facilities
- Management of cultural activities and festivals
- Management of exhibition and work space for artists
- Function facilities and meeting room facilities
- Foreshore events management
- Corporate publicity

The Social and Cultural Development division is committed to building stronger communities and promoting wellness, connectedness and opportunity for the residents of the City of Port Phillip. Achieving this through the provision of a range of human services and cultural and recreational opportunities which are equitable, accessible, and of high quality, and which meet the specific needs and lifecycle events of residents.

Social and Cultural Development investigates and responds to the needs and aspirations of the people who live and work in the community and ensures there is always opportunity to participate in the planning and decision making that informs the delivery of services, events and activities. Working in partnership with the community, including other providers and stakeholders, to reduce isolation, promote diversity, ensure safety and health, and to foster an environment where recreation, arts, culture and knowledge are valued.

### Measurable Outputs

In the 2000/2001 financial year, outputs by Culture and Recreation included:

- 545,948 visitors to and 993,255 items borrowed from five library branches
- 5 major festivals
- \$127,000 in grants supporting cultural/artistic innovations distributed within the City of Port Phillip
- \$60,000 in grants to sporting and recreational organisations distributed within the City of Port Phillip

### Major Achievement

Devolved the Linden Gallery to community-based management and implemented a new library information management system which has improved the community's access to library services.

### Social Development

The Social Development unit addresses the life cycle needs of residents and connects like services for frail and older people, people with disabilities, families, young people and children in the City of Port Phillip. This unit consists of the following five sub-programs: Children's Services, Community Care Services, Community Access Services, Family and Youth Support Services and Social Policy and Planning.

KRA2 Improving our built environment

# respect



## Goal

We will preserve and enhance our built environment through excellent planning, design and maintenance

## Performance

6 design and development awards given for design excellence

### Services Provided

- Planning and policy development
- Child and family health services including maternal and child health services
- Family support services such as in-home support, duty service/emergency relief, foster care and youth support services
- Child care and education including centre-based care, home-based care, occasional care, preschools and kindergartens
- Child care for children with additional needs
- Social support (ADASS)
- Community and centre-based recreation
- Home care and property maintenance
- Delivered and centre-based meals
- Special needs recreation and arts
- Housing information and support
- Social policy, planning and advice to council and community agencies

### Measurable Outputs

In the 2000/2001 financial year, outputs by Social Development included:

- 66,000 hours of home care support to frail, aged and disabled residents
- 2,317 hours of property maintenance to frail, aged and disabled residents
- 1,800 older residents and disabled residents participated in activities at senior citizens centres
- 120,000 delivered and centre-based meals
- 320 families used centre-based child care and 154 families used home-based child care services

- 580 first time mothers provided with maternal and child health services
- 859 children aged zero to one year old enrolled in the maternal and child health service
- 2,442 children and parents accessed the maternal and child health service
- 100+ community groups and organisations provided with grants and assisted with service development

### Major Achievement

Relocated council's social support program to an alternative venue more suitable to the needs of the client group, developed a Community Health Plan in association with the alliance of primary care agencies (ISEPICH), adopted a Youth Policy and Action Plan, provided accredited training for the home care work force and completed the first twelve months of successful operation of semi autonomous child care centres, including training and support to parent managed and City of Port Phillip centres.

## Physical Services



The Physical Services division is responsible for the care and management of council's infrastructure assets including roads, drains, parks and open space. Physical services also takes a leading role in protecting the physical environment within the City of Port Phillip through waste and litter collection and a series of environmental programs.

### Environmental Services

The Environmental Services unit maintains a clean, safe and healthy environment for the City of Port Phillip, its community and its visitors. Service users include residents and businesses, shopping centre traders, visitors and tourists.

#### Services Provided

- Waste management, including collection of domestic refuse, recyclables, hard and green waste and public litter bin refuse
- Transfer station operation and waste disposal management
- Litter and waste education
- Street, beach and drain cleaning
- Stormwater drainage maintenance
- Weed spraying programs
- Parks design and planning
- Street tree planting and pruning
- Maintenance of parks and gardens
- Irrigation installation and water management
- Community partnerships and involvement in environmental initiatives
- Environmental education
- Conservation of biodiversity
- Greenhouse gas reduction initiatives
- Programs for sustainable living

- Energy management services for business, council and the community
- Leadership to council staff on environmental action
- Funding applications and development of partnerships for environmental projects
- Establishment and support of community groups

#### Measurable Outputs

In the 2000/2001 financial year, outputs by Environmental Services included:

##### Waste Management

- 18,254 tonnes of domestic waste collected from residential premises
- 8,750 tonnes of recyclable materials collected
- 660 public litter bins emptied an average of 3 times per week
- Approximately 1,000 users of the transfer station for waste and recycling per month

##### Cleaning

- 1,500 kilometres of local street and arterial road channels swept per month
- 243 hectares of shopping centre footpaths swept per month
- 4.4 hectares of laneways swept and cleaned per month
- 80 hectares of beach sanded areas cleaned per month during the summer season
- 1,360 stormwater drainage pits cleaned per month



### Parks and Open Space

- 24 significant gardens and landscapes maintained
- 90 parks and reserves maintained
- 400 advanced trees planted
- 20+ capital works projects, totalling \$2.3 million, completed on time and to budget

### Environmental Programs

- 11% reduction in greenhouse emissions from council and community operations, culminating in a reduction of 1,892 tonnes of CO<sub>2</sub>
- 12 solar panels installed at the St Kilda Town Hall resulting in an energy neutral Council Chamber
- 11 community environmental groups now affiliated with the EcoCentre as a result of a membership drive

### Major Achievement

Won the United Nations Association of Australia's 2001 Award for 'Overall Excellence in Environmental Management', achieved Milestone 5 of the Cities for Climate Protection Program to reduce greenhouse gas emissions, established an internal Environmental Advocates Program to promote environmental action across the organisation and successful in obtaining an \$80,000 grant from the Department of Infrastructure for the EcoCentre's EcoHouse project.

## Infrastructure

The Infrastructure unit shapes civic places throughout the City of Port Phillip through the development and maintenance of roadways, drainage, furniture and signage in the city's landscapes, seascapes and streetscapes. The unit also has responsibility for managing a diverse range of civic capital projects. Service users include residents and businesses, shopping centre traders, visitors and tourists.

### Services Provided

- Capital works management
- Project and contract management
- Physical infrastructure planning, strategic asset management and risk evaluation
- Civil infrastructure design, construction and maintenance

### Measurable Outputs

In the 2000/2001 financial year, outputs by Infrastructure included:

- 5 local roads reconstructed
- 6 footpaths reconstructed
- 48,000 square metres of pavement resurfaced
- 52,000 square metres of footpaths resurfaced
- 1,020 metres of drains reconstructed
- 5 shopping centres underwent major upgrades

### Major Achievement

Completed Strategic Asset Management Plans for a wide range of infrastructure assets and secured funding under the Victorian Storm Water Action Plan to install three litter outfalls to reduce pollution in Port Phillip Bay and Federal funding under the 'Road to Recovery' Program to carry out infrastructure works on local roads.



## City Development



The City Development division is responsible for maintaining and enhancing the look, feel and sustainability of the City of Port Phillip and its communities through excellent standards of design, sound strategic planning and the delivery of high quality and value added services in development approvals, health, traffic and land use management and enforcement.

### Enforcement and Public Health

The Enforcement and Public Health unit enhances the community's health, safety and amenity by providing integrated services to residents, ratepayers and businesses, and visitors such as motorists, workers and tourists. This unit also provides services to government authorities and non-government and community organisations.

#### Services Provided

- Community amenity including local laws
- Parking enforcement
- Public health and safety, food surveillance and infectious disease prevention

#### Measurable Outputs

In the 2000/2001 financial year, outputs by Enforcement and Public Health included:

- 2,000+ local laws complaints dealt with via ASSIST
- 1,400 abandoned/derelict vehicles removed from the streets
- 170,000 parking tickets issued
- 950 registered food premises and 250 Health Act registered premises serviced
- 25 school crossings supervised each day
- 48 community, 24 high school and 12 child care centre/ kindergarten immunisation sessions carried out
- 100+ after hours complaints received by the parking enforcement team each week

### Major Achievement

Introduced a 24 hour parking enforcement service and an expanded immunisation schedule to include after hours and weekend sessions, reviewed *Community Amenity Local Law No 1* and received funding from the Department of Human Services to implement the *Tobacco Act*.

### Neighbourhood Amenity

The Neighbourhood Amenity unit has a prime role in driving council initiatives to ensure that the City of Port Phillip is a safe and healthy environment. Specific service users include residents, visitors, commuters, businesses and workers, animal welfare organisations, local dog groups, pet owners, pedestrians and open space users. Services are also provided to social housing agencies and health, welfare, education, law enforcement, government and non government sector organisations, and emergency planning, response and recovery organisations.

#### Services Provided

- Traffic management
- Business development
- Pay parking and parking administration
- Animal management
- Multicultural and cross-cultural liaison
- Community housing
- Health promotion and community development
- Emergency management

## Measurable Outputs

In the 2000/2001 financial year, outputs by Neighbourhood Amenity included:

- 5,368 dogs and 4,446 cats registered
- \$2.6 million over 3 years obtained from the State Government for the implementation of the Local Drug Strategy
- 1 draft strategic traffic and parking plan developed for Port Melbourne
- \$0.7 million received from State Government Housing Innovations Fund to purchase Exelsior Hall in Port Melbourne
- \$72,000 received from VicRoads to conduct targeted pedestrian safety education

## Major Achievement

Finalised the Local Drug Strategy and implemented several health promotion projects including the Health Benefits of Companion Animals, the Safe Routes to Shops Program, planning for a community garden in Port Melbourne and measurement of social wellbeing indicators in council's annual community satisfaction survey.

## Strategic and Statutory Planning and Building Services

The Strategic and Statutory Planning and Building Services unit works with council and the community to plan for the future of the City of Port Phillip, and aims to ensure that any changes to the built fabric are appropriate and building practices are safe. Providing advice and direct services to members of the development industry, residents and ratepayers, business operators and employees, visitors and tourists, commuters, and other authorities and government agencies, Strategic and Statutory Planning and Building Services also provides guidance to objectors.

### Services Provided

- Strategic land use planning
- Planning scheme reform
- Statutory planning in relation to land use, development and subdivision proposals
- Planning enforcement
- Building governance, regulation and certification
- Advice and advocacy

### Measurable Outputs

In the 2000/2001 financial year, outputs by Strategic and Statutory Planning and Building Services included:

- 1,683 planning, 166 subdivision and 133 subdivision certification applications processed

- 204 planning appeals contested
- 248 building permits issued
- 2,500 building inspections undertaken
- 43 building emergency/dangerous situations investigated
- 240 responses to illegal/legal works complaints
- 560 planning non-compliance matters investigated
- 71 Planning Infringement Notices issued
- 10 actions regarding enforcement at Victoria Civil and Administrative Tribunal in planning matters
- 60 Magistrate Court actions in planning and building matters
- 1 Supreme Court action

## Major Achievement

Improved feedback mechanisms established between policy, implementation and enforcement activities, planning enforcement unit aligned to focus on the prosecution of non compliances and Amendment C5 to the Port Phillip Planning Scheme, and completed the Neighbourhood Amendment.

## Urban Design and Architecture

The Urban Design and Architecture unit enhances the physical environment of the City of Port Phillip by providing services to residents and ratepayers, developers, workers and visitors, and the natural community of flora and fauna.

### Services Provided

- Urban design, architectural, landscape and environmental guidelines and advice to developers and property owners
- Design input into strategic planning projects and planning policy
- Design of public spaces and management of nominated capital works projects
- Conduct of council's annual Design and Development Awards program
- Administration of council's Urban Art program

### Measurable Outputs

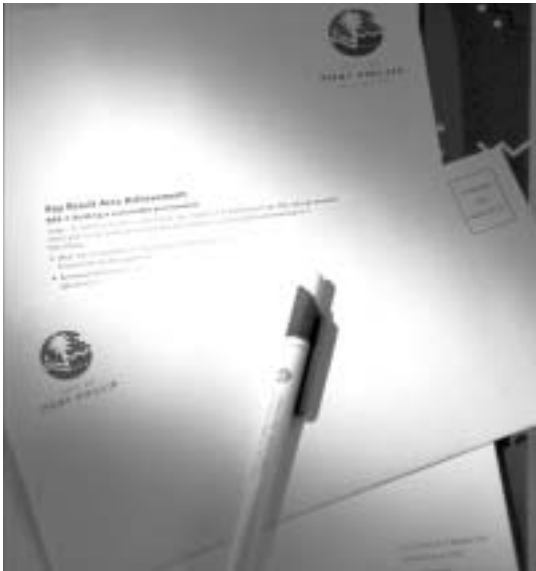
In the 2000/2001 financial year, outputs by Urban Design and Architecture included:

- 160 planning applications supported with urban design, architectural and sustainability advice

## Major Achievement

Conducted the Urban Iconography Study and prepared the Urban Arts Strategy.

## Corporate



The Corporate division safeguards the ongoing health, prosperity and relevance of the City of Port Phillip through direct service delivery to external clients and support of other service providers throughout the organisation. This division also carries out the governance functions required of the City of Port Phillip.

### Business Development

The Business Development unit pursues new business opportunities for council and provides support to council's internal business units.

#### Services Provided

- New business development
- Provision of strategic business advice and support
- Bid preparation assistance for internal and external contracts
- Facilitation of joint ventures
- Competitor benchmarking and industry analysis
- Management of the South Melbourne Market

#### Measurable Outputs

In the 2000/2001 financial year, outputs by Business Development included:

- 1.7 million visitors to the South Melbourne Market
- 10% increase in South Melbourne Market gross revenues
- 96% average permanent stall occupancy rate
- \$415,000 expenditure on capital works at the South Melbourne Market including streetscape works and waste management system improvements

#### Major Achievement

Established a permanent Management Committee and completed a five-year Strategic Business Plan for the South Melbourne Market with implementation to commence in 2001/2002.

### Finance

The Finance unit provides sound financial support for the organisation. This unit's service users are primarily other internal service units, although some services are provided directly to external parties.

#### Services Provided

- Consulting services across a range of specialist financial areas including GST, fringe benefits tax and investment activities
- Financial systems support and maintenance
- Accounts payable, accounts receivable and purchasing
- Budgeting and financial control
- Management and statutory reporting
- Rates management and revenue collection
- Coordination of internal and external audit activities

#### Measurable Outputs

In the 2000/2001 financial year, outputs by Finance included:

- 96.4% rate collection rate compared to a metropolitan average of approximately 94%
- 14,702 purchase orders processed
- 12,558 cheques and electronic fund transfer payments raised
- 38,130 invoices issued to non-council debtors

#### Major Achievement

Development of a comprehensive monthly performance report for council.

## Information Management

The Information Management unit provides information systems training, support and systems development for the organisation, and fulfils the organisation's geographic information and records management needs. Service users are primarily other internal service units.

### Services Provided

- Information systems strategy and development
- Information systems technical and software support
- Supply and installation of computers and other information systems infrastructure
- Information systems network maintenance
- Data back up and recovery
- Information systems disaster recovery planning
- Development of council's Geographic Information System (GIS)
- Maintenance of digital data and software
- Information Systems training for staff
- Record keeping and management
- Mail management

### Measurable Outputs

In the 2000/2001 financial year, outputs by Information Management included:

- 450 personal computers, 100 printers and 18 servers maintained at 30 locations
- Over 1,000 helpdesk queries handled each month
- 76 map layers, connected to 5 corporate databases, maintained
- 214 staff members provided with access to the geographic information system at their own work station
- 515 staff provided with information systems training
- 103 TRIM (records management software) training sessions provided
- 282,191 pieces of outgoing mail
- 130,562 records management transactions in TRIM

## Major Achievement

Consolidated council's Information Systems, Information Systems Training, Geographic Information Systems and Records Management functions into the one unit in order to improve communication channels and deliver more effective business solutions to service users.

## Property and Regulatory

The Property and Regulatory unit preserves council's assets and supports the statutory activities of the organisation. Service users are primarily Councillors and other internal service units.

### Services Provided

- Asset and property management
- Valuations
- Building maintenance
- Insurance
- Risk and insurance claims management
- Statutory functions

### Measurable Outputs

In the 2000/2001 financial year, outputs by Property and Regulatory included:

- 4,470 supplementary valuations
- 3,663 building maintenance cases closed
- 30 Freedom of Information requests processed
- 259 people naturalised at Citizenship ceremonies
- 278 insurance claims finalised

## Major Achievement

Implemented environmental initiatives that resulted in the City of Port Phillip winning the 2000 Energy Smart Award for 'Best Government Operation'.

## Organisation Development



The Organisation Development division meets the organisational development needs of business and service units. This division aims to facilitate a strategic approach to organisational change and to contribute to the implementation of service unit initiatives in a well-informed manner. The ASSIST Centre, the public face of the organisation, is also contained within this division.

### ASSIST Centre

The ASSIST Centre provides a central point for anyone wishing to communicate with council face-to-face or by phone, fax, email or letter.

#### Services Provided

- Central communication point for council
- Call Centre services including provision of advice and information
- Provision of front desk reception services
- Service request and complaint resolution
- Provision of trends and information on daily issues to management and internal departments

#### Measurable Outputs

In the 2000/2001 financial year, outputs by the ASSIST Centre included:

- 260,000 telephone enquiries handled
- 94,000 visitors to Town Hall ASSIST front desks served
- 32,000 requests and complaints satisfactorily resolved
- 86% first point resolution for people contacting council face to face or by phone, fax, email or letter

#### Major Achievement

The ASSIST Centre reviewed its Contact Relationship Management software to ensure that the centre's technology is moving at the same pace as other organisations and demonstrated improved staff retention which has led to continuous improvement at first point resolution for enquiries.

### Service Improvement

The Service Improvement unit oversees the Sustainable Value Service Review Program, council's response to the State Government's Best Value Victoria legislation, and manages the organisational processes for tendering and contract administration. Service users are primarily other internal service units.

#### Services provided

- Development of council's Sustainable Value Program
- Conduct of Sustainable Value Service Reviews
- Contract administration training, support and advice
- Consultancy and support to council's Contracts Committee
- Establishment and review of contract performance indicators

#### Measurable Outputs

In the 2000/2001 financial year, outputs by Service Improvement included:

- 3 service reviews completed (Planning Enforcement, Property and Regulatory, and Library Services)
- 2 further service reviews completed with reports due for presentation to council (Requests and Complaints, and Health and Amenity)
- Ongoing refinement of structured reporting process for council's 28 major service contracts

#### Major Achievement

Implemented an innovative service review process to meet the requirements of Best Value legislation.

## Corporate Planning

The Corporate Planning unit helps guide council's directions and priorities through the corporate and business planning processes and monitors the organisation's progress against its set goals. Services are provided to Councillors, senior management, staff and the Port Phillip community.

### Services Provided

- Development and monitoring of council's corporate plan
- Support of service and business planning across the organisation
- Market research

### Measurable Outputs

In the 2000/2001 financial year, outputs by Corporate Planning included:

- 6 cross functional corporate plan projects supported, further encouraging the concept of matrix management and developing leaders within the organisation
- 20 community surveys coordinated to measure satisfaction with services and test special issues

### Major Achievement

Developed the 2001/2002 Corporate Plan and established stronger links between service plans and the corporate plan.

## Human Resources

The Human Resources unit provides employment support, advice and training to staff and is also responsible for handling employee relation issues, recruitment, performance planning and review.

### Services Provided

- Industrial and employee relations
- Human resources policy development and dissemination
- Workforce planning
- Recruitment
- Staff performance management and review
- Employee assistance and outplacement support
- Equal Employment Opportunity program
- Occupational Health and Safety consulting
- WorkCover claims management
- Remuneration packaging, payroll and superannuation

## Measurable Outputs

In the 2000/2001 financial year, outputs by Human Resources included:

- 124 new permanent full time and part time workers recruited
- 2 indigenous trainees placed into permanent positions within council
- 8 indigenous trainees placed into traineeships
- 43 courses offered as part of an organisational wide Training and Development Program

### Major Achievement

Implemented the City of Port Phillip Parking Enforcement and Homecare Local Area Workplace Agreements.

## Information and Publications

The Information and Publications unit ensures that information about council services is appropriately targeted and accessible to all the community. While a great deal of focus is placed on external communication, the unit also plays a significant role in improving internal communication within the organisation. This unit provides services to anyone requesting information about the City of Port Phillip and to other internal service units.

### Services Provided

- Production of recognisable, accurate and timely information regarding council services and key activities
- Consultancy to internal service units

### Measurable Outputs

In the 2000/2001 financial year, outputs by Information and Publications included:

- 7 *Community Update* newsletters
- 2 audio versions of *Community Update*
- 54 corporate newspaper columns
- 13 *Neighbourhood Newsletters*

### Major Achievement

Introduced organisation-wide protocols and worked with internal service units to develop the recognition of the City of Port Phillip's corporate identity.

KRA3 Building a sustainable environment  
**sustain**



**Goal**

A community who understands the impact of its behaviours on the natural environment and its bio-diversity and actively participates in achieving environmental outcomes for Port Phillip

**Performance**

56 promotional materials and media releases relating to environmental initiatives  
139 planning permits which included an environmental assessment



## Performance Statement

We currently measure progress towards achieving each of the six Key Result Areas in our three-year Corporate Plan through a set of standard Performance Indicators. The indicators and targets were established in 1999 and have since been tracked on an annual basis.

A mix of indicators is employed, with the majority representing the community's perceptions of outcomes. Telephone surveys among a random sample of the community are used to gauge these indicators. Other indicators relating to council processes and outputs are used in cases where success in achieving a goal is more appropriately measured by how we do our work.

The next Corporate Plan (2001/2002) focuses on developing better indicators of performance. Projects such as the Sustainable Community Progress Indicators Project and the Monthly Performance Management Reports will provide a more effective measure to track progress towards achieving council goals. These will be reported in next year's Performance Statement.

### Notes to and forming part of the Performance Statement for 2000/2001

The Key Performance Indicators (KPIs) in this plan are indicators for each KRA, as required by S153A(1)(c) of the *Local Government Act 1989*. These KPIs are reported in the Performance Statement and audited as the Annual Business Plan performance targets and measures, as required by S153 A(1)(f) and 153 B(2)(a)(b) of the *Local Government Act 1989*.

### Common Terms

The majority of the terms used in the performance statement are the same as those used in the financial statements. Short explanations of the terms used are listed below.

**Budget** – the originally published budget of the council.

**Satisfaction Ratings** – indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Newton Wayman Chong Research, asking them to rate council's performance.

The indexed mean is a weighted score across five performance ratings being:

- 100 > for an excellent/outstanding performance
- 80 > a good/high standard
- 60 > adequate/acceptable
- 40 > needs some improvement
- 20 > needs a lot of improvement

**Population** – estimated total residential population of the municipality as at 30 June of the previous year, as published by the ABS in *Regional Population Guide* catalogue no. 32180 or *Population by Age and Sex* catalogue no. 3235.2.



KRA 4 Enhancing our neighbourhoods and places  
provide



#### Goal

We will have a mind set that considers the place and the community living there when delivering a service or implementing a project – providing a better service or outcome, one that is attuned to the needs of the community

#### Performance

68% community agreement that a sense of community spirit exists in neighbourhoods

73% community shopped at the South Melbourne Market

# City of Port Phillip Performance Indicators

Key Performance Indicator	Note	1999/2000			2000/2001		
		Target	Actual	Variance	Target	Actual	Variance
<b>KRA 1: Building Stronger Communities</b>							
<b>Objective 1: Reduce social isolation and ensure specific lifecycle needs are met</b>							
% community agreement with not feeling isolated and receiving support when experiencing difficult life events		80%	80%	0%	80%	72%	-8%
% community agreement that feel encouraged to participate in the decisions that affect the individual and their community		60%	65%	5%	65%	54%	-9%
% of total population participating in community groups' projects/events that address reducing social isolation and specific life cycle needs		12%	12%	0%	14%	16%	2%
<b>Objective 2: Promote diversity</b>							
% community agreement that council's communication and services are accessible for people with specific multicultural needs		55%	56%	1%	60%	58%	-2%
% community agreement that have not observed inequalities based on either class, ethnicity, race, age, gender or sexual divisions	1.	70%	51%	-19%	72%	50%	-22%
Number of indigenous trainees employed		6	6	0	6	8	2
<b>Objective 3: Ensure a safe and healthy environment</b>							
% community satisfaction with safety and security (*)	2.	80%	83%	3%	85%	73%	-12%
<b>Objective 4: Foster an environment where recreation, arts, culture and knowledge are valued</b>							
% community satisfaction with sports and recreation (*)		65%	74%	9%	70%	70%	0
% community satisfaction with arts and cultural events (*)	3.	55%	67%	12%	60%	74%	14%
<b>KRA 2: Improving our Built Environment</b>							
<b>Objective 1: Develop urban character and preserve heritage</b>							
% community satisfaction with town planning policy and approvals (indexed mean)		60	58	-2	60	57	-3
Number of design and development awards given for design excellence		6	6	0	6	6	0
<b>Objective 2: Improve access into and within the city</b>							
% community satisfaction with parking availability (*)		30%	26%	-4%	30%	21%	-9%
<b>Objective 3: Enhance the city's appearance</b>							
% community satisfaction with parks and gardens (*)		65%	73%	8%	67%	67%	0
% community satisfaction with street and beach cleaning (*)		50% street 55% beach	59% 61%	9% 6%	55% 60%	46% 52%	-9% -8%
% community satisfaction with appearance of streetscapes (*)		60%	57%	-3%	60%	48%	-12%
% community satisfaction with appearance and cleanliness of the beaches and foreshores (*)	4.	55%	55%	0%	57%	42%	-15%
<b>Objective 4: Improve the city's physical infrastructure</b>							
% community satisfaction with roads and footpaths (indexed mean)		58	60	2	60	61	1
<b>KRA 3: Building a Sustainable Environment</b>							
<b>Objective 1: Encourage environmentally focused behaviour</b>							
Council building energy use - GJ (gigajoules)		27,636	22,844	-4,792	27,269	26,145	-1,124
Street lighting energy use - GJ (gigajoules)		21,292	20,514	-778	21,009	19,193	-1,816
% of community aware of EcoCentre		30%	28%	-2%	35%	29%	-6%
Number of promotional materials and media releases relating to environmental initiatives		30	42	12	40	56	16
<b>Objective 2: Reduce effects of pollution</b>							
Street litter picked up (tonnes per month)	5.	125	100.3	-24.7	125	96.4	-28.6
<b>Objective 3: Integrating sustainable objectives into urban planning</b>							
Number of planning permits which included environmental assessments		30	14	-16	150	139	-11

# for the Year Ended 30 June 2001

Key Performance Indicator	Note	1999/2000			2000/2001		
		Target	Actual	Variance	Target	Actual	Variance
<b>KRA 4: Enhancing our Neighbourhoods and Places</b>							
<b>Objective 1: Promote a sense of place and community identity</b>							
% community agreement that a sense of community spirit exists in neighbourhood		70%	64%	-6%	70%	68%	-2%
% community participation in community and neighbourhood centre programs		33%	35%	2%	35%	29%	-6%
<b>Objective 2: Deliver coordinated services to identified geographical places</b>							
% community satisfaction with maintenance of local shopping centres (*)		55%	60%	5%	55%	57%	2%
<b>Objective 3: Deliver coordinated services to identified neighbourhood community groups</b>							
Number of community group/organisation developed alliances for Neighbourhood Recreation		1	1	0	3	3	0
<b>Objective 4: Encourage appropriate commerce, industry and tourism</b>							
% community shopped at the South Melbourne Market		65%	71%	6%	70%	73%	3%
% business satisfaction with council		45%	53%	8%	50%	45%	-5%
% of council's capital works budget spent on shopping centre improvements	6.	3%	8%	5%	3%	10%	7%
<b>KRA 5: Improving our Service and Capabilities</b>							
<b>Objective 1: Align service delivery with consumer priorities</b>							
% community satisfaction with overall performance of council (*)		50%	55%	5%	55%	50%	-5%
Community satisfaction with customer contact (indexed mean)		70	71	1	75	69	-6
<b>Objective 2: Improve effectiveness of communication</b>							
% community agreement that council communications and services are accessible for the community		70%	75%	5%	75%	69%	-6%
% of community who visited Port Phillip website		10%	14%	4%	16%	11%	-5%
% community readership of Community Update		50%	65%	15%	55%	64%	9%
Number of new residents kits distributed	7.	5,000	3,320	-1,680	5,000	282	-4,718
<b>Objective 3: Improve organisational effectiveness</b>							
Number of services reviewed for effectiveness and Best Value		1	0	-1	7	5	-2
<b>KRA 6: Ensuring a Sustainable Organisation</b>							
<b>Objective 1: Improve financial viability</b>							
Total \$ variance between mid-year's revised budget and the original budget		0	\$750,000 favourable	\$750,000 favourable	0	\$746,000 favourable	\$746,000 favourable
% ROS (Return On Sales) on the South Melbourne Market		30%	32.4%	2.4%	33%	35%	2%
<b>Objective 2: Improve competitiveness of service delivery</b>							
Number of services reviewed for effectiveness and Best Value	8.	1	0	-1	10	5	-5
<b>Objective 3: Develop community alliances for service delivery</b>							
Number of community alliances established for service delivery	9.	18	18	0	16	28	12
<b>Objective 4: Promote effective inter-governmental relationships</b>							
\$ capital grants received for projects (million)		\$5.83	\$1.05	-\$4.78	\$1.2	\$0.97	-\$0.23
\$ grants received related to maintenance and ongoing programs (million)		\$1.46	\$1.44	\$0.02	\$1.5	\$1.5	0

\* % respondents who rated as 'excellent' or 'good'

## Explanations of Significant Variations

- % community agreement that have not observed inequalities based on either class, ethnicity, race, age, gender or sexual divisions**  
Initial target overestimated. This is an indicator that represents community quality of life in general and does not link directly to council performance, but a perception that we can attempt to influence in our service delivery.
- % community satisfaction with safety and security**  
The initial target was over estimated as council is only partly able to influence the level of safety and security within the municipality. This figure may have also reduced since last year due to publicity on illegal drug and street sex worker activities which may have negatively influenced respondents' perceptions.
- % community satisfaction with arts and cultural events**  
This achievement of 14% over target is primarily attributed to very successful festivals conducted throughout the year such as the St Kilda Festival, the new Port Phillip Community Festival and the St Kilda Film Festival.
- % community satisfaction with appearance and cleanliness of beaches and foreshores**  
The decline in the level of community satisfaction with beach appearance and cleanliness is a cause for concern and will be further investigated as part of service delivery.
- Street litter picked up (tonnes per month)**  
The amount of litter picked up is below target because the volume of litter collected has been less than what was anticipated when the targets were developed in 1999. The lower levels of street litter available for collection may be due to a number of factors

such as the inclination of the community to use bins, decreases in disposable packaging, greater efforts to recycle certain materials or less use of the public bins by traders for waste disposal.

- % of council's capital works budget spent on shopping centre improvements**  
The development and implementation of Shopping Centre Masterplans to improve the quality of neighbourhood shopping centres has increased the capital works budget allocation to shopping centres relative to previous years.
- Number of new residents kits distributed**  
The number of new residents to the City of Port Phillip in 1999/2000 was overestimated when setting targets. Kits are sent out on request, and far less requests were made than originally estimated. To rectify this it is planned to send out letters to all new residents once notification is received and offer to forward the kit.
- Number of services reviewed for effectiveness and Best Value**  
The target for the total number of services should be seven to be consistent with the KPI in KRA 5 Objective 3. The figure included in the KPI table under KRA 6 in the 2000/2001 Corporate Plan of 10 services was incorrect.
- Number of community alliances established for service delivery**  
The target has been exceeded because all community alliances that have been established and maintained through Social Development service agreements have been included in order to properly reflect the effective management and successful partnering with community based organisations to deliver community services.

## Council Approval of the Performance Statement

In our opinion, the accompanying performance statement of the Port Phillip City Council in respect of the 2000/2001 financial year is presented fairly in accordance with the *Local Government Act 1989*.

The statement outlines the performance targets and measures which council is required by statute to publish as part of the annual report.

Council's corporate plan sets out these measures in relation to the achievement of the business plan for the 2000/2001 financial year. The corporate plan also included many performance indicators above and beyond those required by the Local Government Branch.

As at the time of signing, we are not aware of any circumstance which would render any particular in the statement to be misleading or inaccurate.



**Julian Hill**  
**Mayor and Councillor**

Dated: 24.9.01



**Dick Gross**  
**Councillor**

Dated: 24.9.01

KRA 5 Improving our service and capabilities  
**consult**



**Goal**

We will listen and respond to the needs of the community and strive to reduce the gap between community expectations and our performance

**Performance**

69% community agreement that council communications and services are accessible for the community

64% community readership of *Community Update*



AUDITOR GENERAL  
VICTORIA

**AUDITOR-GENERAL'S REPORT  
ON PERFORMANCE STATEMENT**

**To the responsible Ministers and the Councillors of the Port Phillip City Council**

**Matters relating to the electronic presentation of the Audited Performance Statement**

This audit report relates to the performance statement of Port Phillip City Council in respect of the 2000-2001 financial year included on Port Phillip City Council's web site. The Councillors of the Port Phillip City Council are responsible for the integrity of the Council's web site. I have not been engaged to report on the integrity of the Council's web site. The audit report refers only to the statement named below. It does not provide an opinion on any other information which may have been hyperlinked to or from this statement. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited statement presented on this web site.

**Audit Scope**

The accompanying performance statement of Port Phillip City Council in respect of the 2000-2001 financial year has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on it to the responsible Ministers and the Councillors as required by the *Local Government Act 1989*.

The *Local Government Act 1989* requires the performance statement to outline the performance targets and measures set out in relation to the achievement of the business plan as described in the council's corporate plan submitted to the responsible Minister and to describe the extent to which the business plan was met having regard to those targets and measures.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement. These procedures, which do not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act 1989*.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the performance statement of the Port Phillip City Council in respect of the 2000-2001 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE  
25 September 2001

  
J.W. CAMERON  
Auditor-General



## KRA 6 Ensuring a sustainable organisation **lead**



### **Goal**

The City of Port Phillip will be a leader in local government in the provision of cost competitive services through partnerships with the community and contractors and innovative management of corporate resources

### **Performance**

28 community alliances established for service delivery

\$1.5 million grants received related to maintenance and ongoing programs

## Equal Employment Opportunity Program Information

An Equal Employment Opportunity Strategy has been developed to provide a general guide for the organisation. This ongoing program is supported by the Senior Management Team and has the main objective of promoting a work environment characterised by positive morale, a sense of justice and fair play and an absence of bias, harassment and intimidation, as well as the celebration of diversity and difference.

In supporting this objective, the City of Port Phillip has undertaken various activities as outlined below:

- The Memorandum of Understanding with the indigenous community which includes an Indigenous Recruitment Strategy, demonstrates the city's commitment to sustainable employment and career opportunities for indigenous people by employing 18 indigenous people into permanent positions over a three-year period. To date, two trainees have graduated and have ongoing employment. Eight trainees are currently completing a 12-month course.
- The City of Port Phillip continues to recognise the challenges that face individuals as they balance their work and family responsibilities. To this end, the City of Port Phillip has committed to and implemented a more innovative and flexible approach to the way employees can manage their work and family responsibilities, through the *City of Port Phillip Enterprise Bargaining Agreement 1999*.
- The City of Port Phillip is continuing to provide equal employment opportunity training specifically related to the differing needs of various service units and the needs continuously evolving within the community. Training on disability awareness, gay and lesbian awareness, indigenous issues, cross cultural awareness and topics specifically relating to sexual harassment and expected behaviour within the workplace formed part of the 2000/2001 organisational training calendar.
- The City of Port Phillip recruitment and selection procedures are clearly documented and a comprehensive Recruitment and Selection Kit is available for all employees involved in recruiting a new employee. General equal employment opportunity principles are clearly reflected in the Recruitment and Selection Kit. Selection is based on merit, and human resources specialists are involved to ensure the processes are adhered to.
- All policies, position descriptions, advertisements and formal documents are reviewed to ensure appropriate language is used.



## Jobs Profile Information

The following table outlines the number, classification and types of jobs within Port Phillip council, including the numbers of staff of both sex and members of council staff in designated groups.

CLASSIFICATION	FEMALE FULL TIME	FEMALE PART TIME	FEMALE TOTAL	MALE FULL TIME	MALE PART TIME	MALE TOTAL	TOTAL
BAND 1	0	16	16	1	21	22	38
BAND 2	0	8	8	9	3	12	20
BAND 3	3	32	35	7	18	25	60
BAND 4	33	25	58	21	8	29	87
BAND 5	49	17	66	15	10	25	91
BAND 6	28	7	35	20	0	20	55
BAND 7	4	3	7	3	1	4	11
BAND 8	0	0	0	0	0	0	0
SEO	42	6	48	45	0	45	93
CONTRACT	3	0	3	10	0	10	13
CEO	0	0	0	1	0	1	1
CHILD CARE WORKERS	50	31	81	1	0	1	82
MATERNAL NURSES	3	13	16	0	0	0	16
TEMPORARIES	15	13	28	10	2	12	40
HOMECARE	0	42	42	0	14	14	56
<b>TOTAL</b>	<b>230</b>	<b>213</b>	<b>443</b>	<b>143</b>	<b>77</b>	<b>220</b>	<b>663</b>

*Figures correct as at 30 June 2001*

Non English speaking background	not available
Aborigines/Torres Strait Islanders	not available
Disabled	not available
Women	443
Men	220
TOTAL FOR ALL STAFF	663

## Best Value Victoria Report

In December 1999, the Compulsory Competitive Tendering (CCT) provisions of the *Local Government Act* were repealed and replaced with Best Value principles. The Best Value legislation is based on the premise that councils have an obligation to seek 'best value' in providing services.

The Best Value legislation includes the following principles:

- All services must meet quality and cost standards
- All services must be responsive to the needs of its community
- Each service must be accessible to those members of the community for whom the service is intended
- Councils must achieve continuous improvement in the provision of services for the community
- Councils must develop a program of regular consultation with the community in relation to the services it provides
- Councils must report regularly to the community on its achievements in relation to these principles

The City of Port Phillip's Best Value Program is known as the Sustainable Value Program, with a formal review of services a key element.

Council is required to report to the community at least once a year on council's performance against these Best Value Principles and the following is a summary of the City of Port Phillip's Best Value Victoria Report for 2000/2001.

To date, five service reviews have been commenced as part of Council's Sustainable Value Program with four completed and one still in progress.

A summary of the outcomes of the reviews is provided in the following table:

SERVICE	DATE OF REVIEW COMPLETION	KEY IMPROVEMENT STRATEGIES	COMMENTS
Planning Enforcement	October 2000	A regime of proactive enforcement	Service specifications being prepared for presentation to council
Property and Regulatory	November 2000	Enhanced strategic management of the service	Service specifications being prepared for presentation to council
Libraries	December 2000	Development of a strategy emphasising enhanced access to a more diverse range of services from service delivery points	Service specifications being prepared for presentation to council
Requests and Complaints	June 2001	Enhanced service culture, aligned with defined policy, service charters, improved reporting and accountability measures	Panel Report to be presented to council in August 2001
Health, Amenity and Enforcement	in progress		

In 2001/2002 Port Phillip council will, as the next stage of its Sustainable Value Program, adopt a service level agreement for each of the above services, including outcome statements, Key Performance Indicators, targets and improvement strategies. Service Reviews will continue in accordance with the Sustainable Value Program.

A full Best Value Victoria Report, council's Sustainable Value Program and Service Charters are available from ASSIST or on [www.portphillip.vic.gov.au](http://www.portphillip.vic.gov.au).

## Public Documents

The following list details documents which are available for public inspection. All documents are available from the St Kilda Town Hall. To inspect or obtain a copy of accounts documents contact the Finance Unit, for all other documents contact the Statutory Functions Unit unless otherwise stated.

### Accounts

- Operating statement
- Statement of financial position
- Notes to the financial statement

### Other Documents

- Details of current allowances fixed for the Mayor and Councillors
- Details of senior officers' total salary packages for the current financial year and the previous year
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any member of council staff in the previous 12 months
- Names of council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- 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 the council which were abolished or ceased to function during the financial year
- Minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- Applications for enrolment on the voters' roll for the immediate past roll and the next roll being prepared (contact the Rates Unit)
- A register of delegations
- Submissions received in accordance with the *Local Government Act* during the previous 12 months
- Agreements to establish regional libraries (Not applicable)
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the council as lessor or lessee
- A register of authorised officers
- A list of donations and grants made by the council during the financial year
- A list of the names of the organisations of which the council was a member during the financial year
- A list of contracts valued at \$100,000 or more which the council entered into during the financial year without first engaging in a competitive process

# financial statements



Our financial statements show how the City of Port Phillip performed financially during the year, and show the overall financial position at the end of the year.

## Statement of Financial Performance for the year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
<b>Operating Activities:</b>			
Rates		43,999	40,362
Grants	4	8,286	7,180
Grants commission	4	1,517	1,446
Charges, fees, fines		27,506	22,551
Contributions		2,359	2,416
Other revenue		1,846	1,762
<b>Non Operating Activities:</b>			
Rental Income		3,709	3,292
Interest		1,156	1,324
Share of net profits in Joint Venture	27	31	27
Gain on disposal of non current assets	5	-	3,259
Recognition of controlled & heritage assets	8	-	75,007
Contributed assets	8	24,816	-
<b>Total Revenue from ordinary activities</b>		<b>115,225</b>	158,626
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
<b>Operating Activities:</b>			
Employee costs		24,926	25,915
Materials and contracts		25,404	21,501
Loss on disposal of non current assets	5	4,678	-
Utility payments		2,086	1,902
Depreciation	6	11,431	10,528
Consultants		3,273	2,659
Borrowing costs expense		843	811
Other expenses	7	13,102	11,933
De-recognition of land improvement assets	8	-	21,417
<b>Total Expenses from ordinary activities</b>		<b>85,743</b>	96,666
<b>Surplus from ordinary activities</b>		<b>29,482</b>	61,960

The accompanying notes form part of these financial statements

## Statement of Financial Position as at 30 June 2001

	Note	2001 \$'000	2000 \$'000
<b>CURRENT ASSETS</b>			
Cash assets	9	1,767	2,067
Receivables	10	10,512	9,008
Other financial assets	11	22,793	16,446
Other	12	2,439	1,336
<b>Total Current Assets</b>		<b>37,511</b>	28,857
<b>CURRENT LIABILITIES</b>			
Payables	13	11,003	9,060
Provisions	14	2,508	3,031
Interest bearing liabilities	15	636	598
<b>Total Current Liabilities</b>		<b>14,147</b>	12,689
<b>NET CURRENT ASSETS</b>		<b>23,364</b>	16,168
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	16	841,055	818,906
Other financial assets	11	826	504
Receivables	10	5,845	6,549
<b>Total Non Current Assets</b>		<b>847,726</b>	825,959
<b>NON CURRENT LIABILITIES</b>			
Provisions	14	1,727	1,609
Interest bearing liabilities	15	11,602	12,239
<b>Total Non Current Liabilities</b>		<b>13,329</b>	13,848
<b>NET NON CURRENT ASSETS</b>		<b>834,397</b>	812,111
<b>NET ASSETS</b>		<b>857,761</b>	828,279
<b>EQUITY</b>			
Accumulated surplus		499,992	473,284
Reserves	22	357,769	354,995
<b>TOTAL EQUITY</b>		<b>857,761</b>	828,279

The accompanying notes form part of these financial statements

## Statement of Changes in Equity for the year ended 30 June 2001

	Note	Accumulated Surplus	Asset Revaluation Reserve	General Reserve	Statutory Reserve	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at beginning of period		473,284	336,510	13,150	5,335	828,279
Increase in net assets arising from net surplus for year		29,482	-	-	-	29,482
Transfers to reserves	22	(6,211)	-	3,808	2,403	-
Transfers from reserves	22	3,437	-	(1,359)	(2,078)	-
<b>Balance at end of period 2001</b>		<b>499,992</b>	<b>336,510</b>	<b>15,599</b>	<b>5,660</b>	<b>857,761</b>
Comparatives 2000		473,284	336,510	13,150	5,335	828,279

The accompanying notes form part of these financial statements

## Statement of Cash Flows for the year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
CASH FLOWS FROM ORDINARY ACTIVITIES			
<b>Operating receipts:</b>			
Receipts from ratepayers		44,400	39,516
Grants commission		1,517	1,446
Vicroads grants		956	865
Other government grants		7,330	6,315
Interest received		1,156	1,324
User charges		28,515	13,509
Other receipts		8,364	7,470
Net GST refund from the Australian Taxation Office		2,151	-
<b>Operating payments:</b>			
Payments to suppliers		(26,926)	(16,070)
Payments to employees		(24,343)	(24,611)
Interest paid		(843)	(811)
Consultants		(3,596)	(2,616)
Utility costs		(2,173)	(2,089)
Staff redundancies		(444)	(1,111)
Other payments		(15,769)	(12,027)
<b>Net cash provided by ordinary activities</b>	17	<b>20,295</b>	11,110
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments		(6,638)	-
Proceeds from sale of investments		-	1,666
Payments for property, plant and equipment		(13,508)	(12,941)
Proceeds from sale of property, plant and equipment		150	1,973
<b>Net cash used in investing activities</b>		<b>(19,996)</b>	(9,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of interest bearing liabilities		(599)	(563)
<b>Net cash used in financing activities</b>		<b>(599)</b>	(563)
<b>Net increase/(decrease) in cash held</b>		<b>(300)</b>	1,245
Cash at the beginning of period		2,067	822
<b>Cash at the end of the period</b>	17	<b>1,767</b>	2,067

The accompanying notes form part of these financial statements



## 1.0 Summary of Significant Accounting Policies

### 1.1 The Local Government Reporting Entity

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

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

### 1.2 Basis of Accounting

This general purpose financial report has been prepared to comply with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and the provisions of the *Local Government Act 1989* and the *Local Government Regulations 2001*. The financial report has been prepared on the accrual basis of accounting

Except for certain items of property, plant and equipment, which are valued at various valuations, the report has been prepared in accordance with the historical cost convention

The accounting policies adopted are consistent with those of the previous year.

### 1.3 Trust Funds

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

### 1.4 Property, Plant and Equipment

#### CAPITAL AND OPERATING

Material expenditure incurred on the purchase and development of assets is treated as capital expenditure. Expenditure necessarily incurred in either maintaining the operating capacity of the non current asset or ensuring that the original life estimate is achieved, is considered maintenance expenditure and is treated as an expense.

Items of property, plant and equipment with a value less than \$500 are treated as an expense. Capitalisation thresholds have not changed from the previous reporting period.

#### ACQUISITION

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

#### VALUATION

**Infrastructure assets** that have been re-valued are valued at written down current replacement cost. This is defined as the cost required to obtain the full service potential or economic benefits embodied in the existing asset, using a technologically up to date reference asset.

**Land and buildings** that have been re-valued are valued at full market value. This assumes the highest and best use permitted by the relevant land use planning provisions or existing public use, which ever is the greater. All freehold land reserved for public open space is valued at a discount to market value based on legal precedents. The discounts applied to market value are 30% for non-foreshore land and 50% for foreshore land.

In accordance with AAS 27 Paragraph 115, Land Under Roads has not been recognised in the accounts as this is not required until 30 June 2003.

**Plant and machinery and furniture and equipment** are valued at cost and/or current cost.

**Heritage and works of art** are valued at their fair market value.

### 1.5 Depreciation of Non Current Assets

Non current assets having limited useful lives are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential to the council embodied in those assets. Depreciation is recognised on the straight line basis based on costs or revalued amounts, using rates which are reviewed each year.

Major depreciation periods are:

	2001 Yrs	2000 Yrs
<b>INFRASTRUCTURE</b>		
Bridges	100	100
Drains	100	100
Improvements to parks and gardens	40	40
Kerb & channel	50	50
Road substructure (all road components 1998/99)	100	100
Road surface	6 - 12	6 - 12
Footpaths	40	40
Right of ways	100	100
<b>BUILDINGS</b>		
Buildings	100	100
<b>OTHER PLANT AND EQUIPMENT</b>		
Communications equipment	3 to 5.5	3 to 5.5
Furniture	3 to 5.5	3 to 5.5
Heritage assets	100	100
Information technology	3	3
Library books	5	5
Motor vehicles	5	5
Office equipment	3 to 5.5	3 to 5.5
Pay parking equipment	5	5

### 1.6 Employee Entitlements

#### Wages and salaries, annual leave and rostered days off

Liabilities for wages and salaries, annual leave and rostered days off are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' service up to that date.

#### Retirement gratuity

Retirement gratuities were provided to certain employees who joined the council prior to 30 June 1995. The provision is a portion of unused sick leave that the employee shall be entitled to on retirement and is based on current pay rates at the reporting date.

#### Long service leave

The provision for long service leave is determined in accordance with *Australian Accounting Standard AAS 30, Accounting for Employee Entitlements*. Long service leave entitlements have been measured at the present value of the estimated future cash flows to be made for these entitlements. The interest rates attaching as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value.

#### Superannuation

The superannuation expense for the reporting period is the amount of the statutory contribution the council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in the Superannuation Note.

## 1.7 Revenue

### GRANTS, DONATIONS AND OTHER CONTRIBUTIONS

Grants, donations and contributions other than reciprocal contributions received from owners are recognised as revenues when the municipality obtains control over the assets comprising the contributions. In the determination of control, consideration has been given to the provisions relating to control over grants and contributions as outlined in *Australian Accounting Standard AAS 27, Financial Reporting by Local Governments*.

Control over assets acquired from grants is normally obtained upon prior notification that a grant has been secured.

### RATES, FEES, CHARGES AND FINES

Rates, fees, charges and fines are recognised as revenues when the council obtains control over the assets.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over fees and charges, granted assets and donations are normally obtained upon their receipt.

## 1.8 Public Housing Agreements

Council has financial interests in 11 properties, 6 of which are council owned and 2 part owned with the State Government's Office of Housing. All are subject to agreements with the Office of Housing. 10 properties are operational under the management of the St Kilda Housing Association Inc.

Assets acquired are initially recorded at cost. Council has no ongoing liabilities for operational cost which are borne by the St Kilda Housing Association under the terms of Management Agreements, one is under construction and another yet to be developed.

Recent projects comprise The St Kilda Railway Station Housing Project (joint venture with the State, now completed), The Regal Rooming House, St Kilda (completed), Inkerman Oasis, St Kilda (provided by a developer and under construction) and Excelsior Hall, Port Melbourne (joint venture with the State, yet to be developed).

## 1.9 Restricted Assets

Included in Note 16, 'Property, plant and equipment' are housing assets which have restrictions placed upon them. These assets which total \$13.8 million (2000: \$13.0 million), are used as community housing and were purchased with assistance from State Government funding. 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, the council is liable to repay to the State Government an amount determined in those agreements. Based upon the \$13.8 million gross value included in the accounts, the amount that would be required to be repaid to the State Government in a default situation would be \$7.0 million (2000: \$5.6 million)

In addition, restrictions are imposed by Statutory Regulations in relation to current investment levels for the following reserves and assets.

	\$'000
Resort and Recreation Reserve	4,437
Car Parking Reserve	1,156
Sale of Laneways Reserve	67
Cash Assets to provide for long service leave	1,800

### 1.10 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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. The net amount of GST recoverable from the ATO is included as a current asset in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from the ATO are classified as operating cash flows.

### 1.11 Investments

All investments are valued at cost. Cost comprises the initial and any subsequent equity contribution of the council. Interest revenue is recognised as it accrues.

### 1.12 Allocation Between Current and Non Current

In the determination of whether an asset or liability is current or non current, consideration is given to the time when each asset or liability is expected to be realised or paid.

The asset or liability is classified as current if it is expected to be realised or paid within the next twelve months.

### 1.13 Reclassification of Financial Information

Some line items and sub-totals reported in the previous financial year have been reclassified and repositioned in the financial statements as a result of the first time application on 1 July 2000 of the revised standards *AAS 1 Statement of Financial Performance*, *AAS 37 Financial Report Presentation and Disclosures* and the new *AAS 36 Statement of Financial Position*.

Revenue and Expense items previously disclosed as abnormal have been reclassified and are now disclosed as individually significant items in Note 8.

### 1.14 Comparative Information

Where applicable, comparatives have been adjusted to place them on the same basis as current year figures.

### 1.15 Rounding Off

Amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## 2.1 Comparison of Budget and Actual Results for the Statement of Financial Performance for the year ended 30th June 2001

	Statement of Financial Performance			
	Actual	Budget	Actual	Budget
	2001 \$'000	2001 \$'000	2000 \$'000	2000 \$'000
REVENUE FROM ORDINARY ACTIVITIES				
<b>Operating Activities:</b>				
Rates	43,999	43,574	40,362	39,461
Grants	8,286	5,940	7,180	6,465
Grants commission	1,517	1,514	1,446	1,441
Charges, fees, fines	27,506	23,766	22,551	22,716
Contributed assets	24,816	-	-	-
Other	1,846	713	1,762	581
<b>Non Operating Activities:</b>				
Rental Income	3,709	3,404	3,292	3,241
Interest	1,156	700	1,342	570
Share of net profits in Joint Venture	31	-	27	-
Gain on disposal of non current assets	-	-	3,259	1
Contributions	2,359	2,241	2,416	1,520
Recognition of controlled & heritage assets	-	-	75,007	-
<b>Total Revenue from ordinary activities</b>	<b>115,225</b>	<b>81,852</b>	158,626	75,996
EXPENSES FROM ORDINARY ACTIVITIES				
<b>Operating Activities:</b>				
Employee costs	24,926	23,359	25,915	28,097
Materials and contracts	25,404	23,695	21,501	17,025
Loss on disposal of non current assets	4,678	-	-	-
Utility payments	2,086	2,056	1,902	2,152
Depreciation	11,431	11,735	10,528	8,945
Consultants	3,273	3,700	2,659	3,056
Borrowing costs expense	843	836	811	811
Other expenses	13,102	13,096	11,933	14,208
De-recognition of land improvement assets	-	-	21,417	-
<b>Total Expenses from ordinary activities</b>	<b>85,743</b>	<b>78,477</b>	96,666	74,294
<b>Surplus from ordinary activities</b>	<b>29,482</b>	<b>3,375</b>	61,960	1,702

## 2.2 Comparison of Budget and Actual Results for the Cashflow Statement for the year ended 30th June 2001

	Cashflow Statement			
	Actual	Budget	Actual	Budget
	2001	2001	2000	2000
	\$'000	\$'000	\$'000	\$'000
<b>CASH FLOWS FROM ORDINARY ACTIVITIES</b>				
Operating receipts:				
Receipts from ratepayers	44,400	43,574	39,516	39,461
Grants commission	1,517	1,514	1,446	1,441
Other government grants	8,286	8,132	7,180	7,985
Interest received	1,156	700	1,351	570
User charges	28,515	23,815	20,058	22,716
Other receipts	8,364	4,117	7,470	3,822
Net GST refund from the Australian Taxation Office	2,151	-	-	-
Operating payments:				
Payments to suppliers	(26,926)	(23,695)	(16,070)	(13,024)
Payments to employees	(24,343)	(22,959)	(24,611)	(28,098)
Interest paid	(843)	(836)	(811)	(811)
Consultants	(3,596)	(3,700)	(2,616)	(3,056)
Utility costs	(2,173)	(2,056)	(2,089)	(2,152)
Staff redundancies	(444)	(400)	(1,111)	(2,000)
Other payments	(15,769)	(13,340)	(12,027)	(14,208)
<b>Net cash provided by ordinary activities</b>	<b>20,295</b>	<b>14,866</b>	17,686	12,646
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for investments	(6,638)	(3,791)	-	-
Proceeds from sale of investments	-	1,564	1,639	-
Payments for property, plant and equipment	(13,508)	(16,542)	(19,490)	(11,732)
Proceeds from sale of property, plant and equipment	150	749	1,973	230
<b>Net cash used in investing activities</b>	<b>(19,996)</b>	<b>(18,020)</b>	(15,878)	(11,502)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of interest bearing liabilities	(599)	(598)	(563)	(563)
<b>Net cash used in financing activities</b>	<b>(599)</b>	<b>(598)</b>	(563)	(563)
<b>Net increase/(decrease) in cash held</b>	<b>(300)</b>	<b>(3,752)</b>	1,245	581
Cash at the beginning of period	2,067	4,498	822	1,327
Cash at the end of the period	17	1,767	2,067	1,908

## 2.3 Comparison of Budget and Actual Results for the Rate Determination Statement for the year ended 30th June 2001

	Actual 2001 \$'000	Rate Determination		Budget 2000 \$'000
		Budget 2001 \$'000	Actual 2000 \$'000	
<b>REVENUE FROM ORDINARY ACTIVITIES</b>				
Operating activities:				
Rates	43,999	43,574	40,362	39,461
Grants	8,286	8,132	7,180	6,465
Interest	1,187	700	1,351	570
Grants commission	1,517	1,514	1,446	1,441
Charges, fees, fines	27,506	23,815	22,551	22,716
Contributions	2,359	2,241	2,416	1,520
Other	5,555	1,876	5,054	3,822
<b>Total Revenue from ordinary activities</b>	<b>90,409</b>	<b>81,852</b>	80,360	75,995
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Operating activities:				
Employee costs	24,926	23,359	25,915	28,097
Materials and contracts	25,404	23,695	21,501	17,025
Utility payments	2,084	2,056	1,902	2,152
Depreciation	-	-	-	-
Consultants	3,273	3,700	2,659	3,056
Borrowing costs expense	843	836	811	811
Other expenses	13,102	13,340	11,933	14,208
<b>Total Expenses from ordinary activities</b>	<b>69,632</b>	<b>66,986</b>	64,721	65,349
<b>Surplus/(deficit) after ordinary activities</b>	<b>20,777</b>	<b>14,866</b>	15,639	10,646
Capital expenditure	(13,769)	(16,542)	(13,570)	(11,732)
Proceeds from disposal of assets	150	-	2,262	230
Proceeds from sale of property	-	749	6,815	-
Loan Proceeds/(Repayments)	(598)	(598)	(563)	(563)
Reserve transfers (net)	(2,774)	(2,227)	(8,402)	92
Brought Forward Surplus 1999/2000	3,500	4,498	1,319	1,327
<b>Surplus/(deficit)</b>	<b>7,286</b>	<b>746</b>	3,500	-

## 2.4 Reconciliation of Rates Determination Surplus and Increase/(Decrease) In Net Profit for year

	Actual 2001 \$'000	Actual 2000 \$'000
<b>Rates Determination Surplus/(Deficit)</b>	<b>7,286</b>	3,500
<b>Items included in Rate Determination which are not included in the Statement of Financial Position</b>		
Brought forward surplus	(3,500)	(1,319)
Capital expenditure	13,769	13,570
Proceeds from disposal of assets	(150)	(2,262)
Proceeds from sale of property	-	(6,815)
Cost of unfunded superannuation	-	-
Loan repayments	598	563
Reserve transfers (net)	2,774	8,402
	<b>13,491</b>	12,139
<b>Items included in the Statement of Financial Position are not included in the Rates Determination</b>		
(Loss)/Gain on disposal of non current assets	(4,678)	3,259
Depreciation	(11,433)	(10,528)
Contributed assets	24,816	-
Recognition of controlled & heritage assets	-	75,007
De-recognition of land improvement assets	-	(21,417)
	<b>8,705</b>	46,321
<b>Surplus from ordinary activities</b>	<b>29,482</b>	61,960



### 3 Revenue, Expenses and Assets by Functions/Activities

	CEO		SERVICES		CITY DEVELOPMENT		ORGANISATION DEVELOPMENT		CORPORATE		OTHER* NOT ATTRIBUTED		TOTAL	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
EXPENSES FROM ORDINARY ACTIVITIES	592	738	36,527	32,644	17,403	12,525	3,319	2,630	27,902	48,129	-	-	85,743	96,666
REVENUES FROM ORDINARY ACTIVITIES														
Grants	-	58	6,911	5,465	1,225	469	14	22	1,652	1,509	-	-	9,802	7,523
Proceeds from sales	-	-	-	-	-	-	-	-	150	9,077	-	-	150	9,077
Other	44	107	5,623	5,224	25,133	19,468	1	119	30,474	76,430	43,998	40,678	105,273	142,026
Total Revenue	44	165	12,534	10,689	26,358	19,937	15	141	32,276	87,016	43,998	40,678	115,225	158,626
NET SURPLUS/ (DEFICIT) FOR YEAR	(548)	(573)	(23,993)	(21,955)	8,955	7,412	(3,304)	(2,489)	4,374	38,887	43,998	40,678	29,482	61,960
TOTAL ASSETS BY DIVISION	-	-	3,210	3,840	3,636	7,397	-	36	835,035	808,137	43,356	35,406	885,237	854,816

\*General rates and current assets have not been attributed to functions

#### ACTIVITIES

CEO - The office of the Chief Executive Officer

SERVICES - Responsible for ensuring effective access and delivery of environmental, engineering and community services

CITY DEVELOPMENT - Responsible for strategic planning and facilitation, building and planning, urban design and architecture as well as neighbourhood amenity services

ORGANISATION DEVELOPMENT - Responsible for service support, contract management and human resources

CORPORATE - Responsible for internal business support, financial management, property and regulatory services, records management and information systems

## 4 Summary of Grants and Subsidies

	2001 \$'000	2000 \$'000
Grants and Subsidies were received in respect of the following:		
<b>Community Services Grants and Subsidies</b>		
Home Help - Elderly	1,203	1,132
Addas	194	234
Specific Home Care	235	171
Home Maintenance Services	107	107
Senior Citizen Centres	49	47
Meals on Wheels	145	203
Pre School	74	41
Maternal & Child Health	224	164
Child Care Centre	404	832
Family Day Care	352	344
Adventure Playground & Leisure	537	471
Immunisation	14	15
Dental Program	7	14
Family Support	128	174
Arts	105	156
Community Buses	-	39
Indigenous	14	22
Drug Strategy	215	-
Isephac	497	-
<b>Information Grants &amp; Subsidies</b>		
Library subsidy	360	358
<b>Environmental Grants &amp; Subsidies</b>		
Beach Clean	216	273
Infectious Waste	-	19
Trade Waste	5	4
Coastal & Marine Grt	350	-
EPA Grant	260	-
Storm Water Retention	43	-
<b>Transport Grants &amp; Subsidies</b>		
Vic Roads	956	865
Walksafe	306	195
50km Signage	8	-
School Crossing	53	-
<b>Capital Grants</b>		
	968	1,053
<b>Other</b>		
Registered Premises	39	-
Town Hall Refurbishment	50	-
National Competition Policy	135	63
SES Subsidy	3	3
Urban Planning	30	118
Safer Cities	-	50
Best Practice	-	13
	<b>8,286</b>	<b>7,180</b>
<b>Unclassified Grant</b>		
Grants Commission	1,517	1,446
<b>Total Grants and Subsidies</b>	<b>9,803</b>	<b>8,626</b>

## 5 (Loss)/Gain on Disposal of Non Current Assets

	2001	2000
	\$'000	\$'000
Proceeds from sales	150	9,077
Written down value of assets sold	(741)	(5,469)
Written down value of assets scrapped or whose control was returned to the State Government	(4,087)	(349)
	<b>(4,678)</b>	3,259

## 6 Depreciation

Depreciation for the period was charged in respect of:

Infrastructure assets		
- roads, streets and bridges	5,131	3,985
- land improvements	764	1,259
- drainage works	757	573
Buildings	1,532	1,216
Other plant and equipment		
- plant and machinery	1,269	1,405
- furniture and equipment	1,926	2,048
- heritage and works of art	52	42
	<b>11,431</b>	10,528

## 7 Other Expenses

Advertising	772	980
Internal auditors remuneration	50	60
External auditors remuneration	48	42
Contributions - other	1,767	1,659
Insurance	412	1,322
Metropolitan Fire Brigades levy	1,126	1,014
Printing and stationery	910	767
Telephone charges	946	903
Training	359	411
Other	4,917	2,785
Operating lease expenses	1,795	1,990
	<b>13,102</b>	11,933

## 8 Individually Significant Items

	2001 \$'000	2000 \$'000
Recognition of controlled assets for the first time	-	75,007
Contributed assets	<b>24,816</b>	-
De-recognition of land improvement assets	-	(21,417)
	<b>24,816</b>	53,590

## 9 Current Assets - Cash Assets

Cash at bank and on hand	<b>1,767</b>	2,067
--------------------------	--------------	-------

## 10 Current Assets - Receivables

Rates debtors	<b>1,687</b>	2,088
Parking infringement debtors	<b>3,798</b>	1,633
Less : Provision for doubtful debts	<b>(949)</b>	(408)
	<b>2,849</b>	1,225
Parking infringement debtors at PERIN Court	<b>14,652</b>	12,669
Less : Provision for doubtful debts	<b>(11,298)</b>	(9,717)
	<b>3,354</b>	2,952
Other receivables	<b>2,751</b>	2,843
Less : Provision for doubtful debts	<b>(129)</b>	(100)
	<b>2,622</b>	2,743
	<b>10,512</b>	9,008

## Non Current Assets - Receivables

Other receivables	<b>5,845</b>	6,549
-------------------	--------------	-------

## 11 Current Assets - Other Financial Assets

Bank bills and cash*	<b>22,793</b>	16,446
----------------------	---------------	--------

\* Refer to Financial Instruments note for further information.

## Non Current Assets - Other Financial Assets

	2001 \$'000	2000 \$'000
MAPS shares & investment	296	5
Investment in joint venture*	530	499

\* Refer to Joint Venture note for further information.

	<b>826</b>	504
--	------------	-----

## 12 Current Assets - Other

Prepayments	1,304	813
Accrued income	1,135	523
	<b>2,439</b>	1,336

## 13 Current Liabilities - Payables

Trade creditors	7,085	4,111
Trust funds*	743	322
Accruals	3,052	4,242
Prepaid income	123	112
Employee gain sharing accruals	-	273
	<b>11,003</b>	9,060

\*Trust funds monies

Rental Bonds	173	136
Security Deposits for Functions	25	9
Security Deposits on Contracts	133	166
Sandridge Bay Development	31	-
- Represents monies paid by a developer to be held until certain road and footpath works have been undertaken.		
Building Control - Permits Outstanding	5	11
- Represents monies received from developers to be paid to the building control commission when permits are issued.		
Management Committee Agreement	86	-
- Represents monies payable in respect of a property subject to a management committee agreement and which is let out as a restaurant.		
Rupert Bunny Foundation	290	-
- Represents monies received from an insurance claim for artwork destroyed in a fire. This sum has been set aside in a trust fund to assist developing artists in the municipality.		
	<b>743</b>	322

## 14 Provisions

	2001 \$'000	2000 \$'000
<b>EMPLOYEE ENTITLEMENTS</b>		
<b>Current</b>		
Annual leave	1,855	1,672
Rostered days off	65	56
Retirement gratuity	366	379
Long service leave	192	179
Unfunded superannuation liability	30	745
	<hr/> 2,508	<hr/> 3,031
<b>Non Current</b>		
Long service leave	1,727	1,609
	<hr/> 1,727	<hr/> 1,609

## 15 Interest Bearing Liabilities

<b>Current</b>		
Loans - secured	636	598
<b>Non Current</b>		
Loans - secured	11,602	12,239
	<hr/> 12,238	<hr/> 12,837

## 16.1 Property, Plant and Equipment

	2001 \$'000	2000 \$'000
<b>INFRASTRUCTURE ASSETS</b>		
<b>Roads, streets and bridges</b>		
Roads, streets and bridges at cost	7,964	2,151
Roads, streets and bridges at Council's valuation as at 30 June 2001**	3,509	-
Roads, streets and bridges at Council's valuation as at 1 January 2000*	253,718	254,752
Less: Accumulated depreciation	(90,734)	(85,968)
	<b>174,457</b>	<b>170,935</b>
<b>Land improvements</b>		
Land improvement at cost	3,223	1,092
Land improvement at Council's valuation as at 1 January 2000*	28,945	28,945
Less: Accumulated depreciation	(15,686)	(14,922)
	<b>16,482</b>	<b>15,115</b>
<b>Drainage works</b>		
Drainage works at cost	1,990	887
Drainage works at Council's valuation as at 30 June 2001**	1,342	-
Drainage works at Council's valuation as at 1 January 2000*	74,523	74,523
Less: Accumulated depreciation	(35,867)	(35,110)
	<b>41,988</b>	<b>40,300</b>
<b>LAND AND BUILDINGS</b>		
<b>Land</b>		
Land at cost	612	36
Land at Council's valuation as at 1 January 2000*	149,714	149,714
Controlled Land at Council's valuation as at 1 January 2000*	369,970	369,970
Land at Council's valuation as at 30 June 2001**	19,965	-
	<b>540,261</b>	<b>519,720</b>
<b>Buildings</b>		
Buildings at cost	2,724	1,490
Buildings at Council's valuation as at 1 January 2000*	72,639	72,639
Controlled Buildings at Council's valuation as at 1 January 2000*	73,532	78,761
Less: Accumulated depreciation	(99,415)	(103,436)
	<b>49,480</b>	<b>49,454</b>

## 16.1 Property, Plant and Equipment cont'd

	2001 \$'000	2000 \$'000
OTHER PLANT AND EQUIPMENT		
<b>Plant and machinery</b>		
Plant and machinery at cost	898	225
Plant and machinery at Council's valuation as at 1 January 2000*	6,729	7,123
Less: Accumulated depreciation	(4,434)	(3,540)
	<b>3,193</b>	3,808
<b>Furniture and equipment</b>		
Furniture and equipment at cost	2,218	683
Furniture and equipment at Council's valuation as at 1 January 2000*	7,476	7,566
Less: Accumulated depreciation	(6,755)	(5,307)
	<b>2,939</b>	2,942
<b>Heritage and works of art</b>		
Heritage and works of art at Council's valuation as at 1 January 2000*	5,225	5,225
Less: Accumulated depreciation	(77)	(25)
	<b>5,148</b>	5,200
<b>Capital works in progress at cost</b>	<b>7,107</b>	11,432
<b>Total property, plant and equipment</b>	<b>841,055</b>	818,906

\*Current cost valuations were undertaken in 1999/2000 based on 1 January 2000 valuations

The valuations were performed by the following:

- Infrastructure - Mr D Yeouart BE, MIE Aust., CP Eng.
- Land Improvements - Mr D Yeouart BE, MIE Aust., CP Eng.
- Land & buildings - Mr B McKeon, AAPI, CPV
- Plant and machinery & furniture and equipment - Mr B McKeon, AAPI, CPV and Mr P Morgan, B Ec.
- Heritage and works of art - due to the diversity of assets within the asset category a large number of qualified valuers were engaged.

\*\* Current cost valuations were undertaken in 2000/2001 in respect of the contributed assets.

The valuations were performed by the following:

- Infrastructure - Mr D Yeouart BE, MIE Aust., CP Eng.
- Land & buildings - Mr B McKeon, AAPI, CPV

Refer to Note 1.4 'Property, plant and equipment' for details on the council's valuation policy for each asset category.



## 16.2 Reconciliation of Carrying Amount of Property, Plant and Equipment

	Roads Streets and Bridges	Land Improvements	Drainage	Land	Buildings Machinery	Plant and Equipment	Furniture and Works of Art	Heritage	Work in Progress	Total
Balance at beginning of period	<b>170,935</b>	<b>15,115</b>	<b>40,300</b>	<b>519,720</b>	<b>49,454</b>	<b>3,808</b>	<b>2,942</b>	<b>5,200</b>	<b>11,432</b>	<b>818,906</b>
Additions at cost	5,814	2,131	1,103	576	3,361	672	1,976	-	4,005	19,638
Contributed assets brought to account	3,509	-	1,342	19,965	-	-	-	-	-	24,816
Disposals at book value	(670)	-	-	-	(1,803)	(18)	(53)	-	(2,269)	(4,813)
Depreciation expense	(5,131)	(764)	(757)	-	(1,532)	(1,269)	(1,926)	(52)	-	(11,431)
Capitalisations of WIP	-	-	-	-	-	-	-	-	(6,061)	(6,061)
Balance at end of period	<b>174,457</b>	<b>16,482</b>	<b>41,988</b>	<b>540,261</b>	<b>49,480</b>	<b>3,193</b>	<b>2,939</b>	<b>5,148</b>	<b>7,107</b>	<b>841,055</b>

## 17 Reconciliation of Cash

	2001 \$'000	2000 \$'000
RECONCILIATION OF THE OPERATING SURPLUS TO THE NET CASH FLOWS FROM OPERATIONS		
Increase/(decrease) in net assets from operations	29,482	61,960
Depreciation	11,431	10,528
Loss/(gain) on asset sales	4,678	(3,259)
Loss/(gain) on joint venture	(31)	(27)
Recognition of controlled assets	-	(75,007)
Other	-	5,938
Removal of horticultural and turf assets from land improvement assets	-	8,211
Correction of depreciation error relating to infrastructure and land improvement assets	-	13,206
Contributed assets	(24,816)	-
Changes in assets and liabilities:		
Decrease/(increase) in rate debtors	401	(846)
(Increase) in parking infringement debtors	(2,026)	(641)
Decrease/(increase) in other receivables	827	(8,401)
(Increase) in other current assets	(1,071)	(420)
increase/(decrease) in payables	1,943	(198)
Increase/(decrease) in other employee provisions	192	(639)
(Decrease)/increase in unfunded superannuation liability	(715)	705
Net cash provided by ordinary activities	<b>20,295</b>	11,110

### RECONCILIATION OF CASH

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

Cash	1,767	2,067
	<b>1,767</b>	2,067

### FINANCING FACILITIES

Net facilities available		
Overdraft balance	10,000	10,000
Credit card balance	20	20
	<b>10,020</b>	10,020
Facility used	-	-

## 18 Commitments for Capital and Other Expenditure

	2001 \$'000	2000 \$'000
At the reporting date, the municipality had entered into contracts for the following capital and other expenditure		
Property, plant and equipment	1,630	2,047
Provision of council services	41,123	33,741
	<b>42,753</b>	35,788
These expenditures are due for payment:		
Not later than one year	16,378	12,052
Later than one year and not later than two years	13,045	9,207
Later than two years and not later than five years	13,330	14,529
	<b>42,753</b>	35,788

## 19 Operating Lease Commitments

At the reporting date, the municipality had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities)

Not later than one year	326	730
Later than one year and not later than two years	273	239
Later than two years and not later than five years	337	134
	<b>936</b>	1,103

## 20 Contingent Liabilities

### CONTINGENT LIABILITIES

Details and estimates of contingent liabilities for which no provision is included in the accounts, are as follows:

**2001**    **2000**  
**\$'000**    **\$'000**

#### GUARANTEE

Council has executed a bank guarantee guaranteeing repayment of a loan facility granted to the Port Melbourne Yacht Club Inc. Council has agreed to execute this guarantee relying on its general powers and functions under the Act.

**50**    **100**

#### OPEN SPACE CONTRIBUTIONS

A potential liability exists for return of open space developer contributions currently subject to review.

**50**    **-**

## 21 Superannuation

### EMPLOYER CONTRIBUTIONS

In accordance with statutory requirements, council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund ("the Fund"). During 2000/2001 council's superannuation contributions relating to that year's accumulation benefit members service was \$1,669,098 (\$1,475,868 in 1999/2000) and defined benefits member service was \$282,248 (\$388,523 in 1999/2000).

### ACCUMULATION BENEFITS

The Fund's accumulation benefits category receives both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of employee earnings (8% in 2000/2001 and 7% in 1999/2000). No further liability accrues to council as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.

### DEFINED BENEFITS

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Board. The rate is currently 9.25% (9.25% in 2000/2001) of eligible remuneration. In addition, council reimburses the Fund for the difference between resignation and retrenchment benefits paid to council's employees retrenched during the year. Employees also make member contributions to the Fund. As such, assets accumulate in the fund to meet member benefits, defined by legislation, as they accrue.

Council has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefits liability.

The most recent full actuarial review of the Fund was undertaken by the Fund's actuary, Grant Harslett, FIA, FIAA, of Towers Perrin, as at 30 June 2000. The Fund's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based risk-adjusted discount rate and relevant actuarial assumptions. It was determined that the net assets of the Fund, which includes amounts owed by council to the Fund, were more than sufficient to meet the accrued benefits of the Fund's defined benefit category members.

Council's past service liability to the Fund as at 30 June 2001, including retrenchment increments, accrued interest and tax is \$30,284 (\$744,828 at 30 June 2000).

During 2000/2001 council paid \$1,030,381 including \$219,081 tax, to the Fund, over and above its annual employee contributions to fund ongoing service and to reduce its superannuation liability for past service and retrenchment increments.

## 22 Reserves

	2001 \$'000	2000 \$'000
<b>ASSET REVALUATION RESERVE</b>		
<i>The asset revaluation reserve is for the revaluation of non current assets.</i>		
Balance at the start	336,510	131,796
Revaluation of property, plant and equipment	-	204,714
<b>Balance at end of year</b>	<b>336,510</b>	<b>336,510</b>
<b>GENERAL RESERVE</b>		
<i>The general reserve aggregates a number of specific purpose reserve funds including public housing and tree root damage.</i>		
Balance at the start	13,150	6,982
Transferred from accumulated surplus re committed contributions	3,808	7,459
Transferred to accumulated surplus	(1,359)	(1,291)
<b>Balance at end of year</b>	<b>15,599</b>	<b>13,150</b>
<b>STATUTORY RESERVES</b>		
<b>RESORT AND RECREATION RESERVE</b>		
<i>The resort and recreation reserve is for the accumulation of developers contributions which are to be expended at a future date on recreational infrastructure.</i>		
Balance at the start	4,319	2,015
Transferred from accumulated surplus re developer contributions	2,187	2,304
Transferred to accumulated surplus re recreation projects	(2,069)	-
<b>Balance at end of year</b>	<b>4,437</b>	<b>4,319</b>
<b>CONTRIBUTIONS FOR CAR PARKING RESERVE</b>		
<i>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.</i>		
Balance at the start	949	1,019
Transferred from accumulated surplus re developer contributions	216	1,035
Transferred to accumulated surplus re recreation projects	(9)	(1,105)
<b>Balance at end of year</b>	<b>1,156</b>	<b>949</b>
<b>SALE OF LANEWAYS RESERVE</b>		
<i>The sale of laneways reserve is for funds allocated to laneway construction.</i>		
Balance at the start	67	
<b>Balance at end of year</b>	<b>67</b>	<b>67</b>
<b>Statutory Reserve Total</b>	<b>5,660</b>	<b>5,335</b>
<b>Total Reserves</b>	<b>357,769</b>	<b>354,995</b>

## 23.1 Financial Instruments

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Bank Deposits on call	9	Valued at face value. Interest recognised as it accrues.	On call deposits returned floating interest rate returns between 4.9% and 6.15%. The rate at balance date was 4.9%.
Parking Infringement Debtors	10	PINS/PERIN are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	Parking infringement debtors are unsecured.  The provision for parking infringement doubtful debts is calculated as a percentage of total parking infringement revenue and has been evaluated and recognised based upon previous payment and collection history.
Other Receivables	10	Receivables are carried at nominal amounts due less any provision for doubtful debts.  A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually up to 30 days. The provision for other receivables is calculated as a percentage of debts exceeding 90 days overdue.
Other Financial Assets	11	Investments are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	Funds achieved floating and fixed interest rate returns of between 5.01% and 6.64%.
Payables	13	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest bearing liabilities	15	Loans are carried at their principal amounts. Interest due on the loan is accrued for each period and is reported as part of other creditors.	Two loans were provided to Council in April 1999 for the sum of \$7.0 million and \$6.4 million. Both loans have terms of 15 years with repayments to be made quarterly. Interest attached to the loans is fixed at 6.15%.

## 23.2 Interest Rate Risk

The City of Port Phillip's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows:

Financial Instruments	Floating interest rate	2000/2001 Fixed interest rate maturing in:			Non-interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
		1 year or less	Over 1 to 5 years	More than 5 years			
		\$'000	\$'000	\$'000			
<i>(i) Financial assets</i>							
Cash assets	1,767	-	-	-	-	1,767	5.00%
Receivables	-	-	-	-	14,670	14,670	N/A
Commercial bills and promissory notes	22,793	-	-	-	-	22,793	5.15%
<i>Total financial assets</i>	24,560	-	-	-	14,670	39,230	-
<i>(ii) Financial liabilities</i>							
Payables	-	-	-	-	11,003	11,003	N/A
Bank overdraft	-	-	-	-	-	-	9.20%
Interest bearing liabilities	-	-	-	12,239	-	12,239	6.15%
<i>Total financial liabilities</i>	-	-	-	12,239	11,003	23,242	-

Financial Instruments	Floating interest rate	1999/2000 Fixed interest rate maturing in:			Non-interest bearing	Total carrying amount as per balance sheet	Weighted average effective interest rate
		1 year or less	Over 1 to 5 years	More than 5 years			
		\$'000	\$'000	\$'000			
<i>(i) Financial assets</i>							
Cash assets	2,067	-	-	-	-	2,067	5.95%
Receivables	-	-	-	-	13,469	13,469	N/A
Commercial bills and promissory notes	16,446	-	-	-	-	16,446	5.95%
<i>Total financial assets</i>	18,513	-	-	-	13,469	31,982	-
<i>(ii) Financial liabilities</i>							
Payables	-	-	-	-	9,060	9,060	N/A
Bank overdraft	-	-	-	-	-	-	9.20%
Interest bearing liabilities	-	-	-	12,837	-	12,837	6.15%
<i>Total financial liabilities</i>	-	-	-	12,837	9,060	21,897	-

N/A - not applicable for non-interest bearing financial instruments.

### 23.3 Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date are as follows:

2000/2001 Financial Instruments	Total carrying amount as per the balance sheet	Aggregate net fair value
	2001 \$'000	2001 \$'000
<i>(i) Financial assets</i>		
Cash assets	1,767	1,767
Receivables	14,670	14,670
Commercial bills and promissory notes	22,793	22,793
<b>Total financial assets</b>	<b>39,230</b>	<b>39,230</b>
<i>(ii) Financial liabilities</i>		
Payables	11,003	11,003
Bank Overdraft	-	-
Interest bearing liabilities	12,239	12,239
<b>Total financial liabilities</b>	<b>23,242</b>	<b>23,242</b>

1999/2000 Financial Instruments	Total carrying amount as per the balance sheet	Aggregate net fair value
	2000 \$'000	2000 \$'000
<i>(i) Financial assets</i>		
Cash assets	2,067	2,067
Receivables	13,469	13,469
Commercial bills and promissory notes	16,446	16,446
<b>Total financial assets</b>	<b>31,982</b>	<b>31,982</b>
<i>(ii) Financial liabilities</i>		
Payables	9,060	9,060
Bank Overdraft	-	-
Interest bearing liabilities	12,837	12,837
<b>Total financial liabilities</b>	<b>21,897</b>	<b>21,897</b>

### 23.4 Credit Risk

The City of Port Phillip's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Statement of Financial Position.



## 24 Financial Ratios

	2001	2000	1999
<b>DEBT SERVICING RATIO</b>			
Purpose - Identifies the capacity to service outstanding debt.			
<u>Debt servicing costs</u>			
Total revenue	<b>0.73%</b>	0.51%	1.23%
Outstanding debt as at 30 June 2001 amounts to \$12.2million			
<b>DEBT COMMITMENT RATIO</b>			
Purpose - Identifies debt redemption strategy			
Total debt commitment			
<u>(Debt services and debt redemption)</u>			
Rate revenue	<b>3.57%</b>	3.40%	2.53%
Outstanding debt as at 30 June 2001 amounts to \$12.2million			
<b>RATE REVENUE RATIO</b>			
Purpose - Identifies dependence upon rates			
<u>Rate revenue</u>			
Total revenue	<b>38.19%</b>	25.44%	53.84%
(This means that 38.19% of total revenue is earned from rates)			
<b>DEBT EXPOSURE RATIO</b>			
Purpose - Identifies exposure to debt			
<u>Realisable assets</u>			
Total Indebtedness	<b>\$15.08</b>	\$16.62	\$20.76
(This means that for every dollar of total liabilities, the council controls \$15.08 of realisable assets)			
<b>WORKING CAPITAL RATIO</b>			
Purpose - Identifies ability to meet current commitments			
<u>Current assets</u>			
Current liabilities	<b>\$2.65</b>	\$2.27	\$1.96
(This means that for every dollar of current liabilities, council has \$2.65 of current assets)			

## 24 Financial Ratios (cont'd)

**Definitions:****Current assets:**

Total current assets as shown in the Statement of Financial Position

**Current liabilities:**

Total current liabilities as shown in the Statement of Financial Position

**Debt redemption:**

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

**Debt services:**

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

**Rate revenue:**

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

**Total revenue:**

Total revenue as shown in the Statement of Financial Performance

**Total indebtedness:**

Total liabilities, both current and non-current, as shown in the Statement of Financial Position

**Realisable assets:**

Includes total current assets and total non current assets, excluding those assets which cannot be sold and those assets subject to restrictions

The following assets have been removed from total assets when calculating realisable assets:

- restricted assets
- infrastructure assets

## 25 Related Parties

### RELATED PARTIES DISCLOSURES FOR RESPONSIBLE PERSONS

Persons who held office as a councillor of the City of Port Phillip at any time during the year ended 30 June 2001 are as follows: D Brand, D Gross, J Hill, C Hutchens, L Johnstone, J Lewisohn and D Ray

The persons who held office as the Chief Executive Officer of the City of Port Phillip during the year was Anne Dunn until March 2001 then David Spokes from April 2001

RESPONSIBLE PERSONS' REMUNERATION	<b>2001</b>	2000
	<b>\$'000</b>	\$'000
Income received or due and receivable by responsible persons.	<b>291</b>	302

The number of responsible persons of the Council as at 30 June 2001 included in these figures are shown below in their relevant income bands:

Remuneration between	<b>Number</b>	Number
\$10,000 - \$19,999	<b>6</b>	5
\$30,000 - \$39,999	<b>1</b>	2
\$190,000 - \$199,999	<b>1</b>	1
	<b>8</b>	8

### LOANS TO RESPONSIBLE PERSONS

There were no loans to responsible persons at 30 June 2001

### RETIREMENT BENEFITS

There were no retirement benefits paid by Council during the reporting period.

### OTHER TRANSACTIONS OF RESPONSIBLE PERSONS AND THEIR RELATED PARTIES

There were no other transactions between responsible persons and their related parties and the City of Port Phillip during the 2001 financial year.

SENIOR OFFICERS' REMUNERATION	<b>\$'000</b>	\$'000
Income received or due and receivable by those employees designated as senior officers whose income is more than \$80,000 (2000 - \$70,000)	<b>1,892</b>	3,264

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

Remuneration between	<b>Number</b>	Number
\$70,000 - \$79,999	<b>n/a</b>	11
\$80,000 - \$89,999	<b>2</b>	6
\$90,000 - \$99,999	<b>7</b>	3
\$100,000 - \$109,999	<b>4</b>	2
\$110,000 - \$119,999	<b>-</b>	1
\$120,000 - \$129,999	<b>2</b>	1
\$130,000 - \$139,999	<b>3</b>	-
\$140,000 - \$149,999	<b>-</b>	2
\$150,000 - \$159,999	<b>-</b>	1
	<b>18</b>	27

## 26 General Revaluation

The date of the last revaluation of rateable land within the municipal district was 1 January 2000, and the revaluation first applied to the period commencing 1 July 2000

Net Annual Value of all rateable land in the municipal district as at 30 June 2001 was \$902,102,002 (2000 was \$877,997,802).

## 27 Joint Venture - Streetsahead Cleaning Service

During the year Port Phillip City Council and Stonnington City Council formed agreement to participate as Joint Venturers in a business venture for the purpose of providing cleansing services primarily to Victorian Local Government clients.

The Joint Venture commenced operating on 1 February 2000 and work includes street sweeping, footpath sweeping, lane sweeping, weed control, beach and foreshore cleaning, litter bin clearing and pit cleaning. The council has a 50% interest in the assets, liabilities and operating result of this Joint Venture. During the financial year, the council purchased cleaning services from the Joint Venture on normal terms and conditions.

The aggregate amount receivable from the Joint Venture as at 30 June 2001 is \$47,199 (2000 is \$31,607).

	2001 \$'000	2000 \$'000
<b>REVENUE</b>	<b>2,456</b>	1,061
<b>EXPENSES</b>	<b>2,425</b>	1,033
	<b>31</b>	28

The council's aggregate share of the assets and liabilities committed to the Joint Venture are included in the statement of financial position under the classification of non-current assets - other financial assets

This investment is represented by the following assets and liabilities:

	2001 \$'000	2000 \$'000
<b>CURRENT ASSETS</b>		
Cash assets	15	44
Receivables	242	418
Other financial investments	350	-
Prepayments	34	23
Total Current Assets	<b>641</b>	485
<b>CURRENT LIABILITIES</b>		
Payables	146	143
Provisions	167	263
Total Liabilities	<b>313</b>	406
<i>Net Current Assets employed in Joint Venture</i>	<b>328</b>	79
<b>NON CURRENT ASSETS</b>		
Property plant and equipment	<b>353</b>	448
<b>NON CURRENT LIABILITIES</b>		
Provisions	<b>151</b>	28
<i>Net Non-Current Assets employed in Joint Venture</i>	<b>202</b>	420
<i>Net Assets employed in Joint Venture</i>	<b>530</b>	499
<b>EQUITY</b>		
Accumulated funds	<b>530</b>	499
<i>Equity employed in Joint Venture</i>	<b>530</b>	499

## Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government Regulations 2001*, Australian Accounting Standards and other mandatory professional reporting requirements.

**Principal Accounting Officer**



**David Graham**

Dated: 24.9.01

In our opinion the accompanying financial statements present fairly the financial transactions of the Port Phillip City Council for the year ended 30 June 2001 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 10 September 2001 to certify the financial statements in their final form.

**Mayor and Councillor**



**Julian Hill**

Dated: 24.9.01

**Councillor**



**Dick Gross**

Dated: 24.9.01

**Chief Executive Officer**



**David Spokes**

Dated: 24.9.01



AUDITOR GENERAL  
VICTORIA

**AUDITOR-GENERAL'S REPORT**

**To the responsible Ministers and the Councillors of Port Phillip City Council**

**Matters relating to the electronic presentation of the Audited Financial Report**

This audit report relates to the financial report of Port Phillip City Council for the financial year ended 30 June 2001 included on Port Phillip City Council's web site. The Councillors of the Port Phillip City Council are responsible for the integrity of the Council's web site. I have not been engaged to report on the integrity of the Council's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Audit Scope**

The accompanying financial report of Port Phillip City Council for the financial year ended 30 June 2001, comprising a statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, has been audited. The Councillors are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the responsible Ministers and Councillors as required by the *Audit Act 1994*.

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

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the financial report presents fairly the financial position of Port Phillip City Council as at 30 June 2001 and the results of its operations and its cash flows for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and complies with the requirements of the *Local Government Act 1989*.

MELBOURNE  
25 September 2001



J.W. CAMERON  
*Auditor-General*

*Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000*  
*Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au*

## Victorian Local Government Indicators

The following table outlines the City of Port Phillip's performance against the Victorian Local Government Indicators. All local governments within Victoria are required to assess their performance against these indicators and report the results in their annual report.

CATEGORY	INDICATOR	RESULT	DEFINITIONS	COMMENTS
Affordability/ Cost of Governance	Average rates and charges per assessment	\$855	Rates and charges declared as being receivable, in the calculations for the adopted rates, at the beginning of the year, including: general rates and charges declared under ss.160, 161, 161A of the Local Government Act 1989; municipal charges and service rates and charges (ie. garbage services) levied under ss. 159, 162 respectively; and supplementary rates declared, <i>divided by</i> the number of assessments used in the calculation of the adopted rate (ie. when the rate is struck).	
Sustainability	Average rates and charges per residential assessment	\$668	Rates and charges declared for all residential assessments <i>divided by</i> the number of residential assessments.	
	Average liabilities per assessment	\$530	Total liabilities as per the published financial statements (ie. AAS27); less items held in trust (reflected in assets also held); <i>divided by</i> the number of assessments used in the calculation of the adopted rate (ie. when the rate is struck).	
Services	Operating result prior to capital funding	\$29,482,000	Operating result per financial statements (ie. AAS27); adjusted to exclude funding (ie. grants) provided for capital purposes.	Includes \$24,816,000 being controlled assets (infrastructure and parkland) recognised for the first time.
	Average operating expenditure per assessment	\$1,653	Operating expenditure per the financial statements (ie. AAS27) (including asset sales and depreciation); <i>divided by</i> the number of assessments used in the calculation of the adopted rate (ie. when the rate is struck).	
Infrastructure	Average capital expenditure per assessment	\$265	Amount capitalised to the Balance Sheet and contributions by a local government to major assets not owned by the local government, including expenditure on: <ul style="list-style-type: none"> <li>· capital renewal of existing assets which increases the service potential or extends the life of the asset;</li> <li>· capital expansion which extends the standard of an existing asset at the same standard as currently enjoyed by residents to a new group of users;</li> <li>· capital upgrade which upgrades the standard of an existing asset to provide a higher level of service; or</li> <li>· expenditure that will increase the life of the asset, <i>divided by</i> the number of assessments used in the calculation of the adopted rate (ie. when the rate is struck).</li> </ul> Note: Exactly what is included as capital expenditure will vary according to the local government's policy in defining the "asset" and its "life"	

## Acknowledgments

**Publisher** Marcelle Nankervis **Editor** Lisel Thomas **Financials** Helen Sinclair, Karen Stanish & the Finance Team  
**Photography** Anita Beaney **Design** Sweet Design **Print** Bambra Press